

North Los Angeles County Regional Center
Administrative Affairs Committee Meeting Minutes
October 24, 2012

Present: Yolanda Bosch, Craig Girard, Jenean Glover, Sharoll Jackson, Eric Leh, and Katie Mead – Committee Members
Ken Lane - Vendor Advisory Committee Representative
Diane Ambrose, Jennifer Kaiser, Michele Marra, Vini Montague, Kim Rolfes – Staff Members

Absent: All present

I. Call to Order & Introductions

The meeting was called to order by Craig Girard, treasurer, at 6:15p.m.

II. Public Input

Ken announced that The Adult Skills Center will be celebrating its 25th anniversary with a celebration at the Sportsmen’s Lodge in Studio City on Thursday, November 1st. They are also honoring Assembly Member Bob Blumenfield at their event for his exemplary work on behalf of people with developmental disabilities.

III. Consent Items

- A. Approval of Revised Agenda**
- B. Approval of Minutes from September 27th Meeting**

The revised agenda and the minutes were approved as presented.

IV. Committee Business

- A. Rent Allocation Issue – *Deferred***
- B. Review the Regional Center’s Contract with the Department of Developmental Services (DDS)**

Kim provided the committee with an overview of the changes between our contracts with DDS between last fiscal year and this fiscal year. New contract language was added that states, “No funding will be expended on out-of-state services unless approved by the state.” Ken Lane questioned if this contractual change would apply to travel provided by supported living service workers for

consumers wishing to travel out-of-state or out of their community. Kim reported that both regulations and statute included the term “community” however they do not define this term. Kim added that the center is currently seeking a legal opinion on consumers who travel “out of their community.”

C. Status Report on Lease Agreements

Kim provided a report on the lease agreements for all 3 of the center’s offices.

1. San Fernando Valley office: The lease does not expire until February 29, 2020, but we have the option to terminate the lease or extend it. The monthly rental cost is currently \$156,898.34 (\$2.23 per square foot).
2. Antelope Valley office: The lease does not expire until May 31, 2021, and we also have the option to terminate the lease or extend it. The monthly rental cost is currently \$16,334.00(only \$0.80 per square foot!).
3. Santa Clarita Valley office: The lease will expire on July 31, 2013. At the time we originally negotiated the lease, the rates were at the top of the market. Our real estate broker believes we can do better, therefore we are exploring other options. The monthly rental cost is currently \$29,019.22 (\$2.70 per square foot; 10,743 square feet).

D. Review Committee’s Action Log from FY 2011-12

All of the actions taken by the board and its committees are recorded. Logs of these actions are provided on an annual basis to each committee for their review and information. The logs show each committee’s work product from the previous fiscal year. It also provides committee members with the opportunity to make sure all of the actions they wanted taken were accomplished.

E. Financial Report for September 2012

The financial report showed that the operations budget is \$33,461,002 and the purchase of service (POS) budget is \$229,540,620. The family resource center budget is \$122,721 for a total budget of \$263,134,343. We will not have a projection of our POS expenditures until we complete our Sufficiency of Allocation Report (SOAR) which is due to DDS on November 15th.

We are also still projecting a \$2.3 million deficit for FY 2011-12 which DDS has not covered. If we have not received funds from DDS to cover this deficit by next month, we will send them a letter.

Kim also provided the committee with the newest component of the financial report which shows the percentage of the center's administrative and direct care costs. 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 12.8%, with direct care expenses at 87.2%, so we are in compliance with the trailer bill language.

Conversation ensued about the cuts that have been made to the regional centers' budgets over the past 10 years and the fact that these cuts were never restored. Also of concern are the rate freezes and payment reductions of our service providers. And with expenses that continue to grow for regional centers and providers. We need to be proactive and be part of the solution.

Action: Taking action in response to the budget cuts, rate freezes, and payment reductions will be discussed at a future Executive Committee meeting.

F. Late Bill Report for September 2012

Copies of the late bill report were provided to the committee. There is nothing unusual about this month's report. And since the center implemented an electronic billing process, service providers are submitting their billings in a more timely manner.

G. Human Resources Activity Summary for October 2012

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

1.	FY 2012-13 authorized positions	412
2.	Authorized positions on hold (not to be filled)	-37
3.	Active authorized positions	375
4.	Active positions filled	-345
5.	Open positions vacant	30
6.	Monthly hiring activity:	
	▪ Vacant positions + 31	
	▪ Separations: + 3	
	▪ New hires: - 4	

The current annual turnover rate is 0.07%.

H. Contract for Approval

1. Focus Educational Programming Specialists: This is a payment agreement with a brand new service provider to establish the rate of reimbursement for behavior management services. The contract will become effective on November 14, 2012 and its total annual cost is \$644,688.

M/S/C (Y. Bosch/J. Glover) To recommend to the Board of Trustees to approve the center's contract with Focus Educational Programming Specialists.

I. DDS Final Audit Report

We recently received the results of the audit DDS conducted on the period July 1, 2009 through June 30, 2011. Copies of the audit results were provided to the committee for their review. There were only 3 findings (all fairly minor):

1. In 18 instances, the center over or under claimed expenses to the state. The total overpayment was \$6,941.18 and the total underpayment was \$367.56. NLACRC disagreed with \$704.90 of the overpayment findings and provided supporting documentation to DDS, with which DDS agreed in the final audit report. Additionally, NLACRC resolved \$6,153.50 of the overpayments and all of the underpayments, which was reflected in the final audit report. The remaining overpayment balance of \$82.78 was recovered from the vendor and reimbursed to DDS subsequent to the final audit report. The overpayment/underpayment findings have been fully resolved.
2. DDS sampled 25 Family Cost Participation Program (FCPP) assessments and found that NLACRC was late in performing 7 of the assessments. NLACRC is providing training to service coordinators to reinforce its FCPP procedures. Additionally, DDS found an overpayment in FCPP share of cost of \$755.66 as the result of one of the late FCPP assessments. Kim reported that we are attempting to recover the overpayment from the family member.
3. DDS found one vendor that is paid by contract and there was \$50,215.76 in POS expenses that was not tied to consumers' Unique Client Identification (UCI) numbers. NLACRC has taken corrective action by creating zero dollar authorizations for consumers receiving services under the contract authorization. NLACRC provided documentation to DDS to demonstrate the zero dollar authorizations, which was reflected in DDS's final audit report.

As required by trailer bill language, the center's audit findings were posted on our website.

J. Intermediate Care Facility/State Plan Amendment (ICF/SPA) Collections Report

This is a new report for the committee and it will be presented to them each month. The payment process for the ICF/SPA is we bill DDS, DDS bills the feds, the feds send the payment to DDS, DDS pays the ICF, and then the ICF pays us. The ICFs are required to pay us within 30 days of receiving payment from DDS, however if they are late it causes a cash flow issue for us. Our ICF/SPA billing is currently around \$650,000 per month, which is about \$8 million per year. We sent a letter to our ICF providers informing them that if they fail to reimburse us within the 30 day requirement, we will have to instruct DDS to offset the outstanding amount from their Medi-Cal payments. Although we project we have sufficient cash resources through January 2013, the ICF payment process, combined with possible delays in federal reimbursements to DDS, may cause NLACRC to borrow from our bank in the late 3rd of early 4th quarter.

K. Disaster Recovery Report

As part of our contract with IBM, we conduct disaster recovery tests on an annual basis. We conducted a test last weekend and everything went well. Ken reported that his agency uses a company that logs all staff and client disaster/emergency information for only \$81 per year!

V. Items for the Next Board Meeting Agenda

- A. Minutes of the October 24th Meeting
- B. Financial Report for September 2012
- * C. Contract for Approval (Focus Educational Programming Specialists)

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:** Wednesday, November 28th, at 6:00 p.m.

VII. Executive Session (Quarterly Legal Update)

The committee went into executive session at 7:26 p.m.

VIII. Adjournment

Craig adjourned the meeting at 7:42 p.m.

Submitted by,

Jennifer Kaiser

Jennifer Kaiser
Executive Assistant

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* Action item for the board.