



Cultivating Connection - Empathetic Stewardship - Seizing Opportunities - Intentional Adaptability

REGIONAL CENTER OF THE EAST BAY
BOARD OF DIRECTORS MEETING NOTICE/AGENDA

DATE: FEBRUARY 23, 2026

LOCATION: VIRTUAL CALL-IN

TIME: 7:00 – 8:30 P.M.

Please click the link to join the webinar:

<https://us06web.zoom.us/j/85690357795?pwd=2AVur79EUUpq7X4FN2Qnw2OMXfbCv0.1>

Dial by your location: +1 669 900 6833

Webinar ID: 856 9035 7795

Passcode: 368660

Board Agenda, Minutes, and Packet Located on our Website: [Click Here](#) → [Link](#)

Introduce Interpretation Services

I.	CALL TO ORDER	Mumtaz	(3 mins)
II.	MISSION, VISION, AND CORE VALUES THE MISSION THAT GUIDES US: Driven by the belief that everyone deserves to lead a life of their choosing, RCEB partners with individuals with intellectual and developmental disabilities, their families, and the community, to create opportunities for independence and fulfillment. THE VISION THAT INSPIRES US: We envision a future where individuals with intellectual and developmental disabilities live and work, doing what they love, without limitations!	Mumtaz	(3 mins)
III.	CONSENT AGENDA A. Agenda 02/23/26 ** B. Minutes 01/26/26 **	Mumtaz	(2 mins)
IV.	PUBLIC COMMENT <i>The Board welcomes comments from any person regarding RCEB's service and support to the East Bay community. This Board meeting is conducted virtually via Webinar. If you would like to make a comment, click the "Raise Your Hand" button to request to speak when Public Comment is being taken on the Agenda item. You will then be unmuted when it is your turn to make your comment for up to 3 minutes. After the allotted time, you will then be re-muted. Thank you in advance for your interest.</i>	Mumtaz	
V.	State Council on Developmental Disabilities: SCDDC	Nicholau	(5 mins)
VI.	COMMITTEE REPORTS		
A.	EXECUTIVE DIRECTOR'S REPORT	Nanyonjo	(10 mins)
B.	BUDGET & FINANCE COMMITTEE ▶ Monthly Status Report ▶ AGT Presentation	Nguyen	(10 mins)
C.	EXECUTIVE COMMITTEE/PRESIDENT'S REPORT ▶ Contract Approvals ** (If Applicable) ▶ DDS B-1 and B-2 ▶ Draft Performance Objectives, 2025-2026 ▶ RCEB 23-24-1 Canvas	Mumtaz	(10 mins)
D.	BOARD MEMBERSHIP UPDATE	Mumtaz	(10 mins)
E.	CONSUMER ADVISORY COMMITTEE	Perls	(5 mins)
F.	PROVIDER/VENDOR ADVISORY COMMITTEE	Hogue	(10 mins)
VII.	PUBLIC COMMENT – Same format as point IV	Mumtaz	
VIII.	ARCA REPORT	Voddiraju	(5 mins)
IX.	ADJOURNMENT		

**** ACTION ITEM**

Closed session: (Topic) If Applicable



Cultivating Connection - Empathetic Stewardship - Seizing Opportunities - Intentional Adaptability

Board of Directors Meeting
 Monday, January 26, 2026
 Virtual Meeting

RCEB BOARD MEMBERS PRESENT:

1. Frank Paré	President	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent
2. Sadia Mumtaz	Vice President	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent
3. Renee Perls	Secretary	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent
4. Brian Blaisch	Director	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent
5. Dan Hogue	Director	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent
6. Rose Coleman	Director	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent
7. Teresita DeJesus	Director	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent
8. David Glasser	Director	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent
9. Rajesh Voddiraju	Director	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent
10. Dinah Shapiro	Director	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent

STAFF PRESENT:

- | | |
|---|--|
| 1. Ashley Harmon, Executive Assistant | 16. Jeff Dix, Quality Services |
| 2. Alexander, Admin Assistant | 17. Jenifer Castañeda, Manager Federal Programs |
| 3. Ben Braun, Associate Director of Early Start and Young Children | 18. Kim Limato, Case Management Supervisor |
| 4. Chris Hanson, Associate Director of Client Services/Adults | 19. Lindsay Meninger, Associate Director |
| 5. Cristie Raynor, Case Management Supervisor | 20. Lucy, Director |
| 6. Der Yang, Compliance Manager | 21. Lynn Nguyen, Director of Finance & Administration |
| 7. Dr. Rebecca Nanyonjo, Executive Director | 22. Mariana Varela, Manager of Diversity, Equity, Access and Inclusion |
| 8. Elvia Osorio-Rodriguez, Associate Director of Client Services/Children | 23. Margaret Casebeer, Case Management Supervisor |
| 9. Erin, QA Supervisor | 24. Michael Minton, Manager of Risk Management and Quality Assurance |
| 10. Fanta Nelson, Director of Diversity and Equity | 25. Michelle Velasco, Case Management Supervisor |
| 11. Fabiola Meza, Human Resource Manager | 26. Priscilla Gomez, Community Services |
| 12. Fruc Menchavez, Training Manager | 27. Ronke Sodipo, Director, Client Services |
| 13. Herb Hastings, Client Advocate | 28. Shannon Barnes, Controller |
| 14. Helene Court, Case Management Supervisor | 29. Steve, Director Community Services |
| 15. Jairo Guiza, Cultural Specialist | |

GUESTS PRESENT:

- | | | | |
|-----------------------|-------------------------|-----------------------|-------------------------|
| 1. Anh Nguyen | 15. Herb Hastings | 28. Maria Ramirez | 41. Sheraden Nicholau, |
| 2. Ann | 16. iPhone | 29. Melisha Linzie | SCDD |
| 3. Assata Olugbala | 17. iPhone (2) | 30. Michaella Conteh | 42. Tandra DeBose |
| 4. C. Young | 18. Jaynette Underhill- | 31. Michelle Alisea | 43. Valesca Santos |
| 5. Carleene | Levingston | 32. Monica Montgomery | 44. Vi Ibarra |
| 6. Carlos Castellanos | 19. jazmin | 33. Monika Brooks | 45. Vidisha |
| 7. Chris Aguire - DDS | 20. Jenica Hadley | 34. mr212 | 46. Vijaya Srinivasan |
| 8. daniellemotley | 21. Justine Esomonu | 35. Patricia Albeño | 47. Visions' Management |
| 9. Denise Bradley | 22. Kashif Khan | 36. Preselah Seymore | Team |
| 10. Dennis Faigal | 23. Kris K | 37. Sadashiv | 48. Wendell James |
| 11. Diana G. | 24. Latashia Perry | 38. Samantha Torres | 49. zack |
| 12. Dominique Mellion | 25. Lisa Lee | 39. Sara Trail | |
| 13. Dr.Tracey Edwards | 26. Lorena G | 40. Shalon Cortez | |
| 14. Francesca | 27. Marcie Lyn | | |

CALL TO ORDER

The meeting was called to order at 7:00 pm. Interpreters were announced and Spanish Translation was turned on. Our Mission, Vision, and Core Values were read aloud. A quorum was established

CONSENT AGENDA / MINUTES

M/S/C "The Board moves to approve the January 26, 2026 Agenda as presented"
[Renee/Dinah] Unanimous - The motion was adopted.

M/S/C "The Board moves to approve the October and November 2025 Minutes as presented"
[Dinah/David] Unanimous - The motion was adopted.

PUBLIC COMMENT

Regional Center of the East Bay uses Robert's Rules of Order to guide our meetings. Robert's Rules of Order is the most used manual of parliamentary procedure in the United States. Robert's Rules of Order is designed to provide structure and guidance while facilitating the orderly operation of a meeting. According to Robert's Rules of Order, our board members are not allowed to comment debate or respond to the public during our public meetings. There are other meetings such as our Diversity & Equity or Supports & Services meetings that begin at 5:30pm before the board meetings.

The Board heard comments from Marcie H. congratulating Dr. Rebecca Nanyonjo on her first year as Executive Director, noting significant improvements in the referral process, increased fairness, and a more positive, customer-service-oriented culture at the Regional Center.

The Board heard comments from Denise Bradley congratulating Dr. Becky on her one-year anniversary as Executive Director and commended her strong leadership and the positive direction of RCEB, noting increased visibility of leadership staff within the community. She shared that she had applied to join the RCEB board, citing over 40 years of experience as a service provider and consultant in the intellectual and developmental disability field, but stated that her application was not brought forward for a full board vote. She noted that she was the second Black woman whose application did not receive a full board vote and emphasized that this pattern warranted board awareness for governance purposes, without attributing intent. Denise further described her interview experience as highly unprofessional and urged board members to view the recording to understand the actions taken by specific individuals during the process.

The Board heard comments from Monica Montgomery congratulating Dr. Becky on her first year as Executive Director, noting increased accountability, responsiveness, and support from RCEB leadership, which made her feel more heard and valued as a vendor of color.

The Board heard comments from Tandra DeBose praising Dr. Becky for the listening sessions and improved outreach, noting that they fostered meaningful family engagement, ongoing peer connections, and motivated her to help develop a parent support group, while emphasizing the importance of shared communication between families and the Regional Center.

The Board heard comments from Wendell James acknowledging positive changes under Dr. Becky's leadership while emphasizing that long-standing systemic issues could not be resolved quickly, noting that progress was occurring slowly and expressing concern about certain board members' behavior based on past meetings.

The Board heard comments from Samantha Torres introduced herself as president of the Richmond United Soccer Club and announced the return of the Top Soccer program, an inclusive, volunteer-supported soccer initiative for children and transition-age youth with disabilities in Richmond and West County, providing program details, volunteer requirements, and session dates.

The Board heard comments from Sara Trail expressing appreciation for Dr. Becky's leadership, praising the inclusive and well-facilitated listening sessions and noting her personal engagement through site visits, which she stated had strengthened leadership presence and positively impacted providers and those served, and she expressed optimism for the year ahead.

The Board heard comments from Gwen Captain with Visions Adult Day Program expressing appreciation for Dr. Becky's leadership and dedication over the past year, thanked her for remaining committed, acknowledged Dan Hogue's support, shared that a program participant had created a welcome animation for Dr. Becky, and encouraged her to continue her work with optimism for future progress.

The Board heard comments from Assata Olugbala who criticized the meeting's positive tone, demanded the fair presentation of the Mason-Tillman Report to address concerns about disproportionality and fairness affecting African American vendors, described negative experiences during listening sessions, alleged suppression of criticism, and questioned leadership accountability and board diversity until the report was presented.

The Board heard comments from Patricia Albeño who expressed agreement with concerns previously raised, acknowledging that while some community members felt increasingly supported, other ethnic groups—particularly the Latino community—were experiencing exclusion, favoritism, and lack of representation, and she urged intentional, inclusive dialogue and strategies to ensure equity, unity, and fair distribution of resources across all communities.

The Board heard comments from Shalon Cortez who shared her personal experience as a parent, stating that despite applying to the Regional Center approximately two years earlier, she had not received outreach or services, experienced multiple case manager changes, and struggled to navigate the system, and she expressed a desire to be heard, involved, and supported in obtaining inclusive services for her two children with special needs.

The Board heard comments from Jenica Hadley with 24 Hour Home Care, thanked Dr. Becky and the board, praising Dr. Becky's leadership, cultural realignment, openness to constructive criticism, and visible growth over the past year, and expressed appreciation for the continued service and commitment of both staff and board members.

STATE COUNCIL ON DEVELOPMENTAL DISABILITIES: SCDDC

Sheraden Nicholau from State Council provided the Board of Directors an update on several advocacy and policy initiatives, including an upcoming public hearing and comment deadline on proposed California Department of Education changes to extended school year regulations, the State Council meeting in Sacramento, and the January 31 deadline for the California Youth Leadership Forum for Students with Disabilities. She also announced the launch of National Core Indicators Family Surveys, emphasized their importance for informing policy at the state and national levels, and encouraged participation. Additionally, she shared resources related to budget advocacy and Medicaid Watch, urging the community to report service changes to support effective advocacy for individuals with intellectual and developmental disabilities.

COMMITTEE REPORTS

EXECUTIVE DIRECTOR'S REPORT – Rebecca Nanyonjo, DrPH, Executive Director

Executive Director Dr. Rebecca Nanyonjo provided a comprehensive update on operational updates highlighting a new \$500,000 one-time allocation, in partnership with Sunflower Hill, to address food insecurity among Regional Center of the East Bay clients through community-based organizations distributing gift cards. She also announced a significant internal restructuring within Client Services, including the creation of six new manager-level positions to improve supervision, communication, and accountability, reduce workload strain on supervisors and associate directors, and strengthen oversight and support across programs serving nearly 30,000 individuals. She provided updates from the recent ARCA meetings, including anticipated budget and policy changes affecting the Self-Determination Program, rate reform, and staffing formulas. She highlighted upcoming deadlines for providers, noted proposed adjustments to minimum wage and core staffing metrics to improve accountability, and cautioned that while the Governor's budget initially appeared stable, potential state and federal funding impacts—along with rising service demand and costs—posed ongoing risks, underscoring the need for continued advocacy and cautious optimism. The board engaged in clarifying questions.

Fruc, our Training Manager also provided feedback on the changes within RCEB's training development.

BUDGET AND FINANCE COMMITTEE – Lynn Nguyen, Director of Finance & Administration

The committee reported the below information, the board of directors engaged in clarifying questions regarding the information provided.

REGIONAL CENTER OF THE EAST BAY						
FINANCIAL STATUS REPORT						
FY25-26						
June 2026						
	BUDGET		EXPENDED	%	PROJECTED	
	B-2		11/30/2025	EXPENDED	EXPENDED	DIFFERENCE
OPERATIONS (OPS)						
PERSONNEL SERVICES	80,619,187	(1)	28,764,535	35.68%	80,619,187	-
OPERATING EXPENSE	14,620,745	(1)	5,139,939	35.16%	14,620,745	-
LESS: REVENUE	(3,157,986)	(2)	(1,800,788)	57.02%	(3,157,986)	-
TOTAL OPERATIONS	92,081,947		32,103,686	34.86% (5)	92,081,947	-
PURCHASE OF SERVICE (POS)						
Regular Purchase of Service	1,138,922,854	(3)	443,739,372	38.96%	1,138,922,854	-
Community Placement Plan-Reg & Start-up	523,629		244,302	46.66%	523,629	-
TOTAL POS	1,139,446,483		443,983,674	38.96% (6)	1,139,446,483	-
TOTAL BUDGET	1,231,528,430		476,087,360	38.66%	1,231,528,430	-

Note #1: Both allocations for FY25-26 and FY24-25 included various OPS policy items, including core staffing, facility rent, SDP supports, case load reduction, Lanterman Act provisional eligibility, HCBS compliance. Both fiscal years did not include SDP ongoing implementation while FY25-26 received a reduction for funding of Rate Reform Acceleration. FY25-26 included full CPP/CRDP OPS allocation while FY24-25 only had 1/2 of total allocation in A-1.

Note #2: Revenue includes interest income and ICF Administrative fees

Note #3: B-2 allocation for FY25-26 included 1,231,728,430 versus A-1 allocation for FY 24-25 was \$903,318,989, an increase of 31%. \$202,963,402 was for service provider rate reform

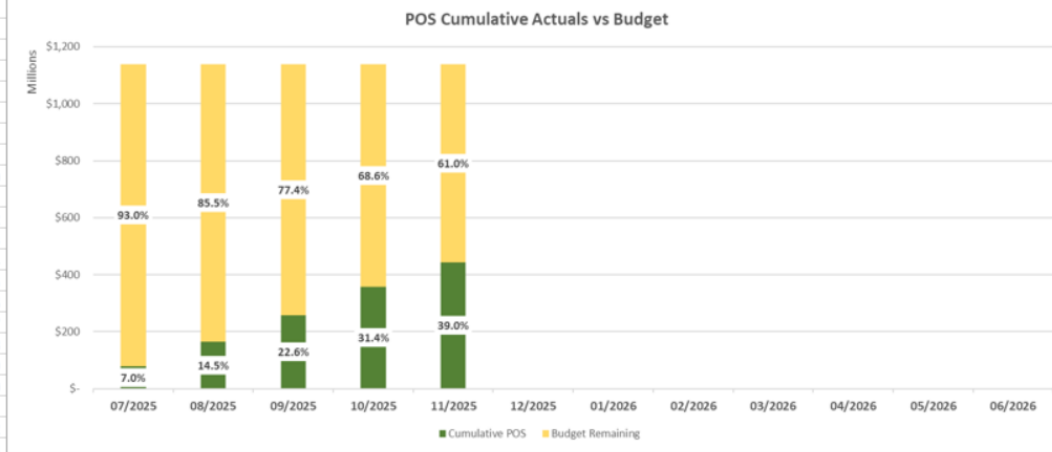
Note #4: Payroll YTD-wages paid through: 11/21/2025

Note #5: OPS expenditures at 35% of total budget as of 11/30/25, compared to 33% for FY 24-25 as of 11/30/24.

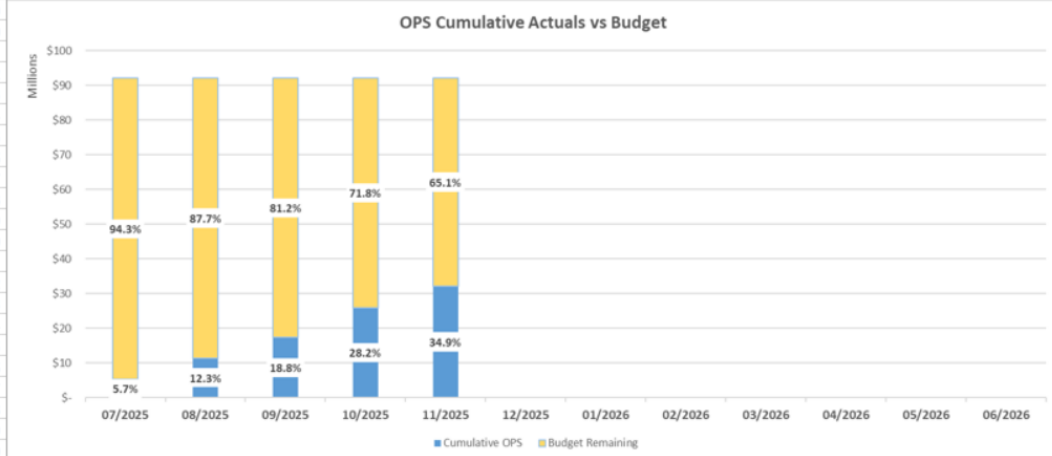
Note #6: POS expenditures at 39% of total budget as of 11/30/25, compared to 35% for FY 24-25 as of 11/30/25.

RCEB has not completed a detailed PEP (POS Expenditure projection) as it is not required for submission by DDS.

The graph POS Cumulative Actuals versus Budget shows POS expenditures trending month-over month compared to the overall budget for FY 25-26.



The graph OPS Cumulative Actuals versus Budget below shows OPS expenditures trending month-over-month compared to the overall budget for FY25-26.



EXECUTIVE COMMITTEE REPORT/PRESIDENT'S REPORT: Frank Paré, President
CONTRACT APPROVAL

[Note: The contracts were submitted to the board of directors prior to the board meeting for their review and opportunity to ask questions and provide comments.]

No Contracts this month.

MEMBERSHIP DEVELOPMENT COMMITTEE: Frank Paré, President

The committee reported the Slate of Officers for 2026 and presented candidate individually for roll call voting.

Slate of Officers for 2026:

President:

Current Officer Frank

Nomination for Sadia with support from Renee and Lisa.

~~Nomination for Brian with support from Lisa and Sadia.~~

President, Sadia: 9 YES and 1 Abstain (Sadia)

Vice President:

Current Officer Sadia

~~Nomination for Lisa with support from Renee and Raj.~~

Nomination for Raj with support from Dan and David.

Vice President, Raj: 9 YES and 1 Abstain (Raj)

Secretary:

Current Officer Renee

Nomination for Dinah with support from David and Raj

Secretary, Dinah: 9 YES and 1 Abstain (Dinah)

Treasure:

Nomination for David with support from Dan and Renee

Treasure, David: 9 YES and 1 Abstain (David)

Raj was nominated for the ARCA Board Delegate, voting will occur in two months (March Board Meeting).

The Board discussed previous board candidate interviews and evaluated if additional steps were needed.

Please check our website and read about the board and e-mail your interest: [Board of Directors - Regional Center of the East Bay](#)

CONSUMER ADVISORY COMMITTEE [CAC]: Renee Perls, Secretary

No CAC meeting this past month.

PROVIDER/VENDOR ADVISORY COMMITTEE [PVAC]: Dan Hogue

The Committee reported on the recent PVAC committee meeting, a brief PVAC update, noting that recent meetings lacked quorum despite strong attendance, and shared that PVAC is reviewing proposed bylaw changes to encourage broader participation and fill key membership gaps. He highlighted important provider updates, including the February 27 deadline for Quality Incentive Program surveys and compliance requirements to avoid rate reductions, progress on a voluntary self-evaluation tool for day program providers, and advocacy gains from AB 2423, which revealed widespread provider underfunding. He also announced an upcoming East Bay Legislative Coalition breakfast as an opportunity for providers and stakeholders to engage directly with local legislators and advocate for sustained and improved services.

EXTENDED PUBLIC COMMENT:

Mr. Paré reread the public comment introduction.

The Board heard comments from Vi Ibarra. related several upcoming events, including a legislative breakfast, a Developmental Disabilities Council board meeting with a budget update, an IDD resource fair in Walnut Creek, and a bi-county transition conference to support individuals with disabilities, families, and service providers.

The Board heard comments from Dominique Mellion who announced Families United's Kindergarten Readiness Literacy Program, funded by the City of San Leandro, which serves children ages 2–6 of all abilities through inclusive in-person storytime events and online literacy classes for families in Alameda and Contra Costa counties.

The Board heard comments from Jazmin regarding Hispanic families and service access, clarified that systemic barriers—not cultural practices—limited services, cited lack of Spanish information and inequitable decisions, and raised unresolved questions about housing vouchers and access to support.

The Board heard comments from Herb Hasting regarding whether a transportation advocate who is not a provider could be eligible to serve on PVAC's transportation representative seat and requested a follow-up response, and he also announced that the BART Accessibility Task Force is seeking new public members, including individuals with disabilities and seniors, and shared information on meeting times and participation.

The Board heard comments from Tandra DeBose expressing concern that some community members felt unsupported, encouraged outreach to address those concerns, and thanked the board for their service while urging thoughtful, family-centered decision-making and wishing everyone well in the new year.

The Board heard comments from Assata Olugbala who raised concerns about the lack of transparency in the board nomination and interview process, questioned whether private interviews were appropriate, and called for a clearly documented, public procedure. She emphasized the urgent need for ethnic diversity on the board—particularly African American representation—given ongoing concerns about disproportionality in services, urged the reinstatement of the Diversity and Equity Committee, called for independent evaluation of case management performance, and expressed appreciation to Frank for his service while voicing concern about inactive board members.

The Board heard comments from Maria Ramirez who reported that testimony at a recent Hoover Commission hearing highlighted systemic racial and cultural disparities in regional center services, with Latino and Black families describing disrespect, delays, denial of services, and inequitable access that contradicted the intent of the Lanterman Act.

ASSOCIATION OF REGIONAL CENTER AGENCIES (ARCA): Frank Paré, President
The committee did not present a report to the board.

MEETING ADJOURNED

The board meeting adjourned at 9:38 p.m.

Proposed minutes respectfully submitted:

Ashley Harmon

Board Secretary / Executive Assistant

January 31, 2026

Date

Approval noted in the follow month's minutes.

Acronym List

ARFPSHN	Adult Residential Facility for Persons with Specialized Health Care Needs	HCBS	Home and Community Based Services
BAHC	Bay Area Housing Corporation	ILS	Individual Living Services
CCH	Community Crisis Home	ILS	Individual Living Services
CPP	Community Placement Plan	OPS	Operations
CRDP	Community Resource Development Plan	PEP	Purchase of Service Expenditure Projection
DDS	Department of Development Services	POS	Purchase of Service
EBSH	Enhanced Behavioral Support Home	SLS	Supported Living Services
FHA	Family Home Agency		



Budget and Finance Committee – Agenda
February 11, 2026

- I. AGT independent auditor’s report for FY24-25 audit
- II. December 2025 Monthly Financials
- III. Bay Area Housing Plan (BAHP) Bonds Maturity 2/1/2026

**REGIONAL CENTER OF THE EAST BAY
FINANCIAL STATUS REPORT
FY25-26
June 2026**

	BUDGET B-3		EXPENDED 12/31/2025	% EXPENDED	PROJECTED EXPENDED	DIFFERENCE
OPERATIONS						
PERSONNEL SERVICES	80,619,187 (1)		34,936,315	43.33%	80,619,187	-
OPERATING EXPENSE	14,620,745 (1)		6,067,648	41.50%	14,620,745	-
LESS: REVENUE	(3,157,986) (2)		(1,841,911)	58.33%	(3,157,986)	-
TOTAL OPERATIONS	92,081,947		39,162,053	42.53%	92,081,947	-
PURCHASE OF SERVICE						
Regular Purchase of Service	1,138,922,854 (3)		545,698,545	47.91%	1,138,922,854	-
Community Placement Plan-Reg & Start-up	523,629		306,323	58.50%	523,629	-
TOTAL POS	1,139,446,483		546,004,867	47.92%	1,139,446,483	-
TOTAL BUDGET	<u>1,231,528,430</u>		<u>585,166,921</u>	<u>47.52%</u>	<u>1,231,528,430</u>	<u>-</u>

Note #1: Both allocations for FY25-26 and FY24-25 included various OPS policy items, including core staffing, facility rent, SDP supports, case load reduction, Lanterman Act provisional eligibility, HCBS compliance. Both fiscal years did not include SDP ongoing implementation while FY25-26 received a reduction for funding of Rate Reform Acceleration. FY25-26 included full CPP/CRDP OPS allocation while FY24-25 only had 1/2 of total allocation in A-1.

Note #2: Revenue includes interest income and ICF Administrative fees

Note #3: B-2 allocation for FY25-26 included 1,231,728,430 versus A-1 allocation for FY 24-25 was \$903,318,989, an increase of 31%. \$202,963,402 was for service provider rate reform

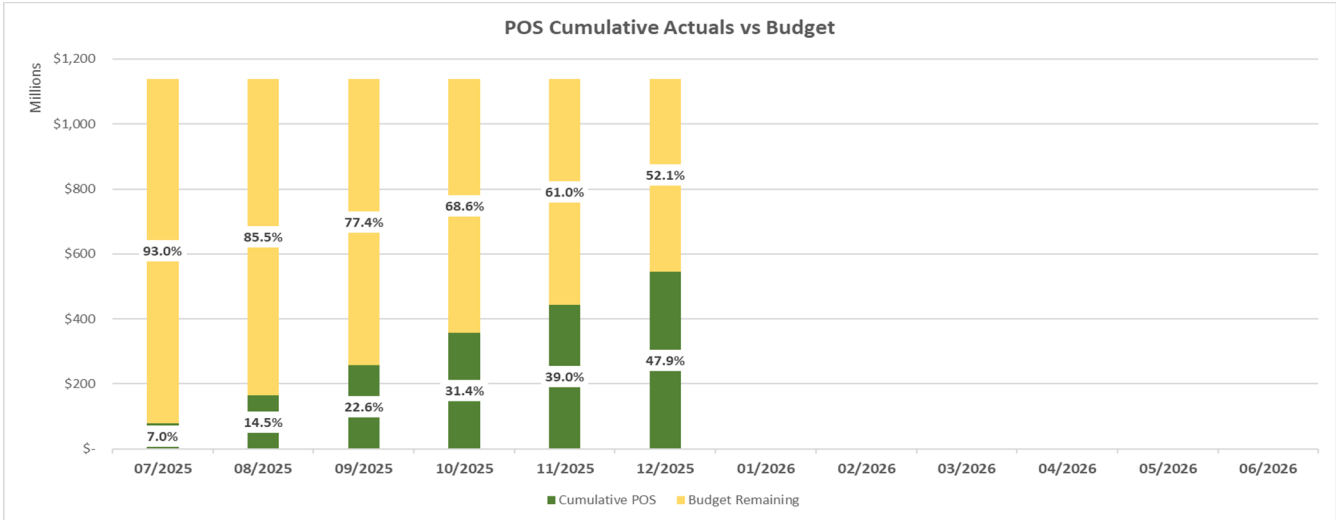
Note #4: Payroll YTD-wages paid through: 12/29/2025

Note #5: OPS expenditures at 43% of total budget as of 12/31/25, compared to 39% for FY 24-25 as of 12/31/24.

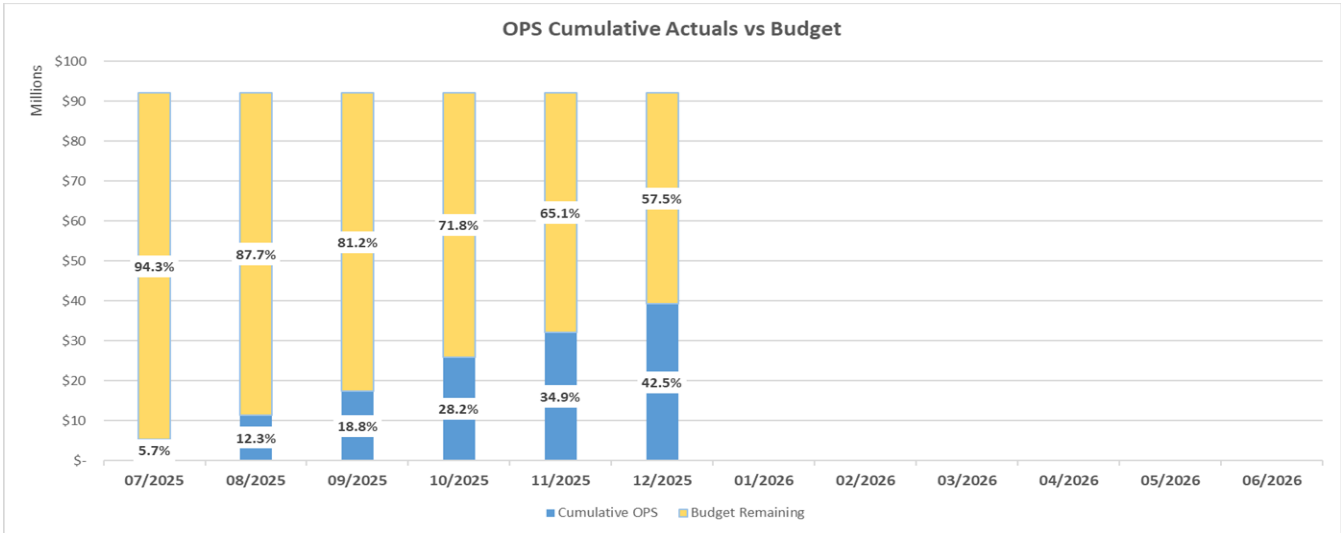
Note #6: POS expenditures at 48% of total budget as of 12/31/25, compared to 43% for FY 24-25 as of 12/31/24.

RCEB has not completed a detailed PEP (POS Expenditure projection) as it is not required for submission by DDS.

The graph POS Cumulative Actuals versus Budget shows POS expenditures trending month-over-month compared to the overall budget for FY 25-26.



The graph OPS Cumulative Actuals versus Budget below shows OPS expenditures trending month-over-month compared to the overall budget for FY25-26.



**REGIONAL CENTER OF THE EAST BAY
FINANCIAL STATUS REPORT
FY 2022-2023**

SAMPLE ONLY

	BUDGET D-1 & Expected D-2	EXPENDED 09/30/22	% EXPENDED	PROJECTED EXPENDED	DIFFERENCE
OPERATIONS					
PERSONNEL SERVICES <i>Includes Salaries, Benefits-Health/Insurances, La Familia Contract, Workers Compensation</i>	\$59,177,788	\$9,785,980	16.54%	\$59,177,788	\$0
OPERATING EXPENSE <i>Rent, Insurance, Legal, Technology, Consultants Fees and Dues, Supplies Travel, Communications(Mail,Phone/Internet),Equipment</i>	\$8,771,678	\$1,635,997	18.65%	\$8,771,678	\$0
LESS: REVENUE <i>Interest and Monies received for processing of Intermediate Care Facility Payments (Administrative Fee)</i>	(\$217,000)	(\$45,145)	20.80%	(\$217,000)	\$0
TOTAL OPERATIONS	\$67,732,466 (1)	\$11,376,832	16.80%	\$67,732,466	\$0
PURCHASE OF SERVICE					
Regular Purchase of Service <i>This includes the cost of services for all served-respite, ILS, daycare, residential costs crisis services and transportation by contract etc</i>	\$719,250,734 (2)	\$136,643,115	19.00%		
Community Placement Plan-Reg & Start-up <i>This includes the costs for services for people moving out of restricted settings for the year and funds for start up of new programs incl housing, programs funded by DDS</i>	\$693,066 (3)	\$80,133	11.56%		
TOTAL POS	\$719,943,800	\$136,723,248	18.99%		
TOTAL BUDGET	\$787,676,266	\$148,100,080	18.80%		

Note #1: Operations allocation for FY 22-23 based on core staffing formula, budgeted caseload, and other statistics. Additionally, OPS allocation included rent and other Policy items, including Special Home Monitoring, and continuation of ABX2 1 increase, SB826 HCBS compliance, SDP/Participant Directed Services support, Emergency Coordinator, Enhanced Service Coordinator for low or no POS, Deaf Specialist, Provisional Eligibility, Rate Reform implementation, H&S waiver assistance for non English clients, Language Access, and Self Determination implementation and participant support. New funding for FY22-23 included funding for Reduced Caseload Ratio for Children through Age 5, Early start-Part C to B and Eligibility, and Performance Incentives for RC Implementation Resources and Reduced Caseload Ratios. D-1 only included 50% of CPP and remaining 50% is expected in D-2

Note #2: Purchase of Services allocation for FY 22-23 and FY 21-22 included caseload growth and continuation funding for rates increase due to SB minimum wage increase, ABX2 1 Community Based Services increase. FY22-23 POS also included funding for Service Provider Rate Reform, Compliance with HCBS and Quality Incentive Program.

Note #3: D-1 allocation included funding for CPP Placement

Note #4: The Purchase of Services detailed projections will be determined upon the completion of the Purchase of Service Expenditure Projection (PEP) in December 2022.

Note #5: Payroll though 09/16/22

BUDGET AND FINANCE REPORT – February 2026

Bay Area Housing Plan (BAHP) Bonds

In March 2006, the Bay Area Housing Plan was developed by 3 regional centers: Golden Gate Regional Center, San Andreas Regional Center, and Regional Center of the East Bay to build 60 properties to provide affordable, community based housing for people with developmental disabilities in perpetuity. RCEB has 15 homes out of the 60 properties that were developed for Alameda and Contra Costa County.

On February 1st, 2011, the California Health and Human Services Agency (CHHSA) and DDS approved a refinancing plan to loan \$76,970,000 for the BAHP homes through the issuance of insured revenue bonds. The bonds matured on February 1st, 2026 and were fully paid off.

**Regional Center of the East Bay
Contracts for Board Review/Approval**

Date submitted to RCEB Board for review

Date approved by RCEB Board Executive Committee (if applicable)

Date approved by RCEB Board

Operations

Purchase of Service

The following contracts have been reviewed by Lynn Nguyen, Director, Finance and Administration and Rebecca Nanyonjo, Executive Director, both of whom recommend approval by the RCEB Board of Directors.

Purpose of Contract	Consumers Served (if applicable)	Contractor Name	Term of Contract	Rate of Reimbursement	NOTES:
State of California Department of Developmental Services Contract with RCEB "B-1" Contract Allocation	N/A	Department of Developmental Services and Regional Center of the East Bay	7/1/2025– 6/30/2028	\$85,377,317 OPS Allocation \$903,332,382 POS Allocation Total \$987,709,699	This contract represents the B-1 contract amendment of the "B" series contract between DDS and RCEB for fiscal year 2025-26 . Note that DDS no longer utilizes the "preliminary" nomenclature and therefore the B-1 represents the first allocation for FY25-26.

**Regional Center of the East Bay
Contracts for Board Review/Approval**

Date submitted to RCEB Board for review

Date approved by RCEB Board Executive Committee (if applicable)

Date approved by RCEB Board

Operations

Purchase of Service

The following contracts have been reviewed by Lynn Nguyen, Director, Finance and Administration and Rebecca Nanyonjo, Executive Director, both of whom recommend approval by the RCEB Board of Directors.

Purpose of Contract	Consumers Served (if applicable)	Contractor Name	Term of Contract	Rate of Reimbursement	NOTES:
State of California Department of Developmental Services Contract with RCEB "B-2" Contract Allocation	N/A	Department of Developmental Services and Regional Center of the East Bay	7/1/2025– 6/30/2028	<p>\$6,704,630 OPS Allocation</p> <p>\$237,114,101 POS Allocation</p> <p>Total \$243,818,731</p> <p>This amendment brings the total "B" contract allocations for F/Y 25-26 to \$1,231,528,430</p>	This contract represents the B-2 contract amendment of the "B" series contract between DDS and RCEB for fiscal year 2025-26 .



PETE CERVINKA
DIRECTOR

State of California—Health and Human Services Agency
Department of Developmental Services
1215 O Street, Sacramento, CA 95814
www.dds.ca.gov



GAVIN NEWSOM
GOVERNOR

EXHIBIT I
COVER LETTER AND CONTRACT AMENDMENT INSTRUCTIONS

Attn: Regional Center Director
Contracting Agency President
Regional Center Administrator

Contract Number: RC Contract, Series B, Amendment 2

Dear Contractor:

Attached are the STD 213A Standard Agreement and exhibits for your B-2 amendment.

Please return a signed copy of your STD 213A to jacob.thomas@dds.ca.gov as soon as possible, via email, and cc rccontracts@dds.ca.gov. Please do not return the contract exhibits—only the STD 213A is needed.

Should you have questions or concerns, please send them to rccontracts@dds.ca.gov.

Sincerely,

Jacob Thomas

Jacob Thomas
Contract Analyst

Enclosures

STANDARD AGREEMENT - AMENDMENT

STD 213A (Rev. 4/2020)

 CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED 107 PAGES

AGREEMENT NUMBER

HD249015B

AMENDMENT NUMBER

2

Purchasing Authority Number

1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME

Department of Developmental Services

CONTRACTOR NAME

Regional Center of the East Bay, Inc. dba Regional Center of the East Bay

2. The term of this Agreement is:

START DATE

July 1, 2024

THROUGH END DATE

June 30, 2031

3. The maximum amount of this Agreement after this Amendment is:

\$1,231,528,430.00

4. The parties mutually agree to this amendment as follows. All actions noted below are by this reference made a part of the Agreement and incorporated herein:

a. Replaced by this amendment is Exhibit A--Regional Center Contract Language Fiscal Year 2025-2026, in its entirety, which is attached hereto and made part of this contract.

b. This amendment replaces in its entirety Exhibit A of Regional Center Contract Language Fiscal Year 2025-2026--Contract Budget Summary, B-1, with the Exhibit A of Regional Center Contract Language Fiscal Year 2025-2026--Contract Budget Summary, B-2, attached hereto.

c. This amendment increases the total contract dollar amount by \$243,818,731.00. New total contract dollar amount not to exceed \$1,231,528,430.00.

Fiscal Year funds identified above may not be used for any other fiscal year than the fiscal year specified unless authorized by the Department to do so.
All other terms and conditions shall remain the same.

IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.

CONTRACTOR

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)

Regional Center of the East Bay, Inc. dba Regional Center of the East Bay

CONTRACTOR BUSINESS ADDRESS

500 Davis Street, Suite 100

CITY

San Leandro

STATE

CA

ZIP

94577

PRINTED NAME OF PERSON SIGNING

Rebecca Nanyonjo

TITLE

Executive Director

CONTRACTOR AUTHORIZED SIGNATURE

DATE SIGNED

STANDARD AGREEMENT - AMENDMENT

STD 213A (Rev. 4/2020)

 CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED 107 PAGES

AGREEMENT NUMBER HD249015B	AMENDMENT NUMBER 2	Purchasing Authority Number
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STATE OF CALIFORNIA

CONTRACTING AGENCY NAME Department of Developmental Services				
CONTRACTING AGENCY ADDRESS 1215 O Street, 10th Floor, MS 10-10		CITY Sacramento	STATE CA	ZIP 95814
PRINTED NAME OF PERSON SIGNING Greg Trahey		TITLE Manager, Contracts Unit		
CONTRACTING AGENCY AUTHORIZED SIGNATURE		DATE SIGNED		
CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL		EXEMPTION (If Applicable)		

2025-26 Through B-2 Contract Budget Summary
Attachment A, Claiming Categories by Program (Ops, POS, EIP, FRS)

Contract Number

HD249015

Contracting Agency: Regional Center of the East Bay, Inc.

TOTAL OPERATIONS (Ops) which include the line items listed below:	\$ 92,081,947
<i>Less Separately Claimed Items:</i>	<i>\$ (2,406,988)</i>
Total Ops Regular Monthly Claim Authority:	\$ 89,674,959
<i>In accordance with State Contract language under Article III: Fiscal Provisions Item #4 Payment Provisions, paragraph 3, the following Operation category expenditures must be claimed on a separate invoice:</i>	
Behavioral Health Services Fund (formerly Mental Health Services Fund)	\$ -
Total Foster Grandparent Sr Companion Program a/b	\$ -
<i>FGP & Sr. Companion, Total General State Funds ^{a/}</i>	<i>\$ -</i>
<i>FGP, General State Fund, Support</i>	<i>\$ -</i>
<i>FGP, General State Fund, Volunteer</i>	<i>\$ -</i>
<i>Sr Companion, State Funds, Support</i>	<i>\$ -</i>
<i>Sr Companion, State Funds, Volunteer</i>	<i>\$ -</i>
<i>FGP, Total Federal ^{b/}</i>	<i>\$ -</i>
<i>FGP, Federal Support</i>	<i>\$ -</i>
<i>FGP, Federal Volunteer</i>	<i>\$ -</i>
<i>FGP, Federal Stipend</i>	<i>\$ -</i>
Service Access & Equity (SAE) Grant Disparities	\$ -
Total Regular Community Placement Plan (CPP) and Community Resource Development Plan (CRDP) Ops	\$ 1,479,376
Developmental Center Closure/Ongoing Workload	\$ 927,612
TOTAL PURCHASE OF SERVICES (POS) which include the line items listed below:	
	\$ 1,139,446,483
<i>Less Separately Claimed Items</i>	<i>\$ (2,186,153)</i>
Total POS Regular Monthly Claim Authority	\$ 1,137,260,330
<i>In accordance with State Contract language under Article III: Fiscal Provisions Item #4 Payment Provisions, paragraph 3, the following Purchase of Service category expenditures must be claimed on a separate invoice:</i>	
Part C, POS c/	\$ 1,662,524
HCBSW Compliance	\$ -
Total Community Placement Plan (CPP) and Community Resource Development Plan (CRDP) POS	\$ 523,629
<i>Start-Up</i>	<i>\$ -</i>
<i>Assessment</i>	<i>\$ 10,000</i>
<i>Placement</i>	<i>\$ 513,629</i>
Early Intervention Program (EIP, Other Agency)	\$ -
<i>Early Intervention Program, Family Resource Center</i>	<i>\$ -</i>
Family Resource Services (FRS)	\$ -
TOTAL BUDGET	\$ 1,231,528,430

**Exhibit II Explanation of Items Allocated
FY 2025-26 B-2 Amendment**

Operations (OPS)

Core Staffing Personal Services: Allocated by utilizing updated budgeted caseload and other statistics (i.e., number of consumers in a CCF, Waiver, Early Start, Developmental Centers, FCPP, Rep Payee, etc.) as applied to the core staffing formula.

Operating Expenses & Equipment: Allocation equals the prior year allocation plus the incremental increase in operating expense funds prorated based on each regional center's projected caseload.

Facility Rent, Allowable Utilities and Maintenance: Allocation of rent and utilities based on regional centers' requests, discussions with regional centers and approvals by the Department.

Enhanced Caseload Ratio 1:45 for DC Movers 12 to 24 Months: Additional funds for DC movers allocated based on each regional center's number of placements in FY 2024-25.

Staffing for Collection of FFP for Contracted Services: Funds allocated for one Community Program Specialist I and one Account Clerk II position for each regional center.

Unallocated Reductions/Savings Target

Intake and Assessment: 60 to 120 Days: (-\$4,465,000) Allocation savings target based on each regional center's pro-rata share of Monthly Intake 3yrs & over per the 2025 May Revise Spring Survey, Exhibit B.

FY 2009-10 Savings Target #23 Eliminate Triennial Quality Assurance Review: (-\$1,500,000) Allocation savings target based on each regional center's pro-rata share of projected consumer counts of CCF Consumers for FY 2025-26.

FY 2009-10 Savings Target 25 (ii) Early Start Intake & Assessment: (-\$5,500,000) Allocation savings based on each regional center's pro-rata share of projected High Risk Caseload consumers by regional center for FY 2025-26.

The following Unallocated Reductions are based on each regional center's pro-rata share of total Core Staffing:

FY 2001-02 and prior years Unallocated Reduction: (-\$10,559,000)

FY 2004-05 Cost Containment: (-\$5,968,000)

**Exhibit II Explanation of Items Allocated
FY 2025-26 B-2 Amendment**

Operations Continued

FY 2009-10 Savings Target #24 Reduction of One-Time RC Funding: (-\$3,500,000)

FY 2009-10 Savings Target #25 (i) One-Time RC Funding: (-\$1,500,000)

FY 2011-12 Cost Containment Measures: (-\$3,486,000)

FY 2011-12 \$174m Unallocated Reduction: (-\$5,400,000)

Federal Compliance

HCBS Waiver Operations Costs: Allocation based on pro-rata share of HCBS Waiver consumers' enrollment of June 2025.

Compliance with HCBS Waiver Requirements: Allocation based on pro-rata share of HCBS Waiver consumers' enrollment of June 2025... (Excludes OE&E, which is allocated separately).

Case Managers to Meet HCBS Waiver Requirements: Allocation based on pro-rata share of HCBS Waiver consumers' enrollment of June 2025. (Excludes OE&E, which is allocated separately).

Targeted Case Management (TCM) Operations Costs for TCM Activities:
Allocation based on pro-rata share of the total actual billable units by regional center, from November 2024-through April 2025.

Nursing Home Reform (NHR) Pre-Screening and Resident Review (PASRR):
Allocation based on the pro-rata share of the total actual expenditures from July 2024 through June 2025.

Federal Medicaid Requirements for Regional Centers to Vendor Providers of HCBS Services: Allocation based on pro-rata share of active vendors for FY 2024-25 by regional center of \$100k or less and excluding service codes 065, 400, 655, and 660.

Projects

IT System Hardware and Software Maintenance: Funds allocated to regional centers for computer system hardware and software maintenance.

Foster Grandparent: Allocation based on volunteer service years as agreed upon with regional centers.

**Exhibit II Explanation of Items Allocated
FY 2025-26 B-2 Amendment**

Operations Continued

Increased Access to Mental Health / Behavioral Health Services: Allocation based on approved Mental Health Service Fund projects.

Miscellaneous: Funds allocated per agreement with specific regional centers.

Policy Items *Item # corresponds to Item # on Ops Policy Summary*

#1 Compliance with HCBS Requirements: Allocated based on each regional center's 1915(i) consumer population as of February 2025 at a 1:1,000 ratio.

#2 Disparities with the Developmental Services System: Allocated one position per each regional center.

#3 Early Start Eligibility: Allocation based on each RC's pro-rata share of the June 2025 Client Master File (CMF) caseload for Status 1 ages 0 to 3.

#4 Enhanced Service Coordination: The number of positions is based on RC consumer populations (status 1 under 36 months and 2 as of June 2025), as follows:

- 4 positions to each of the 7 RCs with the lowest populations
- 5 positions to each of the 7 RCs with populations between the lowest and highest populations
- 6 positions to each of the 7 RCs with the highest populations

#5 Family Home Agency (FHA) Oversight: 50 % or \$1.055M of total \$2.11M available included in this allocation based on FY 2025-26 survey of regional centers regarding their projected Family Home Agency expansion and oversight efforts.

#6 Forensic Diversion: Allocation based on each regional center's share of consumers incarcerated as of July 2025.

#7 Language Access and Cultural Competency:
Allocation based on agreements with specific regional centers.

#8 Lanterman Act Provisional Eligibility Ages 3 and 4: Allocation based on each RC's pro-rata share of June 2025 CMF for Status U.

**Exhibit II Explanation of Items Allocated
FY 2025-26 B-2 Amendment**

Operations Continued

#9 Oversight and Accountability: Each regional center will receive an allocation for one position at \$114,000 and the remainder will be allocated on a pro-rata basis based on the June 2025 CMF caseload for both Status 1 and Status 2.

#10 Part C to B (Early Start) Through Postsecondary Transition Supports Transitions: One Specialist position funded for each regional center.

#11 Performance Incentives: *Allocated \$140,912,500 funds for the following two purposes:*

- 1. RC Implementation Resources: \$3,676,000; Allocated, \$3,676,000 for one position at \$118,640 per regional center. Allocated the balance based on each regional center's pro-rata share of consumers in Status 1 and 2 CMF report.*
- 2. Reduced Caseload Ratios: \$137,236,500 based on January 2022 caseload and February 2022 Service Coordinator survey.*

#12. Psychological Evaluations for Behavioral Health Treatment (BHT) Fee-for-Service (FFS) Consumers: Allocation based on each regional center's pro-rata share of Fee for Service consumers under the age of 21 who are being served in the community.

#13 Reduced Caseload Ratio for Children through Age 5: Allocation based on each RC's June 2025 caseload based on Status 1, Provisional Eligibility and Status 2 ages 0-5.

#14 Regional Center Emergency Coordinators: Allocated one position for an Emergency Coordinator to each RC.

#15 Resources to Support Individuals Who Are Deaf:

Allocated \$2,379,000 for one position for a Deaf Access Specialist per regional center at \$113,285 and \$2,271,990 for interpretation service costs at \$108,190 to each RC.

**Exhibit II Explanation of Items Allocated
FY 2025-26 B-2 Amendment**

Operations Continued

16 Self Determination Program: Allocation of \$3.8M based on the following:

1. Participant Supports: \$2,040,009 comprised of \$1M divided equally among all RCs and the remainder allocated based on each RC's share of consumers who identify as non-white.
2. RC Operations/Salary: \$1,817,991 in FY 2024-25 to offset the costs to the regional center in implementing the SDP. Allocation amount is divided equally among the 21 regional centers.

#17 Specialized Caseload Ratio 1:25: Allocated based on the greater of the March 2025 Complex Needs Survey vs the March 2024 Survey.

#18 Specialized Home Monitoring: Allocation based on each RC's ARFPSHN, EBSH, and CCH homes at a 1:4 ratio.

#19 Certified START Network Fee: Funds allocated per agreement with specific regional centers.

#20 Trauma Informed Services for Foster Youth AB (2083):

All RCs get one position for administrative functions associated with working with counties on MOU development.

For RCs with 7% or more of the FY population additional 1 PY is allocated.

For RCs with 5 or more counties additional 1 PY is allocated. (Max 2 PY for any RC)

•NLACRC, IRC, SCLARC, SDRC, HRC: One Count Served, Caseload over 7%. (2PY)

•CVRC, ACRC, VMRC, FNRC: Serves more than 5 counties, no more than 7% of the caseload, will receive 2 PY.

#21 Service Provider Rate Reform: Allocated three positions to each RC to support rate reform implementation and additional resources consistent with the original FY 2021-22 allocation using 2021 Status 1 and 2. (2021 TBL, AB 136, WIC §4519.10).

#22 Public Records Act: Funds allocated per agreement with specific regional centers.

Community Placement Plan/Community Resource Development Plan

(CPP/CRDP), DC Closure/Ongoing Workload: Allocation based on Department approvals.

**Exhibit II Explanation of Items Allocated
FY 2025-26 B-2 Amendment**

Family Resource Centers (FRC)

FRC/Networks: Funds allocated for family resource center/network services to implement Part C.

Family Resource Services (FRS)

FRS: Funds allocated to provide services for infants and toddlers with developmental delays, disabilities, or conditions specified in GC 95001.

Purchase of Services (POS)

Base Allocation: Allocation based on each regional center's pro-rata share of: (1) Non--CPP POS claims for July 2024 through June 2025 and the first and second Supplemental Claims for prior year FY 2023-24; and (2) ICF-DD SPA paid claims for July 2024 through May 2025.

Continuation Allocation: Allocation based on each regional center's pro-rata share of prior year placements from July 2024 through May 2025.

Part C Allocation: Allocated based on total 2024-25 POS ages 0-3 (from State Claims Summary updated June 2025) minus service codes 028,048, 055,102, 110,115,117, 605, 612, 613, 615, 616, 620 and 805.

GAP: Funds allocated per agreement with specific regional centers.

Community Placement Plan/Community Resource Development Plan

(CPP/CRDP): Allocation based on 50% of FY 2024-25 placement expenditures or a flat amount if regional centers had low UFS expenditures.

Policy Items

Service Provider Rate Reform: Allocation based on each RC's pro-rata share of FY 2024-25 expenditures January - June 2024.

Forensic Diversion: Allocation based on contract with YAI -CVRC.

EXHIBIT III Explanation of Items in Allocation

Regional Center: Regional Center of the East Bay, Inc.

EXHIBIT III

FY 2024-25 Regional Center		Operations	Purchase Of Services	Early Intervention Program	Family Resource Services
B-1		\$85,377,317	\$902,332,382	0	0
This Amendment (B-2):					
Operations Allocation (Ops):					
		46,378,941			
		3,338,383			
		6,698,522			
		6,698,522			
		4,722			
		84,343			
		-148,211			
		-126,892			
		-245,759			
		-626,061			
		-353,853			
		-207,521			
		-88,938			
		-206,691			
		-320,175			
Federal Compliance:					
		905,846			
		347,809			
		567,723			
		151,508			
		34,977			
		85,923			
Projects:					
		34,182			
		0			
		0			
		0			
Ops Policy Items allocated in the Preliminary Allocation:					
	4,501,893	1,433,579			
		67,714			
		2,680,648			
		121,666			
		99,143			
		99,143			
Ops Policy Items allocated in this Amendment:					
	28,864,288	494,364			
		106,714			
		473,554			
		875,027			
		50,442			
		0			
		1,206,912			
		1,179,321			
		233,845			
		150,810			
		190,616			
		11,003,822			
		46,660			
		9,186,798			
		119,048			
		221,477			
		109,577			
		86,571			
		636,170			
		1,223,876			
		55,000			
		106,667			
		669,112			
		437,905			
Early Intervention Program (EIP) Family Resource Centers/Networks:				0	0
Family Resource Services (Formerly Prevention Program)				0	0
Purchase of Services Allocation (POS):					
			930,845,028		
			0		
			3,206,556		
			1,907,868		
POS Policy Items:					
	202,963,402		202,963,402		
			0		
Operations CPP and Ongoing Workload Items:					
		1,479,376			
		927,612			
Purchase of Services CPP/CRDP Items:					
			10,000		
			513,629		
			0		
		-85,377,317	-902,332,382	0	0
	Total B-2 Amendment	\$6,704,630	\$237,114,101	\$0	\$0
	Total B-2 Contract	\$92,081,947	\$1,139,446,483	\$0	\$0
	Grand Total Contract	\$1,231,528,430			

**EXHIBIT A - REGIONAL CENTER CONTRACT LANGUAGE
REGIONAL CENTER OF THE EAST BAY, INC. dba REGIONAL CENTER OF THE
EAST BAY**

FISCAL YEAR 2025-2026

REGIONAL CENTER MASTER CONTRACT INDEX

(Revised ~~June 2, 2025~~ September 15, 2025)

ARTICLE I: STANDARD TERMS AND CONDITIONS

Section	1	Amount of Contract
	2	Term of Contract
	3	Exhibits
	4	Definitions
	5	Control Requirements
	6	Contractor Service Area or Counties
	7	Copyrights/Patents
	8	Zero Tolerance Policy
	9	Whistleblower Policy
	10	Transparency and Access to Public Information
	11	Conflict of Interest
	12	Rights and Privileges Limitations
	13	Contract Titles Statement
	14	Restricting Use of State Funds
	15	Payment of Accrued Benefits
	16	Procedures for Employee Retention

ARTICLE II: PROGRAM PROVISIONS

Section	1	Utilization of Public and Private Resources
	2	Resource Development
	3	Contracting Policy
	4	Federal Funds
	5	Service Standards
	6	Community Placement Plan
	7	Out-of-State Services
	8	Mental Health Facilities
	9	Specialized Resources
	10	Self-Determination Program
	11	Out-of-State Children
	12	Service Provider Termination of Vendorization
	13	Communication Assessments

ARTICLE III: FISCAL PROVISIONS

Section	1	Budget Development Process
	2	Allocation of Funding to Contractor
	3	Advance Payment Provisions
	4	Payment Provisions
	5	Budget Category Transfers
	6	Contract Funding Stipulations
	7	Travel and Per Diem
	8	Independent Financial Audit
	9	Vendor Fiscal Monitoring
	10	Consumer Trust Accounts
	11	Foundation Support

ARTICLE IV:		CONTRACTOR OPERATIONS
Section	1	Electronic Data Processing and Data Integrity
	2	Personnel
	3	Records Maintenance
	4	State Property
	5	Public Disclosure of Contracts
	6	Consumer Information Security
ARTICLE V:		EVALUATION
Section	1	Contractor Evaluation
	2	Information Requests
	3	State Audits of Contractor
ARTICLE VI:		CONTRACT AMENDMENT/CANCELLATION/REOPENING
Section	1	Contract Amendments
	2	Severability Clause
	3	Entire Agreement
ARTICLE VII:		MISCELLANEOUS
Section	1	Lease/Rental Agreements
	2	Emergency Response System
	3	Emergency and Disaster Preparedness
	4	Collection of Parental Information
	5	Registered Sex Offenders
	6	Data Compilation
	7	Shared Vendors and Case Management Responsibility
	8	Program Development Funds – Parental Fee Program
	9	Executive Director Recruitment Policy
	10	Reporting on Specified Consumers
	11	Board of Directors Training Plan
	12	W&I Code Section 4731 Consumers’ Rights Complaints
	13	Medicaid Enrollment Requirements
	14	Board Governance
	15	Forensic Cases
	16	Reporting on DDS Conservatees
ARTICLE VIII:		PERFORMANCE
Section	1	Contract Development
	2	Annual Progress Report
	3	Incentives
	4	Contract Compliance
ARTICLE IX:		STAFFING, MONITORING AND REPORTING
Section	1	Specialized Personnel and Monitoring
	2	Caseload Ratios
	3	Reporting
ARTICLE X:		ADDITIONAL PROVISIONS

EXHIBITS

- A Contract Budget Summary
- B Home and Community-Based Services Waiver
Regional Center Fiscal Agent Responsibilities
- C Performance Plan
- D Early Start Statement of Assurances
- E Community Placement Plan and Community Resource
Development Plan Statement of Assurances
- F Statement of Assurances for Protection of Protected Health
Information
- G Medicaid Enrollment Requirements
- H General Terms and Conditions
- I Contractor Certification Clauses

ARTICLE I. STANDARD TERMS AND CONDITIONS

1. Amount of Contract

The total amount payable to Contractor under this contract shall not exceed ~~\$987,709,699.00~~ \$1,231,528,430.00 for Fiscal Year 2025-2026 as reflected in Exhibit A of this contract.

Fiscal year funds identified above may not be used for any other fiscal year than the fiscal year specified unless authorized by the State.

2. Term of Contract

Subject to the provisions of Article VI, Section 1 and Article VIII, Section 1 herein, the period of this contract shall be for seven years as specified below. The term of the contract is from July 1, 2024 through June 30, 2031. The first five years of the term, from July 1, 2024 through June 30, 2029, is intended to meet the requirements specified in W&I Code Section 4629. The last two years of the term, from July 1, 2029 through June 30, 2031, is solely to provide for the claims period specified in Government Code section 16304, and to allow for adjustments to the regional centers' allocations and for the payment of claims up to two years after the close of each fiscal year, specifically FY 2029/2030 and FY 2030/2031.

3. Exhibits

- a. Exhibit A, entitled "Contract Budget Summary," is attached hereto and made a part of this contract.
- b. Exhibit B, entitled "Home and Community-Based Services Waiver Regional Center Fiscal Agent Responsibilities," is attached hereto and made a part of this contract.
- c. Exhibit C, entitled "Performance Plan," is incorporated by reference and made a part of this contract.
- d. Exhibit D, entitled "Early Start Statement of Assurances," is attached hereto and made a part of this contract.
- e. Exhibit E, entitled "Community Placement Plan and Community Resource Development Plan Statement of Assurances," is attached hereto and made a part of this contract.
- f. Exhibit F, entitled "Statement of Assurances for Protection of Protected Health Information," is attached hereto and made a part of this contract.
- g. Exhibit G entitled "Medicaid Enrollment Requirements," is attached hereto and made a part of this contract.

- h. Exhibit H entitled "General Terms and Conditions," is attached hereto and made a part of this contract.
- i. Exhibit I entitled "Contractor Certification Clauses," is attached hereto and made part of this contract.

4. Definitions

- a. "Allocate" means to forward to the Contractor a contract or contract amendment which has been executed by the State and specifies an amount, or augmented amount, of money available to Contractor to affect the terms of this agreement.
- b. "ARCA" means the Association of Regional Center Agencies.
- c. "State" means the Department of Developmental Services and only the Department of Developmental Services.
- d. "Director" means the director of the Department of Developmental Services.
- e. "Lanterman Act" means Division 4.5 of the (W&I Code) Section 4500, et seq., known and cited as the Lanterman Developmental Disabilities Services Act.
- f. "Operations Budget" means that portion of a Contractor's budget allocation set forth in Exhibit A, that is intended for the delivery of regional center "direct consumer services" and "administration."
- g. "Direct Consumer Services" means those direct services to persons with developmental disabilities delivered by Contractor. These services include but are not limited to case management, funds management for persons with developmental disabilities, rights assurance, diagnosis and assessment, intake, prevention, quality assurance, program development, and other services under the Lanterman Act provided directly by Contractor.
- h. "Administration" means those support activities required of Contractor that are essential to the efficient conduct of business.
- i. "Total Purchase of Service Budget" means that portion of Contractor's budget allocation set forth in Exhibit A which is intended to support the purchase of services (POS) and programs for persons with developmental disabilities.
- j. "Regional Center" means an agency operated by a nonprofit corporation chartered in the State of California (hereinafter referred to as "Contractor") that provides fixed points of contact in the community for persons with developmental disabilities and their families, to the end that such persons

may have access to the facilities and services best suited to them throughout their lifetimes.

- k. "GAP Funds" means that portion of the POS appropriation that is intended to pay for services to newly developed ICF-DD/H, ICF-DD/N, and DD/CNC (formerly known as ICF/DD-CN) health facilities for the period between licensure and certification of the facilities.
- l. "Artificial Intelligence" or "AI" means an engineered or machine-based system that varies in its level of autonomy and that can, for explicit or implicit objectives, infer from the input it receives how to generate outputs that can influence physical or virtual environments. This shall include the definition of artificial intelligence set forth in Section 4819.2 of the State Administrative Manual, as amended from time to time.
- m. "Generative Artificial Intelligence" or "GenAI" means the class of artificial intelligence (AI) models that emulate the structure and characteristics of input data, or the artificial intelligence's training data, in order to generate derived synthetic content. This can include images, videos, audio, text, and other digital content generated by artificial intelligence, and shall include the definition of generative artificial intelligence set forth in Section 4819.2 of the State Administrative Manual, as amended from time to time.

5. Control Requirements

The Contractor shall comply with all California statutes, laws, and regulations applicable to nonprofit corporations. Contractor shall also render services to persons with developmental disabilities in accordance with applicable federal and California statutes, regulations, ARC v. DDS (1985) 38 Cal.3d.384 and the terms of this contract.

6. Contractor Service Area or Counties:

Contractor's regional center serves the following area or counties: Alameda, Contra Costa.

7. Copyrights/Patents

Except as provided in this agreement, the Contractor may seek patents or copyrights for inventions, copyrightable materials or other original work product which has been commissioned, funded or developed by the Contractor with funds provided by the State, or otherwise produced in performance of this contract, subject to the rights of the State as set forth in this Section. Inventions, for the purposes of this Section, may include, but not be limited to, prosthetic devices, auxiliary learning aids or any other professional aids of a mechanical nature. Copyrightable materials, for the purposes of this Section, may include, but not be limited to data, plans, drawings, specifications, reports, operating manuals, notes or other consultant work. The State shall have the right to manufacture, reproduce, publish, use and/or distribute all such inventions or copyrightable materials. Upon any such inventions or copyrightable materials

shall be the statement: "COPYRIGHTED/PATENTED (as appropriate) DATE (insert date) BY (insert name of contractor); REPRODUCED WITH PERMISSION." No further manufacturing, reproduction, publication, use or distribution shall be made without permission of the Contractor. All copyrights or patents to which this clause is applicable shall be in the name of the Contractor. If any such inventions are patentable, or any such original work product or materials are copyrightable, the Contractor may patent or copyright same except that, whenever any such patents or copyrights are applied for or sought by the Contractor, or any employee or assignee thereof, the Contractor shall promptly and fully report such fact to the State, which reserves a royalty-free, nonexclusive and irrevocable license to manufacture, reproduce, publish, use and/or distribute same. Any revenues derived from the sale of any such invention or copyrighted materials by the Contractor, or any employee or assignee thereof, shall be reported to the State and utilized by the Contractor for the benefit of persons with developmental disabilities.

The Contractor shall include the provisions of this section in all subcontracts to perform work which requires the invention or development of copyrightable materials under this contract. Subcontracts under this section shall specifically note the State's right to manufacture, reproduce, publish, use and/or distribute all inventions or copyrightable materials developed using funds provided by the State.

8. Zero Tolerance Policy

- a. Contractor shall develop and post on its Internet Website by October 1, 2013, a Zero Tolerance Policy regarding consumer abuse and neglect. Contractor shall annually notify all its employees and notify vendors and long-term health care facilities serving consumers of its Zero Tolerance Policy. The Zero Tolerance Policy shall specify:
 - 1) That all Contractor, vendor and long-term health care facility staff serving consumers are required to report, pursuant to W&I Code Section 15630, to the appropriate entities any incident or allegation of suspected abuse or neglect.
 - 2) The entities for reporting suspected abuse or neglect.
 - 3) That upon becoming aware of a reportable incident or allegation of abuse or neglect of a consumer, pursuant to W&I Code Section 15630, Contractor and the associated vendor or long-term health care facility shall take immediate action to ensure the health and safety of the involved consumer and all other consumers receiving services from the Contractor, associated vendor or long-term health care facility.
 - 4) That the Contractor, its vendors and long-term health care facilities serving consumers shall ensure its respective employees are fully informed upon hire and annually thereafter regarding the Contractor's Zero Tolerance Policy and mandatory abuse and

neglect reporting laws. Each employee must be knowledgeable of their responsibility to protect consumers from abuse and neglect, the signs of abuse and neglect, the process for reporting suspected abuse or neglect, and the consequences of failing to follow the law and enforce the Zero Tolerance Policy.

- b. The Contractor's Zero Tolerance Policy shall be incorporated into any new or revised contract, vendorization or other agreement for consumer services. Existing vendors and long-term health care facilities serving consumers shall be informed of Contractor's Zero Tolerance Policy; the Contractor's expectation of compliance with its policy; and, the Contractor will utilize all remedies available to it in statute and regulations to protect the health and safety of consumers.

9. Whistleblower Policy

- a. Contractor shall institute a board approved regional center Whistleblower policy effective December 31, 2010, addressing the reporting of alleged improper regional center and, or vendor/contractor activities.
 - 1) An "improper regional center activity" is defined as an activity by a regional center, or an employee, officer, or board member of a regional center, in the conduct of regional center business, that is a violation of a state or federal law or regulation; violation of contract provisions; fraud or fiscal malfeasance; misuse of government property; or constitutes gross misconduct, incompetency, or inefficiency.
 - 2) An "improper vendor/contractor activity" means an activity by a vendor/contractor, or an employee, officer, or board member of a vendor/contractor, in the provision of State funded services, that is a violation of a state or federal law or regulation; violation of contract provisions; fraud or fiscal malfeasance; misuse of government property; or constitutes gross misconduct, incompetency, or inefficiency.
- b. This policy must be consistent with the State's directive entitled "Department of Developmental Services Whistleblower Complaint Process," dated July 28, 2010, and must:
 - 1) Allow for multiple employees within the regional center to be available to accept complaints,
 - 2) Also includes a process to access the Board of Directors for the purpose of filing complaints,
 - 3) Ensure that the policy clearly indicates that the regional center will not retaliate against any complainant,

- 4) Ensure that a process is in place to investigate and take appropriate action on complaints, including complaints of retaliation.
 - 5) Address complainant confidentiality, consistent with the State's Whistleblower Policy, including consumer health and safety, and;
 - 6) Include a process for annually notifying employees and board members of both the regional center's and the State's Whistleblower policies and for posting and maintaining the regional center's whistleblower policy prominently on its website. As part of their eligibility determination and vendorization processes, regional center shall also inform all new clients/families and new vendors of the regional center's and the State's Whistleblower policies.
- c. In addition, Contractor shall ensure that the regional center's and the State's Whistleblower Policies are posted on the regional center's website.
 - d. Contractor shall review and provide, at minimum, annual training to all board members regarding the regional center governing board's approved Whistleblower Policy to include, but not be limited to the board's role in implementing the policy.

10. Transparency and Access to Public Information

- a. Contractor shall adopt, maintain, and post on its Internet Web site a board-approved policy regarding transparency and access to public information. The transparency and public information policy shall provide for timely public access to information, including, but not limited to, information regarding requests for proposals and contract awards, service provider rates, documentation related to establishment of negotiated rates, audits, and IRS Form 990. The transparency and public information policy shall be in compliance with applicable law relating to the confidentiality of consumer service information and records, including, but not limited to, W&I Code Section 4514.
- b. To promote transparency, Contractor shall include on its Internet Web site, as expeditiously as possible, at least all of the following:
 - 1) Regional center annual independent audits.
 - 2) Biannual fiscal audits conducted by the State.
 - 3) Regional center annual reports pursuant to W&I Code Section 4639.5.
 - 4) Contract awards, including the organization or entity awarded the contract, and the amount and purpose of the award.

- 5) POS policies and any other policies, guidelines, or regional center-developed assessment tools used to determine the transportation, personal assistant, or independent or supported living service needs of a consumer.
- 6) The names, types of service, and contact information of all vendors, except consumers or family members of consumers.
- 7) Board meeting agendas and approved minutes of open meetings of the board and all committees of the board.
- 8) Bylaws of the regional center governing board.
- 9) The annual performance contract and year-end performance contract report entered into with the State pursuant to W&I Code Division 4.5.
- 10) The biannual Home and Community-based Services (HCBS) Waiver program review conducted by the State and the Department of Health Care Services (DHCS).
- 11) The board-approved transparency and public information policy.
- 12) The board-approved conflict-of-interest policy.
- 13) A link to the page on the State's website, specified in W&I Code Section 4629.5(d).
- 14) The salaries, wages, and employee benefits for all managerial positions for which the primary purpose is the administrative management of the regional center, including, but not limited to, directors and chief executive officers.
- 15) Regional center-specific reports generated pursuant to, and for the purposes of W&I Code Section 4571(h).
- 16) The Zero Tolerance Policy pursuant to Section 17 of this Article.
- 17) Regional center data pursuant to W&I Code Section 4519.5 and Article VII, Section 6 of this contract.

11. Conflict of Interest

- a. For purposes of compliance with W&I Code Section 4626, the Conflict of Interest Statements (Form DS 6016) required to be completed pursuant to California Code of Regulations, Title 17 (Cal. Code Regs., Title 17), Section 54500-54535 shall be used until such time as the State issues emergency regulations and develops and publishes a standard conflict of interest reporting statement pursuant to W&I Code Section 4626(e).

- b. Contractor shall review and provide, at minimum, annual training to all board members regarding the regional center governing board's approved Conflict of Interest Policy.
- c. Contractor shall ensure that all board members understand and carry out their obligations to implement and appropriately monitor all approved conflict resolution plans for governing board members (i.e., have received and reviewed copies of approved resolutions plans, ensure board members with conflicts do not participate in discussions and/or vote on matters for which a conflict exists).

12. Rights and Privileges Limitations

No rights or privileges granted under this contract shall inure to the benefit of any person not a party to this agreement.

13. Contract Titles Statement

Both parties agree that contract articles and section headings are provided for organizational purposes only and do not in any manner affect the scope, meaning or intent of the provisions herein.

14. Restricting Use of State Funds

During the duration of this contract, including any extensions or renewals of the contract, Contractor agrees to comply with Government Code Sections 16645 through 16649 and W&I Code Section 4638 that prohibit Contractor's use of State funds to assist, promote or deter union organizing.

15. Payment of Accrued Benefits

If this contract is terminated, the State shall pay, as appropriate, accrued benefits pursuant to the contract of employment of each terminated employee. Accrued benefits shall include vacation, sick leave, and any other benefits submitted to and approved, in writing, by the State in advance of or at the time of the termination of this contract.

16. Procedures for Employee Retention

Both parties to this contract recognize the specific requirements under law as stated in W&I Code Article 1.1, Sections 4639.80 through 4639.83, pertaining to procedures for employee retention.

ARTICLE II: PROGRAM PROVISIONS

1. Utilization of Public and Private Resources

Contractor shall utilize to the fullest extent reasonably feasible those public and private resources, as specified in Section 4659 of the W&I Code, which are available without additional cost to the Contractor to implement and coordinate the services identified by the Interdisciplinary Team as required to meet the goals and objectives in the Individual Program Plan for each person with a developmental disability and the outcomes on Individualized Family Service Plans (IFSPs) for children and families served through the Early Start Program.

2. Resource Development

- a. Contractor may use POS funds for developing new community resources to protect the consumers' health or safety or because of other extraordinary circumstances, and the State has granted prior written authorization for the expenditure. This provision does not apply to:
 - 1) POS funds allocated as part of the State's Community Placement Plan and Community Resource Development Plan (CPP/CRDP) process.
- b. Contractor shall institute a Board approved policy effective January 1, 2011 specifying the circumstances under which the regional center will issue requests for proposals to address a service need. This policy shall also address the applicable dollar thresholds for requiring the utilization of the request for proposals process; the request for proposals notification process; and, how submitted proposals will be evaluated and the applicant selected. Within 30 days of the effective date, Contractor shall post the Board approved policy on the regional center's website.

Contractor shall specify in its Board approved policy the requirements of W&I Code Section 4648.11, and post the policy on its website.

- c. POS funds may be used to provide grants for reasonable start-up costs associated with resource development. Contractor shall develop and maintain a policy for the disbursement of start-up monies and shall keep accounting and other records to document the use of these monies. Such policy shall include provision for fair and equitable recoupment of start-up funds should the vendor and/or fund recipient cease to provide services to consumers after a specified period of time. This includes start-up funds to purchase real property. The policy must be approved by Contractor's Board of Directors and must ensure that the use of POS funds are:
 - 1) Necessary for establishing a new or additional program, project or resource for providing services and supports to consumers.

- 2) Of direct benefit to consumers.
- 3) Supported by contracts with sufficient detail and measurable performance expectations and results.
- 4) Not used for the purchase of a provider's vehicle.
- 5) Not used for the lease of a provider's vehicle unless approved in advance by the Director or designee.
- 6) Not used for routine maintenance of a provider's plant or facility unless approved in advance by the Director or designee.
- 7) Not used for construction, renovation, alteration, improvement, or repair of real property that is not of direct medical or remedial benefit to the consumer.

3. Contracting Policy

Both parties to this contract recognize the specific requirements under law as stated in W&I Code Section 4625.5 and California Code of Regulations (CCR), Section 54322.

4. Federal Funds

- a. Contractor shall implement mutually agreed to procedures for the administration of all programs funded by Medicaid including: Home and Community-Based Services (HCBS) Waiver, Self-Determination Program (SDP) Waiver, Targeted Case Management (TCM), Intermediate Care Facility-Developmentally Disabled State Plan Amendment (ICF-DD SPA), Nursing Home Reform (NHR), 1915(i) SPA, Early Periodic Screening Diagnosis and Treatment (EPSDT), and Behavioral Health Treatment (BHT). Any modifications to the existing procedures shall be mutually agreed to by the State and ARCA.
- a. Contractor shall ensure that costs that may be reimbursed with Federal Funds are claimed in accordance with the applicable cost principles set forth in Office of Management and Budget Circular (OMB), A-122 and requirements set forth in OMB A-110.
- b. HCBS Waiver Enrollment
 - 1) Contractor shall ensure willing and eligible consumers are enrolled on a flow basis on the HCBS Waiver through implementation of an aggressive enrollment effort that ensures enrollment at the earliest date possible in the fiscal year.
 - 2) Months of enrollment will be considered in the allocation of Contractor Operations funding.

d. For the Title XX program, the following information applies:

CFDA Title: Social Services Block Grant (SSBG)

CFDA Number: 93.667

Federal Agency Name: United States Department of Health and Human Services

e. Early Start Program

- 1) Contractor shall provide services for infants, until three years of age, and their families, at no cost to the family, who are eligible for regional center early intervention services in accordance with the provisions of Part C of the Individuals with Disabilities Education Act (20 USC Sec. 1471 et. seq.), its implementing regulations (34 CFR Part 303), the Education Department General Regulations (EDGAR) as specified in 34 CFR Section 303.5, and the California Government Code, Title 14, Section 95000 et. seq. and Cal. Code Regs., Title 17, Section 52000 et. seq.
- 2) The Contractor shall use federal funds provided under Part C of the Individuals with Disabilities Education Act only to supplement and increase service and operations obligations and will in no way be used to supplant state or local funds allocated for infants birth through two years of age.

5. Service Standards

In carrying out its obligations under Article I, Section 12 of this contract, the Contractor shall maintain standards for the purchase of services for persons with developmental disabilities. Within one hundred-twenty (120) days, the State shall review all new or amended purchase of service standards prior to Contractor's implementation of such standards to ensure compliance with statute and regulation.

6. Community Placement Plan

Contractor shall develop and implement an annual State approved CPP/CRDP in accordance with Exhibit E and State CPP/CRDP Guidelines.

Contractor utilizing CPP/CRDP funds for the purpose of acquiring housing shall do so in accordance with Contractor's approved CPP/CRDP, the State's CPP/CRDP Housing Guidelines, and all conditions expressed in the State's approval of the CPP/CRDP.

State shall make every effort to provide Contractor with State Housing Guidelines and CPP/CRDP Guidelines simultaneously. If, however, the amended State Housing Guidelines are released after the submission deadline for the

CPP/CRDP, upon release of amended State Housing Guidelines, the State agrees to allow Contractor the option to modify their CPP/CRDP to reflect any changes to the State's Housing Guidelines.

Any proposed changes to the CPP/CRDP or State Housing Guidelines will be provided to ARCA at least 30 days before they are to take effect. ARCA will have 30 days to provide comments to the State regarding the proposed changes.

State shall allow Contractor at least 60 days from issuance of CPP/CRDP Guidelines to complete and submit its CPP/CRDP for the following year.

State shall approve Contractor's CPP/CRDP and related housing projects no later than August 1.

7. Out-of-State Services

Both parties to this contract recognize the specific requirements under law as stated in W&I Code Section 4519.

8. Mental Health Facilities

Both parties to this contract recognize the specific requirements under law as stated in W&I Code Section 4648.

9. Specialized Resources

As required by W&I Code Section 4418.25(b)(2), Contractor shall provide information on Specialized Resources developed with the use of CPP funds since fiscal year 2005-2006 and shall make these resources available to other regional centers. This information shall be provided monthly in a format agreed to by the State and regional centers.

- a. Contractor must consult with the State to determine whether a specialized resource is available in another regional center service area prior to placement in:
 - 1) The crisis program at Fairview Developmental Center (W&I Code Section 4418.7);
 - 2) A mental health facility ineligible for federal financial participation (FPP) [W&I Code Section 4648(a)(9)(B)(iii) & (C)]; or,
 - 3) Out of state (W&I Code Section 4519.)
- b. Pursuant to W&I Code Section 4418.25(f)(4), annually on February 1, Contractor shall provide to the State progress in the development of needed statewide specialty services and supports, including regional community crisis options, as provided in W&I Code Section 4418.25(b)(3).
- c. Contractor shall comply with all placement restrictions of W&I Code Section 4684.65 regarding ARFPSHNs.

10. Self-Determination Program

- a. Both parties to this contract recognize the specific requirements under law as stated in W&I Code Section 4685.8.
- b. Contractor shall hold at least one Self-Determination Program orientation within 60 days of training conducted by the Department. In consultation with the local volunteer advisory committee, Contractor shall develop a plan to complete orientations for all participants. The plan must take into consideration, at minimum, the language needs of participants and scheduling orientations at times and locations designed to encourage community participation.
- c. Contractor shall report to the State by the 15th of each month, or less frequently if mutually agreed to, information on the status of individuals selected for the Self-Determination Program. Information will be reported in a mutually agreed upon format and may include individual orientation completion status, program participation status, and concerns/barriers to Self-Determination Program enrollment identified by selected participants.
- d. Contractor shall provide a general progress report to include the information identified in paragraph (c) on the status of its implementation of the Self-Determination Program to the local volunteer advisory committee.
- e. By February 1, 2019, Contractor shall identify and provide to the State, the name and contact information for an employee who will serve as the point-of-contact for matters related to the Self-Determination Program. The point-of-contact shall be a staff member with broad knowledge of Contractor's implementation of the Self-Determination Program.

11. Out-of-State Children

- a. It is the intention of the parties that eligible children who reside out-of-state regardless of the placing authority or funding entity shall be provided with smooth and timely transitions back to regional center services and supports upon their return to residence in California. Absent a request to the contrary from a parent, guardian, or legal representative with legal authority, Contractor agrees to maintain a status 2 active file for those regional center-eligible children age three and older who Contractor is aware are in residence out-of-state, subject to the following conditions:
 - 1) Contractor shall conduct and develop an annual Individual Program Plan informed by assessments and information from other involved agencies, to determine current status, service and support needs, and potential alternative services and supports that would be required to support the child in California.

- 2) Contractor shall work with all involved agencies to identify needed services, prospectively determine funding arrangements consistent with W&I Code Section 4684, and if necessary, develop and/or adapt appropriate services to meet the child's needs in California.
 - 3) Contractor shall provide semi-annual face-to-face monitoring and may utilize video conferencing for this purpose.
 - 4) All written progress reports provided by the parent, guardian, or legal representative for each eligible child residing out of state shall be reviewed by Contractor and maintained in its files.
 - 5) If applicable, in accordance with, but not limited to, local AB 2083 Memorandums of Understanding, Contractor shall actively work with all involved agencies to identify and develop resources to support transitioning the child back to California as soon as appropriate.
 - 6) At the earliest possible opportunity, Contractor shall seek approval for start-up funding from the State for the development of appropriate resources to meet the child's needs when no resource is currently available.
- b. Contractor shall notify the State, and the appropriate cross-system partner(s), of any instance in which a parent, guardian, or legal representative with legal authority requests the regional center close or inactivate a child's case as referenced in paragraph (a).

12. Service Provider Termination of Vendorization

Contractor shall notify the State within three (3) business days of Contractor taking action to terminate the vendorization of a service provider, including the reason for termination, in accordance with the provisions of Cal. Code Regs., Title 17, Section 54370(b) or (c).

13. Communication Assessments

- a. Contractor shall offer an initial communication assessment for all individuals served under the Lanterman Act who are identified as deaf, based on Client Development Evaluation Report coding of 2, 3 or 9 for question 60, and 2, 3, 8 or 9 for question 61. The results of the assessment will be used in the development of the Individual Program Plan within 12 months of its completion. This requirement applies to all current individuals served and individuals who become eligible and meet the above criteria. This requirement is contingent upon both of the following:
 - 1) The State developing a communication assessment tool(s).

- 2) The State's Communication Assessment Contractor training or making training available to potential assessors who meet the Communication Contractor's specified qualifications.
- b. Once subparagraphs (1) and (2) of paragraph (a) of this section have been met, Contractor and the State shall mutually agree upon a timeframe for Contractor to arrange and authorize assessments for those accepting the offered communication assessment. Contractor shall report quarterly to the State on:
- 1) The name and UCI of individuals meeting the requirements for a communication assessment.
 - 2) The name and UCI of individuals who received a communication assessment in the prior quarter, and the date of each assessment.
 - 3) The date the communication assessment results were used to develop each individual's Individual Program Plan.
 - 4) The number of communication assessments initiated but not completed.
 - 5) The number of individuals who meet the criteria in paragraph (a) who have not received a communication assessment.
- c. If Contractor does not conform to the requirements set forth under this section, the State may require Contractor to provide a written corrective action plan outlining the steps Contractor shall take to ensure compliance under this section moving forward.
- d. Contractor shall provide the State with the name of and contact information for its Deaf Specialist(s) by September 30, 2024. Any change in staff or contact information for this position shall be provided to the State within 10 business days.

ARTICLE III: FISCAL PROVISIONS

1. Budget Development Process

The State and Contractor agree to work together to build Contractor's budget using the best quality data and information available, including information on projected assessments, resource development and placements for the CPP/CRDP. To that end, the State and ARCA agree to implement a process that will provide this data for building the Governor's January Budget and the May Revise. The process will include ARCA proposing policy changes for the State to consider as well as caseload, Medicaid Waivers and other federal funding initiatives, and expenditure trend data.

2. Allocation of Funding to Contractor

- a. By July 1 of each fiscal year, the State and ARCA shall review the existing allocation methodology and make any recommended changes for the Director's approval. The State agrees to provide the regional centers with a report after each allocation issued to Contractor that shows the estimated amount available for Operations, POS, and CPP/CRDP, and the amount allocated to regional centers.
- b. The State shall, by September 1, of each fiscal year, or not later than fifteen (15) days following the enactment of the annual Budget Act, whichever is later, allocate to all regional centers Operations and POS funds consistent with the approved allocation methodology. On or before February 1 of each fiscal year, the State shall allocate to all regional centers the remaining funds unless specified in the approved allocation methodology or agreed to by ARCA. If ARCA and the State do not reach mutual agreement on an approved allocation process, or if the Director does not approve same, no less than one hundred percent (100%) of the Enacted Budget for Operations and ninety-nine percent (99%) of the Enacted Budget for POS, except for any funds appropriated by the Legislature for a specific purpose which has yet to occur, shall be allocated by February 1. The parties agree that it may be necessary to amend this contract in order to allocate funds made available from budget augmentations, if any, and to move funds among regional centers.
- c. By October 1 of each fiscal year, or not later than fifteen (15) days following the enactment of the annual Budget Act, whichever is later, the State shall allocate to the regional centers CPP/CRDP funds in accordance with the CPP allocation methodology agreed to between ARCA and the Department. If ARCA and the State do not reach mutual agreement on an approved allocation process, or if the Director does not approve same, the State shall allocate by October 15 to the regional centers no less than the sum of:
 - (1) 100% of the Start-Up funds per each regional center's approved CPP/CRDP.

- (2) 75% of the Assessment funds per each regional center's approved CPP/CRDP.
 - (3) 25% of the Deflection funds per each regional center's approved CPP/CRDP.
 - (4) 25% of the Placement funds per each regional center's approved CPP/CRDP.
 - (5) 75% of the Operations funds per each regional center's approved CPP/CRDP.
- d. Notwithstanding paragraphs a., b., and c. of this section, the final decision regarding the methodology used to determine the amount of allocations shall rest with the Director.
 - e. The Contractor shall submit a monthly POS Expenditure Projection (PEP) report to the State which identifies Contractor's actual and projected expenditures as of the date of this report. By the 10th of each month beginning December 10, which would reflect expenditures through October, the Contractor shall submit the monthly PEP in a format mutually agreed to between ARCA and the State. In the event an agreement cannot be reached, DDS will specify the format to be used with input from ARCA. The final PEP for the year shall be submitted by September 10 of the following fiscal year. This PEP shall reflect expenditures through the first supplemental claim.
 - f. As part of the monthly expenditure projection analysis, the State may request, and the Contractor shall provide additional information to explain the expenditure projection.
 - g. Contractor shall assure that services to eligible persons with developmental disabilities are provided within the funds identified in Exhibit A of this contract.
 - h. In the event the State determines that Contractor has insufficient funds to meet its contractual obligations, the State shall make best efforts to secure additional funds and/or provide Contractor with regulatory and statutory relief.
 - i. After notice to the Contractor the State may disencumber any or all funds unexpended and uncommitted by the Contractor out of the amount available under this contract. For the purposes of this Section, such total amount available shall be defined as the amount originally specified in Article I, Section 8, modified by any changes made pursuant to Article III, Section 2, and/or as modified by any executed contract amendment.

- j. Not more than 15 percent of all funds appropriated through Contractor's operations budget shall be spent on administrative costs. For purposes of this section, "direct services" includes, but is not limited to, service coordination, assessment and diagnosis, monitoring of consumer services, quality assurance, and clinical services. Funds spent on direct services shall not include any administrative costs. For purposes of this section, administrative costs include, but are not limited to, any of the following:
- 1) Salaries, wages, and employee benefits for managerial personnel whose primary purpose is the administrative management of the regional center, including, but not limited to, directors and chief executive officers.
 - 2) Salaries, wages, and benefits of employees who perform administrative functions, including, but not limited to, payroll management, personnel functions, accounting, budgeting, auditing, and facility management.
 - 3) Facility and occupancy costs, directly associated with administrative functions.
 - 4) Maintenance and repair.
 - 5) Data processing and computer support services.
 - 6) Contract and procurement activities, except those performed by direct service employees.
 - 7) Training directly associated with administrative functions.
 - 8) Travel directly associated with administrative functions.
 - 9) Licenses directly associated with administrative functions.
 - 10) Taxes.
 - 11) Interest.
 - 12) Property insurance.
 - 13) Personal liability insurance directly associated with administrative functions.
 - 14) Depreciation.
 - 15) General expenses, including, but not limited to, communication costs and supplies directly associated with administrative functions.

3. Advance Payment Provisions

The State shall make available to the Contractor funds for the provision of services under this contract in advance of the Contractor's actual performance therefore, as authorized by W&I Code Section 4621, subject to the following conditions:

- a. Requests for advance payment shall be in accordance with format and procedures requested by the State. The amount to be advanced shall be twenty-five (25) percent of the total contract amount as set forth in the preliminary allocation and in any subsequent contract amendment. The State shall advance funds as soon as reasonably possible following the enactment of the annual Budget Act.
- b. All amounts advanced under this provision shall be deposited by the Contractor in an interest-bearing bank account(s), in a bank legally authorized to engage in the banking business in California and which account(s) is established solely for operation of the regional center. The account(s) shall be in the name of both the State and the Contractor for the purpose of clarifying the State's rights, title and interest to the State funds in said account(s) as stated in "c" of this Section, in the event that a judgment creditor of the Contractor seeks to levy against the funds by means of attachment or execution.

Each withdrawal from said bank account(s) shall be made only by written instrument or electronic transfer of funds performed by the bank as part of an available service. Upon request of the State in writing, the Contractor shall repay to the State such parts of the unliquidated balance of advance payment as shall be in excess of the current requirements. No part of the funds in said bank account(s) shall be commingled with other funds of the Contractor.

- c. Amounts advanced in accordance with this provision when withdrawn from said bank account(s) shall be used only for pending expenditures in accordance with the attached Exhibit A. Except as provided in "b" of this Section, the Contractor has access to the funds placed in said bank account(s) for administrative convenience only, and hereby agrees that it has no right, title or interest therein, and shall make no withdrawals except for those made solely for the purpose of satisfying claims against or expenses of the Contractor incurred pursuant to and in the performance of this agreement.
- d. All interest earned on these funds shall be reported on the next monthly reimbursement claim to the State.
- e. The State shall have a lien upon any balance in said bank account(s) paramount to all other liens, which lien shall secure the repayment of any advance payments made hereunder.

- f. All bank accounts and any investment vehicles containing funds from this contract and used for regional center operations, employee salaries and benefits or for consumers' services and supports, shall be in the name of the State and Contractor. Properly established trust accounts that are approved by the Regional Center Board of Directors for the purpose of administering standard employee benefits do not have to be in the name of the State provided the State has the authority to review the financial transactions of the trust or financial reports prepared by independent auditors. "Standard employee benefits" are those commonly provided to employees in the course of business in private companies.
- g. For the bank account(s) above referenced, there shall be prepared three (3) alternative signature cards with riders attached to each indicating their use. In addition to the preparation of signature cards and riders, Contractor and the bank(s) shall enter into a written agreement specifying the bank(s)' responsibilities relative to said bank account(s). The signature cards, riders and agreement specified herein shall be prepared and administered in accordance with the format and procedures specified by the State.
- h. If Contractor cannot comply with "f" of this Section, alternative arrangements mutually agreeable to the parties shall be utilized.

4. Payment Provisions

In consideration of the services rendered by the Contractor pursuant to this contract, the State shall reimburse the Contractor, for cash expenditures, monthly in arrears. Reimbursement claims shall be submitted in accordance with the claiming procedures requested by the State.

All funds received pursuant to this contract shall be deposited and retained in a bank account(s) set forth in Article III, Section 3.

All funds expended by the Contractor and reimbursed by the State during the term of this contract shall be for the purposes specified and in conformity with Exhibit A.

Any funds which have not been encumbered for services provided or purchased during the term of the contract, shall revert to the State.

5. Budget Category Transfers

In accordance with the annual Budget Act, a contract amendment shall be required if funds are to be transferred from one budget category to another. This provision shall apply to those budget categories that are listed in Exhibit A.

6. Contract Funding Stipulations

- a. This agreement is subject to the appropriation of funds by the Legislature for the purpose of this contract. If funds are not appropriated in any fiscal year into which this agreement extends, it is mutually agreed that this agreement shall be of no further force and effect. In this event, except as provided in Article I, Section 25, the State shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this agreement, and Contractor shall not be obligated to perform any provisions of this Agreement. Contractor shall ensure that all POS contracts initiated by Contractor include notification of this condition.
- b. Except as provided in W&I Code Section 4635, if funding for any fiscal year for this program is reduced or deleted by the Budget Act, except as provided in Article 1, Section 25, the State or Contractor shall have the option to either cancel this agreement without liability or agree to an amendment to reflect the reduced amount.

7. Travel and Per Diem

The Contractor shall establish and maintain procedures that assure the State that reimbursements to regional center employees and board members for necessary travel and per diem are equitable, reasonable, and properly documented.

8. Independent Financial Audit

Both parties to this contract recognize the specific requirements under law as stated in W&I Code Section 4639 and the Single Audit Act of 1984, 31 U.S.C. 7501, et seq., and applicable Office of Management and Budget Circulars (A-122 and A-133 or as revised).

9. Vendor Fiscal Monitoring

- a. Contractor shall monitor the expenditure of public funds by monitoring vendor fiscal claims.
- b. The Contractor shall be responsible for auditing: 1) vendors with prior year annual payments made by the contractor to a vendor of less than \$100,000, 2) consumer's personal and incidental funds, and 3) residential facilities with licensed capacity of six or fewer beds regardless of the payment amount. The DDS shall be responsible for auditing vendors with prior year annual payments from regional centers of \$100,000 or more. The contractor may audit other vendors if prior approval is received from the State. The vendor audits shall be conducted in accordance with the provisions of Cal. Code Regs., Title 17, Section 50606, Regional Center Auditing Requirements and in compliance with audit protocols mutually agreed to by the State and Association of Regional Center Agencies.

- c. The Contractor shall meet or exceed the following minimum requirements and will be evaluated based on the results achieved. In evaluating the results of the contractor's efforts, consideration will be given to the fact that funding for fiscal monitors was reduced in FY 2004-05.

The minimum number of audits conducted by Contractor shall be 4% of the total number of separately vendored services for the following service categories: community care facilities with licensed capacity of six or fewer beds, transportation, day programs, in-home respite agencies and respite facilities. The vendors included in the base for establishing the minimum number of audits, shall be those vendors that receive total prior year POS payments from the contractor of \$100,000 or less and those residential facilities with licensed capacity for six or fewer consumers. Prior to June 1 of each year the State will provide the Contractor with the total number of vendors that will be used to calculate the minimum number of audits to be conducted. Contractor shall ensure that the minimum number of audits conducted includes at least 35% billing audits and 20% cost verification and staffing audits. Cost verification audits are audits of cost statements, State authorized rate increases, or verification of costs used by regional centers to set rates as provided for in Cal. Code Regs., Title 17, Staffing audits are audits conducted to verify compliance with staffing levels as specified in Cal. Code Regs., Title 17, or by contract with a service provider as allowed by Cal. Code Regs., Title 17. Procedures for staffing audits may also include verification that staffing levels are appropriate for the consumer's assessed level of care and are in compliance with the vendor's program design narrative. The billing audits conducted shall include vendors serving consumers eligible for the HCBS Waiver. At least one of the vendors audited must be a program that serves children under the age of three. The Contractor shall make a good faith effort and exhaust all reasonable methods of collection to recover all fiscal adjustments identified as a result of the Contractor's vendor audits. Documentation of collection efforts shall be maintained by the Contractor for future review.

By October 1 of each year, Contractor shall submit to the State a listing of all vendor audits conducted during the prior fiscal year and a list of recoveries. The list of recoveries shall identify the vendor, the date of the audit report, the amount recovered during the prior fiscal year and the method of recovery which may be either collection of cash or off-set of vendor billings.

- d. This provision does not negate the requirement that regional centers submit vendor audit reports to the State pursuant to Cal. Code Regs., Title 17, Section 50606(g)(1)(F). Completed reports are to be submitted at least quarterly.

10. Consumer Trust Accounts

Contractor shall ensure that the consumer benefits directly from all interest earned on trust accounts. Guided by prudent business practices, all trust funds must be placed in a separate bank account that earns at least the prevailing rate of monetary interest for a "Business Savings" account, or equivalent account. This account shall be in the name of both the State and Contractor in accordance with the provisions of Article III, Section 3. All interest must be allocated to the individual consumer accounts. Bank charges (net after applying bank credits, if any), that are specifically identifiable to the trust account may be offset against the consumers' interest. In no case shall the amount of bank charges allocated to the individual consumer accounts exceed the amount of interest earned.

11. Foundation Support

- a. Contractor may provide funds to a foundation or similar entity where the purpose of the funds is to provide direct benefits to regional center consumers subject to prior review and written approval by the State in consultation with Contractor.

Contractor may not provide funds or personnel to a foundation or similar entity for fundraising purposes.

- b. Through a written agreement between the Contractor and a foundation, or similar entity, Contractor may provide in-kind administrative services to a foundation, or similar entity, provided such agreement requires reimbursement from the foundation to the Contractor for any services performed by the Contractor or its employees on behalf of the foundation or similar entity. In-kind reimbursement shall be in the form of specifically identifiable, non-monetary benefits for persons with developmental disabilities.
- c. Nothing shall preclude a foundation, or similar entity, from competing for funding from the Contractor or another regional center on the same basis as any member of the general public. Contractor shall, however, comply with sections 54520 and 54521 of Cal. Code Regs., Title 17, with respect to any conflict of interest issues arising between the Contractor and a foundation, or similar entity.

Contractor must request and receive approval from the State prior to entering into a lease agreement in which bond financing will be utilized to fund the loan.

ARTICLE IV: CONTRACTOR OPERATIONS

1. Electronic Data Processing and Data Integrity

- a. The State and Contractor agree to ensure the integrity and confidentiality of the State's databases that reside on the System i and California Department of Technology (CDT). Accordingly, Contractor shall not engage in any activity that threatens their integrity and shall develop and implement an operational recovery plan consistent with the requirements of this section. Contractor agrees to adhere to the most current version of the State's 'Security Policy for Regional Centers' as developed by the State and ARCA.
- b. Contractor, using the electronic billing and payment software provided by the State, agrees to comply with the most current version of the State's 'Security Policy for Electronic Billing' as developed by the State and ARCA.
- c. Contractor shall make available accurate and complete case management and financial data related to consumer and vendor services, including but not limited to UFS, eBilling and SANDIS information to the State. Accordingly, Contractor shall:
 - 1) Update changes to all mandatory items of the Client Master File at least annually except for the following elements, which must be updated within thirty (30) days of Contractor being aware of any of the following events:
 - a) The death of a consumer.
 - b) The change of address of a consumer; or
 - c) The change of residence type of a consumer.
 - 2) Review the information required in the Client Development Evaluation Report (CDER) whenever an IPP is completed, and update if there is a change.
 - 3) Upon notification by the State of errors in the State's databases that reside on the System i and CDT, Contractor shall rectify those errors within thirty (30) days.

- 4) Contractor agrees to allow the State to access and use any stored consumer and vendor services data pursuant to W&I Code Section 4407. As part of the Consumer Electronic Records Management System (CERMS)/Uniform Fiscal Systems Modernization (UFSM) projects, the project teams will need to access data that is not typically provided to the State. For the purpose of working through the transition, Contractor shall give the project teams access to all data that are in scope of these projects.
- 5) Contractor shall notify the State of any plans to access data stored within SANDIS, UFS, and the eBilling systems databases, by any third-party applications used by the Contractor.
- 6) Contractor shall notify the State of any plans to use any non-State and third-party tools and applications that either provide or consume data stored within SANDIS, UFS, and the eBilling systems databases.
- 7) The State is actively pursuing the modernization of the State's financial, UFSM, and case management, CERMS, systems for use by Contractors. Contractor shall support the transition to these systems as their system of record, as follows:
 - a) Contractor user acceptance testing (UAT) is performed based on a clearly defined and mutually agreeable UAT test developed by the ARCA Information Systems (AIS) Committee and the State. The test plan shall be developed by both the State and AIS to address the identified needs of the regional centers, the State, service providers, and consumers. The test plan shall include clear, measurable, and realistic metrics with established targets that must be met to ensure readiness for implementation.
 - b) The new solutions are shown to align with the State of California's CalSecure initiative enabling a modern secure platform which protects the privacy of client PHI and PII.
- 8) Without prior approval of the State, Contractor shall not initiate efforts to move off their current case management system to alternative solutions, and should only be considered if it is necessary to protect the security and efficiency of its system pending the finalization and proven effectiveness of CERMS as recognized by the State and Contractor.

If other new functionality is required, Contractor must notify the State and receive the State's approval prior to planning and design. Contractor shall, to the extent possible consistent with maintaining an effective system, focus efforts on data clean-up and transitional efforts to prepare for future solutions.

9) Contractor shall work with the State to harden their system environment in alignment with requirements the State must follow. This includes completing and sharing:

- a) A biennial security assessment from an independent third-party;
- b) Establishing a Plan of Action Milestones (POAM); and
- c) Establishing priorities in partnership with the State and working with a contractor to address the critical and high priority items.

The State will look to provide financial assistance for remediation efforts from findings identified in the security assessment and mutually prioritized by the State and Contractor based on shared security interests.

- d. To improve the accuracy of information reported to the State, as well as to reduce the need for surveys of the regional centers to obtain needed information, all regional centers shall use the SANDIS Consumer Information and Resource Information Modules.
- e. As required by the State Administrative Manual Management Memo 01-10 issued June 4, 2001, Contractor certifies that appropriate systems and controls are in place to ensure that State funds are not used to acquire, operate, or maintain computer software in a manner that does not comply with applicable copyrights.
- f. During the term of the contract, Contractor must notify the State in writing if their services or any work under this contract includes, or makes available, any previously unreported GenAI technology, including GenAI from third parties or subcontractors.

At the direction of the State, Contractor shall discontinue the use of any new or previously undisclosed GenAI technology that materially impacts functionality, risk or contract performance, until use of such GenAI technology has been approved by the State.

Failure to disclose GenAI use to the State may be considered a breach of the contract by the State at its sole discretion and the State may consider such failure to disclose GenAI as grounds for termination of the contract for cause in compliance with procedures set forth in the Lanterman Developmental Disabilities Services Act.

The State is entitled to seek any and all relief to which it may be entitled to as a result of such nondisclosure. The State reserves the right to amend the contract, without additional cost, to incorporate GenAI Special Provisions into the contract at its sole discretion and/or terminate any contract that presents an unacceptable level of risk to the State.

2. Personnel

- a. Contractor agrees to hold the State harmless from any administrative or legal actions occurring because of the failure of the Contractor to maintain personnel records and practices in accordance with the provisions of this contract and State of California or federal laws or regulations.
- b. Contractor shall comply with the provisions of Public Contract Code, Section 10353 as required.
- c. Contractor acknowledges the policy in Public Contract Code, Section 7110 (a) and (b) and shall comply with all applicable State of California and federal laws relating to child and family support enforcement.

3. Records Maintenance

In accordance with W&I Code Section 4631(b), Contractor shall be held strictly accountable for reporting all revenues and expenditures, and the effectiveness of the Contractor in carrying out of its programs and fiscal responsibilities. Contractor shall keep records, as follows:

- a. The Contractor shall maintain books, records, documents, case files, and other evidence pertaining to the budget, revenues, expenditures, and consumers served under this contract (hereinafter collectively called the "records") to the extent and in such detail as will properly reflect net costs (direct and indirect) of labor, materials, equipment, supplies and services, overhead and other costs and expenses of whatever nature for which reimbursement is claimed under the provisions of this contract in accordance with mutually agreed to procedures and generally accepted accounting principles.
- b. Contractor shall retain records which pertain to consumer eligibility determinations and redeterminations for the Medicaid Waiver Program for a minimum of five years from the date of an eligibility determination or redetermination.
- c. Contractor may, in fulfillment of its obligation to retain the records as required by this Section, utilize a scanned, digitalized, or other electronic true representation of the original record consistent with Title 17, Section 50602(h) and (i); Title 17, Section 50604 (d); Title 17 Section 50605(a) and (c); Title 17, Section 50612(a) and (f).
- d. Contractor shall comply with the most current version of the State's 'Requirements for Electronic Storage of Records', as developed by the State and ARCA.

4. State Property

- a. All equipment, material, supplies, or property of any kind furnished by the State, or purchased from funds received under the terms of this contract,

shall be the property of the State of California and used for the performance of this contract, unless specifically exempted in the State's Equipment Management System Guidelines.

Contractor shall maintain and administer, in accordance with sound business practice, a program for the utilization, care, maintenance, protection and preservation of State of California property so as to assure its full availability and usefulness for the performance of this contract. Contractor shall comply with the State's Equipment Management System Guidelines for regional center equipment and appropriate directions and instructions which the State may prescribe as reasonably necessary for the protection of State of California property.

- b. Except as authorized in W&I Code section 4669.2, subdivision (a)(8), Contractor is prohibited from expending any state funds that result in the State of California owning, or incurring a liability for, real property.

5. Public Disclosure of Contracts

In accordance with W&I Code Section 4640.6(k), Contractor shall make available to the public for review, all employment contracts with regional center staff or contractors (entered into on or after January 1, 2003) upon request. No employment contract, or portion thereof, may be deemed confidential or unavailable for public review except the social security number of the contracting party.

- a. The term of an employment contract between Contractor and an employee or contractor shall not exceed five years or the term of the State's contract with the regional center.
- b. When reporting the information to the State, as required by W&I Code Sections 4639.5 and 4640.6(k). Contractor shall include any information regarding Executive Director current annual compensation as defined by IRS Code for completion of the IRS Form 990, and associated detail. This information shall be provided in a format with instructions agreed to by the State and regional centers.

6. Information Security

- a. The Contractor agrees to comply with the most current version of the State's 'Statement of Assurances for Protection of Protected Health Information' (Exhibit F) which sets forth the security and notification requirements and best practices for, but not limited to, the protection of all confidential, sensitive, and/or personal information collected and stored on behalf of the State regardless of format or media type.
- b. Contractor, agrees to adhere to State policy and Exhibit F regarding incident reporting, requiring privacy breaches and/or security incidents involving paper and other formats to notify the Department's Information Security Officer, via email at iso@dds.ca.gov and copy

privacy@dds.ca.gov in the event of any loss or theft of personal, sensitive, or confidential information in any format, including but not limited to flash drives, cell phones, personal digital assistants, tablets, computers, and laptops immediately, but no later than within 72 hours.

The notification to the Department must be reported on form DS 5340B or other online submission form as directed by the Department. The Department is mandated by law to notify other entities of disclosure of information; the timelines are extremely short for many of these reports; therefore, it is essential that the Department is notified immediately, but no later than 72 hours upon the discovery of a breach compromising the security and/or privacy of Protected Health Information, or upon a reasonable belief such breach has occurred.

6. ~~Consumer Information Security~~

- a. ~~The Contractor agrees to adhere to the most current version of the State's 'Statement of Assurances for Protection of Protected Health Information' (Exhibit F) which sets forth the security and notification requirements and best practices for, but not limited to, the protection of all confidential, sensitive, and/or personal information collected and stored on behalf of the State regardless of format or media type.~~
- b. ~~Contractor, agrees to adhere to State policy regarding incident reporting, requiring privacy breaches and/or security incidents involving paper and other formats to immediately notify the Department's Information Security Officer, via email at iso@dds.ca.gov in the event of any loss or theft of personal, sensitive, or confidential information in any format, including but not limited to flash drives, cell phones, personal digital assistants (i.e. blackberry), tablets, computers, and laptops within 72 hours.~~

~~The notification to the Department must be reported on form DS 5340B or other online submission form as directed by the Department. DDS is mandated by law to notify other entities of disclosure of information; the timelines are extremely short for many of these reports; therefore, it is essential that DDS is notified immediately, within 72 hours, when a suspected privacy breach or security incident is discovered by the Contractor.~~

ARTICLE V: EVALUATION

1. Contractor Evaluation

- a. The Contractor's performance under this contract will be evaluated. Accordingly, the State, through its authorized representatives, reserves the right to use evaluation methods, including observations, inspections, interviews and other assessment techniques selected by the State.
- b. The State shall notify the Contractor, at least thirty (30) days in advance unless mutually agreed upon otherwise, that an evaluation will take place. It is the State's intent that the on-site portion of any evaluation shall occur during Contractor's normal working hours, unless mutually agreed otherwise, and with the least amount of disruption of day-to-day services, and should last no longer than three (3) weeks.
- c. The State shall prepare a written report specifying the findings of any evaluation performed by the State under this Section. Said report shall not be limited to a description of the areas of Contractor's deficiencies but shall include a description of Contractor's strengths and outstanding achievements, if any. Except as required by law, public release of the State's final evaluation report shall not be made until the report has been reviewed by the Contractor and the Contractor has had thirty (30) days to respond. Contractor's responses will be included within the final report to be published within thirty (30) days from the receipt of said responses.

2. Information Requests

During the term of this contract, the State may require Contractor to furnish program and fiscal information, as the State deems necessary to assess Contractor's status or performance relative to Contractor's fiscal and/or program operations. Prior to requesting such information, the State shall confer with ARCA as to the most efficient and effective means for collecting the information.

3. State Audits of Contractor

- a. The State shall audit records of Contractor to verify Contractor's compliance with this contract. Such audits shall commence within three years following the last date of the prior audit period.
- b. The State shall not commence its routine biennial audit of Contractor prior to 30 days after the State has issued and Contractor has received the final audit report for the prior audit period.
- c. Contractor records pertaining to the provision of services under this contract shall be open for audit by the State for a minimum period of three years following the last date of the prior audit period.
- d. The final audit report shall be issued by the State to the regional center within ninety (90) days of Contractor's written response to the draft audit report

when Contractor's written response to the draft audit report is in agreement with all audit findings and/or recommendations disclosed.

ARTICLE VI: CONTRACT AMENDMENT/CANCELLATION/REOPENING

1. Contract Amendments

- a. Either party may reopen and enter into negotiations on any provision(s) of this contract as deemed necessary to contract or respond to 1) any legislative and/or budgeting actions taken by the Legislature; 2) executive order of the Governor; 3) declared state of emergency; 4) action taken by a court of law; or 5) the need for special language.

Contractor shall immediately notify the State in writing if, as a result of the above, it is unable to comply with any provision of this contract.

- b. Pursuant to Article III, Section 2 hereof, this agreement shall be amended on or before September 1 of each year and may be amended additional times as needed in order to allocate funds made available and to move funds among regional centers as early as possible to the Contractor and the other regional centers.
- c. Should any change in the regulations promulgated by the State, State policies, or provisions of this contract result in increased costs to the Contractor, the State in consultation with the Contractor shall determine the amount of this cost and shall, consistent with state law and subject to the availability of funds appropriated to the State for developmental services, augment Contractor's budget by this amount.

2. Severability Clause

Subject to review and approval of the Department of General Services, in the event this contract is terminated or not renewed pursuant to Article I, Section 3 or Article VIII, Section 4, the State shall negotiate reasonable closing costs with the Contractor.

3. Entire Agreement

This writing, including its attachments and references, is intended both as final expression of the agreement between the parties and as a complete exclusive statement of the agreement.

ARTICLE VII: MISCELLANEOUS

1. Lease/Rental Agreements

The contractor shall include in all new leases or rental agreements for real property a clause that holds the State harmless for such leases.

2. Emergency Response System

Contractor shall implement an emergency response system that ensures that a regional center staff person will respond to a consumer, or individual acting on behalf of a consumer, within two hours of the time an emergency call is placed. This emergency response system shall be operational 24 hours per day, 365 days per year.

3. Emergency Planning, Preparedness, Response and Recovery

- a. Definitions for terms, as used in this section:
 - 1) “Emergency” means any situation that requires immediate action in which the life or safety of individuals are threatened by events including but not limited to: floods, fires, earthquakes, power outages, chemical spills, or events for which a disaster has been declared by a unit of local, state, federal, or tribal government.
 - 2) “Community” means regional center individuals, their families and caregivers, service providers, regional center staff and other relevant local partners.
- b. Contractor shall develop, and annually thereafter review and update, as necessary, its emergency plan to encompass planning, preparedness, response and recovery. The plan shall, at minimum, include a description of Contractor’s ongoing efforts to develop and maintain relationships, educate, prepare and plan, and collaborate with County Emergency Management Offices, tribal entities, neighboring regional centers, and the community.
- c. Contractor shall maintain a current list of key regional center personnel involved in emergency activities, from planning, preparedness, response, recovery, and reporting, and their contact information, and share it with the State’s Emergency Preparedness and Response Office to ensure coverage and daily reporting during an emergency. To the extent possible, the State will make efforts to streamline requests during an emergency.
- d. Contractor shall hire, maintain and designate one full-time Emergency Coordinator position. The Emergency Coordinator shall participate in-person or remotely in state- funded training opportunities and exercises. If every effort has been made for Emergency Coordinator to participate, but is unable, a designee shall participate. Additionally, the emergency coordinator shall participate remotely in designated monthly statewide

Emergency Coordination meetings to ensure all Emergency Coordinators receive information including but not limited to: updates on Department initiatives, new updates or changes related to emergency preparedness programs.

e. Contractor shall work with the State to utilize resources made available for:

- 1) Training and community engagement, and
- 2) Distribution of emergency preparedness resources to individuals and families in the Contractor's catchment area.

f. During an emergency that impacts individuals served by the regional center, Contractor shall:

- 1) Provide timely and immediate notifications and updates to impacted individuals using the Everbridge Notification platform;
- 2) Utilizing the information available from the Everbridge Notification platform, Contractor shall identify individuals who rely on medical equipment, who are non- ambulatory, or who live with limited supports to quickly assess additional needs or support;
- 3) Identify facility and program closures that result in individual displacement and/or loss of services;
- 4) Coordinate with local, state, federal and tribal entities, the community, and other regional centers, as needed to maintain individual safety and supports;
- 5) Provide daily, or at a frequency requested by Contractor and approved by the State, updates to the State regarding Contractor's actions taken, the safety, well-being, and unmet needs of individuals, to the extent known to Contractor, in a format mutually agreed upon.

g. Contractor shall assist individuals after emergency events, and may utilize the service providers for assistance, which may include, but not be limited to, the following:

- 1) Returning home.
- 2) Identifying alternative sources of services, if needed.
- 3) Connecting to state and federal assistance programs, which may include, but not be limited to food, income supports, childcare, interpretation, and health care.

a. ~~Definitions for terms, as used in this section:~~

- ~~1) "Emergency" means any situation that requires immediate action in which the life or safety of consumers are threatened by events including but not limited to: floods, fires, earthquakes, power outages, chemical spills, or events for which a disaster has been declared by a unit of local, state, federal, or tribal government.~~
 - ~~2) "Community" means regional center consumers, their families and caregivers, service providers, regional center staff and other relevant local partners.~~
- ~~b. Contractor shall develop, and annually thereafter review and update, as necessary, its emergency plan to encompass planning, preparedness, response and recovery. The plan shall, at minimum, include a description of Contractor's ongoing efforts to develop and maintain relationships, educate, prepare and plan, and collaborate with County Emergency Management Offices tribal entities, neighboring regional centers, and the community.~~
 - ~~c. Contractor shall maintain a current list of key regional center personnel involved in emergency activities, from planning, preparedness, response, recovery, and reporting, and their contact information, and share it with the State's Emergency Preparedness and Response Office.~~
 - ~~d. Contractor shall hire, maintain and designate one full-time Emergency Coordinator position. The Emergency Coordinator shall participate in-person or remotely in state-funded training opportunities and exercises, and quarterly statewide meetings. If every effort has been made for Emergency Coordinator to participate, but is unable, a designee shall participate.~~
 - ~~e. Contractor shall work with the State to utilize resources allocated for:
 - ~~1) Training and community engagement, and~~
 - ~~2) Generators, batteries, go-bags/emergency kits for consumers living in high-risk areas defined by CalFire and the California Public Utilities Commission, to the extent applicable to the Contractor's catchment area.~~~~
 - ~~f. During a declared emergency, Contractor shall:
 - ~~1) Provide timely notifications and updates to impacted consumers;~~
 - ~~2) Identify facility and program closures that result in consumer displacement and/or loss of services;~~
 - ~~3) Coordinate with local, state, federal and tribal entities, the community, and other regional centers, as needed to maintain consumer safety and supports;~~~~

- ~~4) Provide daily, or at a frequency requested by Contractor and approved by the State, updates to the State regarding the safety, well-being, and unmet needs of consumers, to the extent known to Contractor, in a format mutually agreed upon.~~
- ~~g. Contractor shall assist consumers after emergency events, and may utilize the service providers for assistance, which may include, but not be limited to, the following:~~
 - ~~1) Returning home.~~
 - ~~2) Identifying alternative sources of services, if needed.~~
 - ~~3) Connecting to state and federal assistance programs, which may include, but not be limited to food, income supports, childcare, interpretation, and health care.~~

4. Collection of Parental Information

In accordance with W&I Code Section 4657, Contractor shall collect the following for each new case and each review of all clients in out-of-home placement:

- a. The social security number of the parents of the client;
- b. The birthday of the parents of the client;
- c. The disability status of the parents of the client; and,
- d. Whether the parents of the client are deceased or not.

5. Registered Sex Offenders

Effective April 1, 2005, Contractor shall, for every newly eligible consumer over 16 years of age, review Megan's Law website (www.meganslaw.ca.gov) to determine if the consumer is required to register as a sex offender pursuant to Penal Code 290. If the consumer is required to register as a sex offender, the Contractor shall appropriately note this information in the consumer's electronic record and case file.

6. Data Compilation

Both parties to this contract recognize the specific requirements under law as stated in W&I Code Section 4519.5 and 4519.6. Contractor shall provide the report specified in W&I Code Section 4519.5(f) to the State annually by May 31.

7. Shared Vendors and Case Management Responsibility

- a. For the purposes of this section, "community living vendor" includes community care facilities, supported living services, independent living services, Family Home Agency and Foster Family Agency.

- b. When Contractor is not the vendoring regional center but is the regional center with case management responsibility and chooses to place a consumer with another regional center's community living vendor or long-term health care facility, Contractor shall:
 - 1) Prior to the provision of services, notify the vendoring regional center of services to be provided to Contractor's consumer by the vendor or long-term health care facility.
 - 2) When a special incident occurs, ensure the vendor or long-term health care facility submits a special incident report to both Contractor and the vendoring regional center. [Cal. Code Regs, Title 17, Section 54327(d)]
 - 3) Upon becoming aware of a special incident, notify the vendoring regional center.
 - 4) Work collaboratively with the vendoring regional center to follow up and investigate special incidents, as needed.
 - 5) Work collaboratively with the vendoring regional center to enforce a Zero Tolerance Policy regarding abuse or neglect of consumers.

- c. When Contractor is the vendoring regional center but is not the regional center with case management responsibility, Contractor shall notify the regional center utilizing Contractor's community living vendor or long-term health care facility upon becoming aware of the following:
 - 1) Unusual type or frequency of special incidents that would impact the health and safety of consumers while receiving services from Contractor's community living vendor or long-term health care facility.
 - 2) Issues that may affect the ability of Contractor's community living vendor or long-term health care facility to provide services, or to provide services in an environment that ensures the health and safety of consumers during the provision of services.
 - 3) If a situation specified in subparagraphs (1) or (2) of this paragraph places a consumer(s) in immediate risk or danger, Contractor shall notify the regional center(s) immediately, and not later than 24 hours.

- d. For all vendor types other than community living vendors and long-term health care facilities, upon becoming aware of a situation specified in subparagraphs (1) or (2) of paragraph (c) of this section, Contractor shall notify all regional centers of the following:
 - 1) Vendor name and number(s).

- 2) Request to contact Contractor if a regional center is currently utilizing the vendor in question.
 - 3) The name(s) and telephone number(s) of the individual(s) to contact for relevant information.
- e. For the purposes of paragraph (d) of this section, Contractor shall notify the regional center(s) as soon as possible, but not later than two working days. If the situation places a consumer(s) in immediate risk or danger, Contractor shall notify the regional center(s) immediately, and not later than 24 hours.
 - f. By December 15, 2013, and ongoing as warranted by personnel changes, Contractor shall maintain and provide to the other regional centers, a primary contact person and a backup contact person and their contact information for purposes of making and receiving the notifications specified in paragraph (d) of this section.

8. Program Development Funds – Parental Fee Program

Both Parties to this contract recognize the specific requirements under law as stated in W&I Code Section 4784 and California Code of Regulations 50225.

9. Executive Director Recruitment Policy

Contractor shall notify the State within one business day of an unanticipated executive director vacancy or within one week of learning of an executive director resignation or retirement. Contractor shall provide the State with its plan for executive director recruitment within one month of the above notification.

10. Reporting on Specified Consumers

- a. Contractor shall report to the State on an ongoing basis and at least monthly, information on:
 - 1) If known, any minor or non-minor dependent who remains a resident of California and is residing out-of-state, whose services are not funded by the regional center.
 - 2) If known, any minor at risk of out-of-state placement, whether the placement would be funded by the regional center or another agency.
- b. Contractor shall report to the State within three business days of any known occurrence, information on any minor or adult residing for five days or more in an emergency room or psychiatric facility, or any minor not accompanied by their parent or legal guardian residing in a shelter.
- c. Information will be reported to a specified State contact in a mutually agreed upon format, to include consumer name, UCI, age, legal status,

and a summary of the current circumstances and resources that have been explored.

- d. By August 31, 2020, Contractor shall identify and provide to the State, the name and contact information for any employee who will serve as a point-of-contact for this information.
- e. Nothing in this section shall affect Contractor's compliance with W&I Code Section 4519.

11. Board of Directors Training Plan

- a. Pursuant to W&I Code Section 4622(g), "the regional center shall provide necessary training and support to these board members to facilitate their understanding and participation, including issues related to linguistic and cultural competency. As part of its monitoring responsibility, the department shall review and approve the method by which training, and support are provided to board members to ensure maximum understanding and participation by board members. Each regional center shall post on its internet website information regarding the training and support provided to board members."
- b. Contractor shall submit to the State by December 15 of each year, a proposed comprehensive board of directors' training plan for the next calendar year. At minimum, training topics shall include a review of board governance (e.g., board members' role and responsibilities), conflict of interest and whistleblower policies, and linguistic and cultural competency.
- c. The training plan shall detail training topics, including: frequency, length of each training session and, if known, the name, affiliation, and qualifications of the individual or entity who will provide training to the board.
- d. Contractor shall post on its website information regarding the training and support provided to board members pursuant to W&I Code Section 4266(g), to include the annual board of directors' training plan and schedule.
- e. Contractor shall submit to the State by December 15 of each year, a report on the actual trainings provided to its board of directors in that calendar year, to include the information specified in subsections (b) and (c).

12. W&I Code Section 4731 Consumers' Rights Complaints

By April 15, 2021, and quarterly by the 15th of the month following each quarter, Contractor shall report to the State information regarding complaints pursuant to W&I Code Section 4731 for which the regional center sent the complainant a written proposed resolution in response to in the previous quarter. To ensure the State has the information needed to comply with W&I Code Section 4519.2(c),

information shall be reported in a mutually agreed upon format and shall include, but not be limited to, the following:

- a. Consumer UCI and initials;
- b. Date complaint was received by the regional center;
- c. Date the proposed resolution was sent to the consumer;
- d. Subject matter of each complaint; and
- e. How the complaint was resolved.

13. Medicaid Enrollment Requirements

- a. Purpose

Regional centers coordinate services for consumers for which federal funding is received from the Centers for Medicare and Medicaid Services, and are therefore required to enroll as a Medicaid provider. Exhibit G sets forth the terms and conditions under which the Contractor shall enroll as a Medicaid provider.

- b. Board of Directors' Recruitment and Training

- 1) Contractor shall provide information regarding these requirements in Contractor's board recruitment outreach and information.
- 2) Contractor shall include as a component in its annual training regarding board member roles and responsibilities, information about the criteria that trigger submission of a renewal packet as outlined in Exhibit G to ensure ongoing enrollment as a Medicaid provider.

14. Board Governance

By April 1 ,2022, Contractor shall ensure that either a board-approved policy or board-approved bylaws describe the following:

- a. The respective roles and responsibilities of the governing board in setting policy and overall governance and the Executive Director in day-to-day operations.
- b. The selection, training and monitoring of facilitators who will support board members to ensure maximum understanding and participation in carrying out their roles and responsibilities as per W&I Code section 4622(g)(1) and (2).

15. Forensic Cases

- a. Starting January 15, 2022, Contractor shall ensure information is entered into its case management database regarding consumers subject to the diversion process pursuant to Penal Code Section 1001.20, et seq. Information shall be entered within 14 days of receipt of minute orders and shall include, but not be limited to, the following:
 - 1) Date(s) and type(s) of related offense(s); and
 - 2) Details of the consumer's diversion program and current status.
- b. Contractor shall give the State a minimum of 14 calendar days' notice of any of the following:
 - 1) Contractor's intent to recommend to the court that a consumer be admitted to the Porterville Developmental Center Secure Treatment Program pursuant to Penal Code Section 1370.1.
 - 2) Contractor's intent to recommend to the court that a consumer currently on a Penal Code Section 1370.1 commitment at Porterville Developmental Center move to a W&I Code Section 6500 commitment.
- c. Contractor shall provide Porterville Regional Project with all required individual documents as soon as possible after a recommendation has been made to the court that a consumer be admitted to Porterville Developmental Center.

16. Reporting on DDS Conservatees

- a. Beginning October 1, 2022, Contractor shall report to the State, in a format prescribed by the State, by the fifth (5th) working day of each month for the prior month the following information for each individual for whom the Director of DDS is conservator and the responsibilities of conservatorship have been delegated to Contractor pursuant to Health and Safety Code sections 416 through 416.23:
 - 1) Change in residence
 - 2) Change in medical presentation or support needs
 - 3) Changes in behavioral presentation or support needs
 - 4) Changes in services, including new services requested and/or authorized
 - 5) Emergency room or urgent care visits, including the reason and outcome of the visit
 - 6) Rights violations
 - 7) Any other significant events or issues not already reported to the State
- b. By December 31, 2023, and biennially thereafter, Contractor shall have completed a person-centered comprehensive assessment for each

individual described in paragraph (a) of this section to inform the development of the Individual Program Plan. In implementing this paragraph, Contractor and the State shall adhere to the following timelines:

- 1) By October 31, 2022, Contractor and the State shall define “comprehensive assessment” for the purpose of this paragraph and the necessary trainings for staff who will complete comprehensive assessments.
 - 2) By November 30, 2022, Contractor and the State shall finalize the curriculum for trainings.
 - 3) In December 2022, trainings shall begin.
 - 4) From January 2023 to December 2023, Contractor shall complete all necessary comprehensive assessments.
- c. Consistent with Probate Code section 2360 and the State’s May 2011 program advisory, “COD 11-01, Conservators: Photograph of Conservatee,” by January 31, 2023, and annually thereafter, Contractor shall submit to the State, in a format prescribed by the State, a photograph of each individual described in paragraph (a) of this section.
- d. Contractor shall notify the designated representative of the State, within 24 hours of learning of a DDS conservatee death or serious incident, involving abuse, neglect or unplanned hospitalization.
- 1) For reported deaths, Contractor shall submit a copy of the death certificate and mortality review to the State.
- e. Contractor shall carbon copy (cc) the State on the IPP and annual progress report for each DDS conservatee.
- f. Contractor shall meet with the State upon request to discuss a conservatee case.

ARTICLE VIII: PERFORMANCE

1. Contract Development

Contractor agrees to perform in accordance with the goals and objectives set forth in Exhibit C, "Performance Plan," which was developed in accordance with W&I Code Section 4629. Notwithstanding Article I, Section 9 herein the Performance Plan shall be for a period of five years as specified in Exhibit C. The Performance Plan may be modified during the term of this period by mutual written consent of Contractor and the State.

2. Annual Progress Report

By January 31 of each year, Contractor shall prepare and submit a report to the State on Contractor's progress in meeting its performance contract goals and objectives. The report shall include the goals, objectives, baseline data for each objective, and progress on each objective.

3. Incentives

By July 1 of each year, ARCA and the State shall mutually agree on incentives and flexibility as required to ensure that Contractor meets or exceeds its performance standards and to facilitate the achievement of performance objectives. Once agreed to, these incentives and flexibility shall become part of the Contract.

4. Contract Compliance

Based upon Contractor's performance, the State may take corrective action against Contractor, including placing the Contractor on probationary status. If it is found that a Contractor does not meet or is at risk of not meeting performance standards, due to the failure to meet performance objectives or requirements under the Lanterman Act or the terms of the contract, the State may take any or all of the following actions independently or in combination: the provision of technical assistance; loss of fiscal incentives; mandated consultation with designated representatives of ARCA or a management team designated by the State, or both; issuance of a letter of noncompliance; pursuit of legal or equitable remedies for enforcement of specified obligations; or contract termination or contract nonrenewal subject to W&I Code Section 4635. Nothing in this paragraph shall limit the State's authority to take any other appropriate action under the Lanterman Act or the terms of the contract at any time during the term of this contract.

ARTICLE IX: STAFFING, MONITORING AND REPORTING

1. Specialized Personnel and Monitoring

Contractor shall expend not less than the specific amounts allocated for the following provisions unless there is reduction in funding, and/or the State imposes a transfer from Operations to POS.

a. Clinical Staff

Contractor shall either hire, or contract for, clinical expertise in the areas of pharmacology, behavioral psychology, and special medical assistance in order to provide assistance in the use of special medications, to monitor complex medical cases, and to be proactive to improve access to preventive health care resources.

b. Quarterly Monitoring

Contractor shall have face-to-face contact with any individual living in a community out-of-home settings (licensed community care facilities, health facilities, supported living and independent living settings, and adult family homes) and any individual who is conserved by the Director of DDS or the Director of the Regional Center, at least quarterly. These contacts shall be for the purpose of monitoring the health, safety and well-being of each individual, gathering information to assess the effectiveness of services provided to meet the individual's needs and monitoring progress in meeting identified goals.

c. Specialized Expertise

1) Contractor shall have, or contract for, all of the following:

- a) Criminal justice expertise to assist Contractor in providing services and support to consumers involved in the criminal justice system as a victim, defendant, inmate or parolee.
- b) Special education expertise to assist Contractor in providing advocacy and support to families seeking appropriate educational services from a school district.
- c) Family support expertise to assist Contractor in maximizing the effectiveness of support and services provided to families.
- d) Housing expertise to assist Contractor in accessing affordable housing for consumers in independent or supported living arrangements.

- e) Community integration expertise to assist consumers and families in accessing integrated services and supports and improved opportunities to participate in community life.
- 2) Contractor shall employ or contract for at least one consumer advocate who is a person with developmental disabilities.
- 3) Contractor shall hire, maintain, and designate one full-time equivalent federal program coordinator position, and shall ensure that the monies appropriated for this position will only be used for that purpose.
 - a) This position shall address issues pertaining to federally funded programs serving individuals with developmental disabilities as appropriate, including the HCBS Waiver.
 - b) In collaboration with the State, this position, when appropriate, shall seek increased FFP
- 4) Contractor shall hire to fulfill the following functions/positions:
 - a) Employment Specialist
 - b) Cultural Specialist
 - c) HCBS Waiver/New Federal Rule Program Evaluators
 - d) Emergency Coordinator
 - e) Deaf Services Specialist
 - f) Participant Choice Specialists in a quantity the Contractor is allocated out of the total of 63 positions funded by the State

d. Federal Programs Compliance Review

Contractor shall use funds budgeted for Federal Programs Compliance Review to establish, maintain, and implement an ongoing internal review process to ensure compliance with federal and state program requirements related to the HCBS Waiver, TCM, and the NHR programs. The internal review process shall assess Contractor's compliance with statutory/regulatory/contractual requirements in, at minimum, the following areas:

- HCBS Waiver eligibility certification/recertification
- Special incident reporting and risk management
- Consumer choice
- Provider Agreement Forms
- Notice of action
- Fair hearings
- IPPs/IFSPs
- Periodic and quarterly reviews of services and progress
- Quality assurance (quarterly reviews, corrective action plans, annual reviews of community care facilities)
- Service coordinator caseload ratios

- TCM documentation of activity and units
- NHR documentation of referrals and evaluations

Contractor shall use the results from the internal review as part of a continuous quality improvement process to enhance performance. The State shall develop and provide Contractor a self-evaluation protocol to assist Contractor in performing the internal review. The results of this internal review shall be made available to the State during the State’s monitoring visits.

- e. Contractor shall use funds allocated in the Budget Act of 2005 and each budget year thereafter for complying with the HCBS Waiver requirements solely for the specific purposes budgeted for the 2005-06 fiscal year and each fiscal year thereafter. The State may take any disciplinary action necessary in the event Contractor expends these allocated funds for any purpose other than for complying with these requirements.
- f. Using all funds allocated to the Contractor in accordance with the Settlement Agreement for Capitol People First, et al. v. Department of Developmental Services, et al, (hereafter referenced as Settlement Agreement) as originally authorized in the Budget Act of 2009 and as authorized in subsequent Budget Acts, Contractor shall provide service coordination on behalf of residents of Developmental Centers as set forth in the Settlement Agreement Section IV.A.1. Service coordination may be provided directly by the Contractor or through documented arrangements with another regional center. The Contractor shall make diligent efforts to participate in annual IPP meetings as agreed to in Section IV.A.3.of the Settlement Agreement. Nothing in this contract provision shall be construed to expand Contractor’s obligations pursuant to the Settlement Agreement beyond those expressly described in the Settlement Agreement. If any inconsistency exists between the terms of the Settlement Agreement and this contract provision, the terms of the Settlement Agreement shall prevail.

2. Caseload Ratios

- a. Contractor shall maintain service coordinator-to-consumer ratios as specified in W&I Code Section 4640.6, and FY 21-22 Budget funding to maintain a 1:40 caseload ratio for consumers in Caseload Ratio Reference Number 2.6, as follows:

Caseload Ratio Reference Number	Statutory Requirement or Targeted State Funding	Population	Service Coordinator-to-Consumer Ratio
2.1	WIC §4640.6(c)(4)	Complex needs as defined in WIC §4640.6(c)(4)	1:25

2.2	WIC §4640.6(c)(2)	Moved from a DC in the last 12 months	1:45
2.43	WIC §4640.6(c)(3)(B), adjusted for CPP Operations Funding caseload	Moved from a DC since April 14, 1993, and have lived continuously in the community for greater than 24 months	1:62
2.4	WIC §4640.6(c)(3)(A)	Age 3 and younger	1:62
2.5	WIC §4640.6(c)(3)(A)	Enrolled on the HCBS Waiver	1:62
2.6	FY 21-22 Budget	Low or no purchase of service	1:40
2.7	WIC §4640.6(c)(3)(C)	All others	1:66

- b. Service coordinators may have a mixed caseload consisting of consumers specified in Caseload Ratio Reference Numbers 2.1, 2.2, 2.43, 2.4, 2.5 and 2.7 if the overall average caseload is weighted proportionately to ensure that overall regional center average service coordinator-to-consumer ratios as specified in 2.1, 2.2, 2.43, 2.4, 2.5 and 2.7 are met. In no case shall a service coordinator for these consumers have an assigned caseload in excess of 84 for more than 60 days.
- c. For purposes of this contract requirement, "service coordinator" means a regional center employee whose primary responsibility includes preparing, implementing, and monitoring consumers' IPPs, securing and coordinating consumer services and supports, and providing placement and monitoring activities.
- d. For purposes of this contract requirement, low purchase of service for a consumer is defined as less than \$2000 in the prior fiscal year. The 1:40 caseload ratio shall be maintained based on the State's allocation of positions to Contractor.
- e. One or more of the requirements of this subsection shall not apply if the regional center has a waiver approved pursuant to W&I Code Section 4640.6(h).

3. Reporting

Contractor shall provide service coordinator caseload data, as of March 1, to the State annually by March 10. The data shall be submitted in a format prescribed by the State that shall meet, but not exceed, the data collection requirements imposed by W&I Code Section 4640.6(e). In FY 21-22 only, Contractor shall provide service coordinator caseload data, as of February 1, 2022, to the State by February 10, 2022. In FY 22-23, Contractor shall also provide service coordinator caseload data, as of October 1, to the State by October 10, pursuant to W&I Code Section 4640.6(g).

ARTICLE X

COMMUNITY PLACEMENT PLAN FOR INDIVIDUALS WITH DEVELOPMENTAL DISABILITIES AND EXPENDITURE PLAN

1. BACKGROUND

Golden Gate Regional Center, Regional Center of the East Bay, and San Andreas Regional Center (Collectively, BAHP Contractors or CPPDD Contractors) originally developed the Bay Area Housing Plan in accordance with provisions of Welfare and Institutions Code §4474.1 and §4688.5. With the exception of the property located at 14329 Mulberry Drive in Los Gatos, the 60 properties (each a Property and collectively the Properties) that were developed and comprise the BAHP are described in Attachment A. Each Property is owned by one of three limited liability companies (each a “Borrower” and collectively, the “Borrowers”).

The Bank of America (Bank) returned funds from its security account to the BAHP Contractors. The funds that were returned to the BAHP Contractors from the Bank’s security account are “advanced operating expenses”. Contractor shall report the funds that were returned to it from the Bank’s security account in the same manner as Contractor is required to report under the law other advanced operating expenses. The “advanced operating expenses” are considered and shall be accounted for strictly as advanced funds and shall not be considered or reported as a state claimable expense and shall be subject to the requirements of Article III of this Agreement. In the event of any conflict between the requirements included in Article III of this Agreement and the requirements included in Article X of this Agreement, the requirements included in Article III of this Agreement shall prevail.

CPPDD

To obtain bond financing to refinance the BAHP, the California Health and Human Services Agency (HHS) and the Department of Developmental Services (DDS) provided assurances in letters dated December 27, 2010 to involved parties of the BAHP refinance that the HHS and the DDS approved a refinance plan for BAHP. In the refinance plan and hereinafter, the BAHP is referred to as the Community Placement Plan for Individuals with Developmental Disabilities (CPPDD). In the refinance plan, the California Health Facilities Finance Agency (CHFFA) issued Seventy-Six Million Nine Hundred Seventy Thousand and no/100 Dollars (\$76,970,000) in revenue bonds and the Office of Statewide Health Planning and Development (OSHPD) provided loan insurance for the bonds. Collectively, Golden Gate Regional Center (GGRC), Regional Center of the East Bay (RCEB) and SARC (formerly referred to as the BAHP Contractors) are hereinafter referred to as the CPPDD Contractors.

Under the CPPDD each property is encumbered by a Long-Term Residency Lease Agreement between a service provider and a Borrower, as amended by a First Amendment to Long-Term Residency Lease Agreement and a Second Amendment to Long-Term Residency Lease (collectively, the Lease). Each CPPDD residential service provider shall receive a service fee for the services provided to each individual residing in the home. The Contractor acknowledges Medicaid eligible residents will use Supplemental Security Income payments for room and board costs, and these funds will

not receive federal reimbursement from the federal Home and Community-Based Services (HCBS) Waiver. The State acknowledges that the CPPDD Contractors are parties to the Lender Lease Assurance Agreement, which provides additional security for repayment of the CPPDD loans. Should Contractor become liable pursuant to the Lender Lease Assurance Agreement, the Contractor shall immediately notify the State and in no instance shall the State seek reimbursement from the HCBS Waiver for Medicaid eligible residents for such liability.

As more specifically described in the Master Memorandum of Understanding (Master MOU) dated February 1, 2011, and entered into by parties that include the CPPDD Contractors, CHFFA, and OSHPD, the CPPDD Contractors shall maintain an aggregate amount of Five Million and no 100/Dollars (\$5,000,000.00) in three separate accounts (Required Balance). The Required Balance is to provide additional liquidity and an operating reserve for the benefit of OSHPD and CHFFA. Contractor granted a security interest in the Required Balance to CHFFA and OSHPD. The funds held in the Required Balance are considered advanced operating expenses, shall be accounted for strictly as advanced funds, shall not be considered or reported as a state claimable expense, and shall be subject to the requirements included in Article III of this Agreement. In the event of a conflict between the requirements included in Article III of this Agreement and the requirements included in Article X of this Agreement, the requirements included in Article III of this Agreement shall prevail.

Notwithstanding anything in the CPPDD to the contrary: (1) any and all funding from the State used by the Contractor in the performance of the obligations under this Agreement is subject to appropriation in the annual State Budget Act by the State Legislature; (2) all contracts between the State and the Contractor are subject to termination without further State liability if funding is not appropriated for these purposes by the State Legislature; (3) the CPPDD Contractors do not act as agents of the State; and (4) the State is not a party to CPPDD and provides no assurances or commitments as to the availability of State funding during any portion of the term of this Agreement. The purpose of this paragraph is to clarify that the State has no financial liability of any nature for any party's obligations under the CPPDD.

2. CONTRACT TERMS AND CONDITIONS

The CPPDD and this Article X of the Amendment are hereby incorporated into the Contract. The Contractor agrees to fulfill all terms and conditions or otherwise discharge all duties contained in the CPPDD in accordance with Welfare and Institution Code (WIC) §4688.5. In addition to statutory and regulatory requirements and/or other contractual obligations of the CPPDD Contractors to implement the CPPDD, Contractor hereby agrees to the following terms and conditions (with the understanding that Contractor or its designee may be appointed, with the written permission of the State, to perform the following reporting activities for the benefit of the other CPPDD Contractors):

3. Contractor shall comply with all conditions expressed in WIC §4688.5. Contractor hereby confirms that a Lease Assurance Covenants, Conditions, and Restrictions and Memorandum of Agreement and Lease (the "CC&Rs") dated February 1, 2011, has been recorded against the Properties in the Contractor's catchment area expressing that:

4. Each Property is only available for occupancy by individuals eligible for regional center services.
 5. No sale, encumbrance, hypothecation, assignment, refinancing, pledge, conveyance, exchange or transfer in any other form of the real property, or of any of its interest therein, shall occur without the prior written approval of DDS and the California Health and Human Services Agency.
- B. Under certain of the CPPDD documents, DDS has express rights, such as its right under the CC&Rs, to approve any sale, encumbrance, hypothecation, assignment, refinancing, pledge, conveyance, exchange or transfer of the Properties. The provisions below are in addition to such DDS right.

Contractor agrees that the CC&Rs for each Property shall not be amended without the prior notarized written approval of the State, filed for record with the County Recorder's Office of the County where the applicable Property is situated, with a conformed copy provided to Contractor.

Contractor shall submit to the State, or cause to be submitted to the State, for review and prior written approval any material change to the following documents used for the CPPDD (CPPDD Documents), pursuant to WIC §4688.5, prior to making and/or agreeing to any material changes:

1. Master MOU dated February 1, 2011 among the Borrowers, CPPDD Contractors, CHFFA and OSHPD;
2. Memorandum of Agreement for the Bay Area Housing Plan (Master Agreement for NPO's) dated for reference purposes as of March 30, 2006 among the CPPDD Contractors and the Borrowers' predecessors in interest;
3. Each Lease between the Borrower known as Inclusive Communities East Bay, LLC (ICEB) and a service provider;
4. Lease Assurance Covenants, Conditions and Restrictions and Memorandum of Agreement and Lease dated as of February 1, 2011 among Contractor, ICEB and DDS;
5. Loan Agreement dated as of February 1, 2011 between CHFFA and ICEB;
6. Regulatory Agreement dated February 1, 2011 among the Borrowers, CPPDD Contractors, CHFFA and OSHPD;
7. Deeds of Trust with Fixture Filing and Security Agreement dated as of February 1, 2011, executed by ICEB;

8. Amended and Restated Agreement for Providing Residential Services under the BAHP dated February 1, 2011 between Contractor and each Service Provider;
 9. Special Deposit Account Control Agreement (Security Interest in Deposit Account-Contingency) effective February 16, 2011, executed by Contractor in favor of OSHPD and the Bond Trustee;
 10. First Amendment to Memorandum of Agreement for the Bay Area Housing Plan (NPO MOU for BAHP) dated for reference purposes as of February 1, 2011 among the CPPDD Contractors and the Borrowers; and
 11. Lender Lease Assurance Agreement dated February 1, 2011 by CPPDD Contractors in favor of CHFFA and OSHPD.
- C. Contractor acknowledges that the Borrowers own the Properties described in Attachment A. Contractor has entered into various agreements to secure bonds for the Properties. Contractor agrees to include in its agreement with the Borrowers the obligation of each Borrower to comply with the provisions of the CPPDD Documents.
- D. Contractor agrees to implement the CPPDD as approved by the State.
- E. Contractor acknowledges that the CPPDD loans included funds to cover the costs of issuance (Cost of Issuance) associated with the issuance of revenue bonds for the Properties, as described in detail in Item II of the "State of California – Health and Welfare Agency Health Facility Construction Loan Insurance Estimate of Costs and Requisition OSH-CM-134 (Rev. 04/10)" signed by Kristine McCann and J.P. Marion on February 16, 2011, and incorporated herein by reference. Contractor agrees that if funds for Cost of Issuance are returned to Contractor ("Unused Funds"), the Unused Funds will be returned to the State.
- F. For the purpose of a consumer's absence from the home, the Contractor shall pay the established rate for the full month when the consumer is temporarily absent from the facility 14 days or less per month. Notwithstanding the foregoing, when the consumer's temporary absence is more than 14 days but is due to the need for inpatient care in a health facility as defined in Health and Safety Code Section 1250(a), (b), or (c) and the consumer is expected to return, Contractor shall continue to pay the established rate as long as no other consumer occupies the vacancy created by the consumer's temporary absence, for purposes such as crisis or respite services, or until the Interdisciplinary Team has determined that the consumer will not return to the facility. In all other cases of a consumer absence for more than 14 days, the established rate shall be

prorated for a partial month of service by dividing the established rate by 30.44, then multiplying by the number of days the consumer resided in the facility. Notwithstanding the foregoing, even if the consumer's absence is for more than 14 days, Contractor shall in any event continue to remit payment for Rent to each Service Provider as described in paragraph 6.2 of each Amended and Restated Agreement for Providing Residential Services Under the BAHF ("Service Provider Agreement").

- G. Vacancies; Respite Beds; Beds in Transition. With regard to CPPDD homes, the Contractor shall not submit a claim to the State for a vacant bed, except as provided herein. The Contractor is permitted to hold up to two (2) beds in an Adult Residential Facility for Persons with Special Health Needs (962 home) available for crisis, transition from acute or subacute care, or respite purposes and to pay the established rate for that bed. These beds must be specifically identified to DDS and may only be reassigned to a different home, with prior approval from DDS, when a permanent placement is made into an existing bed held for the purposes noted above. Further, a Bed in Transition (defined below) shall not be considered a vacant bed, and the Contractor may claim to the State (and the State shall reimburse, to the extent the claim is valid) the established contract rate (transition costs) between the Contractor and the provider for Beds in Transition. In all other instances of a bed vacancy, the Contractor shall continue to remit payment to the provider for Rent and claim such payment to the State, as described in paragraph 6.2 of each Service Provider Agreement.

An unoccupied bed shall be considered a "Bed in Transition" when all of the following conditions are satisfied:

6. The Contractor has identified a specific consumer of Contractor's services to occupy the bed (the "Identified Consumer"); and

(2) Based on the Identified Consumer's IPP and other relevant information, the Identified Consumer qualifies for the type of care provided by the service model of the house where the bed is located; and

(3) The Identified Consumer resides in a developmental center; *provided, however*, if there are no qualified consumers of Contractor's services then residing in developmental centers, the Contractor may select another consumer of Contractor's services to fill the bed, in the following order of preference: (i) a consumer who previously resided in a developmental center; or (ii) a consumer who has not previously resided in a developmental center and now resides in a skilled nursing facility or intermediate care facility; and

(4) The Contractor is actively involved in transitioning the Identified Consumer from his or her current residence to the unoccupied bed, as evidenced in the consumer's IPP and Transition Plan.

To be eligible for transition costs, in addition to the claim for reimbursement, the Contractor must submit to DDS a monthly report of Beds in Transition, by the last day of each month, that specifically identifies Beds in Transition in CPPDD homes, the date each bed became vacant, the consumer identified for

placement into each bed consistent with all of the above conditions, and the date each consumer was identified for placement into the home. A bed will not continue to be considered a Bed in Transition when all of the aforementioned conditions for a Bed in Transition are not met, as determined by the Contractor or the State.

In rare circumstances, the Director of DDS, or designee, may allow an unoccupied bed that would not otherwise qualify as a Bed in Transition to be eligible for transition costs on a case by case basis. Further, the Contractor may, with prior approval from the Director of DDS, or designee, which shall not be unreasonably withheld, submit a claim for transition costs when placement is delayed due to events beyond the Contractor's control, including, but not limited to, the need to complete required medical procedures for the consumer.

The Contractor shall attempt to either amend all of its Service Provider Agreements, or enter into new Service Provider Agreements, to make them consistent with the terms and conditions of this Section II.G as soon as practicable, but in any event not later than March 1, 2012. To the extent Contractor is unable to enter into such amendments or new agreements by March 1, 2012, the Department shall at such time cease funding for vacant beds under the provisions of the Service Provider Agreements governing payments for bed vacancies, and instead shall fund for vacant beds and Beds in Transition under the terms of this Article X; the Contractor shall thereafter reimburse its service providers in accordance with the terms of this Article X, based on the funding contingency provisions of each Service Provider Agreement.

- H. Contractor represents that all of the Predevelopment Funds have been expended for CPPDD purposes.
- 7. In accordance with the notice provision in this agreement, Contractor shall provide written notification to the State within 48 hours (excluding holidays and weekends) of discovery or notification of anticipated and/or non-payment of a lease payment associated with any Property. Further, Contractor shall include in agreements with the Borrowers the obligation of the Borrowers to promptly notify both the CPPDD Contractors and the State if any tenant fails to remit any rent payment under its Lease.
- J. All notices specified in this agreement and as required in all CPPDD Documents, including documents related to the CPPDD, shall be provided in writing to the Deputy Director, Community Services and Supports Division at the address provided in Section K. below.
- K. Contractor shall submit copies of any and all of its reports required by CHFFA, OSHPD, and/or Trustee, as defined in the Indenture-for CPPDD, to the State simultaneously with their submission to the entity. The reports shall be mailed to:

Deputy Director
Community Services and Supports Division
Department of Developmental Services
1215 O Street
Sacramento, CA 95814

3. QUARTERLY FISCAL REPORTS

Contractor shall submit a CPPDD Quarterly Fiscal Report to DDS in the format provided in Attachment B.

- A. Quarterly Fiscal Reports will be mailed to Deputy Director, Community Services and Supports Division, beginning January 15, 2012, that reflect the Total Service Fee payments made by Contractor since the bonds were issued to finance the CPPDD to December 31, 2011 and shall include, but not be limited to, the following:
 - 1. Regional Center
 - 2. CPPDD Property Number
 - 3. Home Type
 - 4. Home Capacity
 - 5. Property Address (including the city, state, and zip code)
 - 6. Tax Status (tax-exempt or taxable)
 - 7. Tax Exemption Certification Date

- B. For purposes of completing Attachment B, the "Total Service Fee" means the monthly amount Contractor remits for provision of residential or adult family home agency services.

- C. After January 15, 2012, Quarterly Fiscal Reports shall be submitted to DDS no later than 15 days after the last calendar day of the fiscal quarter month. For example, the next Quarterly Fiscal Report submitted after January 15, 2012, must be submitted no later than April 15, 2012.

HOME AND COMMUNITY-BASED SERVICES WAIVER REGIONAL CENTER FISCAL AGENT RESPONSIBILITIES

1. BACKGROUND

The Department of Health Care Services (hereinafter referred to as DHCS) is the single California agency responsible for administering the California Medical Assistance Program (hereinafter referred to as Medi-Cal), for which federal grants in aid are received pursuant to Title XIX of the federal Social Security Act (hereinafter referred to as Medicaid).

The Department of Developmental Services (hereinafter referred to as Department) is responsible for providing services to persons with developmental disabilities under the Lanterman Developmental Disabilities Services Act, California Welfare and Institutions Code, Section 4500 et seq.

Section 1915(c) of the federal Social Security Act provides for home and community based services as a benefit of the Medicaid program, subject to approval by the Department of Health and Human Services (hereinafter referred to as DHHS) thereby enabling Title XIX coverage of home and community based services for persons with developmental disabilities.

The Department has entered into a contract with DHCS under which the Department shall act as the fiscal agent for Medi-Cal payments and related systems for administering home and community-based services for persons with developmental disabilities.

Contractor is one of 21 private non-profit, locally based agencies under contract with the Department to obtain services for persons with developmental disabilities including home and community-based services.

2. CONTRACT PRACTICES

For the purposes of this contract, the Department and Contractor agree to conform to the requirements of 45 CFR Appendix II to Part 75 – Contract Provisions for Non-Federal Entity Contracts Under Federal Awards and to the requirements of the DHHS approved Home and Community-Based Services Waiver (Medicaid Waiver) Program.

3. SUBCONTRACTS

Contractor agrees that contracts, other than small purchases contracts, shall contain provisions or conditions which allow for administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as may be appropriate.

4. POPULATION COVERED BY THIS CONTRACT

The population covered by this exhibit are those Medi-Cal eligible persons who qualify for participation in the Medicaid Waiver Program and/or who would be eligible for Medi-Cal due to eligibility for the Medicaid Waiver Program and those who are enrolled in the Medicaid Waiver Program.

5. PROCEDURES FOR ENROLLMENT AND RE-ENROLLMENT

Contractor shall adhere to the enrollment and re-enrollment assurances and procedures as specified in the Medicaid Waiver Program. All participants shall meet the appropriate level of care criteria, shall sign the federally required "Consumer choice of services/living arrangement statement" (form DS 2200); shall have a choice among qualified providers; shall be notified of their right to a fair hearing if choice is denied; services are reduced and Medicaid Waiver Program eligibility is terminated unless the consumer voluntarily disenrolls from the Medicaid Waiver Program; and, shall have a written plan of care which addresses the health, safety, and well-being of the individual participant in a community setting.

Contractor shall maximize federal financial participation by identifying and enrolling all eligible persons, unless the operations (OPS) costs of enrollment exceed the reimbursement to the State of California as determined by a formula which is mutually agreed to by the State and the ARCA. Any child who would become eligible for Medi-Cal benefits through institutional deeming shall be enrolled. Contractor shall redetermine the eligibility of persons enrolled in the Title XIX Home and Community-Based Services Waiver Program (Medicaid Waiver) annually. In consideration for such enrollment and redetermination, the Department shall, in addition to all other allocations, allocate in Contractor's preliminary operations budget their proportionate share of the full amount budgeted for this purpose. The Department and Contractor shall mutually agree to the amount of federal reimbursement that shall be used for the contract budget summary.

Contractor shall implement the mutually agreed to procedures for the administration of the Medicaid Waiver Program. Modifications to the existing procedures shall be mutually agreed to by the Department and ARCA and approved by DHCS.

6. SERVICES TO BE PROVIDED

The written plan of care prepared for each Medicaid Waiver participant shall prescribe the amount, duration and scope of services necessary to safely maintain the participant in the community rather than an institution. The written plan of care shall be in accordance with the requirements set forth in the DHHS approved home and community-based services waiver and tailored to meet the specific needs of each individual participant to ensure the person's health and well-being.

7. THIRD PARTY LIABILITY RESPONSIBILITIES

In compliance with 42 CFR Chapter IV, Part 433, Subpart D-Third Party Liability, Contractor shall perform the activities required by the Department.

8. HOME AND COMMUNITY-BASED SERVICES WAIVER APPROVAL TERMINATION

This exhibit shall continue so long as CMS approves the Medicaid Waiver Program or until the agreement between DHCS and the Department upon which this exhibit is based is terminated.

9. PAYMENT TO PROVIDERS

The Contractor and the Department agree that payment to providers of home and community-based waiver services shall be made in accordance with 42 CFR Chapter IV, Part 447.

10. NONCOMPETITIVE NEGOTIATION JUSTIFICATION

The Contractor and the Department agree that this exhibit is consistent with CFR Subtitle A, Subchapter A - General Administration, Part 75 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards, Subpart D - Post Federal Award Requirements, Procurement Standards, Section 75.328 - Competition for the following reasons:

- a. The California Legislature has found that, "the service provided to individuals and their families by regional centers is of such a special and unique nature that it cannot be satisfactorily provided by state agencies" (W&I Code Section 4620).

- b. The Legislature has mandated that the Department contract only with private non-profit community agencies which meet the criteria of W&I Code Section 4620 et seq. for the purpose of operating regional centers.
- c. The Legislature requires that contracts between the Department and regional centers specify the service areas to be served thereby resulting in one regional center per service area (W&I Code, Section 4640).

EARLY START STATEMENT OF ASSURANCES

July 1, 2014

1. PURPOSE

This exhibit sets forth the terms and conditions under which the Contractor shall administer the Early Start Program activities.

2. EARLY START REPORT

Contractor agrees to prepare and submit Early Start Reports for all children under age three in accordance with reporting instructions distributed by the State.

3. USE OF PART C FUNDS

Funds received under Part C will only be used in support of the Early Start Program.

4. ACCOUNTING PROCEDURES

Part C funds will not be commingled with regional center general funds, and fiscal control and fund accounting procedures will be followed as may be necessary to assure proper disbursement of, and accounting for the Part C funds.

5. FEDERAL SINGLE AUDIT ACT

Contractor agrees to comply with the federal Single Audit Act requirements.

6. EARLY START PROGRAM COMPLIANCE

Contractor agrees the Early Start Program is in compliance with the provisions of Part C of the Individuals with Disabilities Education Act (20 USC Section 1471 et. seq.) its implementing regulations (34 CFR Part 303), the Education Department General Regulations (EDGAR) as specified in 34 CFR Section 303.5, and the California Government Code, Title 14, Section 95000 et. seq. and Title 17 California Code of Regulations, Section 52000 et. seq. Contractor agrees to provide appropriate early intervention services, as defined under 34 CFR 303.13 and delineated on the individualized family service plan in accordance with 17 CCR 52108 (a)(1) to eligible children and families at no cost.

7. PAYROLL RECORDS

Contractor agrees to maintain payroll records which identify personnel employed in the Early Start Program and make the records available for review by the States' monitoring staff pursuant to 34 CFR Section 303.501.

CFDA Title: Infant and Toddlers with Disabilities

CFDA Number: 84.181A

Award Name: Annual State Application Under Part C of the Individuals with Disabilities Education Act as Amended in 2004, Federal Fiscal Year 2006

Federal Agency Name: Office of Special Education Programs, United States
Department of Education

**Community Placement Plan and Community Resource Development Plan
Statement of Assurances**

1. Community Placement Plan and Community Resource Development Plan

Contractor shall develop and submit an approved Community Placement Plan and Community Resource Development Plan in accordance with W&I Code Sections 4418.25, and 4418.3; and consistent with W&I Code Sections 4418.7, 4519 and 4648. Contractor's Community Placement Plan and Community Resource Development Plan shall, where appropriate, include budget requests for regional center operations, consumer assessments, resource development, deflections and ongoing placement costs.

2. Dedicated Funding

- a. Contractor shall use funds allocated for the regional center's approved Community Placement Plan and Community Resource Development Plan only for the purposes allocated and in compliance with the State's Community Placement Plan and Community Resource Development Plan and Housing Guidelines. Funds will be allocated through the following categories: Operations, Purchase of Service Placement, Purchase of Service Deflection, Purchase of Service Assessment, and Purchase of Service Start Up. The State shall reduce the contract in the amount of any unspent funds allocated for the Community Placement Plan and Community Resource Development Plan that are not used for that purpose. Any unspent funds shall revert to the General Fund State or be transferred to another regional center for Community Placement Plan and Community Resource Development Plan activities. All changes to the approved ~~CPP~~ Community Placement Plan and Community Resource Development Plan allocation must be approved in writing by the Department.
- b. Within 30 days of the enactment of the budget, the State shall notify Contractor of any changes to Contractor's approved Community Placement Plan and Community Resource Development Plan.

3. Reports

Contractor agrees to report, as required by the State, on the status and outcomes of their plans at a minimum of quarterly.

4. Accounting Procedures

Contractor shall submit a detailed quarterly claim; this claim form shall be mutually agreed to by ARCA and the State.

Statement of Assurances for Protection of Protected Health Information
Health Insurance Portability and Accountability Act (HIPAA)
Health Information Technology for Economic and Clinical Health (HITECH)
Business Associate Agreement

1. Background

The terms of this Agreement are intended to create a business associate relationship between the contracting parties (collectively, "Contractor" and "DDS") as required under the Health Insurance Portability and Accountability Act ("HIPAA"), codified in Title 42 of the United States Code, Section 1320d et seq. and its implementing law and regulations such as the Health Information Technology for Economic and Clinical Health Act of 2009, (Public Law 111-005, Title XIII, Subtitle D, Section 13400 et seq., Feb. 17, 2009) ("HITECH Act"), and Title 45 of the Code of Federal Regulations ("CFR") Parts 160 and 164 ("HIPAA Regulations").

Since a business associate relationship is created by this Agreement and protected health information ("PHI"), as defined in Section 3 herein, may be exchanged, created, received, maintained, used and/or disclosed to Contractor, Contractor agrees to comply with all applicable requirements of HIPAA, HIPAA Regulations, and the HITECH Act which pertain to the privacy and security of PHI.

In addition, HIPAA's preemption exception under Title 45 of the CFR Section 160.203 requires state law to apply if state law is more stringent in protecting PHI than a standard, requirement, or implementation specification adopted under HIPAA Regulations. Accordingly, the intent of the parties is that Contractor shall comply with applicable California law governing the exchange, creation, dissemination, maintenance, use or disclosure of PHI to the extent that it exceeds the requirements of HIPAA, HIPAA Regulations, and the HITECH Act. Under its authority and pursuant to Governor Gavin Newsom's Generative Artificial Intelligence (GenAI) Executive Order N-12-23, the California Department of Technology has issued policies requiring Contractor to notify DDS in writing if their services or any work under the contract includes, or makes available, any previously unreported GenAI technology, including GenAI from third parties or subcontractors, as required under Article IV: Contractor Operations, of the contract.

2. Recitals

- A. DDS wishes to disclose to Contractor and/or wishes for the Contractor to receive certain information pursuant to the terms of this Agreement, some of which may constitute PHI.

- B. As set forth in this Agreement Contractor is the “Business Associate”, as defined in Section 3 herein, of DDS that provides services, arranges, performs or assists in the performance of functions or activities on behalf of DDS, and creates, receives, maintains, transmits, uses or discloses PHI.
- C. DDS and Contractor desire to protect the privacy of and secure the PHI created, received, maintained, transmitted, used, or disclosed pursuant to this Agreement, in compliance with HIPAA, HIPAA Regulations, the HITECH Act, and any more stringent applicable state law protecting PHI.

Now, therefore, the parties agree as follows:

3. Definitions

- A. **Accounting** – “Accounting” means Contractor’s accounting of PHI disclosures to an individual upon his or her request in accordance with 45 CFR § 164.528, subject to the exceptions listed therein. As stated in 45 CFR § 164.528(b) an accounting includes the date of disclosure, the name of the entity or person who received the PHI and, if known, the address of such entity or person, a brief description of the PHI disclosed, and a brief statement of the purpose of disclosure or copy of a written request for disclosure by the Secretary, as defined herein, or by an entity or person permitted under 45 CFR § 164.512.
- B. **Artificial Intelligence** – “Artificial Intelligence” or “AI” shall have the same meaning as defined in Article I, section 4, of the operative Contract.
- C. **Breach or Breaches** – “Breach” or “Breaches” has the same meaning as the term “breach” defined under 45 CFR § 164.402, which is the acquisition, access, use or disclosure of PHI in a manner not permitted under Title 45 of the CFR Part 164, Subpart E, that compromises the security or privacy of PHI, subject to the breach exclusions listed therein.
- D. **Business Associate** – “Business Associate” has the same meaning as the term “business associate” defined in 45 CFR § 160.103, which means an entity or person who, on behalf of a covered entity, creates, receives, maintains or transmits PHI by conducting services including legal, actuarial, accounting, consulting, data aggregation, management, administrative, accreditation, financial services, claims processing or administration, data analysis, processing or administration, utilization review, quality assurance, billing, patient safety activities benefit management, practice management and/or repricing. “Business Associate” also refers to Contractor who is a party to this Agreement.
- E. **Covered Entity** – “Covered Entity” has the same meaning as the term “covered entity” defined in 45 CFR § 160.103, which means a health plan, health clearinghouse or healthcare provider. Covered entity also refers to DDS who is a party to this Agreement.
- F. **Designated record set** – “Designated record set” has the same meaning as the term “designated record set” defined in 45 CFR § 164.501, which is a group of records that contains PHI and is maintained by or for a covered entity. The designated record set includes medical records and billing records, enrollment, payment, claims adjudication and case/medical management record systems, and/or records used, in whole or part, to make decisions about individuals.
- G. **Disclosure** – “Disclosure” has the same meaning as the term “disclosure”

defined in 45 CFR § 160.103, which is the release, transfer, provision of access to, or divulging in any manner of information outside the entity holding the information.

- H. **Discovery** – “Discovery” has the same meaning as “Breaches treated as discovered” under 45 CFR § 164.410. Under Section 164.410, a breach shall be treated as discovered by a business associate on the first day on which such breach is known, or by exercising reasonable diligence would have been known by the business associate, including its employees or agents.
- I. **Electronic PHI** – “Electronic PHI” is protected health information in an electronic form.
- J. **Encryption** – “Encryption” has the same meaning as the term “encryption” defined in 45 CFR § 164.304, which is the use of an algorithmic process to transform data into a form in which there is a low probability of assigning meaning without use of a confidential process or key.
- K. **Generative AI** – “Generative AI” or “GenAI” shall have the same meaning as defined in Article I, section 4, of the operative Contract.
- L. **Harmful effect** – “Harmful effect” means a negative effect of using or disclosing PHI, known to the covered entity or business associate, that would violate HIPAA, HIPAA Regulations, the HITECH Act, as set forth in 45 CFR § 164.530(f), or any more stringent applicable state law protecting PHI.
- M. **Health care operations** – “Health care operations” has the same meaning as the term “health care operations” defined in 45 CFR § 164.501. Under Section 164.501, health care operations include, but are not limited to, conducting quality assessment and improvement activities, including outcomes evaluation, development of clinical guidelines, patient safety activities, population-based activities relating to improving health, protocol development, case management and care coordination, reviewing competence and qualifications of health care professionals, evaluating provider/vendor performance, conducting training programs for students, trainees or practitioners in the area of health care to improve skills, training of non-health care professionals, accreditation, certification, licensing or credentialing activities, underwriting and enrollment relating to creation, renewal or replacement of health insurance or benefits, medical review, legal services, auditing functions, business planning and development, business management and general administrative activities such as implementation and compliance with HIPAA, HIPAA Regulations, and the HITECH Act, customer service, resolution of internal grievances, the creation of de-identified health information or a limited data set, and/or fundraising for the benefit of the business associate.
- N. **Individual or Individuals** – “Individual” or “Individuals” has the same meaning as the term “individual” defined in 45 CFR § 160.103, which is the person who is the subject of PHI.
- O. **Lanterman Act** – The “Lanterman Act” means the Lanterman Developmental Disabilities Services Act codified in California Welfare and Institutions Code Sections 4500, *et seq.*
- P. **Limited Data Set** – “Limited Data Set” has the same meaning as the term “limited data set” defined in 45 CFR § 164.514(e)(2). Under Section 164.514(e)(2), a limited data set is PHI which excludes the following direct

identifiers of the individual or of relatives, employers, or household members of the individuals: (1) names; (2) addresses, other than town or city, state and zip code; (3) telephone numbers; (4) fax numbers; (5) email addresses; (6) social security numbers; (7) medical record numbers; (8) health plan beneficiary numbers; (9) account numbers; (10) certificate/license numbers; (11) vehicle identifiers and serial numbers, including license plate numbers; (12) device identifiers and serial numbers; (13) URLs; (14) IP address numbers; (15) biometric identifiers, including finger and voice prints; and (16) full face photographic images and any comparable images.

- Q. ***Minimum necessary*** – “Minimum necessary” means the “minimum necessary” standard set forth in 45 CFR § 164.502(b), which requires covered entities and business associates to make reasonable efforts to limit the use or disclosure of PHI to accomplish the intended purpose of the use, disclosure or request, subject to the exceptions set forth therein.
- R. ***Notice of Privacy Practices*** – “Notice of Privacy Practices” means the required notice under 45 CFR § 164.520 provided to individuals by a covered entity regarding the use and disclosure of PHI that may be made by the covered entity, and the individual’s rights and covered entity’s legal duties with respect to PHI.
- S. ***PHI or protected health information*** – “PHI” or “protected health information” has the same meaning as the term “individually identifiable health information” as defined in 45 CFR § 160.103. Under Section 160.103, individually identifiable health information is information that is a subset of health information, including demographic information collected from an individual, and is created or received by a covered entity or business associate and relates to the past, present, or future physical or mental health of an individual; the provision of health care to an individual; or the past, present, or future payment for the provision of health care to the individual. In addition, the information must identify the individual or there must be a reasonable basis to believe the information may be used to identify the individual.
- T. ***Required by law*** – “Required by law” has the same meaning as the term “required by law” defined in 45 CFR § 164.103, which is a mandate contained in law that compels an entity to make a use or disclosure of PHI and that is enforceable in a court of law.
- U. ***Safeguards*** – “Safeguards” referenced herein collectively means the required “administrative safeguards” defined in 45 CFR § 164.308, “physical safeguards” defined in 45 CFR § 164.310, and “technical safeguards” defined in 45 CFR § 164.312.
- 1) Under 45 CFR § 164.308, “administrative safeguards” is the implementation of policies and procedures to prevent, detect, contain and correct security violations.
 - 2) Under 45 CFR § 164.310, “physical safeguards” is the implementation of policies and procedures to limit physical access to electronic information systems and the facility or facilities in which PHI is maintained, while ensuring proper authorized access to PHI.
 - 3) Under 45 CFR § 164.312, “technical safeguards” is the implementation of policies and procedures for electronic information systems that maintain electronic PHI to allow access only to those persons or software programs

- that have been granted access rights specified in 45 CFR § 164.308(a)(4).
- V. **Secretary** – “Secretary” means the Secretary of the United States Department of Health and Human Services.
 - W. **Security Incident** – “Security Incident” has the same meaning as the term “security incident” defined in 45 CFR § 164.304, which is the attempted or successful unauthorized access, use, disclosure, modification or destruction of information or interference with system operations in an information system.
 - X. **Subcontractor or Agent** – “Subcontractor” or “Agent” has the same meaning as the term “subcontractor” defined in 45 CFR § 160.103, which is a person to whom a business associate delegates a function, activity or service, other than in the capacity of a member of the workforce of such business associate.
 - Y. **Unsecured PHI** – “Unsecured PHI” has the same meaning as “unsecured protected health information” defined in 45 CFR § 164.402, and it is PHI that is not rendered unusable, unreadable, or indecipherable to unauthorized persons through the use of technology and methodology specified by the Secretary in the guidance issued under section 13402(h)(2) of Public Law 111-5.
 - Z. **Use or usage** – “Use” or “usage” has the same meaning as the term “use” defined in 45 CFR § 160.103, which is the sharing, employment, application, utilization, examination, or analysis of PHI within an entity that maintains such information.

4. Permitted Uses and Disclosures of PHI by Business Associate

- A. **Usage Permitted by This Agreement and HIPAA.** Contractor may use or disclose PHI only to perform functions, activities or services for, or on behalf of the DDS as specified in this Agreement, provided that such use or disclosure does not violate HIPAA, HIPAA Regulations, the HITECH Act, and any more stringent applicable state law protecting PHI. The use and disclosure of PHI may not be more expansive than applicable to DDS as the “Covered Entity” under 45 CFR Part 164. (45 CFR § 164.504(e)(2)(i)).
- B. **Usage for Legal, Management and Administrative.** In accordance with 45 CFR § 164.504(e)(4), Contractor may disclose PHI if necessary for the legal, management, or administrative purposes of Contractor. In disclosing PHI, Contractor’s disclosure must be required by law, or the Contractor must obtain reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as required by law or for the purpose for which it was disclosed to the person, and the person notifies Contractor of any instances of which it is aware in which the confidentiality of the information has been breached.
- C. **Minimum Necessary.** Contractor shall comply with the requirements under 45 CFR § 164.502(b) to only request, use, and disclose the minimum PHI necessary to accomplish the intended purpose of the request, use or disclosure.
- D. **Access.** Contractor shall provide access to an individual’s PHI in a designated record set to DDS, or to the individual to whom the PHI in the designated record

set pertains, upon request, and in the time and manner designated by either DDS, or the individual to whom the PHI in a designated record set pertains, in order to meet the requirements of 45 CFR § 164.524 and 45 CFR § 164.504(e)(2)(ii)(E) regarding an individual's right to access PHI.

- 1) If Contractor maintains electronic PHI, and an individual requests a copy of his or her PHI in an electronic format, Contractor shall provide such information in an electronic format to enable DDS to fulfill its obligations under the HITECH Act, including but not limited to 42 USC § 17935(e).

E. **Nondisclosure.** In accordance with 45 CFR § 164.504(e)(2)(ii)(A), Contractor shall not use or further disclose PHI other than as permitted or required by this Agreement, or as required by law.

F. **Amendments.** In accordance with 45 CFR § 164.504(e)(2)(ii)(F) and 45 CFR § 164.526), Contractor shall make any amendment(s) to PHI in a designated record set that DDS directs or agrees to and in the time and manner designated by DDS, or at the request of an individual. If an individual makes such request directly to the Contractor, Contractor will forward said request to DDS within five (5) business days of receipt. Contractor shall ensure the amendment/s that are accepted are incorporated into the PHI in accordance with 45 CFR § 164.526.

G. **Accounting.**

- 1) Except as provided in this subsection, Contractor shall document and track disclosures of PHI that it makes on behalf of DDS to establish an accounting. The accounting of disclosures shall include: (1) the date of disclosure; (2) the name of the entity or person who received the PHI and, if known, the address of such entity or person; (3) a brief description of the PHI disclosed; and (4) a brief statement describing the reason for the required or permitted disclosure (e.g., pursuant to a court order), or a copy of the written request if applicable, as required under 45 CFR § 164.528(b)(2).
- 2) In accordance with 45 CFR § 164.528(a)(1), Contractor is not required to document and track the following disclosures of PHI that it makes::
 - a. Disclosures made for treatment, payment and healthcare operations as provided in 45 CFR § 164.506;
 - b. Disclosures made to the individual about themselves as provided in 45 CFR § 164.502;
 - c. Disclosures incident to a use otherwise permitted or required, as provided in 45 CFR § 164.502;
 - d. Disclosures made pursuant to a valid HIPAA authorization under 45 CFR § 164.508(c);
 - e. Disclosures made for the Contractor's director, or to persons involved in the individual's care or for other notification purposes as provided in

45 CFR § 164.510;

- f. Disclosures made pursuant to national security or intelligence purposes as provided in 45 CFR § 164.512(k)(2);
 - g. Disclosures made to correctional institutions or law enforcement as provided in 45 CFR § 164.512(k)(5); and
 - h. Disclosures that are part of a limited data set in accordance with 45 CFR § 164.514(e).
- 3) Contractor shall provide an accounting of disclosures of PHI to DDS or an individual for the six years prior to the date of the request, in accordance with 45 CFR § 164.528 (a)(1), subject to the exceptions listed therein. Contractor shall respond in writing to a request for accounting of disclosures within thirty (30) calendar days of receipt of the request by producing the accounting of disclosures or verifying there were no disclosures.

5. Uses and Disclosures Not Provided for by this Agreement

- A. **Mitigation.** In accordance with 45 CFR § 164.530 (f), Contractor shall mitigate, to the extent practicable, any harmful effect that is known to Contractor of a use or disclosure of PHI in violation of the requirements of this Agreement.
- B. **Requests to Restrict PHI.** Contractor shall not disclose PHI about an individual to a health plan for payment or health care operations purposes if PHI pertains solely to a health care item or service for which the health care provider involved has been paid out of pocket in full and the individual requests such restriction, in accordance with 42 USC § 17935(a) and 45 CFR 164.522(a).
- C. **No Remuneration Without Written Consent.** In accordance with 42 USC § 17935(d)(1), Contractor shall not directly or indirectly receive remuneration in exchange for PHI, except with the prior written consent of DDS and a valid HIPAA authorization under 45 CFR § 164.508.

6. Safeguarding Protected Health Information

- A. In accordance with 45 CFR § 164.504(e)(2)(ii)(B) and 45 CFR Part 164, Subpart C, Contractor shall use appropriate safeguards to prevent use or disclosure of PHI, including electronic PHI, except as provided in this Agreement or as required by law.
- B. In accordance with 45 CFR Part 164, Subpart C and 45 CFR § 164.314(a)(2)(i)(A) & (B), Contractor shall implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the PHI, including electronic PHI, it creates, receives, maintains, or transmits, including in an electronic format, on

behalf of DDS to prevent unauthorized access, viewing, use, disclosure or breach of PHI, other than as provided for by this Agreement or required by law.

- C. Contractor shall develop and maintain a written information privacy and security program that includes administrative, technical and physical safeguards appropriate to the size and complexity of Contractor's operations and the nature and scope of its activities, and which incorporates the requirements of Section 7, Security, below.
- D. ***Privacy Officer.*** Contractor shall designate a Privacy Officer/Coordinator who shall: (1) develop policies and procedures on PHI that comply with this Agreement, HIPAA, HIPAA Regulations, the HITECH Act, and any more stringent applicable state law protecting PHI; (2) receive complaints/notices pertaining to breaches, and process those complaints/notices in accordance with Section 10, herein; and (3) be the point of contact for communication on privacy matters with DDS. Contractor shall notify DDS's privacy and security officers of the individual designated as Privacy Officer and his/her appropriate contact information (including telephone, work address and email) upon execution of this Agreement, and within 10 calendar days of any changes or annually per DDS Technical Bulletin 479.

7. Security

- A. Contractor shall ensure the security of all computerized data systems containing PHI in compliance with HIPAA, HIPAA Regulations, the HITECH Act, and in accordance with 45 CFR § 164.502(e), and the standards provided by National Institute of Standards and Technology (NIST). These steps shall include, at a minimum, but not be limited to:
- 1) Ensuring appropriate security levels to maintain the confidentiality, integrity and availability of PHI and electronic PHI in accordance with 45 CFR Part 164, Subpart C;
 - 2) Protecting against any reasonably anticipated threats or hazards to the security or integrity of PHI and electronic PHI in accordance with 45 CFR 164.306(a)(2);
 - 3) Protecting against any reasonably anticipated uses or disclosures of PHI and electronic PHI that are not permitted or required under 45 CFR Part 164, Subpart E, in accordance with 45 CFR 164.306(a)(3);
 - 4) Requiring encryption of electronic PHI that is stored or transmitted using portable computing devices (including, but not limited to, tablets, smartphones, laptops and notebook computers, electronic tapes) and/or portable electronic storage media (e.g., CD, DVD, flash drives, etc.) or through utilization of cloud services (including but not limited to Software as a Service, Infrastructure as a Service, Platform as a Service, or other cloud computing service), except in the limited circumstances where an individual, or individual's authorized representative, provides a written request to have

- the individual's PHI sent to themselves or a third party, by unencrypted e-mail or in another unsecure manner, which the individual has a right to request;
- 5) Designating a Security Officer pursuant to 45 CFR § 164.308 to oversee Contractor's data security program. The Security Officer shall be responsible for carrying out the requirements of this Section 7 and to be the point of contact for communicating on security matters with DDS. Contractor shall notify DDS's privacy and security officers of the individual designated as Security Officer and his/her appropriate contact information (including telephone, work address and email) upon execution of this Agreement, and within 10 calendar days of any changes or annually per DDS Technical Bulletin 479.

8. Agents and Subcontractors

- A. Contractor shall require any of its agents, including subcontractors, that create, receive, maintain, or transmit PHI and/or electronic PHI on behalf of Contractor pursuant to its Agreement with DDS, to agree to the same restrictions, safeguards, and conditions that apply to Contractor herein with respect to such information. (45 CFR §§ 164.502, 164.504, 164.314(a)(2)(i)(B)).
- B. Contractor's agents and subcontractors who create, receive, maintain, or transmit PHI and/or electronic PHI on behalf of Contractor are business associates of Contractor and are directly liable under HIPAA, HIPAA Regulations and the HITECH Act for any breach they commit. As such, Contractor's agents and subcontractors who create, receive, maintain, or transmit PHI and/or electronic PHI are subject to civil and, in some cases, criminal penalties for making uses and disclosures of PHI that are not authorized by contract or required by law. Contractor's agents and subcontractors who create, receive, maintain, or transmit electronic PHI, are also directly liable and subject to civil penalties for failing to safeguard electronic PHI in accordance with HIPAA, HIPAA Regulations, and the HITECH Act.

9. Records available to the State and Secretary and Compliance Reviews

- A. In accordance with 45 CFR § 164.504(e)(2)(ii), Contractor shall make its internal practices, books and records relating to the use and disclosure of PHI received from DDS, or created or received by Contractor on behalf of DDS, available to DDS or to the Secretary for purposes of investigating or auditing DDS's compliance with the requirements of HIPAA, HIPAA Regulations, and the HITECH Act, in the time and manner designated by DDS or the Secretary.
- B. In accordance with 45 CFR § 160.310, Contractor shall cooperate with the investigation and compliance reviews conducted by the Secretary. Contractor must provide the Secretary with access to PHI during Contractor's normal business hours; however, upon exigent circumstances, access at any time must be granted. Upon the Secretary's compliance review or investigation, if PHI is

unavailable to Contractor and in possession of a subcontractor or agent, Contractor must certify the efforts it has made to obtain the information from the subcontractor or agent and provide those certified efforts to the Secretary.

10. Breach Procedure

A. **Discovery of Breach.** Contractor shall notify DDS ***immediately, but no later than 72 hours by telephone call plus email*** upon the discovery of a breach compromising the security and/or privacy of PHI, or upon a reasonable belief such breach has occurred, as required at 45 CFR §164.410. Notification shall be provided to the DDS Privacy Officer and the DDS Information Security Officer. If the incident occurs after business hours or on a weekend or holiday and involves electronic PHI, notification shall be provided by calling the DDS Service Desk. Upon discovery of such breach or reasonable belief of such breach, Contractor shall immediately:

- 1) Take prompt corrective action to mitigate any risks or damages involved with the breach and to protect the operating environment; and
- 2) Commence an investigation.

Content of Notification: Immediately, but no later than 72 hours, upon discovery of breach or reasonable belief such breach occurred, Contractor shall include the following information in the notification to the DDS Privacy Officer and the DDS Information Security Officer to the extent known:

- 1) Identification of each individual whose unsecured PHI or confidential information has been, or is reasonably believed to have been accessed, acquired, used, disclosed, or breached;
- 2) A description of the probable causes of the improper use or disclosure;
- 3) What data elements were involved and the extent of the data involved in the breach (such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code or other types of information were involved);
- 4) A description of the unauthorized persons known or reasonably believed to have improperly used or disclosed PHI or electronic PHI;
- 5) A description of what happened, including the date of the breach and date of discovery of the breach, and where the PHI is believed to have been improperly used, accessed, and/or disclosed;
- 6) A description of the steps that an individual may take to protect him/her from the potential harm resulting from the breach; and
- 7) A description of what Contractor is doing to investigate the breach, to mitigate harm to individuals, and to protect against further breaches.

B. **Status Updates.** Contractor shall provide regular updates (no less than once every seven calendar days) to the DDS Privacy Officer and the DDS Information Security

Officer regarding the status of the investigation, mitigation efforts, and any material developments, if any, until the incident is resolved.

- C. **Written Report.** In accordance with 45 CFR § 164.504(e)(2)(ii)(C) and 45 CFR § 164.410, Contractor shall provide a written report of the investigation to the DDS Privacy Officer and the DDS Information Security Officer within thirty (30) calendar days of the discovery of the breach or unauthorized use or disclosure.
- D. **Notification of Individuals.** Contractor or Contractor's subcontractor or agent shall notify individuals whose unsecured PHI has been or is reasonably believed by Contractor to have been accessed, acquired, used, transmitted, or disclosed as a result of the breach as required under 45 CFR § 164.404. Notification shall be provided without unreasonable delay as required by 42 USC § 17932(d), and within 30 calendar days. The DDS Privacy Officer and the DDS Information Security Officer shall be notified of the time, manner and content of any such notifications. Contractor, or Contractor's subcontractor or agent, shall pay any costs of such notifications, as well as any costs associated with the breach.
- E. **Responsibility for Reporting Breaches Involving Less Than 500 Individuals.** If the cause of breach of PHI or electronic PHI is attributable to the Contractor, or its subcontractors or agents, Contractor is responsible for all required reporting of the breach as specified in 42 USC § 17932 and 45 CFR Part 164, Subpart D. The breach reporting requirements of this paragraph are in addition to the reporting requirements set forth in subsection 10(A-C) above.
- F. **Responsibility for Reporting Breaches Involving 500 or More Individuals.** If a breach of unsecured PHI involves 500 or more residents of the State of California or its jurisdiction, Contractor, with DDS' oversight and input, shall notify the Secretary of the breach immediately upon discovery of the breach and prominent media outlets serving the State of California or its jurisdiction in accordance with 42 USC § 17932 and 45 CFR §§ 164.406, 164.408. The breach reporting requirements of this paragraph are in addition to the reporting requirements set forth in subsection 10(A-C) above. In addition, Contractor, with DDS's input and oversight, shall notify the California Department of Justice, Office of the Attorney General, as required under Civil Code §1798.82.
- G. **DDS Contact Information.** Contractor shall direct communications to the following DDS staff. DDS reserves the right to make changes to the contact information below by giving written notice to the Contractor. Said changes shall not require an amendment to this Agreement.

<u>DDS</u> <u>Privacy Officer</u>	<u>DDS</u> <u>Information Security Officer</u>
Privacy Officer privacy@dds.ca.gov (916) 654-3657	Information Security Officer iso@dds.ca.gov (916) 654-1704
<u>Privacy Coordinator</u> datarequests@dds.ca.gov (916) 653-0779	

11. Term and Termination

- A. **Term.** The term of this Agreement shall terminate when this contract expires or when all of the PHI provided by the DDS to Contractor, or created or received by Contractor on behalf of the DDS, in any format, is returned to the DDS and any associated storage media is destroyed, whichever is later.
- B. **Termination for Cause.** Upon DDS's knowledge of a pattern of activity or practice by Contractor that constitutes a material violation of this Agreement by Contractor, DDS shall **comply with the termination procedure set forth under the Lanterman Act.**
- 1) DDS may take reasonable steps to provide an opportunity for Contractor to end the violation. If efforts to resolve the problem informally are unsuccessful, DDS shall have the option to issue a letter of noncompliance and establish a Corrective Action Plan ("CAP") under Welfare and Institutions Code section 4635; and if Contractor is not in compliance with the CAP, DDS shall move to terminate this Agreement under Welfare and Institutions Code section 4635.
 - 2) If cure is not possible and Contractor has committed a material breach, DDS shall comply with termination provisions set forth in the Lanterman Act to terminate this Agreement and report the violation to the HHS Secretary if such cure is not possible.
- C. **Effect of Termination or Nonrenewal**
- 1) In accordance with 45 CFR § 164.504(e)(2)(ii)(J), upon termination of this Agreement or nonrenewal of this Agreement, Contractor shall, if reasonably feasible, return or destroy all PHI and/or electronic PHI received from DDS, or created or received by Contractor on behalf of the DDS. Contractor shall, if reasonably feasible, require that any PHI and/or electronic PHI in possession of subcontractors or agents is returned or destroyed and that no copies of such information is retained.

- 2) In the event Contractor determines that returning or destroying the PHI and/or electronic PHI is reasonably infeasible, Contractor shall notify DDS about the conditions that make return or destruction reasonably infeasible. If DDS agrees that the return or destruction of PHI and/or electronic PHI is not feasible, Contractor shall extend the protections of this Agreement to such information and limit further use and disclosures of such personal information to those purposes that make the return or destruction infeasible, for so long as Contractor, or any of its agents or subcontractors, maintains such information.

12. Judicial or Administrative Proceeding

DDS may terminate this Agreement in accordance with the terms and conditions of this Agreement as written herein above if: (1) Contractor is found guilty in a criminal proceeding for a violation of the HIPAA, HIPAA Regulations, or the HITECH Act; or (2) a finding or stipulation that the Contractor has violated a privacy or security standard or requirement of HIPAA, HIPAA Regulations, the HITECH Act, or any more stringent applicable state law protecting PHI in an administrative or civil proceeding in which Contractor is a party.

13. Due Diligence

Contractor shall exercise due diligence to ensure that it remains in compliance with this Agreement and is in compliance with the applicable provisions of HIPAA, HIPAA Regulations, the HITECH Act, and any more stringent applicable state law protecting PHI, and require its subcontractors and agents to be in compliance with the same.

14. Sanctions and/or Penalties

Contractor understands and acknowledges that it is required to comply with the provisions of HIPAA, HIPAA Regulations, the HITECH Act, and any more stringent applicable state law protecting PHI, and that failure to comply with these laws may result in the imposition of civil and/or criminal sanctions and/or other penalties on Contractor as set forth under HIPAA, HIPAA Regulations and the HITECH Act.

15. Employee Training and Discipline

- A. Contractor shall use reasonable measures to ensure compliance with the requirements of this Agreement. In doing so, Contractor must provide, at its own expense, annual security and privacy training on HIPAA to its employees who create, receive, maintain or transmit PHI or electronic PHI on behalf of DDS in accordance with 45 CFR § 164.308(a)(5)(i). Contractor shall require each employee who receives this training to sign a certification indicating the employee's name and the date on which the training was completed. Contractor

shall retain each employee's written certifications for DDS inspection for a period of three years following contract termination.

- B. Contractor also agrees to discipline employees who intentionally violate any provisions of this Agreement, including up to termination of employment.

16. Audits, Inspection and Enforcement

From time to time, DDS may inspect the facilities, systems, information security controls, books and records of Contractor to monitor compliance with this Agreement. Contractor shall promptly remedy any violation of any provision of this Agreement and shall certify the same in writing to the DDS Information Security Officer at iso@dds.ca.gov. The fact that DDS inspects, or fails to inspect, or has the right to inspect, Contractor's facilities, systems and procedures does not relieve Contractor of its responsibility to comply with this Agreement, nor does DDS's:

- A. Failure to detect; or
- B. Detection, but failure to notify Contractor or require Contractor's remediation of any unsatisfactory practices, constitute acceptance of such practice or a waiver of DDS enforcement rights under this Agreement.

If Contractor is the subject of an audit, compliance review, or complaint investigation by the Secretary or the Office of Civil Rights, U.S. Department of Health and Human Services, that is related to the performance of its obligations pursuant to this Agreement, Contractor shall notify DDS, at iso@dds.ca.gov, and provide DDS with a copy of any PHI or electronic PHI that Contractor provides to the Secretary or the Office of Civil Rights concurrently with providing such PHI or electronic PHI to the Secretary. Contractor is responsible for any civil or criminal penalties assessed due to an audit or investigation of Contractor in accordance with 42 USC § 17934(c).

17. Obligations of DDS

- A. **Notice of Privacy Practices.** DDS shall provide Contractor with the Notice of Privacy Practices that DDS produces in accordance with 45 CFR § 164.520, as well as any changes to such notice. Visit www.dds.ca.gov to view the most current Notice of Privacy Practices.
- B. **Permission by Individuals for Use and Disclosure of PHI.** DDS shall provide Contractor, in writing, with any changes in, or revocation of, permission by an individual to use or disclose PHI or electronic PHI, if such changes affect the Contractor's permitted or required uses and disclosures.
- C. **Notification of Restrictions.** DDS shall notify Contractor, in writing, of any restriction to the use or disclosure of PHI that DDS has agreed to in accordance with 45 CFR § 164.522, to the extent that such restriction may affect Contractor's use or disclosure of PHI.

D. **Requests Conflicting with HIPAA Rules.** DDS shall not request Contractor to use or disclose PHI or electronic PHI in any manner that would not be permissible under HIPAA, HIPAA Regulations, the HITECH Act, or any more stringent applicable state law protecting PHI.

18. **Miscellaneous**

- A. **Disclaimer.** DDS makes no warranty or representation that compliance by Contractor with this Agreement, HIPAA, HIPAA Regulations or the HITECH Act, will be adequate or satisfactory for Contractor's own purposes or any information in Contractor's possession or control, or transmitted or received by Contractor, is or will be secure from unauthorized access, viewing, use, or disclosure. Contractor is solely responsible for all decisions made by Contractor regarding the safeguarding of PHI.
- B. **Amendment.** The parties acknowledge that federal and state laws relating to electronic data security and privacy are rapidly evolving and that amendment of this Agreement may be required to provide for procedures to ensure compliance with such developments. The parties specifically agree to take such action as is necessary to implement the standards and requirements of HIPAA, HIPAA Regulations, the HITECH Act, and other applicable laws relating to the security or privacy of PHI and/or electronic PHI. Upon DDS's request Contractor agrees to promptly enter into good faith negotiations with DDS concerning an amendment to this Agreement embodying written assurances consistent with the standards and requirements of HIPAA, HIPAA Regulations, and the HITECH Act, or other applicable laws. If negotiations are unsuccessful, DDS may move to terminate this Agreement in the event:
- 1) Contractor does not promptly enter into negotiations to amend this Agreement when requested by DDS pursuant to this Section, or
 - 2) Contractor does not enter into an amendment providing assurances regarding the safeguarding of PHI that DDS deems sufficient to satisfy the standards and requirements of HIPAA, HIPAA Regulations, and the HITECH Act.
- C. **Assistance in Litigation or Administrative Proceedings.** Contractor shall make available to DDS, at no cost to DDS, its employees, subcontractors and/or agents to testify as witnesses, or otherwise, in the event litigation or administrative proceedings are commenced against DDS, its officers or employees, based upon a claimed violation of HIPAA, HIPAA Regulations, the HITECH Act or any more stringent applicable state law protecting PHI, which involve the inactions or actions by Contractor. This provision does not apply where Contractor or its subcontractor, employee or agent is a named adverse party to DDS.

- D. **No Third Party Beneficiaries.** Nothing express or implied in the terms and conditions of this Agreement is intended to confer, nor shall anything herein confer, upon any person other than DDS or Contractor and their respective successors or assignees, any rights, remedies, obligations or liabilities whatsoever.
- E. **Interpretation.** The terms and conditions in this Agreement shall be interpreted as broadly as necessary to implement and comply with HIPAA, HIPAA Regulations, the HITECH Act, and any more stringent applicable state law protecting PHI. The parties agree that any ambiguity in the terms and conditions of this Agreement shall be resolved in favor of a meaning that complies and is consistent with HIPAA, HIPAA Regulations, the HITECH Act and any more stringent applicable state law protecting PHI.
- F. **References.** A reference in the terms and conditions of this Agreement to a section in HIPAA, HIPAA Regulations, and/or the HITECH Act means the section currently in effect or as amended.
- G. **Survival.** The respective rights and obligations of Contractor in this Agreement shall survive the termination or expiration of this Agreement.
- H. **No Waiver of Obligations.** No change, waiver or discharge of any liability or obligation hereunder on any one or more occasions shall be deemed a waiver of performance of any continuing or other obligation, or shall prohibit enforcement of any obligation, on any other occasion.

References:

United States Department of Health and Human Services, Office for Civil Rights, Medical Privacy - National Standards to Protect the Privacy of Personal Health Information: <https://www.hhs.gov/hipaa/index.html>

References, Continued:

United States Department of Health and Human Services – Security Rule Guidance Material
[Security Rule Guidance Material | HHS.gov](#)

National Institute of Standards and Technology (NIST)
nist.gov/

FEDERAL INFORMATION PROCESSING STANDARDS (FIPS)
csrc.nist.gov/publications/PubsFIPS.html

CONFIDENTIALITY AGREEMENT

REGIONAL CENTER OF THE EAST BAY, INC. dba REGIONAL CENTER OF THE EAST BAY

**Required for Release of DDS Data
Per the State Administrative Manual Section (5310)**

Contractor hereby acknowledges that Department of Developmental Services (DDS) records and documents are subject to strict confidentiality requirements imposed by State and Federal laws including, but not limited to, Health Insurance Portability and Accountability Act in Title 42 of the United States Code, Section 1320d et seq. and its implementing law and regulations such as the Health Information Technology for Economic and Clinical Health Act of 2009, (Public Law 111-005, Title XIII, Subtitle D, 13400 et seq., Feb. 17, 2009), 45 CFR Parts 160 and 164, Sections 56 and following and 1798.24 through 1798.24b of the California Civil Code; California Welfare and Institutions Code sections 4514, 5328, and 15633 and following; California Penal Code Section 11167.5; and any other applicable State or Federal law pertaining to confidentiality.

Contractor assures that the appropriate provisions of both State and Federal law have been met and further assures that all agents of the organization, including subcontractors and agents, have been informed that intentional unauthorized use, dissemination or distribution of PHI and/or electronic PHI is a crime and that breaches of confidentiality and security may be subject to civil and criminal penalties by the State or Federal government.

Contractor assures that it will require its agents, including subcontractors, to agree to not use, disseminate or otherwise distribute records or documents containing PHI, either on paper or by electronic means, other than as required in the performance of their duties per this contract.

Contractor agrees that unauthorized use, dissemination or distribution of DDS records, documents or information is grounds for immediate termination of any contracts with the DDS and may subject Contractor to penalties, both civil and criminal.

Signature of Contractor's Authorized Representative

Date: _____

Name/Title (Print)

Statement of Assurances for Protection of Protected Health Information

**Health Insurance Portability and Accountability Act (HIPAA)
Health Information Technology for Economic and Clinical Health (HITECH)**

1. Background

The terms of this Agreement are intended to create a business associate relationship between the contracting parties (collectively, "Contractor" and "DDS") as required under the Health Insurance Portability and Accountability Act ("HIPAA"), codified in Title 42 of the United States Code, Section 1320d *et seq.* and its implementing law and regulations such as the Health Information Technology for Economic and Clinical Health Act of 2009, (Public Law 111-005, Title XIII, Subtitle D, Section 13400 *et seq.*, Feb. 17, 2009) ("HITECH Act"), and Title 45 of the Code of Federal Regulations ("CFR") Parts 160 and 164 ("HIPAA Regulations").

Since a business associate relationship is created by this Agreement and protected health information ("PHI"), as defined in Section 3 herein, may be exchanged, created, received, maintained, used and/or disclosed to Contractor, Contractor agrees to comply with all applicable requirements of HIPAA, HIPAA Regulations, and the HITECH Act which pertain to the privacy and security of PHI.

In addition, HIPAA's preemption exception under Title 45 of the Code of Federal Regulations Section 160.203 requires state law to apply if state law is more stringent in protecting PHI. Accordingly, the intent of the parties is that Contractor shall comply with the applicable requirements of California law governing the exchange, creation, dissemination, maintenance, use or disclosure of PHI that exceeds the requirements of HIPAA, the HITECH Act, and HIPAA Regulations.

2. Recitals

- A. DDS wishes to disclose to Contractor and/or wishes for the Contractor to receive certain information pursuant to the terms of this Agreement, some of which may constitute PHI.
- B. As set forth in this Agreement Contractor is the "Business Associate", as defined in Section 3 herein, of DDS that provides services, arranges, performs or assists in the performance of functions or activities on behalf of DDS and creates, receives, maintains, transmits, uses or discloses PHI.
- C. DDS and Contractor desire to protect the privacy and provide the security of PHI created, received, maintained, transmitted, used, or disclosed pursuant to this Agreement, in compliance with HIPAA, the HITECH Act, HIPPA Regulations, and any more stringent applicable state law protecting PHI.

Now, therefore, the parties agree as follows:

3. Definitions

- A. **Accounting** — “Accounting” means Contractor’s accounting of PHI disclosures to an individual upon his or her request in accordance with 45 CFR § 164.528, subject to the exceptions listed therein. As stated in 45 CFR § 164.528(b) an accounting includes the date of disclosure, the name of the entity or person who received the PHI and, if known, the address of such entity or person, a brief description of the PHI disclosed, and a brief statement of the purpose of disclosure or copy of a written request for disclosure by the Secretary, as defined herein, or by an entity or person permitted under 45 CFR § 164.512.
- B. **Breach or Breaches** — “Breach” or “Breaches” have the same meaning of the term “breach” defined under 45 CFR § 164.402, which is the acquisition, access, use or disclosure of PHI in a manner not permitted under Title 45 of the Code of Federal Regulations Part 164, Subpart E, that compromises the security or privacy of PHI, subject to the breach exclusions listed therein.
- C. **Business associate** — “Business Associate” has the same meaning of the term “business associate” defined in 45 CFR § 160.103, which means an entity or person on behalf of a covered entity who creates, receives, maintains or transmits PHI by conducting services including legal, actuarial, accounting, consulting, data aggregation, management, administrative, accreditation, financial services, claims processing or administration, data analysis, processing or administration, utilization review, quality assurance, billing, patient safety activities benefit management, practice management and/or repricing. “Business associate” also refers to Contractor who is a party to this Agreement.
- D. **Covered entity** — “Covered Entity” has the same meaning of the term “covered entity” defined in 45 CFR § 160.103, which means a health plan, health clearinghouse or healthcare provider. Covered entity also refers to DDS who is a party to this Agreement.
- E. **Designated record set** — “Designated record set” has the same meaning of the term “designated record set” defined in 45 CFR § 164.501, which is a group of records that contains PHI and is maintained by or for a covered entity. The designated record set includes medical records and billing records, enrollment, payment, claims adjudication and case/medical management record systems, and/or records used, in whole or part, to make decisions about individuals.
- F. **Disclosure** — “Disclosure” has the same meaning of the term “disclosure” defined in 45 CFR § 160.103, which is the release, transfer, provision of access to, or divulging in any manner of information outside the entity holding the information.
- G. **Discovery** — “Discovery” has the same meaning of “Breaches treated as discovered” under 45 CFR § 164.410. Under Section 164.410, a breach shall be treated as discovered by a business associate on the first day on which such breach is known, or by exercising reasonable diligence would have been known by the business associate, including its employees or agents.
- H. **Electronic PHI** — “Electronic PHI” is protected health information in an electronic form.

- I. ~~**Encryption**~~ — “Encryption” has the same meaning of the term “encryption” defined in 45 CFR § 164.304, which is the use of an algorithmic process to transform data into a form in which there is a low probability of assigning meaning without use of a confidential process or key.
- J. ~~**Harmful effect**~~ — “Harmful effect” means a negative effect of using or disclosing PHI known to the covered entity or business associate that would violate HIPAA, HITECH Act, HIPAA Regulations as set forth in 45 CFR § 164.530(f), or any more stringent applicable state law protecting PHI.
- K. ~~**Health care operations**~~ — “Health care operations” has the same meaning of the term “health care operations” defined in 45 CFR § 164.501. Under Section 164.501, health care operations includes conducting quality assessment and improvement activities, outcomes evaluation, development of clinical guidelines, patient safety activities, population-based activities relating to improving health, protocol development, case management and care coordination, reviewing competence and qualifications of health care professionals not involving treatment, evaluating provider/vendor performance, conducting training programs for students, trainees or practitioners in the area of health care to improve skills, training of non-health care professionals, accreditation, certification, licensing or credentialing activities, underwriting and enrollment relating to creation, renewal or replacement of health insurance or benefits, medical review, legal services, auditing functions, business planning and development, business management and general administrative activities such as implementation and compliance with HIPAA, HITECH Act, and HIPAA Regulations, customer service, resolution of internal grievances, the creation of de-identified health information or a limited data set, and/or fundraising for the benefit of the business associate.
- L. ~~**Individual or Individuals**~~ — “Individual” or “individuals” have the same meaning of the term “individual” defined in 45 CFR § 160.103, which is the person who is the subject of PHI.
- M. ~~**Lanterman Act**~~ — The “Lanterman Act” means the Lanterman Developmental Disabilities Services Act codified in California Welfare and Institutions Code Sections 4500, *et seq.*
- N. ~~**Minimum necessary**~~ — “Minimum necessary” means the “minimum necessary” standard set forth in 45 CFR § 164.502, which requires covered entities and business associates to make reasonable efforts to limit the use or disclosure of PHI to accomplish the intended purpose of the use, disclosure or request, subject to the exceptions set forth therein.
- O. ~~**Notice of Privacy Practices**~~ — “Notice of Privacy Practices” means the required notice under 45 CFR § 164.520 provided to individuals by a covered entity regarding the use and disclosure of PHI that may be made by the covered entity, and the individual’s rights and covered entity’s legal duties with respect to PHI.
- P. ~~**PHI or protected health information**~~ — “PHI” or “protected health information” have the same meaning of the term “individually identifiable health information” as defined in 45 CFR § 160.103. Under Section 160.103 individual identifiable health information is information that is created or received by a covered entity or business associate that relates to the past, present, or future physical or mental health of an individual; or the past, present, or future payment for the provision of health care to the individual. In addition, the information must identify the

individual or there must be a reasonable basis to believe the information may be used to identify the individual.

- Q. ~~**Required by law**~~—“Required by law” has the same meaning of the term “required by law” defined in 45 CFR § 164.103, which is a mandate contained in law that compels an entity to make a use or disclosure of PHI and that is enforceable in a court of law.
- R. ~~**Safeguards**~~—“Safeguards” referenced herein collectively means the required “administrative safeguards” defined in 45 CFR § 164.308, “physical safeguards” defined in 45 CFR § 164.310, and “technical safeguards” defined in 45 CFR § 164.312.
- 1) Under 45 CFR § 164.308 “administrative safeguards” is the implementation of policies and procedures to prevent, detect, contain and correct security violations.
 - 2) Under 45 CFR § 164.310 “physical safeguards” is the implementation of policies and procedures to limit physical access to electronic information systems and the facility or facilities in which PHI is maintained, while ensuring proper authorized access to PHI.
 - 3) Under 45 CFR § 164.312 “technical safeguards” is the implementation of policies and procedures for electronic information systems that maintain electronic PHI to allow access only to those persons or software programs that have been granted access rights specified in 45 CFR § 164.308(a)(4).
- S. ~~**Secretary**~~—“Secretary” means the Secretary of the United States Department of Health and Human Services.
- T. ~~**Security Incident**~~—“Security incident” has the same meaning of the term “security incident” defined in 45 CFR § 164.304, which is the attempted or successful unauthorized access, use, disclosure, modification or destruction of information or interference with system operations in an information system.
- U. ~~**Subcontractor or Agent**~~—“Subcontractor” or “agent” have the same meaning of the term “subcontractor” defined in 45 CFR § 164.10, which is a person to whom a business associate delegates a function, activity or service, other than in the capacity of a member of the workforce of such business associate.
- V. ~~**Unsecured PHI**~~—“Unsecured PHI” has the same meaning of “unsecured protected health information” defined in 45 CFR § 164.402, and it is PHI that is not rendered unusable, unreadable, or indecipherable to unauthorized persons through the use of technology and methodology specified by the Secretary in the guidance issued under section 13402(h)(2) of Public Law 111-5.
- W. ~~**Use or usage**~~—“Use” or “usage” have the same meaning of the term “use” defined in 45 CFR § 160.103, which is the sharing, employment, application, utilization, examination, or analysis of PHI within an entity that maintains such information.

4. Permitted Uses and Disclosures of PHI by Business Associate

- A. ~~**Usage Permitted by This Agreement and HIPAA**~~. Contractor may use or disclose PHI only to perform functions, activities or services for, or on behalf of the DDS as specified in this Agreement, provided that such use or disclosure does not violate HIPAA, HIPAA Regulations, the HITECH Act, and any more

~~stringent applicable state law protecting PHI. The use and disclosure of PHI may not be more expansive than applicable to DDS as the "Covered Entity" under 45 CFR Part 164. (45 CFR § 164.504(e)(2)(i)).~~

- ~~B. **Usage for Legal, Management and Administrative.** In accordance with 45 CFR § 164.504(e)(4), Contractor may disclose PHI if necessary, for the legal, management, or administrative purposes of Contractor. In disclosing PHI, Contractor's disclosure must be required by law, or the Contractor must obtain reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as required by law or for the purpose for which it was disclosed to the person, and the person notifies Contractor of any instances of which it is aware in which the confidentiality of the information has been breached.~~
- ~~C. **Minimum Necessary.** Contractor shall comply with the requirements under 45 CFR § 164.502(b) to only request, use, and disclose the minimum PHI necessary to accomplish the intended purpose of the request, use or disclosure.~~
- ~~D. **Access.** Contractor shall provide access, at the request of DDS, and in the time and manner designated by DDS, to PHI in a designated record set to DDS or, as directed by DDS, to an individual in order to meet the requirements of 45 CFR § 164.524 and 45 CFR § 164.504(e)(2)(ii)(E) regarding an individual's right to access PHI.~~
- ~~1) If Contractor maintains electronic PHI, and an individual requests a copy of his or her PHI in an electronic format, Contractor shall provide such information in an electronic format to enable DDS to fulfill its obligations under the HITECH Act, including but not limited to 42 USC § 17935(e).~~
- ~~E. **Nondisclosure.** In accordance with 45 CFR § 164.504(e)(2)(ii)(A), Contractor shall not use or further disclose PHI other than as permitted or required by this Agreement, or as required by law.~~
- ~~F. **Amendments.** In accordance with 45 CFR § 164.526(a) and 45 CFR § 164.504(e)(2)(ii)(F), Contractor shall make any amendment(s) to PHI in a designated record set that DDS directs or agrees to and in the time and manner designated by DDS, or at the request of an individual. Individual requests for amendment(s) are subject to the right of Contractor to exercise denial under 45 CFR § 164.526(a)(2) and under the Lanterman Act. Contractor shall ensure the amendment/s are incorporated into the PHI in accordance with 45 CFR § 164.526.~~
- ~~G. **Accounting.** Contractor shall provide an accounting of disclosures of PHI to an individual for the six years prior to the date of the individual's request, in accordance with 45 CFR § 164.528 (a)(1), subject to the exceptions listed therein.~~

5. Uses and Disclosures Not Provided for by this Agreement

- A. **~~Mitigation.~~** In accordance with 45 CFR § 164.530 (f), Contractor shall mitigate, to the extent practicable, any harmful effect that is known to Contractor of a use or disclosure of PHI in violation of the requirements of this Agreement.
- B. **~~Requests to Restrict PHI.~~** Contractor shall not disclose PHI about an individual to a health plan for payment or health care operations purposes if PHI pertains solely to a health care item or service for which the health care provider involved has been paid out of pocket in full and the individual requests such restriction, in accordance with 42 USC § 17935(a) and 45 CFR 164.522(a).
- C. **~~No Remuneration Without Written Consent.~~** In accordance with 42 USC § 17935(d)(1) Contractor shall not directly or indirectly receive remuneration in exchange for PHI, except with the prior written consent of DDS and a valid HIPAA authorization under 45 CFR § 164.508.

6. Safeguarding Protected Health Information

- A. In accordance with 45 CFR § 164.504(e)(2)(ii)(B) and 45 CFR Part 164, Subpart C, Contractor shall use appropriate safeguards to prevent use or disclosure of PHI, except as provided in this Agreement or as required by law.
- B. In accordance with 45 CFR Part 164, Subpart C and 45 CFR § 164.314(a)(2)(i)(A) & (B), Contractor shall implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the PHI, including electronic PHI, it creates, receives, maintains, or transmits in an electronic format on behalf of DDS to prevent unauthorized access, viewing, use, disclosure or breach of PHI, other than as provided for by this Agreement or required by law.
- C. Contractor shall develop and maintain a written information privacy and security program that includes administrative, technical and physical safeguards appropriate to the size and complexity of Contractor's operations and the nature and scope of its activities, and which incorporates the requirements of Section 7, Security, below.
- D. **~~Privacy Officer.~~** Contractor shall designate a Privacy Officer who shall: (1) develop policies and procedures on PHI that comply with this Agreement, HIPAA, HIPAA Regulations, HITECH Act, and any more stringent applicable state law protecting PHI; (2) receive complaints/notices pertaining to breaches, and process these complaints/notices in accordance with Section 10, herein; and (3) be the point of contact for communication on privacy matters with DDS. Contractor shall notify DDS's privacy and security officers of the individual designated as Privacy Officer and his/her appropriate contact information (including telephone, work address and email) upon execution of this Agreement. If there is a contact change of the Privacy Officer, Contractor shall notify DDS within 10 calendar days or annually per DDS Technical Bulletin 479.

7. Security

~~A. Contractor shall ensure the security of all computerized data systems containing PHI in compliance with HIPAA, HIPAA Regulations, the HITECH Act, and the standards provided by National Institute of Standards and Technology (NIST). These steps shall include, at a minimum, but not limited to:~~

- ~~1) Ensuring appropriate security levels to maintain the confidentiality, integrity and availability of PHI and electronic PHI in accordance with 45 CFR Part 164, Subpart C;~~
- ~~2) Protecting against any reasonably anticipated threats or hazards to the security or integrity of PHI and electronic PHI in accordance with 45 CFR 164.306(a)(2);~~
- ~~3) Protecting against any reasonably anticipated uses or disclosures of PHI and electronic PHI that are not permitted or required under 45 CFR Part 164, Subpart E, in accordance with 45 CFR 164.306(a)(3);~~
- ~~4) Requiring encryption of all laptops, desktops, tablets, smartphones and other mobile devices, when storing and transmitting electronic PHI, including encryption of portable electronic storage media (e.g., CD, DVD, flash drives, etc.);~~
- ~~5) Requiring the development and maintenance of a Technical Recovery Plan (TRP) documenting the procedures required to restore critical business systems, including conducting an annual performance tabletop test of the TRP and providing annual self-certification of conducting such test to DDS' Information Security Officer; and~~
- ~~6) Designating a Security Officer pursuant to 45 CFR § 164.308 to oversee Contractor's data security program. The Security Officer shall be responsible for carrying out the requirements of this Section and to be the point of contact for communicating on security matters with DDS. Contractor shall notify DDS's privacy and security officers of the individual designated as Security Officer and his/her appropriate contact information (including telephone, work address and email) upon execution of this Agreement. If there is a contact change of the Security Officer, Contractor shall notify DDS within 10 calendar days or annually per DDS Technical Bulletin 479.~~

8. Agents and Subcontractors

~~A. Contractor shall require any of its agents, including subcontractors, that create, receive, maintain, or transmit PHI and/or electronic PHI on behalf of Contractor pursuant to its Agreement with DDS, to agree to the same restrictions, safeguards, and conditions that apply to Contractor herein with respect to such information. (45 CFR §§ 164.502, 164.504, 164.506, 164.314(a)(2)(i)(B)).~~

~~B. Contractor's agents and subcontractors who create, receive, maintain, or transmit PHI and/or electronic PHI on behalf of Contractor are business associates of Contractor and are directly liable under HIPAA, HIPAA Regulations and the HITECH Act for any breach they commit. As such, Contractor's agents and subcontractors who create, receive, maintain, or transmit PHI and/or electronic PHI are subject to civil and, in some cases, criminal penalties for making uses and disclosures of PHI that are not authorized by contract or required by law. Contractor's agents and subcontractors who create, receive or transmit electronic PHI, are also directly liable and subject to civil penalties for failing to safeguard electronic PHI in accordance with HIPAA, the HITECH Act, and HIPAA Regulations.~~

~~9. Records available to the State and Secretary and Compliance Reviews~~

~~A. In accordance with 45 CFR § 164.504(e)(2)(ii)(I), Contractor shall make its internal practices, books and records relating to the use and disclosure of PHI received from DDS, or created or received by Contractor on behalf of DDS, available to DDS or to the Secretary for purposes of investigating or auditing DDS's compliance with the requirements of HIPAA, HIPAA Regulations, and the HITECH Act, in the time and manner designated by DDS or the Secretary.~~

~~B. In accordance with 45 CFR § 160.310, Contractor shall cooperate with the compliance and investigation reviews conducted by the Secretary. PHI access to the Secretary must be provided during Contractor's normal business hours, however, upon exigent circumstances access at any time must be granted. Upon the Secretary's compliance or investigation review, if PHI is unavailable to Contractor and in possession of a subcontractor or agent, it must certify efforts to obtain the information to the Secretary.~~

~~10. Breach Procedure~~

~~A. **Discovery of Breach.** Contractor shall notify DDS **within 72 hours by telephone call plus email or fax** upon the discovery of a breach compromising the security and/or privacy of PHI, or upon a reasonable belief such breach has occurred, as required at 45 CFR §164.410. Notification shall be provided to the DDS Privacy Officer and the DDS Information Security Officer. If the incident occurs after business hours or on a weekend or holiday and involves electronic PHI, notification shall be provided by calling the DDS Service Desk. Upon discovery of such breach or reasonable belief of such breach, Contractor shall:~~

- ~~1) Take prompt corrective action to mitigate any risks or damages involved with the breach and to protect the operating environment; and~~
- ~~2) Commence an investigation.~~

~~**Content of Notification:** Within 72 hours of discovery of such breach or reasonable belief such breach occurred, Contractor shall include the following information in the notification to the DDS Privacy Officer and the DDS Information Security Officer to the extent presently known:~~

- ~~1) Identification of each individual whose unsecured PHI or confidential information has been, or is reasonably believed to have been accessed, acquired, used, disclosed, or breached;~~
- ~~2) What data elements were involved, and the extent of the data involved in the breach;~~
- ~~3) A description of the unauthorized persons known or reasonably believed to have improperly used or disclosed PHI or electronic PHI;~~
- ~~4) A description of the steps that an individual may take to protect him/her from the breach; and~~
- ~~5) A description of what Contractor is doing to investigate the breach, to mitigate harm to individuals, and to protect against further breaches.~~

~~B. **Written Report.** In accordance with 45 CFR § 164.504(e)(2)(ii)(C) and 45 CFR § 164.410, Contractor shall provide a written report of the investigation to the DDS Privacy Officer and the DDS Information Security Officer within thirty (30) calendar days of the discovery of the breach or unauthorized use or disclosure.~~

~~C. **Notification of Individuals.** Contractor or Contractor's subcontractor or agent shall notify individuals whose unsecured PHI has been or is reasonably believed by Contractor to have been accessed, acquired, used, or disclosed as a result of the breach as required under 45 CFR § 164.404. Notification shall be provided without unreasonable delay as required by 42 USC § 17932(d), and within 30 calendar days. Contractor, or Contractor's subcontractor or agent, shall pay any costs of such notifications as well as any costs associated with the breach.~~

~~D. **Responsibility for Reporting Breaches Involving Less Than 500 Individuals.** If the cause of breach of PHI or electronic PHI is attributable to the Contractor, or its subcontractors or agents, Contractor is responsible for all required reporting of the breach as specified in 42 USC § 17932 and 45 CFR Part 164, Subpart D. The breach reporting requirements of this paragraph are in addition to the reporting requirements set forth in subsection 10(A-C) above.~~

~~E. **Responsibility for Reporting Breaches Involving 500 or More Individuals.** If a breach of unsecured PHI involves 500 or more residents of the State of California or its jurisdiction, Contractor, with DDS's oversight and input, shall notify the Secretary of the breach immediately upon discovery of the breach and prominent media outlets serving the State of California or its jurisdiction in accordance with 42 USC § 17932 and 45 CFR §§ 164.406, 164.408. The breach reporting requirements of this paragraph are in addition to the reporting requirements set forth in subsection 10(A-C) above. In addition, Contractor, with DDS's input and oversight, shall notify the California Department of Justice, Office of the Attorney General, as required under Civil Code §1898.82.~~

~~F. **DDS Contact Information.** Contractor shall direct communications to the following DDS staff. DDS reserves the right to make changes to the contact information below by giving written notice to the Contractor. Said changes shall not require an amendment to this Agreement.~~

DDS Privacy Officer	DDS Information Security Officer
Privacy Officer privacy@dds.ca.gov (916) 654-2120	Information Security Officer ise@dds.ca.gov (916) 654-1704
Fax (916) 654-3352	Fax (916) 654-3352

11. Term and Termination

A. ~~**Term.** The term of this Agreement shall terminate when the regional center's contract expires or when all of the PHI provided by the DDS to Contractor, or created or received by Contractor on behalf of the DDS, in any format, is returned to the DDS and any associated storage media is destroyed, whichever is later.~~

B. ~~**Termination for Cause.** Upon DDS's knowledge of a pattern of activity or practice by Contractor that constitutes a violation of this Agreement by Contractor, DDS shall comply with the termination procedure set forth under the Lanterman Act.~~

1) ~~DDS may take reasonable steps to provide an opportunity for Contractor to end the violation. If efforts to resolve the problem informally are unsuccessful, DDS shall have the option to issue a letter of noncompliance and establish a Corrective Action Plan ("CAP") under Welfare and Institutions Code section 4635; and if Contractor is not in compliance with the CAP, DDS shall move to terminate this Agreement under Welfare and Institutions Code section 4635.~~

2) ~~If cure is not possible and Contractor has committed a material breach, DDS shall comply with termination provisions set forth in the Lanterman Act to terminate this Agreement and report the violation to the HHS Secretary.~~

C. Effect of Termination or Nonrenewal

1) ~~In accordance with 45 CFR § 164.504(e)(2)(ii)(J), upon termination of this Agreement or nonrenewal of this Agreement, Contractor shall return or destroy all PHI and/or electronic PHI received from DDS or created or received by Contractor on behalf of the DDS. Contractor shall require that any PHI and/or electronic PHI in possession of subcontractors or agents is returned or destroyed and that no copies of such information is retained.~~

2) ~~In the event Contractor determines that returning or destroying the PHI and/or electronic PHI is not feasible, Contractor shall notify DDS about the conditions that make return or destruction not feasible. If DDS agrees that the return or destruction of PHI and/or electronic PHI is not feasible, Contractor shall extend the protections of this Agreement to such information and limit further use and disclosures of such personal information to those purposes that~~

~~make the return or destruction infeasible, for so long as Contractor, or any of its agents or subcontractors, maintains such information.~~

12. ~~Judicial or Administrative Proceeding~~

~~DDS may terminate this Agreement in accordance with the terms and conditions of this Agreement as written herein above if: (1) Contractor is found guilty in a criminal proceeding for a violation of the HIPAA, HIPAA Regulations, or the HITECH Act; or (2) a finding or stipulation that the Contractor has violated a privacy or security standard or requirement of the HITECH Act, HIPAA, HIPAA Regulations or any more stringent applicable state law protecting PHI in an administrative or civil proceeding in which Contractor is a party.~~

13. ~~Due Diligence~~

~~Contractor shall exercise due diligence to ensure that it remains in compliance with this Agreement and is in compliance with the applicable provisions of HIPAA, HIPAA Regulations, the HITECH Act, and any more stringent applicable state law protecting PHI, and require its subcontractors and agents to be in compliance with the same.~~

14. ~~Sanctions and/or Penalties~~

~~Contractor understands and acknowledges that it is required to comply with the provisions of HIPAA, HIPAA Regulations, the HITECH Act, and any more stringent applicable state law protecting PHI, and that failure to comply with these laws may result in the imposition of civil and/or criminal sanctions and/or other penalties on Contractor as set forth under HIPAA, HIPAA Regulations and the HITECH Act.~~

15. ~~Employee Training and Discipline~~

~~A. Contractor shall use reasonable measures to ensure compliance with the requirements of this Agreement. In doing so, Contractor shall provide annual security and privacy training on HIPAA to its employees who create, receive, maintain or transmit PHI or electronic PHI on behalf of Contractor in accordance with 45 CFR § 164.308(a)(5)(i). Contractor shall require each employee who receives this training to sign a certification indicating the employee's name and the date on which the training was completed. Contractor shall retain each employee's written certifications for DDS inspection for a period of three years following contract termination.~~

~~B. Contractor also agrees to discipline employees who intentionally violate any provisions of this Agreement, including up to termination of employment.~~

16. ~~Audits, Inspection and Enforcement~~

~~From time to time, DDS may inspect the facilities, systems, information security controls, books and records of Contractor to monitor compliance with this Agreement. Contractor shall promptly remedy any violation of any provision of this~~

~~Agreement and shall certify the same to the DDS Privacy Officer in writing. The fact that DDS inspects, or fails to inspect, or has the right to inspect, Contractor's facilities, systems and procedures does not relieve Contractor of its responsibility to comply with this Agreement, nor does DDS's:~~

- ~~A. Failure to detect; or~~
- ~~B. Detection, but failure to notify Contractor or require Contractor's remediation of any unsatisfactory practices, constitute acceptance of such practice or a waiver of DDS enforcement rights under this Agreement.~~

~~If Contractor is the subject of an audit, compliance review, or complaint investigation by the Secretary or the Office of Civil Rights, U.S. Department of Health and Human Services, that is related to the performance of its obligations pursuant to this Agreement, Contractor shall notify DDS and provide DDS with a copy of any PHI or electronic PHI that Contractor provides to the Secretary or the Office of Civil Rights concurrently with providing such PHI or electronic PHI to the Secretary. Contractor is responsible for any civil or criminal penalties assessed due to an audit or investigation of Contractor in accordance with 42 USC § 17934(c).~~

17. Obligations of DDS

- ~~A. **Notice of Privacy Practices.** DDS shall provide Contractor with the Notice of Privacy Practices that DDS produces in accordance with 45 CFR § 164.520, as well as any changes to such notice. Visit www.dds.ca.gov to view the most current Notice of Privacy Practices:~~
- ~~B. **Permission by Individuals for Use and Disclosure of PHI.** DDS shall provide Contractor with any changes in, or revocation of, permission by an individual to use or disclose PHI or electronic PHI, if such changes affect the Contractor's permitted or required uses and disclosures.~~
- ~~C. **Notification of Restrictions.** DDS shall notify Contractor of any restriction to the use or disclosure of PHI that DDS has agreed to in accordance with 45 CFR § 164.522, to the extent that such restriction may affect Contractor's use or disclosure of PHI.~~
- ~~D. **Requests Conflicting with HIPAA Rules.** DDS shall not request Contractor to use or disclose PHI or electronic in any manner that would not be permissible under HIPAA, HIPAA Regulations, HITECH Act, or any more stringent applicable state law protecting PHI.~~

18. Miscellaneous

- ~~A. **Disclaimer.** DDS makes no warranty or representation that compliance by Contractor with this Agreement, HITECH Act, HIPAA, or HIPAA Regulations will be adequate or satisfactory for Contractor's own purposes or any information in Contractor's possession or control, or transmitted or received by Contractor, is or~~

will be secure from unauthorized access, viewing, use, or disclosure. Contractor is solely responsible for all decisions made by Contractor regarding the safeguarding of PHI.

~~B. **Amendment.** The parties acknowledge that federal and state laws relating to electronic data security and privacy are rapidly evolving and that amendment of this Agreement may be required to provide for procedures to ensure compliance with such developments. The parties specifically agree to take such action as is necessary to implement the standards and requirements of HIPAA, the HITECH Act, the HIPAA Regulations, and other applicable laws relating to the security or privacy of PHI and/or electronic PHI. Upon DDS's request Contractor agrees to promptly enter into negotiations with DDS concerning an amendment to this Agreement embodying written assurances consistent with the standards and requirements of HIPAA, the HITECH Act, the HIPAA Regulations or other applicable laws. If informal attempts to negotiate are unsuccessful, DDS may move to terminate this Agreement in accordance with the Lanterman Act in the event:~~

- ~~1) Contractor does not promptly enter into negotiations to amend this Agreement when requested by DDS pursuant to this Section, or~~
- ~~2) Contractor does not enter into an amendment providing assurances regarding the safeguarding of PHI that DDS deems sufficient to satisfy the standards and requirements of HIPAA, the HITECH Act, and the HIPAA Regulations.~~

~~C. **Assistance in Litigation or Administrative Proceedings.** Contractor shall make available to DDS, at no cost to DDS, its employees, subcontractors and/or agents to testify as witnesses, or otherwise, in the event litigation or administrative proceedings are commenced against DDS, its officers or employees, based upon a claimed violation of HIPAA, HIPAA Regulations, HITECH Act or any more stringent applicable state law protecting PHI, which involve the inactions or actions by Contractor. This provision does not apply where Contractor or its subcontractor, employee or agent is a named adverse party to DDS.~~

~~D. **No Third-Party Beneficiaries.** Nothing express or implied in the terms and conditions of this Agreement is intended to confer, nor shall anything herein confer, upon any person other than DDS or Contractor and their respective successors or assignees, any rights, remedies, obligations or liabilities whatsoever.~~

~~E. **Interpretation.** The terms and conditions in this Agreement shall be interpreted as broadly as necessary to implement and comply with HIPAA, the HITECH Act, the HIPAA Regulations and any more stringent applicable state law protecting PHI. The parties agree that any ambiguity in the terms and conditions of this~~

~~Agreement shall be resolved in favor of a meaning that complies and is consistent with HIPAA, the HITECH Act, HIPAA Regulations, and any more stringent applicable state law protecting PHI.~~

~~F. **References.** A reference in the terms and conditions of this Agreement to a section in HIPAA, HIPAA Regulations, and/or HITECH Act means the section currently in effect or as amended.~~

~~G. **Survival.** The respective rights and obligations of Contractor in this Agreement shall survive the termination or expiration of this Agreement.~~

~~H. **No Waiver of Obligations.** No change, waiver or discharge of any liability or obligation hereunder on any one or more occasions shall be deemed a waiver of performance of any continuing or other obligation, or shall prohibit enforcement of any obligation, on any other occasion.~~

References:

United States Department of Health and Human Services, Office for Civil Rights, Medical Privacy – National Standards to Protect the Privacy of Personal Health Information: <https://www.hhs.gov/hipaa/index.html>

United States Department of Health and Human Services, Centers for Medicare and Medicaid Services – Security Standards
www.cms.hhs.gov/SecurityStandard/

National Institute of Standards and Technology (NIST)
nist.gov/

FEDERAL INFORMATION PROCESSING STANDARDS (FIPS)
csrc.nist.gov/publications/PubsFIPS.html

CONFIDENTIALITY AGREEMENT

**~~REGIONAL CENTER OF THE EAST BAY, INC. dba REGIONAL CENTER OF THE
EAST BAY~~**

**~~Required for Release of DDS Data
Per the State Administrative Manual Section (5310)~~**

~~Contractor hereby acknowledges that Department of Developmental Services (DDS) records and documents are subject to strict confidentiality requirements imposed by State and Federal laws including, but not limited to, Health Insurance Portability and Accountability Act in Title 42 of the United States Code, Section 1320d et seq. and its implementing law and regulations such as the Health Information Technology for Economic and Clinical Health Act of 2009, (Public Law 111-005, Title XIII, Subtitle D, 13400 et seq., Feb. 17, 2009), 45 CFR Parts 160 and 164, Sections 56 and following and 1798.24 through 1798.24b of the California Civil Code; California Welfare and Institutions Code sections 4514, 5328, and 15633 and following; California Penal Code Section 11167.5; and any other applicable State or Federal law pertaining to confidentiality.~~

~~Contractor assures that the appropriate provisions of both State and Federal law have been met and further assures that all agents of the organization, including subcontractors and agents, understand that unauthorized use, dissemination or distribution of PHI is a crime and that breaches of confidentiality and security may be subject to civil and criminal penalties by the State or Federal government.~~

~~Contractor assures that its agents, including subcontractors, will not use, disseminate or otherwise distribute records or documents containing PHI, either on paper or by electronic means, other than as required in the performance of their duties per this contract.~~

~~Contractor agrees that unauthorized use, dissemination or distribution of DDS records, documents or information is grounds for immediate termination of any contracts with the DDS and may subject Contractor to penalties, both civil and criminal.~~

Signature of Contractor's Authorized Representative

Date: _____

Name/Title (Print)

MEDICAID ENROLLMENT REQUIREMENTS

1. PURPOSE

Regional centers coordinate services for consumers for which federal funding is received from the Centers for Medicare and Medicaid Services, and are therefore required to enroll as a Medicaid provider in a manner mutually agreed upon with the State. This exhibit sets forth the terms and conditions under which the Contractor shall enroll as a Medicaid provider.

2. CONTRACT PRACTICES

For the purposes of this Agreement, Contractor agrees to comply with all Medicaid provider enrollment requirements in accordance with Title 42 Code of Federal Regulations (CFR) Sections 455.104 (a), (b)(1)(2)(3)(4), (c), (d), (e); 455.105, (a), (b), (c); 455.106 (a), (b), (c); 455.410; 431.107 (b)(3); 424.302 (d); 424.304 (a)(1); and 424.535 (d)(1).

3. PROCEDURES FOR ENROLLMENT AND RE-ENROLLMENT

Contractor shall adhere to the following enrollment and re-enrollment assurances and procedures:

- a. Disclosure information required for all members of the Contractor's Board of Directors as well as the Regional Center Executive Director:
 - 1) The name, address, date of birth, and social security number of the board member or Executive Director/Interim Executive Director identified above.
 - 2) If the board member or Executive Director/Interim Executive Director is related to any of the other individuals above (as a spouse, sibling, parent or child).
 - 3) The name of any other enrolled Medicaid provider in which the individual has an ownership or control interest.
 - 4) The name of any "Excluded Individuals", defined as those that have been placed on either the U.S. Department of Health and Human Services Office of Inspectors' General (OIG) List of Excluded Individuals/Entities or the Department of Health Care Services (DHCS) Medi-Cal Suspended and Ineligible Provider List of persons, or individuals and entities that have been convicted of a criminal offense related to involvement in any program under Medicare, Medicaid or the Title XX services program, or meet the criteria included in Title 17, Section 54311(a)(6).

- b. The disclosure information identified in paragraph a. 1) through 4) must be submitted to the State:
- 1) Upon execution of this contract.
 - 2) Within 35 days of the individuals identified in paragraph a. becoming a member of the Board of Directors or becoming the Regional Center Executive Director/Interim Executive Director.
 - 3) Upon request of the State during revalidation of enrollment requirements every five years or sooner when any of the following circumstances apply:
 - a) A new Taxpayer Identification (ID) Number is issued by the IRS.
 - b) There is a cumulative change of 50 percent or more in the person(s) with an ownership or control interest (executive directors or board members) since the information provided in the last complete application package that was approved for enrollment.
 - c) The two examples above are the most likely circumstances for a regional center to complete a new application, an exhaustive list can be found at Title 22 CCR Section 51000.30.
- c. Individuals that either fail to disclose the required information or meet the "Excluded Individuals" criteria shall be prohibited from serving in the roles identified in paragraph b.

GENERAL TERMS AND CONDITIONS

1. VALIDITY: Contractor is aware of the provisions of Public Contract Code, Sections 10295 and 10335, and acknowledges that this contract is void unless approved by the Department of General Services.
2. AMENDMENT: No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.
3. ASSIGNMENT: This Agreement is not assignable by the Contractor, either in whole or in part, without the consent of the State in the form of a formal written amendment.
4. AUDIT: Contractor agrees that the awarding department, the Department of General Services, the Bureau of State Audits, federal auditor, any other State agency, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Contractor agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Contractor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (Gov. Code §8546.7, Pub. Contract Code §10115 et seq., CCR Title 2, Section 1896).
5. INDEMNIFICATION: Contractor agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by Contractor in the performance of this Agreement.
6. DISPUTES: Contractor shall continue with the responsibilities under this Agreement during any dispute.
7. TERMINATION FOR CAUSE: The State may terminate this Agreement and be relieved of any payments should the Contractor fail to perform the requirements of this Agreement at the time and in the manner herein provided. In the event of such termination the State may proceed with the work in any manner deemed proper by the State. All costs to the State shall be deducted from any sum due the Contractor under this Agreement and the balance, if any, shall be paid to the Contractor upon written demand.

8. INDEPENDENT CONTRACTOR: Contractor, and the agents and employees of Contractor, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State.
9. NON-DISCRIMINATION CLAUSE: During the performance of this Agreement, Contractor and its subcontractors shall not deny the contract's benefits to any person on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. Contractor shall insure that the evaluation and treatment of employees and applicants for employment are free of such discrimination. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12900 et seq.), the regulations promulgated thereunder (Cal. Code Regs., tit. 2, §11000 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Gov. Code §§11135-11139.5), and the regulations or standards adopted by the awarding state agency to implement such article. Contractor shall permit access by representatives of the Department of Fair Employment and Housing and the awarding state agency upon reasonable notice at any time during the normal business hours, but in no case less than 24 hours' notice, to such of its books, records, accounts, and all other sources of information and its facilities as said Department or Agency shall require to ascertain compliance with this clause. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. (See Cal. Code Regs., tit. 2, §11105.)

Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.

10. CERTIFICATION CLAUSES: The CONTRACTOR CERTIFICATION CLAUSES contained in Exhibit I are made a part of this Agreement and attached hereto.
11. TIMELINESS: Time is of the essence in this Agreement.
12. COMPENSATION: The consideration to be paid Contractor, as provided herein, shall be in compensation for all of Contractor's expenses incurred in the performance hereof, including travel, per diem, and taxes, unless otherwise expressly so provided.

13. GOVERNING LAW: This contract is governed by and shall be interpreted in accordance with the laws of the State of California.
14. CHILD SUPPORT COMPLIANCE ACT: For any Agreement in excess of \$100,000, the contractor acknowledges in accordance with Public Contract Code 7110, that:
- a. The contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and
 - b. The contractor, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.
15. UNENFORCEABLE PROVISION: In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

CONTRACTOR CERTIFICATION CLAUSES

CERTIFICATION

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective Contractor to the clause(s) listed below. This certification is made under the laws of the State of California.

Contractor Name (Printed)	Federal ID Number
By (Authorized Signature)	
Printed Name and Title of Person Signing	
Date Executed	Executed in County of

CONTRACTOR CERTIFICATION CLAUSES

1. **STATEMENT OF COMPLIANCE:** Contractor has, unless exempted, complied with the nondiscrimination program requirements. (Gov. Code §12990 (a-f) and CCR, Title 2, Section 11102) (Not applicable to public entities.)
2. **DRUG-FREE WORKPLACE REQUIREMENTS:** Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:
 - a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.
 - b. Establish a Drug-Free Awareness Program to inform employees about
 - 1) the dangers of drug abuse in the workplace
 - 2) the person's or organization's policy of maintaining a drug-free workplace
 - 3) any available counseling, rehabilitation and employee assistance programs; and
 - 4) penalties that may be imposed upon employees for drug abuse violations
 - c. Every employee who works on the proposed Agreement will
 - 1) receive a copy of the company's drug-free workplace policy statement; and
 - 2) agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and Contractor may be ineligible for award of any future State agreements if the department determines that any of the following has occurred: the Contractor has made false certification, or violated the certification by failing to carry out the requirements as noted above. (Gov. Code §8350 et seq.)

3. NATIONAL LABOR RELATIONS BOARD CERTIFICATION: Contractor certifies that no more than one (1) final unappealable finding of contempt of court by a Federal court has been issued against Contractor within the two years period immediately preceding execution of the contract because of Contractor's failure to comply with an order of a Federal court, which orders Contractor to comply with an order of the National Labor Relations Board. (Pub. Contract Code §10296) (Not applicable to public entities.)
4. EXPATRIATE CORPORATIONS: Contractor hereby declares that it is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of Public Contract Code Section 10286 and 10286.1, and is eligible to contract with the State of California.
5. DOMESTIC PARTNERS: For contracts of \$100,000 or more, Contractor certifies that Contractor is in compliance with Public Contract Code section 10295.3.
6. GENDER IDENTITY: For contracts of \$100,000 or more, Contractor certifies that Contractor is in compliance with Public Contract Code section 10295.35.

DOING BUSINESS WITH THE STATE OF CALIFORNIA

The following laws apply to persons or entities doing business with the State of California.

1. CONFLICT OF INTEREST: Contractor needs to be aware of the following provisions regarding current or former state employees. If Contractor has any questions on the status of any person rendering services or involved with the Agreement, the awarding agency must be contacted immediately for clarification.

Current State Employees (Pub. Contract Code §10410):

- 1) No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.
- 2) No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

Former State Employees (Pub. Contract Code §10411):

- 1) For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency.
- 2) For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving state service.

If Contractor violates any provisions of above paragraphs, such action by Contractor shall render this Agreement void. (Pub. Contract Code §10420)

Members of boards and commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem. (Pub. Contract Code §10430 (e))

2. LABOR CODE/WORKERS' COMPENSATION AND INSURANCE: Contractor shall maintain insurance coverage for the entire period of this contract that will protect the financial assets provided to Contractor from the State to fulfill the terms and obligations of this contract. Insurance coverage shall include, but not be limited to: workers' compensation insurance; non-owned automobile insurance including personal injury and property damage; property insurance including personal injury, supplies, equipment and other property furnished by or acquired under or allocatable to this contract; employment practices liability insurance to cover discrimination complaints and other similar employment claims; and, Directors', Trustees' and Officers' liability insurance. Contractor shall maintain Fidelity Bonding.

Contractor shall immediately notify the State, in writing, when Contractor is unable to obtain any of the required insurance coverage or any of the required policies are cancelled. (Labor Code Section 3700)

3. AMERICANS WITH DISABILITIES ACT: Contractor assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 et seq.)
4. CONTRACTOR NAME CHANGE: An amendment is required to change the Contractor's name as listed on this Agreement. Upon receipt of legal documentation of the name change the State will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.
5. PAYEE DATA RECORD FORM STD. 204: This form must be completed by all contractors that are not another state agency or other governmental entity.

CONFIDENTIALITY AGREEMENT

REGIONAL CENTER OF THE EAST BAY, INC. dba REGIONAL CENTER OF THE EAST BAY

**Required for Release of DDS Data
Per the State Administrative Manual Section (5310)**

Contractor hereby acknowledges that Department of Developmental Services (DDS) records and documents are subject to strict confidentiality requirements imposed by State and Federal laws including, but not limited to, Health Insurance Portability and Accountability Act in Title 42 of the United States Code, Section 1320d et seq. and its implementing law and regulations such as the Health Information Technology for Economic and Clinical Health Act of 2009, (Public Law 111-005, Title XIII, Subtitle D, 13400 et seq., Feb. 17, 2009), 45 CFR Parts 160 and 164, Sections 56 and following and 1798.24 through 1798.24b of the California Civil Code; California Welfare and Institutions Code sections 4514, 5328, and 15633 and following; California Penal Code Section 11167.5; and any other applicable State or Federal law pertaining to confidentiality.

Contractor assures that the appropriate provisions of both State and Federal law have been met and further assures that all agents of the organization, including subcontractors and agents, have been informed that intentional unauthorized use, dissemination or distribution of PHI and/or electronic PHI is a crime and that breaches of confidentiality and security may be subject to civil and criminal penalties by the State or Federal government.

Contractor assures that it will require its agents, including subcontractors, to agree to not use, disseminate or otherwise distribute records or documents containing PHI, either on paper or by electronic means, other than as required in the performance of their duties per this contract.

Contractor agrees that unauthorized use, dissemination or distribution of DDS records, documents or information is grounds for immediate termination of any contracts with the DDS and may subject Contractor to penalties, both civil and criminal.

Signature of Contractor's Authorized Representative

Date: _____

Name/Title (Print)



PETE CERVINKA
DIRECTOR



GAVIN NEWSOM
GOVERNOR

As a result of discussions with the Department of General Services – Office of Legal Services (DGS-OLS), the Department of Developmental Services (DDS) provides this cover letter to accompany each regional center subvention contract and amendment referenced below (collectively the “Regional Center Contracts”) to help facilitate their interagency review and approval process.

DDS and DGS-OLS acknowledge the Regional Center Contracts are being processed pursuant to statutory requirements set forth in the Lanterman Developmental Disabilities Services Act codified in the Welfare & Inst. Code §§ 4500 et seq (Lanterman Act) to enable DDS to serve persons with developmental disabilities through coordination with a network of 21, non-profit regional centers that provide services and support to DDS consumers. In accordance with Welfare & Inst. Code § 4629 of the Lanterman Act, DDS is required to enter 5-year contracts with the regional centers subject to annual appropriations. Per Welfare & Inst. Code §§ 4622 et seq. of the Lanterman Act, each regional center has its own governing board and DDS’ role is to monitor the regional centers to ensure they are complying with the Lanterman Act.

Consequently, these Regional Center Contracts have General Terms and Conditions (GTC) and Standard Contractor Certifications (CCC) terms and conditions that may differ from the State’s standard contract language, with some GTCs and CCCs omitted if not applicable as it is extremely challenging to have all 21 regional centers’ respective governing boards agree to contract language that does not apply to the services and support they provide DDS consumers. DDS has reviewed each of the Regional Center Contracts noted below and recommends DGS-OLS approve and finalize each on behalf of the State.

The contracts and subsequent amendments are the following:

Contract Number	Regional Center
HD249001B-2	Alta California Regional Center
HD249002B-2	Central Valley Regional Center
HD249003B-2	Coastal Developmental Services Foundation
HD249004B-2	Eastern LA Regional Center for the Developmentally Disabled
HD249005B-2	Far Northern Coordinating Council on Developmental Disabilities
HD249006B-2	Golden Gate Regional Center
HD249007B-2	Harbor Developmental Disabilities Foundation
HD249008B-2	Inland Counties Regional Center
HD249009B-2	Kern Regional Center
HD249010B-2	LA County Developmental Services Foundation (Lanterman)
HD249011B-2	North Bay Developmental Disability Services
HD249012B-2	North Los Angeles County Regional Center

HD249013B-2	Redwood Coast Developmental Services
HD249014B-2	Regional Center of Orange County
HD249015B-2	Regional Center of the East Bay
HD249016B-2	San Andreas Regional Center
HD249017B-2	San Diego-Imperial Counties Developmental Services
HD249018B-2	San Gabriel/Pomona Valleys Developmental Services
HD249019B-2	SCLARC for Developmentally Disabled Persons
HD249020B-2	Tri-Counties Association for the Developmentally Disabled
HD249021B-2	Valley Mountain Regional Center

**Regional Center of the East Bay
Contracts for Board Review/Approval**

Date submitted to RCEB Board for review

Date approved by RCEB Board Executive Committee (if applicable)

Date approved by RCEB Board

Operations

Purchase of Service

The following contracts have been reviewed by Lynn Nguyen, Director, Finance and Administration and Rebecca Nanyonjo, Executive Director, both of whom recommend approval by the RCEB Board of Directors.

Purpose of Contract	Consumers Served (if applicable)	Contractor Name	Term of Contract	Rate of Reimbursement	NOTES:
This contract represents RCEB funding for \$1,500,000 for 15 low income apartments to be reserved for RCEB clients	Fifteen (15) clients of RCEB.	39340 Fremont Blvd, L.P.	2/1/2026-6/30/2026	RCEB-23-24-1 Amount represented by this contract is \$1,500,000 in Startup funds.	This contract represents Community Resource Development Plan service provider startup funds for the development of four (4) studio apartments, five (5) one-bedroom apartments, four (4) two-bedroom apartments, and two (2) three-bedroom apartments for RCEB clients with extremely to very low income.



CONTRACT SUMMARY SHEET

Name of Project:

RCEB FY 23-24-1: Canvas Project

Summary:

In late 2023, respondents to the RCEB Community Resource Development Plan (CRDP) Needs Survey identified the need for affordable housing.

On December 19, 2023, RCEB submitted the Community Resource Development Plan and Community Placement Plan proposal to the Department of Developmental Services.

On January 18, 2024, the Department of Developmental Services approved funding for RCEB to use \$1,500,000 to support the development of Thornton Avenue Apartments (multifamily) in Newark, California, with 10 low-income apartments to be reserved for RCEB households.

In August 2025, RCEB was informed that the Thornton Avenue housing project was substantially delayed due to funding challenges and would not break ground until late 2028–2029. FY 23–24 funds have an expenditure deadline of March 31, 2026, after which they will revert to the State Fund. RCEB then met with other developers to identify an alternative project to submit for DDS approval.

In September 2025, RCEB met with Community Development Partners (CDP) to discuss their housing development, the Canvas Project, a 92-unit multifamily housing development located at 39340 Fremont Blvd in the Downtown Fremont area. RCEB submitted this project for DDS approval in October 2025.

Canvas is an affordable housing development that will consist of a mix of studio, one-, two-, and three-bedroom units at 30–70% AMI. The project will reserve 15 units at 30–50% AMI for RCEB consumers and their families. The 15 RCEB units will consist of four (4) studio apartments at 30% AMI; two (2) one-bedroom apartments at 30% AMI; three (3) one-bedroom apartments at 50% AMI; two (2) two-bedroom apartments at 30% AMI; two (2) two-bedroom apartments at 50% AMI; and two (2) three-bedroom apartments at 30% AMI. Seven (7) units will include roll-in showers.

Contract Overview:

This is a Start-Up contract with **39340 Fremont Blvd L.P.**, a California limited partnership (“Owner”), to reserve 15 affordable housing units for RCEB consumers and households.

Location of Facility:

39340 Fremont Blvd, Fremont CA 94538

Ownership:

39340 Fremont Blvd, L.P. owns the property and is working to develop Canvas.

History of Company's Operation:

Community Development Partners (CDP) was founded in 2011 to create vibrant, affordable housing communities that enrich each resident's quality of life. Community Development Partners' mission is to develop life-enhancing affordable housing with a focus on long-term community engagement. CDP envisions a world where accessible and equitable housing is no longer an issue to be solved but a universal need met without question.

CDP's approach centers on innovative, community-driven development, integrating thoughtful design, public art, green space, and place-based amenities that strengthen social, economic, and cultural outcomes. The organization works collaboratively with public agencies, nonprofits, designers, and local partners to deliver housing solutions that promote equity, resilience, and belonging.

Since its founding, CDP has grown into a multistate developer with a portfolio of 55+ unique projects and over 4,800 affordable homes across California, Oregon, Nevada, Arizona, and Colorado. CDP is a Certified B Corporation, reflecting its commitment to ethical governance, environmental sustainability, and community impact, balancing people, planet, and performance.

CDP is guided by core principles that emphasize community engagement, innovation, sustainability, and cultural vibrancy, ensuring that its developments not only provide affordable homes but also enhance the quality of life for residents and contribute positively to the fabric of the places it serves.

Results of the Last QA Review: (Report Attached)

This is not applicable.

Other RCEB-Funded Corporations Owned by the Same Individuals/Entity:

Canvas is the first Community Development Partners (CDP) project funded by RCEB.

CPP/CRDP HOUSING AGREEMENT

(FY 2023-2024)

(RCEB CRDP 2023-2024 # 1)

This Community Placement Plan/Community Resource Development Plan (CPP/CRDP) Housing Agreement (this “**Agreement**”), dated for reference purposes as of February 1st, 2026 (the “**Effective Date**”), is entered into by 39340 Fremont Blvd, LP, a California limited partnership (“**Owner**”), and Regional Center of the East Bay, Inc., a California nonprofit corporation (“**RCEB**”), in accordance with the following facts:

A. The Consumers. RCEB provides services to individuals with developmental disabilities (“the **Consumers**”) in the counties of Alameda and Contra Costa, California.

B. Owner’s Mission. Owner represents and warrants that it has the experience and expertise to develop and manage affordable rental apartments for individuals with special needs, including individuals with developmental disabilities, and that its mission is to provide quality affordable homes and service that empower people and strengthen neighborhoods.

C. The Property. RCEB is working in conjunction with Owner, who holds title in the property located at 39340 Fremont Blvd, Fremont, CA 94538 (“the Property”) in the County of Alameda.

D. The Apartments. Owner intends to develop project site to a new-construction affordable housing development consisting of 92 rental apartments (collectively, the “**Apartments**”). The project will provide 91 units of affordable housing for large family households earning between 30-70% Area Median Income. The building will contain Eight (8) studio apartments, thirty-nine (39) one-bedroom apartments, twenty-one (21) two-bedroom units, twenty-four (24) three-bedroom units, and one (1) manager’s unit. The affordability levels provide for ten (10) units at 30% AMI, eleven (11) units at 50% AMI, thirty (30) at 60% AMI, forty (40) units at 70% AMI, and one (1) unrestricted staff unit.

E. RCEB-Restricted Units. Owner shall provide a set-aside of fifteen (15) rental apartments at the Property to Consumers who are Extremely low income households (as defined by California Health and Safety Code Section 50106) and Very low income households (as defined by California Health and Safety Code Section 50105) (“**RCEB-Restricted Units**”). The RCEB-Restricted Units shall consist four (4)studio-apartments at 30% AMI, two (2) one-bedroom apartments at 30% AMI, three (3) one-bedroom apartments at 50% AMI, two (2) two-bedroom apartments at 30% AMI, two (2) two-bedroom apartments at 50% AMI, and two (2) three-bedroom apartments at 30%AMI, (7) units will include roll in showers, and the remaining 8 units are adaptable.

F. CPP/CRDP Guidelines. The California Department of Development Services (“**DDS**”) has published Fiscal Year 2025-26 Housing Guidelines for the Regional Centers Office of Community Development Community Placement Plan and Community Resource Development Plan (the “**CPP/CRDP Guidelines**”). The CPP/CRDP Guidelines include Attachment O entitled, “Multi-Family Housing Proposal Guidelines” (the “**Multi-Family Provisions**”). Owner acknowledges that it has reviewed and understands the CPP/CRDP Guidelines, including the Multi-Family

Provisions and all other Appendices thereto. All references in the CPP/CRDP Guidelines to the “NPO” and the “HDO” mean Owner. Owner is responsible for complying with all CPP/CRDP Guidelines applicable to the Property.

G. Housing Proposal; Funding Approval; CRDP Funds. In accordance with the CPP/CRDP Guidelines, RCEB (with Owner’s assistance) shall submit a housing proposal to DDS requesting funds for the Property. Specially, Owner intends to use such funds along with other funds to acquire and construct the Apartments, including the RCEB-Restricted Units. DDS’s Letter of Conditional Approval (as defined in the CPP/CRDP Guidelines), by which DDS conditionally agrees to fund the housing proposal, is hereinafter referred to as a “**Funding Approval**”, and the funds that DDS will provide to RCEB pursuant to the Funding Approval are hereinafter referred to as “**CRDP Funds**”; *provided, however*, notwithstanding anything in this Agreement to the contrary, RCEB shall have no financial or other obligation of any nature with respect to the Property until DDS gives its final approval under the Multi-Family Provisions of the CPP/CRDP Guidelines.

H. Occupancy by Consumers. Prior to the Owner’s completion of construction of the Apartments on the Property, Owner is responsible for implementing the marketing, lease-up and assistance with unit design for the RCEB-Restricted Units and for collaborating with RCEB to help encourage each Consumer to receive Independent Living, Supported Living, Housing Support Services and other RCEB-provided services that will promote successful living at the Property in accordance with each Consumer’s Individual Program Plan (“**IPP**”). Participation in services is not a requirement of tenancy.

I. Purpose of Agreement. The purpose of this Agreement is to describe RCEB’s and Owner’s rights and obligations to each other with respect to development and management of the Property and Owner’s management of the RCEB-Restricted Units, and the provision of supportive services to Consumers living at the Property, conditioned on RCEB’s receipt of Funding Approval and final approval from DDS.

NOW THEREFORE, in consideration of the following mutual covenants, RCEB and Owner agree as follows:

1. The Amount of CRDP Funds. The maximum amount of FY 2023-2024 CRDP Funds available for a loan related to the Property is One Million Five Hundred Thousand Dollars (\$1,500,000) (See Exhibit A). Owner must ensure the expenditure of all of the CRDP Funds by March 31, 2026; any unspent funds will revert to the State.

2. Uses of CRDP Funds. The CRDP Funds may be used for a loan related to the Property pursuant to a final budget (the “**Final Budget**”) which Owner shall submit to RCEB for approval within 15 days after the City of Fremont Building Department approves the final plans and specifications for the construction of the Apartments on the Property.

2.1 Portion of Costs. The CRDP Funds constitute only a portion of the total estimated cost of \$51,307,737.00 necessary for the acquisition and development of the Apartments at the Property. The application of the CRDP Funds shall be subject to the approval of RCEB and DDS, taking into account requirements and priorities of other funders of the Apartments.

2.2 Compliance with State Administrative Manual. Approval of payment(s) by RCEB and provisions for payment are subject to the terms and conditions which are set forth in the State Administrative Manual (SAM) requirements for subvention aid contracts, and are limited to those expenses which are designated as acceptable items.

3. Disbursement of CRDP Funds.

3.1 Disbursement; Funding Conditions. Provided the CRDP Funds are expended not later than March 31, 2026, RCEB shall disburse the maximum amount of One Million Five Hundred Thousand Dollars (\$1,500,000) of CRDP Fund in the form of a 55-year non-amortizing loan to Owner in accordance with the terms of this Agreement. RCEB shall disburse such funds as provided in Section 3.2 below, after (i) RCEB's approval of the Final Budget and (ii) the Owner's execution and delivery of all of the instruments described in Section 11 below. The terms of the loan shall be governed by the DDS Note and DDS Deed of Trust (defined below); if an inconsistency concerning any terms or conditions of the loan exists between this Agreement and the DDS Note or DDS Deed of Trust, the terms of the DDS Note and DDS Deed of Trust shall prevail.

3.2 Escrow. The CRDP Funds earmarked by RCEB for the Property shall be disbursed by RCEB directly to an escrow holder (the "**Escrow Agent**") for the transaction, along with escrow instructions for the Escrow Agent's proper use of such funds. RCEB may elect to disburse its funds by check or wire transfer; *provided, however*, if RCEB elects to provide a check, RCEB shall deliver the check at least 10 days before the closing date of the escrow.

3.3 Disbursement Contingent on Recording of Documents. RCEB's escrow instructions shall provide that the Escrow Agent shall not disburse any CRDP Funds to the Owner or for its benefit until the escrow agent records the Regulatory Agreement and DDS Deed of Trust described in Section 11 below and delivers the DDS Note in Section 11 below.

3.4 Delivery of Documents to DDS. In the event that Owner or RCEB receives the original DDS Note, the DDS Deed of Trust and/or the Regulatory Agreement, such party is responsible for timely delivery of these documents to DDS.

4. Applicability of CPP/CRDP Guidelines. Owner shall at all times comply with the requirements in the CPP/CRDP Guidelines in effect as of the date hereof. Notwithstanding the foregoing, Owner acknowledges and agrees to comply with any reasonable changes or additions to the requirements and obligations in the CPP/CRDP Guidelines that do not materially increase the obligations or liability of Owner.

5. Term. Subject to the provisions in Section 1 above, the term of this Agreement shall commence on the Effective Date and end on March 31, 2026 subject to any earlier termination as provided in this Agreement. However, the termination or expiration of this Agreement shall not affect the continued enforceability of the documents intended to survive its termination as provided in Section 11.

6. Property Development Implementation Plan. Once DDS issues Funding Approval, RCEB and Owner will work collaboratively to ensure the development of the Apartments on the Property and provide for the occupancy of RCEB-Restricted Units by Consumers, based on the

needs identified by RCEB, and in accordance with an implementation plan for the development of the Property (the “**Implementation Plan**”) submitted to RCEB for approval prior to commencement of construction of the Apartments at the Property. RCEB will be afforded the opportunity to review the Property Management Agreement for the development. The Implementation Plan will contain all information required by the CPP/CRDP Guidelines. Thus, for example, the Implementation Plan shall (1) specify a process that ensures compliance with all state and local building requirements, including without limitation RCEB’s receipt of verification that the project has received all applicable required permits prior to the start of any demolition, construction, or renovation and (2) contain a detailed financing plan, along with a construction and operations budget containing the information required by the CPP/CRDP Guidelines. Owner shall update and revise the Implementation Plan at RCEB’s request.

7. Financial Analysis; Corrective Action Plan. At any time prior to loan closing/escrow funding, RCEB may at any time perform a financial analysis of Owner’s financial statements, and Owner shall fully cooperate in such process. Such analysis may include, but not be limited to, a calculation of Owner’s debt coverage ratios (including debt to earnings ratio, debt to equity ratio, and EBITDA ratios), cash reserves, working capital and operating margin. If RCEB is reasonably concerned about Owner’s financial condition after completing such analysis, based on either current year status or multi-year trends, Owner will reasonably cooperate with RCEB in implementing a corrective action plan to improve Owner’s financial condition to RCEB’s reasonable satisfaction. If Owner is either unwilling or unable to timely implement such plan to RCEB’s reasonable satisfaction, RCEB may terminate this Agreement at any time.

8. Notices to RCEB. Owner shall notify RCEB in writing (1) when the Owner opens the escrow for the construction loan; (2) when final plans for the Apartments have been entitled by the responsible local agency; (3) when a construction contract has been entered into by the Owner; (4) when a Notice of Completion is recorded for construction; (5) when a certificate of occupancy has been issued by the responsible local agency; and (6) when any construction financing converts to or is replaced by permanent financing. Owner acknowledges that RCEB requires this information to comply with its quarterly and annual reporting duties to DDS under the CPP/CRDP Guidelines. Notwithstanding anything herein to the contrary, Owner shall not obligate any funds until DDS has given final approval for the Owner to be the NPO for this project and has also approved the proposed Implementation Plan for the Property under Section III.B of the CPP/CRDP Guidelines.

9. Scope of Services. Owner is acting as an independent contractor of RCEB to pursue the interest of Consumers with respect to housing opportunities at the Property. Owner will use its best efforts to design, finance, develop, lease, and manage the Apartments to ensure that RCEB’s goal of providing high-quality, affordable and inclusive housing to Consumers is furthered. In addition, Owner shall provide the following services to Consumers which will enable Owner to protect RCEB’s interest in the RCEB-Restricted Units over the term of the Agreement: (i) coordinating with RCEB to maximize the initial marketing of the housing opportunity to Consumers; (ii) helping Consumers participate successfully in the application process and leasing of the Property; (iii) collaborating with RCEB to maintain an active waiting list for the RCEB Restricted Units to help Consumers continue to apply for RCEB Restricted Units that become vacant after the initial leasing of the Apartments, and (iv) providing individual housing retention

services to Consumers living at the Property to promote their housing stability, or coordinating such services with other vendors.

9.1 Occupancy by Consumers. Owner shall develop and implement a marketing and outreach plan for the lease-up of the Apartments, including the RCEB-Restricted Units. All Consumers ultimately occupying the RCEB-Restricted Units must be identified within RCEB's Community Placement Plan/Community Resource Development Plan. No Consumers shall occupy the Apartments at the Property until the Apartments have received a Certificate of Occupancy by the responsible local agency.

9.2 The Leases. Prior to completion of construction of the Apartments, Owner will coordinate with RCEB to assist Consumers in learning of, applying for, and renting the RCEB-Restricted Units pursuant to individual leases in each Consumer's name (each, a "**Lease**"). In addition, Consumers may participate in the lottery for other units available at the Property. Owner will also provide housing retention services to the Consumers who enter into a Lease at the Property to enable them to satisfy all of a tenant's responsibilities and enjoy all of a tenant's rights under the Lease. Owner's housing retention services are in addition to any Supported Living Services or Independent Living Services that Consumers living at the Property may require.

10. Lender's Agreement to Provide Notice and Cure Rights.

10.1 Definitions. A "**Lender**" means an institutional lender or government agency that makes a Loan to the Owner, the proceeds of which are applied to pay the costs of demolition, renovation and development of the Property, and such lender's successors or assigns, and any lender that makes a Loan to refinance any such Loan. A "**Loan**" means a loan from a Lender to the Owner, secured by the lien of a deed of trust encumbering a Property (the "**Deed of Trust**").

10.2 Financing Responsibility and Agreement to Subordinate. It is the Owner's sole responsibility to apply for and obtain all Lender financing for development of the Apartments on the Property (including construction financing and permanent financing). RCEB understands and agrees that it may be required to subordinate the DDS Deed of Trust and the Regulatory Agreement as a condition of qualifying for such additional financing. Owner is solely responsible for properly administering all construction funds including, but is not limited to, preparing and submitting applications for funding, executing funding agreements, preparing requests to draw down funds, and preparing all required reports.

10.3 Notice and Cure Agreement. Prior to the Owner incurring a Loan secured by a Deed of Trust encumbering the Property, Owner shall require each Lender to sign, and deliver to RCEB, an Agreement to Provide Notice and Cure rights (the "**Notice and Cure Agreement**"), unless DDS waives such requirement. The form of the Notice and Cure Agreement shall be the same as the form attached as an exhibit to the CPP/CRDP Guidelines, or such other form agreed to by the parties and DDS. The purpose of such document is to ensure that the Lender will give RCEB and DDS adequate notice and the opportunity to cure any default by the Owner under the Loan. The parties agree to modify the form of the Notice and Cure Agreement if so requested by DDS. RCEB shall submit a signed copy of the Notice and Cure Agreement to DDS within 15 days after the date it is received by RCEB.

11. Delivery and Recording of DDS Documents. Prior to the disbursement of any CRDP Funds, Owner shall sign and (for the documents in Sections 11.1 and 11.3) notarize and cause to be recorded against the Property, the following documents to evidence the agreement of all the parties that the RCEB-Restricted Units shall be used and occupied by Consumers in accordance with the provisions and restrictions of the CPP/CRDP Guidelines:

11.1 Regulatory Agreement. The Owner shall execute a Regulatory Agreement in favor of DDS (the “**Regulatory Agreement**”). The purpose of the Regulatory Agreement is to ensure that the RCEB-Restricted Units shall be used and occupied only by Consumers in accordance with the provisions and limitations in the CPP/CRDP Guidelines. The parties agree to execute amendments and modifications to the Regulatory Agreement as reasonably requested by DDS, provided that the same do not increase Owner’s liability under the Regulatory Agreement.

11.2 DDS Note. The Owner shall execute a Promissory Note in favor of DDS (the “**DDS Note**”).

11.3 DDS Deed of Trust. The Owner shall execute and notarize a Deed of Trust in favor of DDS (the “**DDS Deed of Trust**”) and cause it to be recorded against the Property. The purpose of such document is to secure the Owner’s obligations to DDS, including the obligations under the Regulatory Agreement.

11.4 Contingencies. The forms of the Regulatory Agreement, DDS Note, and DDS Deed of Trust shall be provided by DDS. The Owner’s review, approval, execution and delivery of the Regulatory Agreement, DDS Note and DDS Deed of Trust is a condition precedent to the validity of this Agreement, for the benefit of both RCEB and Owner.

11.5 Responsibility of Owner. At all times during the ownership of the Property, Owner shall comply with all of the provisions in the Regulatory Agreement, the DDS Note and DDS Deed of Trust and will negotiate any amendments of the DDS documents that may be requested from time to time by DDS, provided that the same do not increase Owner’s liability under any of the documents described in this Section 11.5.

12. Title Insurance. Prior to disbursement of the CRDP Funds, Owner shall obtain a lender’s policy of title insurance in favor of DDS with respect to the Regulatory Agreement and the DDS Deed of Trust. The cost of the lender’s policy may be paid from CRDP Funds.

13. Consequence of Breach; Termination of Agreement; Instruments Remain in Effect. The Regulatory Agreement, DDS Note and DDS Deed of Trust shall survive the termination of this Agreement, and shall only be terminated in accordance with their terms.

14. Future Loan Financing or Refinancing; Subordination of Regulatory Agreement and the DDS Deed of Trust. Subject to DDS’s consent and approval, if the Owner elects to finance a Loan or refinance an existing Loan, then upon the request of the Lender, RCEB will execute a DDS-approved customary agreement (the “**Subordination Agreement**”) to subordinate the Regulatory Agreement and the DDS Deed of Trust to the lien of the Lender’s Loan. The Subordination Agreement or a separate agreement signed by the Lender (such as the Notice and Cure Agreement) shall provide that the Lender will give both RCEB and DDS adequate notice and cure rights if the Owner defaults under its Loan. RCEB will request DDS to sign the Subordination

Agreement, but RCEB shall not have any liability if DDS fails to sign the Subordination Agreement.

15. Delivery of Each Lender's Deed of Trust to RCEB; Recordation of Request for Notice. Promptly after each Lender records its Deed of Trust to secure its Loan for the Property, Owner shall deliver two conformed copies of each Deed of Trust to RCEB. RCEB requires a copy of each Deed of Trust so that RCEB can record Requests for Notice under Civil Code section 2924b in its favor and in favor of DDS. Forms of the Requests for Notice are attached as exhibits to the CPP/CRDP Guidelines. RCEB shall deliver a conformed copy of the Deed of Trust and Requests for Notice to DDS.

16. Property Management. At all times during Owner's ownership of the Property, Owner shall be responsible for the property management duties required for the maintenance and operation of an affordable housing rental property in good condition and repair and shall take appropriate action if the normal and customary property management duties are not being carried out, including the following (1) when a Consumer vacates a RCEB-Restricted Unit, handling the transition between such Consumer and the next one, (2) ensuring full occupancy of the RCEB-Restricted Units by qualified tenants, reasonable turnover time expected; (3) collecting rent and third party rent subsidies and paying all of the normal operating expenses of the RCEB-Restricted Units; (4) maintaining all required insurance coverages at the RCEB-Restricted Units; (5) promptly notifying RCEB in writing if any insurance required to be maintained is about to lapse; (6) periodically inspecting the RCEB-Restricted Units and all improvements thereon to insure that they are maintained in good working order and condition; (7) engaging qualified contractors or qualified personnel to perform those repair and maintenance duties; (8) promptly notifying RCEB of any physical defects, environmental hazards or violations of law discovered at the RCEB-Restricted Units; and (9) generally taking all actions appropriate to preserve the Apartments on the Property and to protect its value. Neither the Owner nor RCEB nor DDS shall have any responsibility for paying property management or administration fees. If RCEB determines in its reasonable judgment, that Owner have been ineffective in its property management performance, then RCEB may notify Owner of its findings by a written notice thereof. Within fifteen (15) days after receipt of such written notice, RCEB and Owner shall meet in good faith to consider methods for improving Owner's compliance with the requirements of this Section. If, after a reasonable period as determined by RCEB (but which shall not be less than sixty (60) days following the date of the initial notice described above), RCEB determines that Owner is not operating and managing the Property in accordance with the material requirements and standards of this Section, then RCEB may exercise its rights under Section 27 or Section 28 of this Agreement.

17. Real Property Taxes. Owner shall take all actions necessary in qualifying for the affordable housing exemption from real property taxes (with the understanding that such exemption will not normally apply to assessments, which shall continue to appear on the tax bill).

18. Construction Work.

18.1 Construction of Apartments. Prior to the Owner commencing construction of the Apartments on the Property, Owner shall provide to RCEB for its prior review and approval, which may not be unreasonably withheld, the deliverables set forth in Section 18.2.

18.2 Deliverables. RCEB's obligation to disburse any CRDP Funds shall be conditioned on Owner's delivery to RCEB, and RCEB's approval of, all of the following: (i) overall construction budget for the Apartments on the Property (including a budget for the construction, a budget for onsite and offsite improvements and a budget for the appliances and fixtures); (ii) construction drawings and specifications for the proposed Apartments; (iii) architect's contract, if applicable; (iv) structural engineer's contract, if applicable; and (v) construction contract between the Owner and its general contractor, including contractor's fixed price or time and materials bid to perform the construction work on the Property. When the construction work is complete, Owner shall provide evidence to RCEB that the applicable jurisdiction has issued a final Certificate of Occupancy or its equivalent for the Property.

18.3 Manner of Construction; Terms of Construction Contract. The construction contract between the Owner and its general contractor for all Apartments must contain the following provisions: (i) the contractor shall only be entitled to payments based upon performance; (ii) the contractor must provide appropriate conditional and unconditional mechanics lien releases, in accordance with standard construction industry practice, as a condition to its receipt of each installment payment and final payment and (iii) the Owner will withhold a 5 percent (5%) retention, which it shall only disburse to the contractor after the renovation work is completed, a Certificate of Occupancy (or its equivalent) is provided by the local agency (e.g., building inspector), and RCEB has completed its final walk through. Owner shall also include the following statement in each construction contract between the Owner and the general contractor: "*Regional Center of the East Bay is a third party beneficiary of all of DKASA LP's rights under this Agreement.*" RCEB shall have the right to review and approve the construction contract to confirm inclusion of the aforementioned terms and conditions.

18.4 Reasonable Accommodations. Upon the request of a resident, Owner shall make reasonable accommodation for individuals with handicaps or disabilities (applicants or residents). Such accommodations may include preforming structural modifications to housing and non-housing facilities on site where such modifications would be necessary to afford full access to the housing program for qualified individuals with handicaps. In performing structural modifications, Owner is not required to make structural alterations that require the removal or altering of a load-bearing structural member, or take any action that would result in an undue financial and administrative burden for Owner.

18.5 Construction Insurance. Prior to the commencement of Apartments at the Property, Owner shall provide RCEB with evidence that the Owner has secured adequate liability insurance from the contractor and adequate casualty insurance (such as "Builder's All Risk" insurance or another form of casualty insurance reasonably acceptable to RCEB) in an amount approved by RCEB covering the construction of such Apartments, it being understood and agreed that all of such Apartments shall be adequately insured by the Owner immediately upon completion thereof.

18.6 Compliance With Laws. Owner shall be responsible for causing all Apartments to be constructed in a good and workmanlike manner, in conformance with any and all applicable federal, state, county or municipal laws, rules and regulations including complying with prevailing wage labor laws to the extent applicable, and pursuant to a valid building permit, issued by the city or county in which the Property is located, all in conformance with any

commercially reasonable construction rules and regulations RCEB may promulgate from time to time.

18.7 Payment and Performance Bond; Alternative Performance Assurances. Prior to the commencement of Apartments at the Property, Owner shall comply with the following obligation: the Owner's compliance with the "alternative performance assurances" described in Section IV (N) of the CPP/CRDP Guidelines. RCEB shall request DDS to waive the Payment and Performance Bond requirement. Nothing herein shall be construed to obligate DDS to waive the bond requirement.

18.8 Timely Development. Owner is responsible and accountable for timely planning and construction of the Apartments so that the Property can be occupied by Consumers pursuant to the terms of, and by the deadlines contained within, the CPP/CRDP Guidelines. Owner is responsible for implementing the approved Marketing and Outreach Plan for the RCEB-Restricted Units so that they may be occupied by qualified Consumers by the time the construction is complete.

18.9 Disbursements; Procedures; No Use of CRDP Funds for FF&E or Developer Fee. RCEB shall disburse CRDP Funds in accordance with the procedures in this Agreement. Eligible expenses include all eligible expenses described in Section VII of the CPP/CRDP Guidelines, or as otherwise approved by DDS, except for all developer fees and furniture, fixtures and equipment, which shall not be paid by the CRDP Funds.

18.10 Monitoring of Plans and Work. RCEB may in RCEB's sole and absolute discretion, monitor the Owner's preparation of the plans and the contractor's performance of the construction work, and Owner shall promptly respond to all inquiries, and cooperate, coordinate, and otherwise comply with RCEB's requests for information about construction means and methods.

18.11 Monthly Updates. On a monthly basis, if not more, during the construction of the Apartments, and at all times upon RCEB's request, Owner shall provide RCEB with an update as to the progress of its work. Updates may include lender construction inspection reports. RCEB shall report such project updates to DDS on a monthly basis and/or as requested by DDS.

18.12 Delivery of Proof of Expenditures; The Owner's Return of Unused Funds. Upon the Owner's completion of the Apartments at the Property, Owner shall provide to RCEB invoices and other evidences of the Owner's costs for such work, including evidence of payment to third parties.

18.13 [deleted]

18.14 Fire Sprinkler; Rooms. Owner shall ensure each of the RCEB-Restricted Units has (i) an operable automatic fire sprinkler system, approved by the State Fire Marshal or local fire department in compliance with applicable law; and (ii) a private bedroom for each Consumer for units with bedrooms. The studio units will not have separate bedrooms.

18.15 Additional Requirements and Agreements. RCEB reserves the right to require Owner to enter into further agreements with RCEB to address the costs and procedures relating to construction of the Apartments, provided that the same do not increase Owner's liability.

19. Covenant Against Mechanic's Liens. At all times during Owner's ownership of the Property, Owner shall keep the Property free from any liens or encumbrances arising out of the work performed, materials furnished or obligations incurred by or on behalf of the Owner, and Owner shall protect, defend, indemnify and hold RCEB harmless from and against any claims, liabilities, judgments or costs (including, without limitation, reasonable attorneys' fees and costs) arising out of same or in connection therewith. Owner shall remove any such lien or encumbrance by bond or otherwise within twenty business days after notice by RCEB, and if the Owner shall fail to do so, RCEB may pay the amount necessary to remove such lien or encumbrance, without being responsible for investigating the validity thereof, and Owner shall reimburse RCEB for any such payments made on behalf of the Owner.

20. Payments of CRDP Funds Generally

20.1 Sole Compensation. Owner acknowledges that Owner's sole compensation for executing and complying with the terms in the Regulatory Agreement, DDS Note and DDS Deed of Trust will be Owner's receipt of the CRDP Funds resulting from DDS's Funding Approval. RCEB makes no representation or warranty, express or implied, whether DDS will issue a Funding Approval for RCEB's housing proposal.

20.2 [deleted]

20.3 General Funding Requirements and Limitations. Owner shall not bill Consumers for services funded under the terms of this Agreement. Upon completion or termination of this Agreement, RCEB funding for a subsequent agreement or period, if any, is not guaranteed, and the decision for such funding is within the discretion of RCEB.

21. Leases. The parties agree as follows with respect to leasing the RCEB-Restricted Units:

21.1 Selection of the Tenants. Owner acknowledges that it does not have any right to pre-select the applicants for the RCEB-Restricted Units. Rather, RCEB and Owner shall diligently seek and support Consumers eligible under RCEB's Community Resource Development Plan to apply for the RCEB-Restricted Units and to successfully complete the Owner's applicant screening process. The final approval of every Consumer's application to the Owner for the RCEB-Restricted Units shall be the sole responsibility of the property management company, using its tenant selection criteria for the Property as modified by any reasonable accommodations made for an individual tenant's disability.

21.2 The Lease Form. Subject to the provisions in Section 21.3 below, RCEB waives the right to approve the form of Lease between the Owner and Consumers. The Owner may use its typical form of lease for affordable housing with the type of financing secured for the Apartments. Owner shall be responsible for educating and informing RCEB and Consumers (both applicants and tenants) of the landlord and tenant rights and responsibilities under the Owner's

form of Lease, and for supporting individual Consumers to satisfy their tenant responsibilities and enjoy the full benefit of their tenant rights.

21.3 Specific Restrictions on Owner's Leasing of the RCEB-Restricted Units.

Owner shall comply with the following restrictions on the leasing of RCEB-Restricted Units and immediately notify RCEB of any actions to: (1) lease, sublease or license any rights in the RCEB-Restricted Units to any party, other than the Consumers referred by RCEB; (2) set the amount of the initial rent or thereafter increase the rent for the RCEB-Restricted Units in excess of an Affordable Rent (as defined by California Health to Safety Code Section 50053(b) for Consumers who are Extremely low income households (as defined by California Health and Safety Code Section 50106) and Very low income households (as defined by California Health and Safety Code Section 50105); (3) terminate a Consumer's Lease for any reason other the Consumer's breach of the Lease or abandonment of the unit; or (4) unreasonably hinder a service provider in providing services to the Consumers residing at the Property.

21.4 Notification of Delinquencies. As soon as Owner becomes aware of any delinquent rent payments under a Consumer's Lease, or any other monetary or non-monetary default by either party under a Consumer's Lease, with Consumer's permission, Owner shall promptly notify RCEB of such fact in writing. To help ensure each Consumer gives permission to Owner to make such disclosure, at the time of the initial lease signing, Owner shall present all Consumers with a consent form that gives Landlord, Owner and each of their agents and representatives permission to immediately notify RCEB in writing as soon as Tenant becomes delinquent in the payment of rent or any other monetary or non-monetary obligation under this Lease. Owner shall encourage Consumers to sign the consent form.

21.5 No Obligation of RCEB and DDS. Nothing in this Agreement shall be construed as obligating RCEB or DDS to pay the rent or any other financial obligation owed by a Consumer under any Lease.

22. Reserve Account. Due to the nature of the Project, RCEB waives the right to require the Owner to maintain a reserve account in compliance with the CPP/CRDP Guidelines. However, if the Owner maintains a reserve account to comply with the requirements of any third party lender or governmental entity, then at least annually, and more often if requested by RCEB, Owner shall provide a reserve report to RCEB, as well as any other information requested by RCEB, so that (i) RCEB can timely certify to DDS that, to RCEB's best knowledge, the interior, exterior, and any detached structures of the Property are in good working condition and properly maintained, and that there is no threat to the health, welfare, and safety of Consumers living at the Property, or staff or visitors, and (ii) RCEB can file its annual CPP/CRDP Housing Report with DDS as required by the CPP/CRDP Guidelines (the "**Reserve Report**"). The Reserve Report shall (i) estimate the remaining useful life of capital improvements at the Property, (ii) estimate the amount of funds reasonably needed to timely replace such capital improvements, (iii) state the total amount in the reserve account applicable to the Property and (iv) list all expenditures from the reserve account during the prior 12 month period applicable to the Property.

23. Assignment. Owner shall not assign, transfer or subcontract any of its rights, burdens, duties or obligations under this Agreement without prior written permission of RCEB, which may be withheld in its sole and arbitrary discretion. If RCEB consents to an assignment, the

assignee shall execute an instrument prepared by RCEB in which the assignee assumes and agrees to be bound by all of the terms and conditions under this Agreement for the express benefit of RCEB. The transfer of control of the ownership of the Owner to any third party (or if Owner creates a single member LLC, the addition or substitution of a member to such LLC) shall constitute an assignment which requires RCEB's consent hereunder. Notwithstanding the foregoing, Owner is hereby permitted to assign this Agreement to CDP Fremont Blvd, L.P., a California limited partnership (the "**Partnership**"), so long as (i) Owner (or its affiliates) represent and warrant to have decision-making control over Partnership's co-general partner; and (ii) Owner assigns the DDS Note, DDS Deed of Trust, and Regulatory Agreement to the Partnership (to the extent signed by Owner), in which case Owner shall be released from all obligations under this Agreement.

24. Independent Contractor. Owner and its agents and employees, in the performance of this Agreement, shall act at all times in an independent capacity. Owner and its agents and employees are not officers, employees or agents of RCEB. Owner acknowledges that it will not accrue any employee benefits from RCEB nor will RCEB be responsible for withholding or paying any amount of workers' compensation, disability insurance or any tax of any kind for Owner. Owner is free to act as independent contractors for others. Owner is not an agent for RCEB, and Owner shall not have the authority to execute any agreement on behalf of RCEB to incur any liability or indebtedness of any kind or nature in the name of or on behalf of RCEB, or to otherwise contractually bind RCEB in any manner.

25. Insurance. At all times during Owner's ownership of the Property, Owner shall purchase and maintain, throughout the term of this Agreement, (i) worker's compensation insurance in the amount required by California law, (ii) automobile liability insurance, (iii) and such other coverage that shall be reasonably requested from time to time by RCEB. In addition, Owner shall purchase and maintain throughout the term of this Agreement (i) property and casualty insurance for the Property, and (ii) commercial and general liability insurance in the amount of not less than \$1,000,000 per claim or \$2,000,000 in the aggregate for the Property, on an occurrence basis, during the period of this Agreement; provided, however, RCEB reserves the right to increase the liability limit under such insurance policy on not more than once during any three year period during the term of this Agreement, based on advice by its insurance broker(s) and commercially reasonable practices, provided that such increased limit is available on commercially reasonable terms. The commercial general liability insurance shall include endorsements for premises and operations liability and for broad form contractual liability. Insurers who are admitted to do business in the State of California and rated A- and X or higher in the most recent edition of Best Insurance Guide shall issue all insurance policies. All insurance policies (other than the workers' compensation policy) shall be endorsed to name "*Regional Center of the East Bay*" and the "*State of California Department of Developmental Services*" as an additional insured during the term of this Agreement, and Owner shall provide to RCEB a true and correct copy of the Named Additional Insured Endorsements on the Effective Date for the Property. Each policy of insurance providing coverage required hereunder shall provide that it may not be cancelled or materially modified unless RCEB is provided at least 30 days' prior written notice thereof. Owner shall also provide to RCEB a Certificate of Insurance annually, which certifies the existence of the insurance required under this Agreement. To the extent these provisions are not the same as the provisions in the Deed of Trust regarding insurance, Owner shall comply with those provisions that most broadly protect RCEB.

26. Indemnification of RCEB. Owner shall indemnify, defend, and hold harmless RCEB and its representatives, officers, directors, agents, consultants and employees and their respective successors and assigns, including but not limited to the State of California and its agents and employees (collectively referred to as the “**Indemnified Parties**”), from any and all losses, costs, expenses, (including but not limited to reasonable attorney’s fees), liabilities, claims, court costs, demands, debts, causes of action, fines, judgments and penalties which arise from or relate to (a) death or injury to people or damage to property in connection with the negligent or willful acts, errors or omissions of Owner or any of its employees, agents, consultants or anyone employed by Owner to act on its behalf, (b) claims under workers’ compensation laws or other employee benefit laws by Owner’s or its agents or employees, (c) Owner’s failure to fulfill its obligations under this Agreement (including the documents incorporated by reference herein) in strict accordance with its terms, including Owner’s breach of any representations or covenants given in this Agreement or (d) violation of any local, state, or federal law, regulation or code by Owner or by any of its respective employees, agents, consultants or subcontractors in connection with the conduct of its activities performed in connection with this Agreement.

26.1 Assumption of Defense. Owner shall assume the defense, at its sole expense, and with legal counsel acceptable to RCEB, of any claims or litigation as to which Owner has an indemnification obligation hereunder; RCEB shall cooperate with Owner and its counsel in the defense of any such claims, provided, however, that any reasonable out of pocket costs or expenses associated with such cooperation shall be reimbursed by Owner. If Owner fails to assume the defense of any claim or litigation as to which it has or is determined to have had the obligation to indemnify, the Indemnified Parties will have the right to assume their own defense, and Owner will reimburse the Indemnified Parties for any and all reasonable expenses (including, but not limited to attorney’s fees) incurred in defense of such claims or litigation, in addition to Owner’s other indemnity obligations thereunder. Owner shall control the defense and settlement of any claim; provided, however, if Owner fails to promptly assume the defense of any claim or litigation as to which it has or is determined to have had the obligation to indemnify, RCEB shall have such control.

26.2 Survival of Provisions. The indemnity set forth in this Section shall apply during the term of this Agreement and shall also survive the expiration or termination of this Agreement, until such time as action against all of the Indemnified Parties on account of any matter covered by such indemnity is barred by the applicable statute of limitations.

27. Breach; Remedies.

27.1 If a party (the “**Complainant**”) asserts that a violation of the provisions of this Agreement has occurred, it shall so inform the other party (the “**Breaching Party**”) in writing, stating the nature of such violation in detail (the “**Notice of Default**”) and giving the Breaching Party 30 days from receipt of such notice to cure such breach or failure. If the Breaching Party does not then cure the default within such 30-day period (or, if the default is not susceptible of cure within such 30-day period, the Breaching Party fails to commence the cure within such period and thereafter to prosecute the cure diligently to completion), then the Complainant shall be entitled to terminate this Agreement (as provided below) as well as pursue any other rights afforded it in law or in equity (subject to the provisions below).

27.2 If the Complainant is RCEB, then RCEB may (1) withhold all or part of the unremitted CRDP Funds it may owe under this Agreement or under any other agreement between RCEB and Owner, until satisfactory corrective measures are taken by Owner; (2) perform the task itself and at Owner's expense and/or (3) terminate this Agreement without further notice if Owner fail to timely cure the violation described in the Notice of Default.

27.3 If the Complainant is Owner, then Owner may terminate this Agreement if RCEB fails to timely cure the violation described in the Notice of Default, and obtain recovery of its actual damages as its sole and exclusive remedy, subject to the limitations in Section 30 below.

27.4 If (i) the Owner fails to perform its obligations for the timely development of the Property, or (ii) after the Apartments are completed, the Owner ceases to enforce the conditions for occupancy by Consumers (other than as the result of a temporary cessation of use of the housing by Consumers due to casualty, or condemnation or lack of Consumer referrals from RCEB), then in addition to all of the other remedies available to RCEB hereunder or otherwise available at law or in equity, RCEB shall have the right to require immediate repayment of all CRDP Funds which RCEB had previously disbursed relating to such Property. In such event, Owner shall be obligated to repay all such funds to RCEB within 30 days following its receipt of a demand therefor from RCEB.

27.5 Notwithstanding any provisions in this Section 27 to the contrary, if RCEB has clear and convincing evidence of misconduct by Owner or its agents or employees that results in imminent danger to the health or safety of any Consumer, RCEB shall have the right and option to declare that Owner has committed a non-curable default. Circumstances which may constitute imminent danger to consumer health and safety include, but are not limited to: physical, emotional, or mental abuse, sexual misconduct, client abandonment or neglect, theft of a Consumer's money or property, violation of a Consumer's rights under the law, placing Consumers in physical danger, or any other circumstance that may bring potential physical or emotional harm to the Consumer. If any of the foregoing occur, RCEB may terminate this Agreement with 5 days written notice to Owner, subject to the provisions in Section 13 above.

27.6 A default by Owner under this Agreement shall, at RCEB's option, constitute a default by Owner under any other agreement between the parties. A default by Owner under any other agreement shall, at RCEB's option, constitute a default by the Owner under this Agreement.

28. Consequences of Termination. Upon the termination of this Agreement as a result of Owner's breach, Owner shall, immediately on request of RCEB, do all of the following: execute all documents and perform all other acts reasonably requested by RCEB to ensure a smooth transition of all of Owner's rights and responsibilities under this Agreement to the successor organization chosen by RCEB.

29. Specific Performance. The parties acknowledge that a breach of this Agreement by Owner will result in significant damages to RCEB, which are impossible or extremely difficult to determine, and that monetary damages would be an inadequate remedy for such breach. Further, Owner's failure to comply with these provisions could jeopardize the health and safety of RCEB's Consumers. As such, the parties agree that RCEB has the right to specifically enforce Owner

obligations under this Agreement. Thus, RCEB may obtain a temporary restraining order, preliminary injunctive relief and permanent injunctive relief to require Owner to perform its obligations to RCEB, including but not limited to its obligation to execute all documents and perform all acts reasonably requested by RCEB to replace Owner with a successor organization chosen by RCEB.

30. Limitation on RCEB's Liability. Notwithstanding any provision to the contrary contained in this Agreement, RCEB's liability hereunder shall be limited to an amount equal to the lesser of \$250,000 or the aggregate dollar value of all CRDP Funds then previously received by the Owner under the terms of this Agreement. In addition, and again notwithstanding any provision to the contrary contained in this Agreement, in no event shall RCEB or any of its partners, subpartners or any of their respective officers, agents, servants, employees, and independent contractors be liable under any circumstances for injury or damage to, or interference with, Owner's business, including but not limited to, consequential damages, loss of profits, loss of rents or other revenues, loss of business opportunity, loss of goodwill or loss of use, in each case, however occurring.

31. Books, Records and Other Information; Audits.

31.1 Delivery of Documents and Information. Upon RCEB's request, Owner shall promptly deliver to RCEB all information and documents relating to Owner or the Property that RCEB so requests, including but not limited to Owner's organizational documents, IRS approval of the Owner's 501(c)(3) status, a current Certificate of Good Standing from the California Secretary of State, a list of current officers and board members, applicable corporate resolutions authorizing the signatory(ies) of this Agreement to sign this Agreement and other contracts relating to the Property, employee resumes and background experience, certifications, budgets, financial statements, construction cost audit, and other information relating to the Property. RCEB must obtain such information and documents to comply with the CPP/CRDP Guidelines, so Owner shall provide such information and documents to RCEB for the Property on request.

31.2 Maintenance of Books and Records. Owner shall maintain and preserve, until three years after the service has been performed, any pertinent books, documents, papers, and records relative to this Agreement. Owner shall maintain audited financial records in accordance with generally accepted accounting principles, consistently applied.

31.3 Record Inspection and Audit. RCEB shall have the right to review and inspect all of Owner's records regarding services provided under this Agreement, in accordance with the provisions in California Code of Regulations (Title 17, Part II, Chapter 1, subchapter 6 and subchapter 18). An audit of Owner's records pertaining to this Agreement may be made by RCEB or any other third party authorized to conduct such an audit, for a period of three years after the termination of this Agreement. All audits will be conducted according to Title 17 regulations. Owner will be informed of the audit in writing and will be given a written report on the results of the audit once it is completed. Owner has the right to appeal any findings resulting from an audit. The specific appeal procedure will be communicated to Owner at the time the audit is announced.

31.4 The Owner's Reviews and Audits. This Section 31.4 shall only apply if all payments the Owner cumulatively receives from RCEB and other regional centers during the Owner's fiscal year (as determined on the commencement date of this Agreement) equals or exceeds \$500,000. Owner shall take the following actions:

31.4.1 The Owner shall, at the Owner's cost, cause an independent Certified Public Accountant to annually provide (1) an independent audit of the Owner's financial statements (or, if the Owner qualifies based on the terms in the statute, an independent review report in lieu of an audit); and (2) a copy of either the annual audit results (the "**Audit Report**") or the review results (the "**Review Report**") to RCEB.

31.4.2 If the Owner engages an independent Certified Public Accountant to review (but not audit) the Owner's financial statements, (i) the review shall, at minimum, comply with the provisions set forth in Welfare and Institutions Code Section 4652.5(e) and (ii) the Review Report shall, at minimum, comply with the provisions set forth in Welfare and Institutions Code Section 4652.5(f).

31.4.3 The Owner shall commence the independent audit or review within 120 days after the end of the Owner's fiscal year. The Owner shall complete the audit or review within nine months after the end of the Owner's fiscal year and provide RCEB with audited financial statements within 120 days of the FY end.

31.4.4 In accordance with Welfare and Institutions Code Section 4652.5(b), the Owner shall provide copies of the independent Audit Report or Review Report to RCEB within 30 days after completion of the audit or review.

31.4.5 If RCEB believes that any issues identified in the Audit Report or Review Report have an impact on services the Owner provides to RCEB's Consumers, RCEB will so notify the Owner and provide the Owner with 30 days to resolve such issues. The Owner's failure to resolve such issues to RCEB's reasonable satisfaction within such 30-day period shall constitute a material breach of this Agreement. As a result of such uncured breach, RCEB may, among its other remedies, terminate this Agreement.

32. The Funding Contingency. Notwithstanding anything in this Agreement to the contrary, RCEB's obligation to remit funds under this Agreement is conditioned on RCEB's receipt of adequate funds from DDS to pay for such costs (the "**Funding Contingency**"). The Funding Contingency is a part of this Agreement because RCEB's annual funding agreement with DDS provides that such funding agreement is subject to the appropriation of funds by the Legislature, and that if such funds are not appropriated for any fiscal year into which such funding agreement extends, the funding agreement is of no force and effect. RCEB shall therefore have the right and option to terminate this Agreement on 60 days' notice to Owner, without liability, and such termination shall be deemed a failure of the Funding Contingency, if DDS for any reason fails to deliver the CRDP Funds. If there is a failure of the Funding Contingency, then (1) RCEB shall have no liability to pay funds to the Owner under this Agreement or to furnish any other consideration under this Agreement and (2) neither party shall be obligated to further perform any provisions of this Agreement (other than those obligations intended to survive termination of this Agreement).

33. Non-Discrimination. Neither party to this Agreement shall discriminate against any employee or applicant for employment on account of age, genetic information/characteristics, marital status, medical condition (including cancer or record or history of cancer), or AIDS/HIV status, mental or physical disability, national origin and ancestry (including language use restrictions), pregnancy/perceived pregnancy, sex/gender including: gender identity or gender expression (this includes transgender status and those who are transitioning or have transitioned), race and color, religion, sexual orientation and military and veteran status.

33.1 Employee Rights. Owner shall ensure that the evaluation and treatment of employees and applicants for employment are free of such discrimination. Owner shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12900 et seq.), the regulations promulgated thereunder (California Code of Regulations, Title 2 Administration, Division 4.1 Department of Fair Employment and Housing) and the provisions of Article 9.5, Chapter 1 (Government Code, Sections 11135-11139.5). Owner shall permit access by representatives of the Department of Fair Employment and Housing, and RCEB, upon reasonable notice at any time during normal business hours, but in no case less than 24 hours' notice, to such of its books, records, accounts, other sources of information and its facilities as DDS or RCEB shall require to ascertain compliance with this clause. Owner shall give written notice of its obligations under this clause to labor organizations.

34. HIPAA Compliance. Under this Agreement, "**HIPAA**" means the federal Health Insurance Portability and Accountability Act (Pub. L. No. 104-191), the HIPAA regulations as set forth in 45 C.F.R. Parts 160 and 164 (aka the HIPAA Privacy Rule), and regulations on Standards for Privacy of Individually Identifiable Health Information. All parties shall at all times remain in compliance with the mandatory provisions of HIPAA, including but not limited to the HIPAA Privacy Rule. In performing its duties under this Agreement, Owner may have access to "protected health information," including but not limited to "individually identifiable health information," and is therefore a "Business Associate" as those terms are defined in HIPAA. As such, concurrently with its execution of this Agreement, Owner shall execute the "*Business Associate Agreement – Contractor*" attached to this Agreement and incorporated herein as Exhibit C (together with that California Public Records Act Business Associate Addendum, attached to this Agreement and incorporated herein as Exhibit D).

35. Copyrights And Patents. To the extent any of Owner's activities result in the invention or development of copyrightable materials, the State of California has the right to freely manufacture, reproduce, publish, use and/or distribute all inventions and copyrightable materials which were developed by or for Owner using funds provided by the State of California. To the extent applicable, Section 14 of Article I of the Regional Center Master Contract between RCEB and the State of California is incorporated herein by this reference.

36. Cooperation; Adequate Staffing. Owner shall meet as often as RCEB determines necessary and shall work collaboratively with any RCEB staff regarding the renovation and development of the Property. Owner agrees that it will supply staff sufficient in numbers to satisfactorily carry out the terms of this Agreement.

37. Compliance with Law. Owner shall at all times comply in all material respects with all local, California and Federal statutes, laws, and regulations applicable to them, and shall render

services in accordance with the applicable provisions of all laws (including but not limited to Welfare and Institutions Code, Division 4.5, Services for the Developmentally Disabled [Lanterman Developmental Disabilities Services Act], and Calif. Code of Regs. Title 17, Division 2, Health and Welfare Agency [Department of Developmental Services]). Any provisions of this Agreement that conflict with any law is hereby amended to conform to the provisions of those statutes and regulations. Such amendments to the Agreement shall be effective on the effective date of the statute or regulations necessitating it, and shall be binding on the parties even though such amendment may not have been reduced to writing or expressly agreed to by the parties. No provision of this Agreement shall not be construed to excuse compliance with all applicable laws.

38. Permits and Licenses. Owner and its employees and agents shall secure and maintain throughout the term of this Agreement, any and all valid permits and licenses as required by law for the execution of the services described in this Agreement.

39. Zero Tolerance Policy For Consumer Abuse And Neglect. Owner shall ensure all of its employees are fully informed upon hire, and annually thereafter, about RCEB's Zero Tolerance Policy for Abuse or Neglect, pursuant to the Elder Abuse and Dependent Adult Civil Protection Act (California WIC section 15600-15675), and Child Abuse and Neglect Reporting Act (California Penal Code sections 11164-11174.3). A hyperlink to such policy is posted on the transparency section of RCEB's website at: <https://www.rceb.org/sites/main/files/file-attachments/zerotolerancepolicy.pdf>. Any Owner employee or agent who fails to report Consumer abuse or neglect may be subject to penalties defined in law (WIC, section 15630(h)). In addition, upon becoming aware of a reportable incident or allegation of abuse or neglect of a Consumer, Owner shall take immediate action to protect the health and safety of the involved Consumer and all other Consumers. Owner shall ensure its staff have knowledge of the signs of Consumer abuse and neglect, the process for reporting suspected abuse or neglect, and the consequences of failing to follow the law or adhere to RCEB's Zero Tolerance Policy. Owner's failure to comply with the policy and the abuse/neglect reporting laws is considered a material breach of this Agreement.

40. Drug-Free Workplace. During the term of this Agreement, Owner shall maintain and enforce a drug-free workplace policy. Neither Owner or its employees shall unlawfully manufacture, distribute, dispense, possess or use "controlled substances" (as defined in 21 U.S.C. Section 812), at any of its facilities or work sites. Violation of this provision shall constitute a material breach of this Agreement.

41. Attorney's Fees. If any action or proceeding at law is commenced to enforce any provisions or rights under this Agreement, the unsuccessful party to such action or proceeding as determined by the court in a final judgment or decree, shall pay the attorneys' fees and costs of the prevailing party (including, without limitation, such costs, expenses and fees on any appeal), and if such prevailing party shall recover judgment if any such action or proceeding, such costs, expenses and attorney's fees shall be included as part of such judgment.

42. Severability. If any provision of the Agreement is held to be inoperative, unenforceable or otherwise invalid, the remaining provisions hereof shall remain in full force and effect.

43. Integration. This Agreement constitutes the entire agreement between the parties pertaining to the subject matter contained herein, and it supersedes all prior agreements, contracts, representations and understandings of the parties, either oral or written, relating to the subject matter of this Agreement, including any other housing agreements to the extent they concern housing intended to be paid for in full or part with DDS Community Resource Development Plan funds. In addition to the foregoing, the parties may enter into start-up contracts and other agreements in the future relating to matters covered by this Agreement; in such event, (1) such contracts and agreements shall remain subject to the terms of this Agreement and (2) if any inconsistency exists between such contracts and agreements and this Agreement, the terms of this Agreement shall govern. If any part of this Agreement is in conflict with the Regulatory Agreement, the Regulatory Agreement supersedes this Agreement.

44. Amendment. No supplement, modification, understanding, verbal agreement, or amendment of this Agreement shall be binding unless executed in writing by RCEB and Owner.

45. No Waiver. No waiver by RCEB of Owner breach of any provision of this Agreement shall constitute a waiver by RCEB in the future of the same or any other subsequent breach by Owner. RCEB's failure to enforce at any time, or from time to time, any provision of this Agreement shall not be construed as a waiver thereof. No custom or practice that may develop among the parties in the course of administering this Agreement shall be construed to waive any party's right to insist upon the strict performance by the other party of any obligation in the Agreement. The remedies herein reserved shall be cumulative and in addition to any other remedies in law or equity.

46. Address for Notices. Any notices required or permitted under this Agreement shall be in writing and shall be sufficiently given if either delivered in person or mailed by a nationally recognized overnight mail carrier or certified or registered mail, postage prepaid, to the parties at such address as each of them, by notice to the other, may designate from time-to-time. Any written document will be deemed delivered either (a) on the day of the delivery in person, (b) the next business day if delivered by overnight carrier or (c) two business days after the mailing of such document by certified or registered mail. All notices shall be addressed as follows:

To RCEB:

Regional Center of the East Bay
Attn: Steve Robinson,
Director, Community Services
500 Davis Street
San Leandro, CA 94577

To Owner:

39340 Fremont Blvd LP,
Attn: Asset Management
3416 Via Oporto - Ste 301
Newport Beach, California 92663

or to such other address as either party may designate to each other in accordance with the provisions of this section.

47. Further Assurances. The parties acknowledge that this Agreement reflects a new housing model for Consumers in California, and it is therefore not possible to precisely identify all matters that should be addressed by this Agreement. As such, Owner agrees to enter into

amendments to this Agreement which do not materially increase its obligations hereunder at the request of RCEB from time to time, to further reflect and refine the parties' rights and obligations. Owner shall also take all actions and execute all documents necessary or appropriate to perform its obligations hereunder.

48. No Liability by State of California. Any and all funding from the State of California (the "State") used by RCEB in the performance of its obligations under this Agreement is subject to appropriation in the annual California State Budget Act by the State Legislature. Thus, (1) this Agreement is subject to termination without further liability if funding is not appropriated for these purposes by the State Legislature; (2) RCEB does not act as an agent of the State; (3) RCEB does not have the authority to commit State funding under this Agreement unless funds are appropriated to it by the State Legislature, either in the State Budget Act or otherwise; and (4) the State is not a party to this Agreement and provides no assurances or commitments as to the availability of State funding during any portion of the term of this Agreement.

49. Time of the Essence. Time is the essence with respect to the obligations under this Agreement.

50. California Law; Venue. This Agreement will be construed and enforced in accordance with the laws of the State of California. The venue for any action filed to enforce or interpret this Agreement shall be in San Leandro, California.

51. Counterparts; Delivery. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute a single instrument. Signed copies of this Agreement delivered by facsimile or electronically in PDF (or similar format) shall be deemed the same as originals.

Executed in Newport Beach, California, as of the date first written above.

RCEB:

Regional Center of the East Bay, Inc.,
a California nonprofit public benefit corporation

By: _____
Rebecca Nanyojo, Executive Director

Owner:

39340 Fremont Blvd LP,
a California limited partnership

By: CDP Fremont AGP LLC,
a California limited liability company,
its General Partner

By: CDP Manager LLC,
a Delaware limited liability company,
its Manager

By: _____
Jessica Woodruff, Chief Development Officer

Exhibits:

Exhibit A: DDS Approval

Exhibit B: Multifamily Budget

Exhibit C: Business Associate Agreement

Exhibit D: California Public Records Act Business Associate Agreement Addendum

Exhibit A

(DDS Approval)



PETE CERVINKA
DIRECTOR

State of California—Health and Human Services Agency
Department of Developmental Services
1215 O Street, Sacramento, CA 95814
www.dds.ca.gov



GAVIN NEWSOM
GOVERNOR

January 21, 2026

Rebecca Nanyonjo, DrPH, Executive Director
Regional Center of the East Bay
500 Davis Street, Suite 100
San Leandro, California 94577

Dear, Dr. Nanyonjo:

Amendment of Fiscal Year (FY) 2023-24 Community Resource Development Plan (CRDP)

The Department of Developmental Services (Department) approves the following amendment to a previously approved project submitted under Regional Center of the East Bay's (RCEB) FY 2023-24 CRDP. Details of the amendment are as follows:

RCEB-2324-1

The Department authorizes RCEB to amend the project previously approved as the Thornton Avenue Apartments project, to be developed by Satellite Affordable Housing Associates. The project is now the Canvas fka (39340 Fremont Blvd), to be developed by Community Development Partners. The Canvas Project will be located at 39340 Fremont Boulevard, Fremont, California 94538. This development will consist of 92 total units, of which 15 units are set aside for individuals with intellectual and developmental disabilities. The units will consist of the following:

- **Studio:** 4 units at 30% Area Median Income (AMI)
- **One-bedroom:** 2 units at 30% AMI, 3 units at 50% AMI
- **Two-bedroom:** 2 units at 30% AMI, 2 units at 50% AMI
- **Three-bedroom:** 2 units at 30% AMI

Seven (7) units will feature fully Americans with Disabilities Act (ADA) compliant roll-in showers, Studio: 1 unit, One-bedroom: 2 units, Two-bedroom: 3 units, and Three-bedroom: 1 unit. and the remaining eight (8) units will be constructed as adaptable, allowing for future modifications to meet additional ADA requirements if needed.

Rebecca Nanyonjo, Executive Director
Page two

Below captures summary of all RCEB 15 set aside units.

Summary of CPP/CRDP Unit Restrictions	Enter the Number of Units by Bedroom Count				Total
	Studio	One Bedroom	Two Bedrooms	Three Bedrooms	
A. CPP/CRDP Units:	4	5	4	2	15
Full ADA / Roll in Shower	1	2	3	1	7
Adaptable	3	2	2	1	8

Bedroom Type:	30% AMI	50% AMI	Total Number of CPP/CRDP Units
Studio	4		4
One Bedroom	2	3	5
Two Bedroom	2	2	4
Three Bedroom	2		2
Total	10	5	15

Should you have any questions or require further clarification, please contact John Paul Pascual, Community Development Division, at (916) 654-3340 or via email at johnpaul.pascual@dds.ca.gov.

Sincerely,

Harnack S. Soomal (Neke)

NEKEA SOOMAL
Branch Chief
Community Development Division

cc: Steve Robinson, Regional Center of the East Bay
Heather Jacobs, Regional Center of the East Bay
Jeff Nagafuji, Regional Center of the East Bay
Nyla Hill, Regional Center of the East Bay
Angela Munoz, Department of Developmental Services
Julia Kim, Department of Developmental Services
Murphy Martinenko, Department of Developmental Services

Exhibit B

Multifamily Development Budget –

SOURCES & USES		
SOURCES	PER UNIT	TOTAL
Federal LIHTC Equity	\$ 227,021 /unit	\$ 20,885,937
Solar Equity	\$ 0 /unit	-
45L Equity	\$ 0 /unit	-
General Partners Contribution	\$ 0 /unit	-
Perm 1 - Citibank	\$ 129,783 /unit	11,940,000
Perm 2 - Apple Affordable Housing Funds	\$ 0 /unit	-
Dept. of Developmental Services CPP/CRDP	\$ 16,304 /unit	1,500,000
GP Loan - Loan Payable to the GP	\$ 0 /unit	-
Value of Ground Lease - City of San Jose	\$ 0 /unit	-
Safehold TI Funds	\$ 32,609 /unit	3,000,000
City of Fremont	\$ 108,696 /unit	10,000,000
Soft Loan	\$ 0 /unit	-
Deferred Developer Fee	\$ 28,687 /unit	2,639,241
Contributed Developer Fee	\$ 14,593 /unit	1,342,559
SLP + GP Contribution	\$ 0 /unit	-
Accrued Interest - Soft Loans	\$ 0 /unit	-
TOTAL	\$ 557,693 /unit	\$ 51,307,737
USES	PER UNIT	TOTAL
Land/Acquisition Costs	\$ 4,878 /unit	\$ 448,814
Construction Costs	340,283 /unit	31,306,000
Architectural & Engineering	24,267 /unit	2,232,600
Construction Interest & Fees	53,624 /unit	4,933,401
Permanent Financing	3,019 /unit	277,705
Legal Fees	5,397 /unit	496,500
Reserves	5,486 /unit	504,735
Other Project Costs	98,141 /unit	9,028,938
Soft Cost Contingency	5,448 /unit	501,245
Hard Cost Contingency	17,150 /unit	1,577,800
TOTAL	\$ 557,693 /unit	\$ 51,307,737

Exhibit C

BUSINESS ASSOCIATE AGREEMENT - CONTRACTOR

This Business Associate Agreement - Contractor (“**Agreement**”), effective as of February 1st, 2026, is entered into by and between Regional Center of the East Bay, Inc., a California nonprofit public benefit corporation (“**RCEB**”) and 39340 Fremont Blvd, LP, a California limited partnership (“**Owner**”). Owner and RCEB are each referred to herein as a “**Party**,” and collectively, the “**Parties**.” The Parties enter into this Agreement in accordance with the following facts:

A. RCEB arranges for the provision of services to individuals with developmental disabilities (“**Consumers**”). In providing its services, RCEB acts as a Business Associate of the California Department of Developmental Services (“**Covered Entity**”). As a necessary part of arranging services to Consumers served by Covered Entity, RCEB may have access to Protected Health Information (“**PHI**”) as such term is defined in the Health Insurance Portability and Accountability Act of 1996, as amended (“**HIPAA**”), and its Privacy and Security Rules.

B. Owner is, or desires to be, vendorized by RCEB to provide services to RCEB’s Consumers. Once Owner is vendorized, RCEB may elect to enter into one or more agreements with Owner (each, a “**Service Provider Agreement**”) to provide specific services to specific Consumers.

C. Under each Service Provider Agreement, it is anticipated that Owner may receive and use PHI from and related to RCEB’s Consumers.

D. The purpose of this Agreement is to comply with the requirements of HIPAA, its associated regulations (45 CFR Parts 160-164), and the Health Information Technology for Economic and Clinical Health Act (the “**HITECH Act**”), Title XIII of Division A and Title IV of Division B of the American Recovery and Reinvestment Act of 2009 (Pub.L. 111-5), as these laws may be amended, as well as any state law(s) or regulation(s) governing the privacy and security protections of confidential information created or received by Owner pursuant to each Service Provider Agreement.

In consideration of the following mutual covenants, the Parties therefore agree as follows:

1. **DEFINITIONS.** Except as otherwise defined herein, any and all capitalized terms in this Agreement shall have the definitions set forth in HIPAA and its Privacy and Security Rules.

2. **OBLIGATIONS AND DUTIES OF Owner.**

2.1 **General.** Owner agrees not to use or disclose any Consumer’s PHI other than as permitted or required by this Agreement or by applicable law.

2.2 **Safeguard.** In accordance with 45 CFR Part 164, Subpart C and 45 CFR §164.314(a)(2)(i)(A)&(B), Owner agrees to use appropriate administrative, physical and technical safeguards to prevent the use or disclosure of any Consumer’s PHI, including Electronic PHI other than as provided for by this Agreement.

2.3 Standard Transactions. Under HIPAA, the US Department of Health and Human Services has adopted certain standard transactions for the electronic exchange of health care data (“**Standard Transactions**”). If Owner conducts any Standard Transactions on behalf of Covered Entity or RCEB, Owner shall comply with the applicable requirements of 45 C.F.R. Parts 160-162. Owner acknowledges that as of the effective date of this Agreement it may be civilly and/or criminally liable for failure to comply with the safeguards, policies, and procedure requirements, or any of the use and disclosure requirements, established by law.

2.4 Mitigation. Owner agrees to mitigate, to the extent practicable and appropriate, any harmful effect that is known to Owner of a use or disclosure of PHI by Owner in violation of the requirements of this Agreement.

2.5 Agents; Subcontractors. Owner agrees to ensure that its agents, including any subcontractor, to whom it provides PHI received from, or created or received by Owner on behalf of Covered Entity or RCEB, agrees to the same restrictions and conditions applicable to Owner with respect to such information.

2.6 Access to PHI by Covered Entity, RCEB or Consumer. Consumers have a right to access their PHI in a designated record set. A “**Designated Record Set**” is defined at 45 CFR 164.501 as a group of records maintained by or for a Covered Entity that comprises the (i) medical records and billing records about Consumers maintained by or for a Covered Entity, (ii) enrollment, payment, claims adjudication, and case or medical management record systems maintained by or for a health plan, or (iii) other records that are used, in whole or in part, by or for the Covered Entity to make decisions about Consumers. The term “**record**” means any item, collection, or grouping of information that includes PHI and is maintained, collected, used, or disseminated by or for a Covered Entity. If applicable, and upon request by Covered Entity or RCEB, Owner agrees to provide access to Covered Entity, RCEB or to a Consumer as directed by Covered Entity or RCEB, the PHI in a Designated Record Set within fifteen (15) days in order to meet the requirements under 45 C.F.R. section 164.524. In addition, as of the effective date of this Agreement, with respect to information contained in an Electronic Health Record, Owner will provide access to such records in electronic format.

2.7 Amendments to PHI. If applicable, Owner agrees to make any amendment(s) to PHI in a Designated Record Set as directed or agreed to by Covered Entity or RCEB pursuant to 45 C.F.R. section 164.526, and as requested by the Covered Entity, RCEB or a Consumer, within fifteen (15) days of receipt of a request. Any denials, in whole or in part, of requested amendments shall be made by Owner in accordance with 45 C.F.R. section 164.526.

2.8 Audit. Owner agrees that the Secretary of the Department of Health and Human Services (the “**Secretary**”) shall have the right to audit Owner’s internal records, books, policies, and practices relating to the use and disclosure of PHI received from, or created or received by Owner on behalf of Covered Entity or RCEB, in a time and manner agreed to by the Parties, or as otherwise designated by the Secretary, for purposes of the Secretary determining compliance with the HIPAA Privacy Rule.

2.9 Documentation of Disclosed Information. Owner agrees to document disclosures of PHI, and information related to such disclosures (collectively, “**Disclosed**

Information”), as would be required for Covered Entity or RCEB to respond to a request by Consumer for an accounting of disclosures of PHI in accordance with 45 C.F.R. section 164.528, as amended from time to time. Owner hereby agrees to take reasonable steps to enable it to comply with the requirements of this section and to notify RCEB of any such requests. Owner shall promptly notify RCEB of the existence of any Disclosed Information.

2.10 Disclosure Accounting; Retention. Owner agrees to provide Disclosed Information to Covered Entity, RCEB or to Consumer at Covered Entity’s or RCEB’s request, within fifteen (15) days of such request, in order to permit Covered Entity to meet its obligations in accordance with 45 CFR section 164.528. Owner shall maintain Disclosed Information for six (6) years following the date of the event or incident to which such information relates.

2.11 Privacy or Security Breach.

2.11.1 In accordance with applicable law, Owner agrees to give written notice (an “**Incident Notice**”) to Covered Entity and RCEB of any (a) use or disclosure of PHI that is not in compliance with the terms of this Agreement, of which it becomes aware (“**Breach**”) and (b) attempted or actual Security Incident (collectively with a Breach, an “**Incident**”). An Incident Notice shall be made without unreasonable delay and, in no event, later than twenty four (24) hours after discovery of such Incident, except where a law enforcement official determines that a notification would impede a criminal investigation or cause damage to national security as described in 45 C.F.R. § 164.412. In addition, an Incident Notice shall include (to the extent possible) the following information:

(a) identification of each Consumer whose Unsecured PHI has been, or is reasonably believed to have been, accessed, acquired, or disclosed during the Incident;

(b) the circumstances constituting and, to the extent relevant, surrounding the Incident (including, without limitation, the individual(s) causing the Incident and the person(s) receiving or accessing the PHI), the date of the Incident and date of discovery;

(c) the PHI affected or disclosed by the Incident on an individual Consumer-by-individual Consumer basis;

(d) the steps Owner is taking to investigate and correct the Incident, mitigate harm or loss to affected Consumers, and protect against future similar Incidences,

(e) the actions which Consumers affected by the Incident should take to protect their interests; and

(f) a contact person for additional information.

2.11.2 Owner shall cooperate with Covered Entity and RCEB in the investigation of the Incident, and in conducting any risk assessment necessary to determine whether notification of the Incident is required, and shall maintain, and provide at the direction of RCEB or Covered Entity, all reasonable and appropriate documents, files, records, or logs related

to the Incident. For purposes of discovery and reporting of an Incident, Owner agrees that it shall not be the agent of RCEB.

2.11.3 To the extent that any Incident involves a Breach of Unsecured PHI, and upon the request of RCEB or Covered Entity, Owner shall provide notice to impacted Consumers, the media and the Secretary in the time and manner required by 42 U.S.C. § 17932 and 45 C.F.R. §§ 164.404, 164.406 and 164.408. Prior to providing any such notice, Owner shall provide RCEB and Covered Entity with a reasonable opportunity to review and comment on such notice. Owner shall maintain complete records regarding the Incident, the determination of whether notice is required and the issuance of the notice (including the recipients and content of such notice), and upon request, shall make such records available to RCEB and Covered Entity. Owner shall also provide to Consumers affected by the Incident, upon the request of the Covered Entity or RCEB, such remedies as may be reasonably necessary or appropriate to mitigate the deleterious effects of the Incident including, without limitation, provision of credit report monitoring for a reasonable period of time. Any such remedies provided by Owner pursuant to this section shall be at the sole expense of Owner.

2.11.4 Notwithstanding Section 2.11.3 above, if RCEB or Covered Entity elects to provide the notice referenced in Section 2.11.3, Owner shall promptly provide to RCEB and Covered Entity, the information required by 42 U.S.C. § 17932 and 45 C.F.R. §§ 164.404, 164.406 and 164.408, to the extent not previously provided in an Incident Notice.

2.11.5 Any annual notification to the Secretary as required under 42 U.S.C. § 17932(e) and 45 C.F.R. § 164.408(c), shall be provided by Covered Entity or RCEB, unless Covered Entity or RCEB directs Owner to provide such notice within fifteen (15) days after the close of the calendar year. Owner shall provide RCEB and Covered Entity a copy of the annual notification before it is provided to the Secretary sufficiently in advance of the due date to permit Covered Entity or RCEB to revise the notification as may be appropriate.

2.12 Genetic Information. Owner shall not undertake any activity that may be considered underwriting based on genetic information, as defined by the Genetic Information Nondiscrimination Act and prohibited under the HIPAA Privacy & Security Rules.

2.13 Compliance. Owner shall comply with all other privacy and security requirements made applicable to it by HIPAA, the HITECH Act and the HITECH Rules as promulgated by the Secretary. In addition, Owner shall comply at all times with the requirements imposed on Covered Entity, RCEB and Owner by state health information privacy laws including, without limitation, the Confidentiality of Medical Information Act (Cal. Civ. Code §56 *et seq.*) and the Lanterman-Petris-Short Act (Cal. Welfare & Inst. Code §5000 *et seq.*)

3. PERMITTED USES AND DISCLOSURES BY Owner.

3.1 Business Relationship Activities. Except as otherwise limited in this Agreement, Owner may use or disclose PHI to perform functions, activities, or services for, or on behalf of, Covered Entity and RCEB as specified in the ongoing contractual relationships among the Parties and Covered Entity, provided that such use or disclosure would not violate the HIPAA Privacy Rule or Security Rule if done by Covered Entity, nor violate the minimum necessary

policies and procedures of the Covered Entity. For this purpose, the determination of what constitutes the “**minimum necessary**” amount of PHI shall be determined in accordance with 45 C.F.R. section 164.502(b), as amended by section 13405 of the HITECH Act. Without limitation of the foregoing, Owner shall limit the use, disclosure, or request of PHI, to the extent practicable, to the Limited Data Set (as defined in 45 C.F.R. §164.514(e)(2)) or, if needed by Owner, to the minimum necessary amount of PHI to satisfy the requirements of each applicable Service Provider Agreement.

3.2 Management and Administration of Owner. Except as otherwise limited in this Agreement, Owner may disclose PHI for the proper management and administration of Owner, provided that disclosures are Required by Law, or Owner obtains reasonable assurances from the person to whom the information is disclosed that such PHI will remain confidential and used or further disclosed only as required by law or for the purpose for which it was disclosed to the person, and the person agrees to notify Owner and RCEB within one (1) day of discovery of any Incident.

3.3 Data Aggregation. Except as otherwise limited by this Agreement, Owner may disclose PHI to provide Data Aggregation services to Covered Entity or RCEB as permitted by 45 CFR 164.504(e)(2)(i)(B). Any aggregated data will be de-identified in compliance with 45 C.F.R. 164.502(d) before it is disclosed. Owner agrees that it will not disclose any re-identification key or other mechanism to re-identify the data.

3.4 Remuneration. Owner shall not directly or indirectly receive remuneration in exchange for any PHI unless informed by RCEB or Covered Entity that Covered Entity has first obtained a valid authorization from the applicable Consumer that specifically allows PHI to be further exchanged for remuneration by the entity receiving such PHI, or the receipt of such remuneration complies with an otherwise available exception under HIPAA or the HITECH Act.

3.5 Violations of Law. Owner may use PHI to report violations of law to appropriate federal and state authorities, consistent with 45 CFR 164.502(j)(1).

4. **OBLIGATIONS AND DUTIES OF RCEB.**

4.1 Notice of Privacy Practices. RCEB shall inform Owner of any limitation(s) in Covered Entity’s or RCEB’s notice of privacy practices in accordance with 45 C.F.R. section 164.520, to the extent that such limitation(s), if any, may affect Owner’s use or disclosure of PHI. RCEB may satisfy this requirement by providing Owner with the notices of privacy practices that Covered Entity and RCEB delivers in accordance with 45 C.F.R. section 164.520, as well as any changes to such notice.

4.2 Notice to Consumers of Permission. RCEB shall notify Owner of any changes in, or revocation of, permission by a Consumer to use or disclose PHI which RCEB receives from Covered Entity, to the extent that such changes may affect Owner’s use or disclosure of PHI.

4.3 Notice of Other Restrictions. RCEB shall notify Owner of any restriction to the use or disclosure of PHI which RCEB receives from Covered Entity to which Covered Entity has agreed in accordance with 45 C.F.R. section 164.522, to the extent that such restriction may affect Owner’s use or disclosure of PHI.

4.4 Impermissible Requests. RCEB shall not request Owner to use or disclose PHI in any manner that would not be permissible under the HIPAA Privacy Rule if done by RCEB or Covered Entity.

5. TERM AND TERMINATION.

5.1 General. This Agreement shall remain in effect for so long as RCEB and Owner are parties to one or more Service Provider Agreements and shall terminate when all of the PHI provided to Owner, or created or received by Owner, is destroyed or returned to RCEB or Covered Entity. If it is infeasible to return or destroy PHI as set forth above, the terms of this Agreement shall be extended to such PHI in perpetuity, in accordance with the termination provisions set forth below.

5.2 Termination for Cause. RCEB may terminate this Agreement for cause upon discovery of a material breach by Owner as follows:

5.2.1 RCEB shall provide an opportunity for Owner to cure the breach within ten (10) days from the date RCEB provides Owner notice of the breach, or such longer period as may be reasonably agreed to by the Parties. If Owner does not cure the breach within the cure period, then RCEB may immediately terminate this Agreement and any related Service Provider Agreement(s) in place between the Parties; or

5.2.2 RCEB may immediately terminate this Agreement, and any related Service Provider Agreement(s) in place between the Parties, if Owner has breached a material term of this Agreement and cure is not possible; or

5.2.3 If neither termination nor cure is feasible, RCEB shall report the violation to Covered Entity and the Secretary.

5.3 Return of PHI. Upon termination:

5.3.1 Except as provided in paragraph 5.3.2 of this section, upon termination of this Agreement for any reason, Owner shall return or destroy all PHI received from Covered Entity or RCEB, or created or received by Owner on behalf of Covered Entity or RCEB. This provision shall apply to PHI that is in the possession of subcontractors or agents of Owner. Owner shall retain no copies of the PHI.

5.3.2 If Owner determines that returning or destroying the PHI is not feasible or practicable, Owner shall provide to Covered Entity and RCEB notification of the conditions that make return or destruction impossible or impracticable. Upon such notification, Owner shall extend the protections of this Agreement to any retained PHI received hereunder and limit any further uses and disclosures to those purposes that make the return or destruction of the information impossible or impracticable for so long as Owner maintains such PHI.

6. GENERAL PROVISIONS.

6.1 Notice. All notices, requests, and other communications given under this Agreement, shall be in writing and deemed duly given: (a) when delivered personally to the

recipient; (b) one (1) business day after being sent to the recipient by reputable overnight courier service (charges prepaid); or (c) five (5) business days after being sent by U.S. certified mail (charges prepaid). Except as otherwise provided herein, all notices, requests or communications under this Agreement shall be addressed to the intended recipient as set forth below:

To RCEB:
Regional Center of the East Bay, Inc.
Attention: Genia Lindberg
500 Davis Street, Suite 100
San Leandro, CA 94577

To Owner:
39340 Fremont Blvd, LP,
Attn: Asset Management
3416 Via Oporto Ste 301
Newport Beach, California 92663

6.2 Regulatory References. A reference in this Agreement to any section in the HIPAA Privacy Rule or Security Rule, or the HITECH Act, means the section as presently in effect or as amended.

6.3 Amendment. The Parties agree to take reasonable action to amend this Agreement from time to time as is necessary for all Parties to comply with the requirements of HIPAA, the HITECH Act, and all related, applicable state and federal laws.

6.4 Survival. The respective rights and obligations of Owner under Sections 5 and 6 of this Agreement shall survive termination of this Agreement.

6.5 Interpretation. Any ambiguity in this Agreement shall be resolved to permit compliance with the HIPAA Privacy Rule and Security Rule, and the HITECH Act. If there is an inconsistency between the provisions of this Agreement and mandatory provisions of these statutes, the applicable statutory language shall control. Where provisions of this Agreement are different than those mandated by the applicable statutes, but are nonetheless permitted under the law, the provisions of this Agreement shall prevail.

6.6 Rights. Except as expressly stated herein, or the Parties to this Agreement do not intend to create any rights in any third parties, unless such rights are otherwise irrevocably established under HIPAA, or any other applicable law.

6.7 Assignment. No Party may assign its rights and obligations under this Agreement without the prior written consent of the other Party, except both Parties may assign this Agreement to any successors in interest, provided the assignor promptly notifies the other Party of such assignment.

6.8 Independent Parties. Owner and its agents and employees, in performance of this Agreement, shall act in an independent capacity in the performance of this Agreement and not as officers or employees or agents of RCEB or Covered Entity. Owner shall be wholly responsible for the manner in which Owner and its employees perform the services required of Owner by the terms of this Agreement. Owner shall not be, or in any manner represent, imply or hold itself out to be an agent, partner or representative of RCEB. Owner has no right or authority to assume or create in writing or otherwise any obligation of any kind, express or implied, for or on behalf of RCEB. The only relationship between Owner and RCEB is that of independent

contractors and neither shall be responsible for any obligations, liabilities, or expenses of the other, or any act or omission of the other, except as expressly set forth herein.

6.9 Indemnity. Owner agrees to indemnify, defend and hold harmless RCEB and Covered Entity, and their respective employees, directors, officers, agents, subcontractors, or other members of their workforce (collectively, “**Indemnitees**”) against all claims, demands, losses, damages or liability of any type or kind whatsoever, arising from or in connection with any breach by Owner of this Agreement or of any warranty hereunder or from any negligence or wrongful acts or omissions of Owner, including failure to perform its obligations under the Privacy Rule, the Standard Transactions and Code Sets Regulations, the Security Rule, HITECH or other state or federal health information privacy laws by Owner. Accordingly, on demand, (i) Owner at his own expense and risk, shall defend any suit, claim, action, legal proceeding, arbitration, or other mediation proceeding (each, an “**Action**”), that may be brought against the Indemnitees or any of them on any such claim or demand as set forth above (the Indemnitees need not have first paid any such claim in order to be so indemnified) and (ii) Owner shall reimburse Indemnitees for any and all losses, liabilities, lost profits, fines, penalties, costs or expenses (including reasonable attorneys’ fees) that may for any reason be imposed upon Indemnitees as a result of any Action, with counsel reasonably satisfactory to RCEB. This Section shall survive the expiration or termination of this Agreement for any reason. Notwithstanding the foregoing, Owner shall not be required to indemnify, defend or hold harmless any party with respect to the gross negligence or willful misconduct of any Indemnitee.

6.10 Interpretation; Venue; Jurisdiction. This Agreement shall be construed to comply with the requirements of the HIPAA Rules, and any ambiguity in this Agreement shall be interpreted to permit compliance with the HIPAA Rules. All other aspects of this Agreement shall be governed under the laws of the State of California. All actions between the Parties shall be venued in the state or district courts of the County of Alameda.

6.11 Waiver. No change, waiver, or discharge of any liability or obligation hereunder on any one or more occasions shall be deemed a waiver of performance of any continuing or other obligation, nor shall such action prohibit enforcement of any obligation on any other occasion.

6.12 Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions shall remain in full force and effect. In addition, if either Party believes in good faith that any provision of this Agreement fails to comply with the then-current requirements of the HIPAA Privacy Rule or Security Rule, or the HITECH Act, such Party shall notify the other in writing. For a period of up to thirty (30) days, the Parties shall engage in good faith discussions about such concern and, if necessary, amend the terms of this Agreement so that it complies with the law. If the Parties are unable to agree upon the need for amendment, or the amendment itself, then either Party has the right to terminate this Agreement upon 30 days’ written notice to the other Party.

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6.13 Counterparts; Electronic Copies. This Agreement may be executed in counterparts, each which shall be deemed an original and all of which shall constitute a single instrument. Signed copies of this Agreement delivered by fax or in a PDF email file shall be deemed the same as originals.

Executed in Newport Beach, California, as of the date first written above.

RCEB:

Regional Center of the East Bay, Inc.,
a California nonprofit public benefit corporation

By: _____
Rebecca Nanyojo, Executive Director

Owner:

39340 Fremont Blvd LP,
a California limited partnership

By: CDP Fremont AGP LLC,
a California limited liability company,
its General Partner

By: CDP Manager LLC,
a Delaware limited liability company,
its Manager

By: _____
Jessica Woodruff, Chief Development Officer

Exhibit D

CALIFORNIA PUBLIC RECORDS ACT BUSINESS ASSOCIATE ADDENDUM

I. Acknowledgment of Public Records Obligations

As of January 1, 2026, Regional Center of the East Bay, Inc. (“RCEB”), is subject to the California Public Records Act (Cal. Gov. Code §§ 6250 et seq.) (“CPRA”). Business Associate acknowledges that records maintained by RCEB may be subject to public disclosure unless an exemption applies.

II. Cooperation in Responding to Requests

Business Associate shall cooperate fully with RCEB in responding to any CPRA request that involves information provided by Business Associate. Upon request, Business Associate shall promptly identify any portions of such records that it believes are exempt from disclosure under applicable law.

III. Designation of Confidential Information

Business Associate shall clearly mark any documents or data provided to RCEB that it considers proprietary, trade secret, or otherwise exempt from disclosure. Business Associate shall also provide a written statement specifying the legal basis for such exemption.

IV. Protection of Protected Health Information & Consumer Information

Nothing in this Section shall require RCEB to disclose: (i) Protected Health Information (“PHI”); (ii) information related to the delivery of services to identifiable Consumers as defined in the Lanterman Act; or (iii) other information protected from disclosure under HIPAA, state privacy laws, or other applicable confidentiality statutes. RCEB will assert all applicable exemptions to protect any PHI, Consumer records, and other legally protected information from disclosure.

V. Notification Prior to Disclosure

Covered Entity will make reasonable efforts to notify Business Associate prior to releasing any records that Business Associate has designated as confidential, to allow Business Associate to seek judicial relief if desired.

VI. Vendor Responsibilities

Vendor (as a Business Associate) acknowledges that it bears full responsibility for identifying and designating any information it provides to RCEB that it considers proprietary, trade secret, confidential, or otherwise exempt from disclosure under the California Public Records Act (“CPRA”). Vendor shall clearly mark such information at the time of submission and provide RCEB with a written explanation identifying the specific legal basis for each claimed exemption. If RCEB receives a CPRA request that may involve Vendor’s trade secrets or confidential information, RCEB will make reasonable efforts to notify the Vendor by email, mail, and phone prior to any disclosure, allowing Vendor an opportunity to assert its claims or seek judicial relief.

Failure by the Vendor to timely designate or substantiate its claims may result in disclosure as required by law.

This Section establishes the mutual obligations of RCEB and the Vendor to cooperate in responding to CPRA requests, ensure legal compliance, and appropriately balance public transparency with the protection of proprietary and confidential information. While RCEB retains final authority regarding disclosure decisions, it will act consistent with applicable exemptions and privacy protections under state and federal law.

Executed in Newport Beach, California, as of the date of the Business Associate Agreement – Contractor, of which this Addendum is a part of and hereby incorporated there into.

RCEB:

Regional Center of the East Bay, Inc.,
a California nonprofit public benefit corporation

By: _____
Rebecca Nanyojo, Executive Director

Owner:

39340 Fremont Blvd LP,
a California limited partnership

By: CDP Fremont AGP LLC,
a California limited liability company,
its General Partner

By: CDP Manager LLC,
a Delaware limited liability company,
its Manager

By: _____
Jessica Woodruff, Chief Development Officer



PETE CERVINKA
DIRECTOR

CALIFORNIA HEALTH & HUMAN SERVICES AGENCY
DEPARTMENT OF DEVELOPMENTAL SERVICES

1215 O Street, Sacramento, CA 95814 • www.dds.ca.gov



GAVIN NEWSOM
GOVERNOR

January 13, 2026

Frank Pare, Regional Center of the East Bay, Inc. Board President
Rebecca Nanyonjo, DrPH, Regional Center of the East Bay Executive Director
500 Davis Street, Suite 100
San Leandro, CA 94577

Dear Frank Pare and Dr. Nanyonjo:

Thank you for submitting Regional Center of the East Bay's (RCEB) fiscal year (FY) 2025-26 Performance Contract, which is pending review and adoption from RCEB's Board of Directors. The Department of Developmental Services (Department) reviewed the performance contract for compliance with applicable statutory provisions and the Department's performance contract guidelines dated March 14, 2025.

The Department *conditionally* approves RCEB's FY 2025-26 Performance Contract, pending the Department's receipt of notification upon formal adoption by RCEB's Board of Directors. Please notify the Department's Primary Regional Center Liaison when this is completed. Welfare and Institutions Code (WIC) Section 4629(c)(1)(B)(iii), requires "circulating a draft of the performance objectives to the community for input prior to presentation at a regional center board meeting where additional public input will be taken and considered before adoption of the objective." Any revisions to the approved plan must be submitted to the Department in writing.

If you have any questions regarding this letter, please contact Christopher Aguirre, Primary Regional Center Liaison, Office of Community Operations, at (916) 654-2298, or by email, at Christopher.Aguire@dds.ca.gov.

Sincerely,

Original signed by:

ERNIE CRUZ
Deputy Director
Community Services Division

Cc: See next page

cc: Amy Westling, Association of Regional Center Agencies
Michi Gates, Department of Developmental Services
Tiffani Andrade, Department of Developmental Services
Yasir Ali, Department of Developmental Services
Maxine Milam, Department of Developmental Services
Ann Nakamura, Department of Developmental Services
Charles Liao, Department of Developmental Services
Huihui Xu, Department of Developmental Services
Danielle Hurley, Department of Developmental Services
Steven Pavlov, Department of Developmental Services
Christopher Aguire, Department of Developmental Services
Alma Janssen, Department of Developmental Services

MEASURES AND DATA SOURCES FOR PUBLIC POLICY AND COMPLIANCE MEASURES

Public Policy Performance Measures (Required)

<i>Measure</i>	<i>Data Source</i>	<i>RCEB Activities</i>
<p>Number and percent of minors residing with families.</p>	<p>Client Master File (CMF) residence code data for status 1, 2 and U minors (< 18 years old) residing:</p> <ul style="list-style-type: none"> • In own home • In foster home • With guardian 	<ul style="list-style-type: none"> • Provide ongoing case management support to families and consumers. Include training for case managers that focuses on the importance of children residing with families and supports and services available to support them. • Support access to an array of family supports through referral and advocacy with generic services such as school districts Medi-Cal and In Home Support Services.
<p>Number and percent of adults residing in independent living.</p>	<p>CMF residence code data for status 2 adults (18 years old and above) residing in independent living.</p>	<ul style="list-style-type: none"> • Continue to meet quarterly with ILS vendors • Provide two living options workshops a year for families and consumers. • Continue to orient case management staff on ILS Services and availability of this service for all individuals over age 18. • Housing Specialist to lead RCEB's efforts in working closely with local housing agencies to increase accessible and affordable housing. • Continue to facilitate opportunities for confidential housemate/ roommate searches. • Continue to provide information on living options including independent living at Transition Fairs throughout the year. • Share affordable housing resources with

		<p>individuals and families through social media and with ILS/ SLS providers.</p> <ul style="list-style-type: none"> • Create a referral system to ILS/SLS providers so individuals are aware of all providers that are available to support them to successfully live in the community. • Offer an annual opportunity for all ILS providers to meet with case managers. • Increase number and percent of adults residing in independent living.
<p>Number and percent of adults residing in supported living.</p>	<p>CMF residence code data for status 2 adults (18 years old and above) residing in supported living.</p>	<ul style="list-style-type: none"> • Continue to meet quarterly with SLS vendors. • Provide two living options workshops a year for families and consumers. • Continue to orient case management staff on ISLS Services and availability of this service for all individuals over age 18. • Housing Specialist to lead RCEB's efforts in working closely with local housing agencies to increase accessible and affordable housing. • Continue to facilitate opportunities for confidential housemate/ roommate searches. • Continue to provide information on living options including independent living at Transition Fairs throughout the year. • Share affordable housing resources with individuals and families through social media and with SLS providers. • Create a referral system to ILS/SLS providers so individuals are aware of all providers that are available to support them to successfully live in the community. • Offer an annual opportunity for all SLS providers to meet with case managers. • Increase number and percent of adults residing in independent living.

<p>Number and percent of adults residing in adult Family Home Agency homes.</p>	<p>CMF residence code data for status 2 adults (18 years old and above) residing in Adult Family Home Agency homes.</p>	<ul style="list-style-type: none"> • Provide support to new FHA providers and encourage the expansion of this service. • Provide information on this living option annually at Transition Fairs and during RCEB's living options workshops. • Hold a training during the 2026 calendar year for transition and adult case managers focused on FHA supports. • Offer an annual opportunity for all FHA providers to meet with case managers.
<p>Number and percent of adults residing in family homes (home of parent or guardian).</p>	<p>CMF residence code data for status 2 adults (18 years old and above) residing in family homes (home of parent or guardian).</p>	<ul style="list-style-type: none"> • Provide families with information regarding caregiver support, in-home support services, hospice care and senior resources. • Support families with accessing generic community resources. • Provide funding for services and supports that assist families in keeping their adult son/daughter at home. Adjust services to address the changing needs of the consumer and family. • Prioritize sharing information on social recreational services. • Develop providers for and encourage families to consider Coordinated Family Support Services for those living in the family home. Share new vendors with case managers. • Offer an annual opportunity for all adult respite providers to meet with case managers
<p>Number and percent of adults residing in home settings.</p>	<p>CMF residence code data for status 2 adults (18 years old and above) residing in:</p> <ul style="list-style-type: none"> • Independent living • Supported living • Adult Family Home Agency homes • Family homes 	<ul style="list-style-type: none"> • Development of affordable housing i.e., Section 8 vouchers, affordable housing set-asides. Housing specialist to focus on addressing housing issues including those experiencing homelessness. • Provide information to consumers on affordable housing options as they become available. • Continue to work with local housing

		<p>agencies to develop inclusive, accessible and affordable housing.</p> <ul style="list-style-type: none"> • Share housing resources available with all interested through a list serve.
<p>Number and percent of minors living in facilities serving > 6.</p>	<p>CMF residence code data for status 1, 2 and U minors residing in following facilities serving > 6:</p> <ul style="list-style-type: none"> • ICF/DD • ICF/DD-H • ICF/DD-N • SNF • CCF 	<ul style="list-style-type: none"> • Almost all children in facilities larger than six beds are adolescents that are receiving treatment in mental health facilities. RCEB will work with families/guardians of children who are ready to move to other housing options such as returning to the family home or moving into more natural living environments. • Collaborate with local counties to support transitions of our mutual children in foster care residing in large facilities. Continue our work on Memorandums of Understanding with our two counties to support these efforts. • Continue our collaborative work with the counties to assure children in foster care receive adequate resources. • Assure that county social workers are aware of new EBSH homes and CCHs for dually served children. • Hire a fulltime AB 2083 Children and Youth System of Care Coordinator to support children dually served by RCEB and Foster Care.
<p>Number and percent of adults living in facilities serving > 6.</p>	<p>CMF residence code data for status 2 adults residing in following facilities serving > 6:</p> <ul style="list-style-type: none"> • ICF/DD • ICF/DD-H • ICF/DD-N • SNF • CCF (Residential Care Facilities for the Elderly not included) 	<ul style="list-style-type: none"> • In residential services orientation, emphasize the need for homes that provide services to fewer than six residents. Continue to encourage the conversion of six-bed homes to 4-bed homes. • Consistent with the CMS final setting rule, encourage larger providers to reduce the number of people residing in homes.

MEASURES AND DATA SOURCES FOR PUBLIC POLICY AND COMPLIANCE MEASURES

Public Policy Performance Measures – Employment (Required)

Measure	Data Source	RCEB Activities
Number and percentage of individuals ages 16-64 with earned income.	Employment Development Department (EDD) and CMF data—percentage of status 2 individuals ages 16- 64 with earned income as reported to EDD.	<ul style="list-style-type: none"> • Employment Specialist will host ongoing trainings for providers and case management, collaborate with DOR and expand LPA, continue employment task force, conduct outreach to transition age, secondary education and adult education. • Employment Specialist will actively support development of Coordinated Career Pathways program • Average wages and hours worked for adults engaged in competitive, integrated employment, on behalf of whom incentive payments have been made will increase.
Average annual wages for individuals ages 16-64.	EDD data—average annual wages as reported to EDD for individuals ages 16-64.	<ul style="list-style-type: none"> • Employment Specialist will host ongoing trainings for providers and case management, collaborate with DOR and expand LPA, continue employment task force, conduct outreach to transition age, secondary education and adult education. • Employment Specialist will actively support development of Coordinated Career Pathways program • Average wages and hours worked for adults engaged in competitive, integrated employment, on behalf of whom incentive payments have been made will increase.

<p>Annual earnings of individuals ages 16-64 compared to all people with disabilities in California.</p>	<p>EDD and American Community Survey data—individuals wage data compared to all people with disabilities in California.</p>	<ul style="list-style-type: none"> • Employment Specialist will host ongoing trainings for providers and case management, collaborate with DOR and expand LPA, continue employment task force, conduct outreach to transition age, secondary education and adult education. • Employment Specialist will actively support development of Coordinated Career Pathways program • Average wages and hours worked for adults engaged in competitive, integrated employment, on behalf of whom incentive payments have been made will increase.
<p>Number of adults who entered in competitive integrated employment following participation in a Paid Internship Program.</p>	<p>Data collected from service providers by regional centers per Welfare and Institutions Code (WIC) section 4870(e).</p>	<ul style="list-style-type: none"> • Employment Specialist will host ongoing trainings for providers and case management, collaborate with Department of Rehabilitation (DOR) and expand Local Partnership Agreements (LPA), continue local employment task force, expand outreach to transition age, secondary education and adult education. • RCEB will post available staff positions with HireAble and encourage other service agencies and counties to consider hiring people served by RCEB. • RCEB will promote best practices for successful employment for those with intensive needs with supported employment providers. • RCEB will set up vendorization for Coordinated Career Pathways (CCP) service providers to plan, coordinate, and provide services to individuals within two years of exiting secondary education to achieve Competitive

		Integrated Employment.
Percentage of adults who entered in competitive integrated employment following participation in a Paid Internship Program.	Data collected from service providers by regional centers per WIC section 4870(e).	<ul style="list-style-type: none"> • Employment Specialist will host ongoing trainings for providers and case management, collaborate with Department of Rehabilitation (DOR) and maintain Local Partnership Agreements (LPA), continue local employment task force, expand outreach to transition age, secondary education and adult education. • RCEB will post available staff positions with HireAble and encourage other service agencies and counties to consider hiring people served by RCEB. • RCEB will promote best practices for successful employment for those with intensive needs with supported employment providers. • RCEB will set up vendorization for Coordinated Career Pathways (CCP) service providers to plan, coordinate, and provide services to individuals within two years of exiting secondary education to achieve Competitive Integrated Employment.
Average hourly or salaried wages and hours worked per week for adults who participated in a Paid Internship Program during the prior fiscal year.	Data collected from service providers by regional centers per WIC section 4870(e).	<ul style="list-style-type: none"> • Employment Specialist will collaborate with DOR and maintain LPA, continue employment task force.
Average wages and hours worked for adults engaged in competitive integrated employment on behalf of whom incentive payments have been made.	Data collected from service providers by regional centers per WIC section 4870(e).	<ul style="list-style-type: none"> • Employment Specialist will partner with the community to develop resources that support training and placement for jobs that pay above minimum wage.

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MEASURES AND DATA SOURCES FOR PUBLIC POLICY AND COMPLIANCE MEASURES

Continued Public Policy Performance Measures – Employment (Required)

Measure	Data Source	RCEB Activities
Total number of 30-day, 6-month and 12-month incentive payments made for the fiscal year.	Data collected from service providers by regional centers per WIC section 4870(e).	<ul style="list-style-type: none"> • Employment Specialist will collaborate with DOR and maintain LPA, continue employment task force, conduct outreach to transition age and secondary education.
Percentage of adults who reported having competitive integrated employment as a goal in their IPP.	National Core Indicators (NCI) Survey - <i>Yes/No/Don't Know</i> <i>Individual has community employment as a goal in his/her IPP.</i>	<ul style="list-style-type: none"> • IPP and CDER prompts explicitly ask about employment as well as including integrated employment goals as appropriate in the IPP. • All staff are trained on RCEB's Employment First Policy. • Employment Specialist hosts ongoing trainings for case management and collaborates with community partners to provide training to families and providers on benefits planning and other tools to reach CIE. • RCEB 's transition age teams will be focused on assuring employment first is at the top of mind for transition age youth.

* EDD data reflect wages reported to EDD for the purpose of unemployment insurance reporting. There is a limitation of the data, as some people have contract earnings that may be unreported.

MEASURES AND DATA SOURCES FOR PUBLIC POLICY AND COMPLIANCE MEASURES

Public Policy Performance Measures – Reducing Disparities and Improving Equity in Purchase of Service Expenditures

Measure	Data Source	RCEB Activities
Indicator showing the relationship between annual authorized services and expenditures by individual's residence type and race/ethnicity.	Prior fiscal year (FY) purchase of service data and CMF; regional center generated data.	<ul style="list-style-type: none"> • Analyze purchase of service (POS) data by residence type (e.g., family home, group home, independent living). • Prioritize hiring of bilingual case managers. • Continue Cultural Competency trainings. • Share findings in the Regional Center Performance Contract updates. • RCEB to launch in person and virtual Community Listening Sessions in cultural and linguistic appropriate representation of RCEB demographics
Percent of total annual purchase of service expenditures by individual's race/ethnicity and age: <ul style="list-style-type: none"> • Birth to age two, inclusive • Age three to 21 years, inclusive • Age twenty-two and older 	Prior FY purchase of service data and CMF.	<ul style="list-style-type: none"> • RCEB will collect this data and analyze it when received. • RCEB will work with Cultural Competency team for strategic solutions based on data. • RCEB to launch hybrid Community Listening Sessions in cultural and linguistically appropriate and representative of RCEB demographics.

<p>Number and percent of individuals receiving only case management services by age and race/ethnicity:</p> <ul style="list-style-type: none"> • Birth to age two, inclusive • Age three to 21 years, inclusive • Age twenty-two and older 	<p>Prior FY purchase of service data and regional center caseload data.</p>	<ul style="list-style-type: none"> • RCEB continues to work with La Familia and the Case Management team that serves our Asian /Pacific Islander communities to identify effective outreach methods in underserved communities. • Utilize Language Access and Cultural Competency Funds to identify and support community organizations in the Black/African-American community that RCEB can partner with to outreach and support individuals and families in the community.
<p>Per capita purchase of service expenditures by individual's primary language (for primary languages chosen by 30 or more consumers only).</p>	<p>Prior FY purchase of service data and CMF.</p>	<ul style="list-style-type: none"> • Translate service information, IPP materials, and service request forms into major languages spoken in RCEB area.

MEASURES AND DATA SOURCES FOR PUBLIC POLICY AND COMPLIANCE MEASURES

Measures Related to Reducing Disparities and Improving Equity in Purchase of Service Expenditures (Optional)

Measure	Data Source	RCEB Activities
Number and percent of individuals, by race/ethnicity, who are satisfied with the services and supports received by the family and family member.	NCI data: Child Family Survey: FY 18/19 Adult Family Survey: FY 19/20 Family Guardian Survey: FY 19/20	<ul style="list-style-type: none"> • RCEB continues to work with La Familia and the Case Management team that serves our Asian /Pacific Islander communities to identify effective outreach methods in underserved communities. • Utilize Language Access and Cultural Competency Funds to identify and support community organizations in the Black/African-American Community that RCEB can collaborate with to outreach to and support individuals and families in the community. • Support local community based organizations with participation in events, provision of data, and other needs in their targeted outreach to underserved communities as part of disparity grants.
Number and percent of individuals, by race/ethnicity, whose IPP/IFSP includes all of the services and supports needed.	NCI data: Child Family Survey: FY 18/19 Adult Family Survey: FY 19/20 Family Guardian Survey: FY 19/20	<ul style="list-style-type: none"> • RCEB will continue to send current IPP/IFSP surveys. • RCEB will review and act on issues raised in surveys that are both individual and systemic. • RCEB will transition to reviewing data from the new satisfaction surveys that DDS will begin to send for areas in which to take action to improve satisfaction.
Number and percent of families, by race/ethnicity, who report that services have made a difference in helping keep their family member at home	NCI data: Child Family Survey: FY 18/19 Adult Family Survey: FY 19/20	<ul style="list-style-type: none"> • RCEB will continue to hire bilingual, bicultural staff. • Continue to support efforts so providers can identify staff who are

		<p>bilingual and bicultural. As soon as the bilingual stipends for staff of providers are introduced, extend trainings and supports to providers to utilize.</p> <ul style="list-style-type: none">• Continue development of supports to provide effective communication access for those who use ASL.• RCEB has opened California's first DEAF+ (Deaf Plus) home specifically designed for those who are Deaf/Hard of Hearing.• Translate Informational material distributed by RCEB into threshold languages in our community.• RCEB will utilize Language Access and Cultural Competency Funds to assess the need for translation into additional languages.• Provide Spanish translation at all public meetings and individuals and families can request translation and interpretation in other languages with advance notice• Support efforts to increase language access within the self determination program through translation, identification of bilingual bicultural independent facilitators and in Financial Management Service agencies
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* Measurement Methodology: NCI data are specific to the FYs in which the surveys were conducted.

MEASURES AND DATA SOURCES FOR PUBLIC POLICY AND COMPLIANCE MEASURES

Compliance Measures

Measure	Data Source	
Unqualified independent audit with no material finding(s).	Yes/No—based on regional center independent audit findings.	RCEB will have an unqualified independent audit with no material findings.
Substantial compliance with the Department fiscal audit.	Yes/No—based on the Department internal document criteria.	Based on DDS internal document criteria RCEB will be in compliance with the DDS fiscal audit. RCEB has hired a Compliance Manager
Operates within operations budget.	Yes/No—actual expenditures plus late bills do not exceed OPS budget.	Actual expenditures plus late bills will not exceed OPS budget
Certified to participate in Home and Community—Based Services Waiver.	Yes/No—based on most recent waiver monitoring report.	RCEB will continue to be certified to participate in the waiver
Compliance with Vendor Audit Requirements per contract, Article III, Section 10.	Yes/No—based on documentation regional center reports to the Department.	RCEB will continue to be in compliance with vendor audit requirements per contract, Article III, Section 10.
CDER/ESR Currency	Status 1, 2, and U on CMF with current CDER or ESR.	RCEB will continue to require CDER updates with annual review of IPP
Intake/assessment and IFSP timelines (ages 0-2).	Early Start Report.	RCEB will participate in this reporting
Intake/assessment timelines for individuals ages 3 or older.	CMF—calculated by subtracting the status date from the CMF date.	RCEB will continue to implement strategic solutions to meet this requirement
IPP Development (WIC requirements)	Biennial Department review per WIC section 4646.5(c)(3).	RCEB will be in compliance with the DDS HCBS Monitoring
IFSP Development (Title 17 requirements)	Early Start Report.	RCEB will implement strategic solutions to meet this requirement