

North Los Angeles County Regional Center  
**Administrative Affairs Committee Meeting Minutes**

January 27, 2016

**Present:** Dan Becerra (via teleconference), Dorothy Daniels, Jenean Glover, Debra Newman, Lou Paporozzi, and Sean Stalbaum – Committee Members  
Roger Bulosan, Lautze & Lautze  
Ken Lane – Vendor Advisory Committee Representative  
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**

Lou called the meeting to order, for Dan, at 6:15 p.m.

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

**III. Consent Items**

A. Approval of Revised Agenda

**M/S/C** (D. Newman/D. Becerra) To approve the revised agenda as presented.

B. Approval of Minutes from November 24<sup>th</sup> Meeting

**M/S/C** (D. Becerra/D. Daniels) To approve the minutes as presented.

**IV. Committee Business**

A. Presentation of Draft Audited Financial Statements by Lautze & Lautze

Roger Bulosan, director of clients services for Lautze & Lautze, presented the draft audited financial statement to the committee. The center received another excellent audit with no material weaknesses or findings.

1. Executive Session

The committee went into executive session, after all staff left the room, to have the opportunity to discuss the audit with Mr. Bulosan without the presence of management.

**M/S/C** (D. Daniels/S. Stalbaum) To go into executive session at 6:42 p.m.

The executive session ended at 7:01 p.m. and the meeting resumed.

**M/S/C** (D. Daniels/D. Newman) The Administrative Affairs Committee is recommending an action of the Board of Trustees to accept the center's FY 2014-15 audited financial statement, as presented.

B. Financial Report

For this fiscal year, the center's operations budget is \$40,194,737 with no projected surplus or deficit. The purchase of service (POS) budget is \$324,916,385 with expenses of \$344,531,857, leaving a projected deficit of \$19,615,472 (in the worst case). The second page of the financial report shows the center's administrative operating costs vs. the direct operating costs for the current month and year to date. Year to date, the center's operating costs are at 12.4%, which is under the 15% cost cap.

1. FY 2013-14 Cash Flow Update

The Department of Developmental Services (DDS) has contacted NLACRC in regards to its remaining FY 2013-14 contract balance in operations. A conference call with DDS has been scheduled for tomorrow to discuss our outstanding contract balances that the regional center may not have encumbered in order to resolve allocation shortfalls at other regional centers. Currently, NLACRC has encumbered approximately \$3.2 million from FY 2013-14 operations to fund our relocation costs to Oakdale and to contribute to our Post-Retirement Medical Trust.

C. ARCA Purchase of Service (POS) Expenditure Report

According to the report, 17 of the 21 regional centers are projecting a POS deficit for this fiscal year which collectively ranges between \$43.4 and \$85.4 million. This report also shows where each regional center is in relation to one another's POS budgets in the following categories:

1. Projected POS deficit: NLACRC is 3<sup>rd</sup>
2. Per capita by allocation: NLACRC is 13<sup>th</sup>
3. Per capita by expenditures: NLACRC is 12<sup>th</sup>
4. Percent deficit to contract: NLACRC is 3<sup>rd</sup>
5. Percent change to original SOAR: NLACRC is 14<sup>th</sup>

D. Late Bill Report

The late bills are currently running at about 17.23% which is not unusual.

E. Intermediate Care Facility (ICF) State Plan Amendment (SPA) Summary

By fiscal year, the amount of cash disbursed by NLACRC but not reimbursed by ICF providers is:

1. FY 2015-16: \$2,026,501
  2. FY 2014-15: \$ 75,625
  3. FY 2013-14: \$ 39,231
  4. FY 2012-13: \$ 19,022
- Total: \$2,160,379

F. Approval of Contracts

1. Summary of Contracts Related to Minimum Wage, Paid Sick Leave, and 5.82% Increase

The Board of Trustees had authorized officers of NLACRC to execute contracts that were for the purpose of increasing provider rates due to minimum wage, paid sick leave, or 5.82% increase to comply with changes to the Fair Labors Standards Act. Kim provided the committee with a list of the contracts that had been executed, for the above purpose, over the past month.

2. Devereux (Texas)

Years ago, LAUSD placed on of our consumers in a residential facility located in Texas. As this consumer approached adulthood, the center should have been aware of it and prepared for the consumer's transition back to California. Unfortunately, the center did not prepare for the consumer's transition and currently there is no viable residential option for the consumer in California as she has very complex needs. NLACRC did seek CPP start-up funding to develop a facility to meet the consumer's needs, however, the CPP funding was not approved. The parent of the consumer filed an appeal with the Office of Administrative Hearings in order to continue funding the consumer's services in Texas. During the administrative hearing, NLACRC agreed to submit a request to DDS to fund the consumer's placement in Texas. NLACRC submitted a request to DDS who agreed to fund both the residential and day services for this consumer for the period June 2014 through February 2016. The statute provides that DDS may only approve out-of-state funding in 6-month

intervals. At this time, the value of the out-of-state funding is under \$250,000. However, we anticipate that DDS will approve another 6-month interval, at which point the value of the contract will exceed \$250,000 and require board approval. Kim reported that if DDS approves the next 6-month interval as expected, she will be presenting a first amendment for the services for review and recommendation by this committee.

3. CPI Network Support

Kim presented a contract with Computer Products, Inc. (CPI) which provides technical support services to the center's IT department. The original estimate for this agreement was \$199,600, but due to the center's increased needs for their services, it is now valued at \$436,156.

**M/S/C** (D. Newman/D. Daniels) To recommend to the Board of Trustees to approve the contract with CPI, as presented.

**Action:** Kim will find out how large of a company CPI is and report that information back to the committee at their next meeting.

G. Oakdale Property Update

An anonymous complaint was made to DDS that our new office is not "centrally located" for the center's staff and consumers. We explained to DDS that we conducted extensive research and analysis in selecting the location for our new office. The new location is safer, larger, provides adequate parking, and is cost-effective. Also, we have hired an architect, and engineer, and a general contractor. Senior management will begin looking at the floor plans to discuss details. So far, everything is going very smoothly.

**Action:** The committee asked for a monthly progress report on the move to be added to their monthly meeting agendas, until the move is complete.

H. Audits

1. State Controller Office Audit of Regional Centers

The State Controller's Office has randomly selected 6 regional centers to review their state claims processes. The purpose of the audit is to verify that controls and procedures are in place to ensure that the amounts billed to the State Controller's Office are supported by source documents. NLACRC was not one of the centers selected for an audit.

2. JLAC Audit of In-Home Respite Providers

The Joint Legislative Audit Committee (JLAC) is statutorily charged with ascertaining facts and making reports and recommendations to the legislature concerning the State, its agencies, departments, and political subdivisions. In carrying out these duties, the JLAC reviews requests for audits by the legislature, establishes priorities among the requests for audits, and approves the audit requests. Assembly Member Santiago has made a recommendation to audit the rate-setting policies and expenditures related to in-home respite services administered by DDS.

I. Service Provider Updates

1. Reverted Funds: NLACRC reverted \$150,000 in CPP start-up funds from FY 2013-14 to develop a day program and \$200,000 from FY 2014-15 to develop a specialized residential facility. The 2 CPP projects could not be completed because the maximum ongoing rate that NLACRC could offer was not sufficient to cover the costs of operating these programs and services.
2. Inland Regional Center (IRC) Vendor: IRC contacted NLACRC to request a courtesy vendorization of a company located in the Santa Clarita Valley. The company provides GPS tags that can be stitched into clothing to track the location of people to tend to wander or who may get lost. NLACRC provided the courtesy vendorization to IRC as requested, however, we see this as a civil rights issues and have not made the company an available service to our consumers and families.

J. Human Resources

1. Monthly Report

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

1.	FY 2015-16 authorized positions	446
2.	Open positions on hold	-1
3.	Open positions vacant	-39
4.	Separations	-4
5.	Sub-total	402
6.	New hires	9
7.	Positions filled	411

The current annual turnover rate is 0.08%.

2. 2<sup>nd</sup> Quarter Report

During the 2<sup>nd</sup> quarter of this fiscal year, the center had no positions on hold, 19 new hires, 4 promotions, and 16 separations for a quarterly turnover rate of 0.11%.

K. Central Valley Regional Center Audit

The California Public Employees Retirement System (CalPERS) recently audited CV Regional Center and found that they were out of compliance in several areas. We have reviewed our processes and have determined that we are compliant in all areas, with the exception of pay schedules and special compensation.

1. Pay Schedules

**M/S/C** (D. Daniels/J. Glover) To recommend to the Board of Trustees to approve the center's salary schedule documents (Report of Personnel Classifications) for all employees for the last 5 years; the most recent Report of Personnel Classification can then be posted on the center's website.

2. Special Compensation

The Board of Trustees also needs to approve special compensation (Bilingual pay) for all classes of employees for March 1, 2015 through February 28, 2019 and October 1, 2009 through September 30, 2014 for union members and the Bilingual Policy for confidential employees as the documents that identify special compensation (bilingual pay).

**M/S/C** (J. Glover/D. Daniels) To approve the special compensation language, as presented, and to present it to the Board of Trustees for their approval.

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

The following items were identified for the committee's section of the February 10<sup>th</sup> board meeting agenda:

- A. Minutes of January 27<sup>th</sup> Meeting
- B. Financial Report

- C. Contract with Devereux (Texas)
- D. Summary of Contracts for Minimum Wage, Paid Sick Leave, and 5.82% Increase
- E. 2<sup>nd</sup> Quarter Human Resources Report
- F. Presentation and Acceptance of the Audited Financial Statement
- G. Approval of Contract: CPI Network Support
- H. Central Valley Regional Center CalPERS Audit

## **VI. Announcements/Information/Public Input**

### A. Complete Meeting Evaluations

Lou asked the committee members to complete evaluations after the meeting and submit them to him with any comments.

### B. Next Meeting: Wednesday, February 24<sup>th</sup>, at 6:00 p.m.

## **VII. Executive Session**

- A. Quarterly Legal Update
- B. Whistleblower Annual Summary for FY 2014-15
- C. Staff Salaries

**M/S/C** (J. Glover/D. Daniels) To go into executive session at 8:26 p.m.

## **VIII. Adjournment**

Lou adjourned the meeting at 8:41 p.m.

Submitted by,

*Jennifer Kaiser*

Jennifer Kaiser  
Executive Assistant

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