

North Los Angeles County Regional Center  
**Administrative Affairs Committee Meeting Minutes**  
February 27, 2013

**Present:** Yolanda Bosch, Craig Girard, Jenean Glover, Sharoll Jackson, Eric Leh, and Katie Mead – Committee Members  
Ken Lane - Vendor Advisory Committee Representative  
Roger Bulosan – Lautze & Lautze (via teleconference)  
Diane Ambrose, Jennifer Kaiser, Michele Marra, Vini Montague, Kim Rolfes, and George Stevens – Staff Members

**Absent:** All present

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**I. Call to Order & Introductions**

Craig Girard, treasurer, called the meeting to order at 6:01 p.m.

**II. Public Input** – There was no public input.

**III. Consent Items**

**A. Approval of Revised Agenda**

Item I.E.5. was added to the agenda. The agenda was approved as modified.

**B. Approval of Minutes from January 30<sup>th</sup> Meeting**

M/S/C (S. Jackson/E. Leh) To approve the minutes as presented.

**IV. Committee Business**

**A. Presentation: Annual Review of IRS Form 990 (Lautze & Lautze)**

It is required by law for the board to review the center's completed Return of Organization Exempt from Income Tax (990) form each year. Copies of the center's completed form were provided to everyone present and Roger Bulosan, with Lautze & Lautze, reviewed it with them page-by-page.

**M/S/C** (S. Jackson/J. Glover) To authorize Lautze & Lautze to present the center's finalized IRS Form 990 at the March 13<sup>th</sup> board meeting and to recommend that the board accept the form as presented.

**Action:** Roger Bulosan will present the center's completed IRS Form 990, in person, at the March 13<sup>th</sup> board meeting.

## **B. Financial Report for January 2013**

The financial report showed that the operations budget is \$34,411,880 with projected expenses in the same amount, leaving no surplus or deficit. The purchase of service (POS) budget is \$237,936,991 with projected expenses of \$268,188,377, leaving a deficit of \$30,251,386 in the worst case (\$25,644,816 deficit in the best case). The family resource center budget is \$122,721 for a total budget of \$272,471,592.

Per trailer bill language, regional centers must spend no more than 15% of their budget on administrative costs. Year to date, the center's current administration operating expenses are at 12.3%, with direct care expenses at 87.7%, so we are in compliance with the trailer bill language.

1. Behavioral Services Report (*deferred*)
2. Cash Flow Update/Letter to Terri Delgadillo

DDS owes the center funding for the current fiscal year and the 3 previous fiscal years. In addition, the center is carrying nearly \$1.8 million in outstanding receivables due to us from ICF providers through ICF/SPA. At this point in time, if the center does not receive any additional contract allocations, we anticipate that we will not have sufficient cash to pay March 2013 state claims (paid in April 2013). We would need to borrow \$14.3 million from our \$22 million credit line to pay these claims. The cost of borrowing would be \$1,375 per day or \$41,250 per month. Kim drafted a letter to Terri Delgadillo, director of DDS, explaining the center's pending cash flow crisis and requesting additional payments on the center's outstanding contracts. Attached to the letter was a letter that the center will be sent to consumers, family members, and providers in mid-March, unless we receive additional funding.

**M/S/C** (Y. Bosch/S. Jackson) To recommend to the Executive Committee to authorize sending the letter to DDS, as presented, on behalf of the Board of Trustees.

**Action:** If George does not hear back from DDS within the week, he will contact Terri Delgadillo directly.

**Action:** If the center does end up having to send a letter to consumers, families, and providers, the committee would like the letter sent to

consumers to be easier to understand. The letter should also be translated into Spanish.

3. 2<sup>nd</sup> Quarter Financial Graphs

Copies of the graphs were provided and reviewed. The graph showed no surplus or deficit in July or August because DDS had not provided centers with their POS allocations yet. Starting in September, the projected POS deficit was between \$19 million and \$25 million, which continued to increase in October and November. The graphs now reflect a projected POS deficit between \$25.6 million and \$30.2 million as of December 31<sup>st</sup>.

4. ARCA's Summary of Regional Center Expenditures

Copies of this report were provided to everyone present and Kim reviewed it with them. The 21 regional centers are projecting a collective POS deficit for this fiscal year between \$285.9 and 314.3 million (an increase since the last report). These figures are based upon the Sufficiency of Allocation Reports (SOARs) that the regional centers submitted to the Department of Developmental Services (DDS) on January 10, 2013. This report shows where each regional center is in relation to one another's POS budgets. NLACRC has the second highest projected deficit, behind San Andreas Regional Center.

5. ARCA Annual Family Program Fee (AFPF) Survey Report

ARCA produced a report summarizing the total number of AFPF assessments conducted by regional centers for FY 2011-12 and the first half of FY 2012-13. Copies of the ARCA report were provided and reviewed by the committee. The total number of AFPF assessments completed during FY 2011-12 was 15,415 and the total number of AFPF assessments completed during the first half of FY 2012-13 was 3,868, for a grand total of 19,283 AFPF assessments. Further, regional centers had assessed \$1,885,300 in total AFPF fees during FY 2011-12 and \$479,000 in AFPF fees during the first half of FY 2012-13. During FY 2011-12, NLACRC conducted 2,861 of the total assessments or 18.56% of the statewide total. It was also noted that 9 regional centers, including NLACRC, have not yet begun conducting the AFPF assessments for FY 2012-13. Kim reported that the accounting staff person responsible for conducting AFPF assessments retired during the latter part of 2012, but that NLACRC had recently hired new accounting staff person to perform

this function; and that accounting staff was scheduled to begin conducting AFPP assessments for FY 2012-13 in March 2013.

6. 2<sup>nd</sup> Quarter Report on PRMT Transactions

During the 2<sup>nd</sup> quarter, the center paid \$4,662.29 in ongoing fees and \$9,304.35 in investment management fees for a total of \$13,966.64. Year to date, the center has paid \$27,765,87 in fees to maintain the trust. Attached to the report was an explanation of the trust fees and how they are calculated.

**C. Late Bill Report for January 2013**

Copies of the current late bill were provided. Vini reported that late bills are running about 20% which is normal for this time of year.

**D. ICF/SPA Summary for January 2013**

Copies of the ICF/SPA billing summary were provided. The outstanding balance due to NLACRC from intermediate care facility (ICF) providers is \$535,276.72. The outstanding balance due to ICF providers from DDS is \$1,278,046.97. The total outstanding ICF receivable due to NLACRC related to the ICF state plan amendment (SPA) program is \$1,813,323.69. The delay in payment to NLACRC for services will impact our cash resources and may result in NLACRC needing to access our credit line as we approach the end of the fiscal year.

**E. Contracts for Approval**

Kim reviewed the following 5 independent living service (ILS) contracts with the committee. She is asking that the committee recommend that the Executive Committee approve them, on behalf of the Board of Trustees.

1. Journey to Independence

**M/S/C** (K. Mead/J. Glover) To recommend the Executive Committee approve the contract with Journey to Independence, as presented, on behalf of the Board of Trustees.

2. Future Transitions

**M/S/C** (Y. Bosch/E. Leh) To recommend the Executive Committee approve the contract with Future Transitions, as presented, on behalf of the Board of Trustees.

3. Build Rehabilitation

**M/S/C** (Y. Bosch/J. Glover) To recommend the Executive Committee approve the contract with Build Rehabilitation, as presented, on behalf of the Board of Trustees.

4. The Adult Skills Center (TASC)

**M/S/C** (Y. Bosch/S. Jackson) To recommend the Executive Committee approve the contract with The Adult Skills Center, as presented, on behalf of the Board of Trustees.

5. Passport to Learning

**M/S/C** (S. Jackson/K. Mead) To recommend the Executive Committee approve the contract with Passport to Learning, as presented, on behalf of the Board of Trustees.

**F. Human Resources**

1. Activity Summary for February 2013

Copies of the summary were distributed and reviewed. The summary included the following current information:

1.	FY 2012-13 authorized positions	414
2.	Authorized positions on hold (not to be filled)	-35
3.	Active authorized positions	379
4.	Active positions filled	-368
5.	Open positions vacant	11
6.	<u>Monthly hiring activity</u>	
	▪ Vacant positions: 19	
	▪ Separations: 1	
	▪ New hires: 9	

The current annual turnover rate is 0.02%.

**V. Items for the Next Board Meeting Agenda**

The following items were identified for next month's board meeting agenda:

- A. Minutes of February 27<sup>th</sup> Meeting
- B. Financial Report for January 2013
- C. 2<sup>nd</sup> Quarter Financial Graphs
- D. Presentation: Annual Review of IRS Form 990
- \* E. Approval of the Completed IRS 990 Form

**VI. Announcements / Information**

**A. Complete Meeting Evaluations**

Craig asked the committee members to please complete evaluation forms after the meeting and submit them to him with any comments.

**B. Next Meeting:** *Thursday*, March 28<sup>th</sup>, at 6:00 p.m.

**VII. Adjournment**

Craig adjourned the meeting at 7:10 p.m.

Submitted by,

*Jennifer Kaiser*

Jennifer Kaiser  
Executive Assistant

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