



EASTERN LOS ANGELES REGIONAL CENTER
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Minutes of Board of Directors Meeting
May 10, 2011
Approved as Corrected June 14, 2011

Present:

Olga Sarabia, President
 Pat Gomez, Vice-Chairperson
 Terry Munoz, Treasurer
 Joe Utar
 Elton Lui
 Robert Hazard
 Theresa Chen

Staff Present:

Gloria Wong, Executive Director
 Felipe Hernandez, Chief of
 Consumer Services
 Edith Hernandez, Consultant
 Lonetta Johns Yarleque, Forensic
 Specialist
 Rosalie Estrada, Executive Assistant

Absent:

Deborah Gallardo
 Jiang Guo
 Miguel Lugo
 Tammy Bachrach (VAC)
 Felicitas Navera, Secretary
 Marvin Brown

Guests:

Refer to Sign-In Sheet

Olga Sarabia, President, called the meeting to order at 6:10 P.M.

I Welcome and Roll Call

Olga Sarabia, President, welcomed all present. Roll call was taken and since a quorum was not present, items not requiring action were taken out of sequence. A quorum was established at 6:25 P.M.

II Introduction

The Board and the members of the audience were introduced.

III Community Input

There was no community input.

IV Approval of Board of Directors Meeting Minutes

A. Minutes of April 12, 2011

The following corrections were made: (1) Page 3, 1st paragraph, the third sentence from the bottom, should read "This will most likely affect the regional centers with additional cuts beyond..."; Page 5, Robert Hazard did not meet with Assemblyman Brownley, but rather with her staff, statement will be corrected; Page 9, check on the correct time for the Vendor Resource Fair on June 8th, and make the necessary correction.

Pat Gomez, Vice-Chairperson, requested the Mission Statement be provided on the backside of the Meeting Announcement. Olga Sarabia, President, also requested that positions be added to the names referenced in the Minutes and the same for staff, or guests in the audience.

***M/S/C (Pat Gomez/Elton Lui) To approve the Minutes of May 10, 2011 as corrected.
Unanimous.***

V Executive Director's Report - Gloria Wong

A. Budget Status - FY 2010/2011

1. Monthly POS Report

A copy of the POS Expenditure Projections Summary through the month of February 2011 was distributed and reviewed. This report is submitted to the Department of Developmental Services (DDS) on a monthly basis on the 10th. There is a deficit reported from a high of \$4,532,988 to a low of \$4,235,080. Throughout the fiscal year a deficit has been *reported*. The difference is the deficit has increased as compared to the deficit reported in March. The projected deficit of \$619,568 for CPP will be fully funded as soon as the placements are made. At the last board meeting held in April it was reported DDS was barely in the process of sending out the third allocation which is normally received in January of this year. A conference call was held with DDS who is looking to allocate money which they are withholding approximately \$100 million for purchase of services. About half of the regional centers statewide are in a deficit. The call with DDS was to determine how much money they would be allocating to the regional centers. They wanted to ensure that they would allocate no more than is necessary. At the time of the conference call with DDS, ELARC had the most recent accounting report and had just completed running invoices. There had been a very large increase in terms of expenses compared to previous months. DDS had not yet received this report. The report showed an increase of approximately \$1 million, much of which was for behavior modification services, up by \$900,000 for the fiscal year. Additionally respite also increased, more consumers are receiving respite services.

DDS wanted an understanding as to why the large increase. As previously stated the primary cost drivers in the POS were behavior modification and respite.

In the intention letter received from DDS, as the result of the conference call, they will allocate for POS what ELARC has indicated is the minimum amount needed. DDS will allocate \$3.6 million which is not reflected on the POS Expenditure Projections Summary. In the worst case scenario there will be a \$876,000 deficit, and best case scenario a deficit of \$578,000. Typically DDS will not make any further adjustments until after the fiscal year.

2. **DDS: B-3 Conference Call**

Refer to the Monthly POS Report above.

3. **Cash Flow Issues**

As reported previously, DDS is processing only a percentage of the claims submitted to them, due to systems cash flow problems.

There are twelve *regional centers* who bank with Union Bank who have been notified that they will not approve loans for the current fiscal year. Loans to the regional centers are unsecured loans and in light of California's financial difficulties Union Bank feels the risk of lending without some form of security is too risky a proposition. Union Bank wants a guarantee that DDS will fully reimburse the bank should the regional center lose its contract. The result is that these specific regional centers are short of funds and DDS is attempting to assist with this cash flow problem.

4. **City National Bank: Loan Revision**

There are currently five regional centers who bank with City National Bank.

ELARC has an open line of credit for \$11 million but to date it has not been used. A copy of the Loan Revision Agreement was distributed to the Board. City Bank has given ELARC a line of credit for \$32 million effective July 1, 2011 to contend with a potential budget passage delay.

5. **Public Forums on Savings Proposals**

A notice of public forums was sent to the Board on April 25, 2011. The forums were scheduled on May 5, 6 and May 9, 2011 for the purpose of receiving input from consumers, family members, service providers and other stakeholders before the proposals are submitted to the Legislature on May 15, 2011. The Legislature will have the final word on how a savings of \$174 million will be accomplished.

DDS began the process by conducting on-line surveys and met with stakeholder workgroups, this was completed and draft proposals were developed. A copy of these draft proposals were mailed to the Board of Directors.

The draft proposals originally began with eight subject matters and it was increased to thirteen proposals. The proposals were mailed to the Board of Directors on May 4, 2011. Gloria highlighted the last page of the report which explains how DDS is dealing with the cuts to the regional center system. The total proposed cuts to the regional center *system is* \$576.9 million. DDS and the stakeholders were assigned with the task of coming up with proposals that would save \$174 million, as part of the overall cut of \$576.9 million. Originally, the \$174 million total savings plan was to address existing policies and procedures that fund purchase of services, but this amount has been modified. The Proposals Associated with Purchase of Services is now only \$79 million. To make up the difference regional centers will be cut in operations, cut the Department of Developmental Services, and a plan to further increase federal funding by \$22 million, which requires additional work from regional centers.

On May 11th Budget Committee #1 will be hearing the thirteen proposals from DDS. The Association of Regional Center Agencies (ARCA) will be developing a position paper on the proposed cuts. The position paper will be shared with the Board of Directors once issued.

6. Budget Performance Report - Operations

The Budget Performance Report was distributed and reviewed.

Gloria Wong explained the budget categories and the individual amounts allocated to each. The balance in Operations is being generated by three budget sections; Clinical Team, Community Placement Plan (CPP) and Prevention. The allocation for these budget line items are dedicated funds to be used exclusively for these projects. The funds cannot be transferred between accounts. In the general operations section there is a balance of \$50,333. Both vendors and regional center operations were cut by an additional 1 ¼% this fiscal year, for a total OPS reduction of 4½%.

B. Update Fiscal Year 2011-12

1. May Revise Release: May 15th

Refer to Budget Status report above.

C. Agency Newsletter

A copy of the agency newsletter was shared with the Board for their information. The newsletter is distributed in order to keep the advisory committees and our public in and the general public informed.

D. Board Retreat Follow-Up Discussion

Discussion on the board retreat follow-up was deferred. Management Meeting will be meeting on May 17th and will be reviewing and discussing the Mission Statement. Their input will be shared with the Board at the June meeting.

VI Consumer Services Report

A. Policy and Procedures

1. Day Care

Edith Hernandez, ELARC Consultant, highlighted the changes made to the policy. Page 1 of the policy was distributed to replace the page, as there was a section which did not print correctly. She reported the policy was originally written approximately 10 years ago and prior to the incorporation of the Family Cost Participation Program for consumers between the ages of 0 - 17 years of age. The old policy referenced Share of Cost language and this was stricken out and replaced with new language pertaining to the Family Cost Participation Program. Additionally law pertaining to day care was incorporated.

Correction: Page 2: 1st paragraph, eliminate "for", should read, As a general practice, ELARC will not fund for day care services for..."

Correction: Page 2: 2nd paragraph, add: "ELARC may *consider* funding

2. Supported Living Services

Edith reviewed the policy. Trailer Bill Language was incorporated.

Correction: Page 1: line #5, delete "their".

Correction: Page 1: paragraph #2, second sentence, change principals to "principle".

3. Adult Day Care

Edith reviewed the policy and reported Trailer Bill Language was incorporated as appropriate.

4. Transportation

Gloria Wong reported the Transportation Policy approved in July of 2010 and was only brought back to the Board due to some internal changes which does not affect the policy for transportation. Gloria reported she spoke to Elizabeth Harrell, Supervision of Information and Training, she indicated the FAC misunderstood as it was not a new policy.

Edith Hernandez, ELARC consultant, reported the transportation was approved on July 13, 2010 by the Board of Directors and was approved by DDS on January 31, 2011. DDS asked for a citation correction which was made and requested two documents referenced in the policy, the

responsibility fact sheet as well as the operations policy and procedure which have been sent to DDS.

On page 2, reference was made to T-111, a written authorization, transportation requests are now automated. This was only an internal process change.

There was a minor grammatical suggestion on Page 1, 4th paragraph, eliminate the word “for”.

M/S/C (Olga Sarabia/Theresa Chen) To approve the Day Care Services policy, Supported Living Services policy, Adult Day Programs policy and Transportation policy as corrected. Unanimous.

Gloria W. shared with the Board correspondence received from DDS dated May 5, 2011. The correspondence is related to the presentation provided to the Board by Joyce Miramontes, Community Services Specialist, requesting a waiver which would allow the flexibility in the age of people living within a certified Family Home Agency (FHA). DDS has approved the request.

VII Committee Reports

A. Vendor Advisory Committee

Tammy Bachrach, VAC representative was not present therefore no report was provided.

B. Consumer Advisory Committee

Miguel Lugo, CAC Chairperson, was not present therefore no report was provided.

C. Family Advisory Committee

Felicitas Navera was unable to attend the meeting but provided Olga Sarabia with notes for the meeting. The report references a comment which came from the FAC about the Transportation Policy.

D. Finance Committee

There was no Finance Committee scheduled, therefore there was no report.

VIII Miscellaneous Announcements

There were no announcements.

IX Adjournment

There being no further business to discuss the general board meeting was adjourned at 7:35 P.M.

X Executive Session

An Executive Session was called to order at 7:40 P.M. to discuss a personnel matter.

The Executive Session was adjourned at 8:10 P.M.

Respectfully submitted by:

**Pat Gomez, Vice Chairperson for
Felicitas Navera, Secretary**

Recorded by: Rosalie M. Estrada, Executive Assistant