

North Los Angeles County Regional Center
Administrative Affairs Committee Meeting Minutes

January 25, 2017

Present: Dan Becerra, Jenean Glover (via teleconference), Debra Newman, Lou Paparozzi, and Todd Withers – Committee Members
Tony Arrow - Guest
Orli Almog – VAC Representative
Diane Ambrose, Jennifer Kaiser, Michele Marra, Vini Montague, Kim Rolfes, and George Stevens – Staff Members

Absent: Bridget Moss

I. Call to Order & Introductions

Dan Becerra, treasurer, called the meeting to order at 6:30 p.m.

II. Public Input – There was no public input.

III. Consent Items

- A. Approval of Revised Agenda
- B. Approval of Minutes from November 30th Meeting

M/S/C (D. Newman/L. Paparozzi) To approve the revised agenda and minutes as presented.

IV. Committee Business

- A. Presentation of Draft Audited Financial Statements (Tony Arrow)

Tony Arrow, of Marcum Accountants and Advisors, reviewed the draft audited financial statement for FY 2015-16 with the committee. The statement included three (3) audit reports: 1) financial statements; 2) internal controls; and 3) compliance with major federal awards. The center received another excellent financial audit with no material weaknesses or findings. However, Marcum identified one non-compliance audit finding in regards to the fact that out of 40 Individual Family Service Plan (IFSP) records sampled, 2 of them were not in compliance with the statutory six month review requirement. After the presentation, staff left the room for about 10 minutes so the committee had the opportunity to discuss the audit without the presence of staff. The audited financial statements will be presented to the full board at the February 8th board meeting.

M/S/C (L. Paparozzi/D. Newman) To recommend to the Board of Trustees to accept the audited financial statement for FY 2015-16 as presented.

B. Financial Report

The center's operations budget is currently \$48,909,218 with no surplus or deficit projected. The purchase of service (POS) budget is \$376,848,143 with a projected deficit of just over \$8 million. Year to date, the center's operating costs are at 13.0%, which is under the 15% cost cap.

C. ARCA Purchase of Service (POS) Expenditure Report

According to the most recent report, dated January 10th, 8 of the 21 regional centers are projecting a potential POS surplus (in the best case) for this fiscal year; the other 16 regional centers are projecting POS deficits. The total statewide deficit is between \$8.6 and \$43.8 million. The 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 3rd
2. Per capita by allocation: NLACRC is 11th
3. Per capita by expenditures: NLACRC is 12th
4. Percent deficit to contract: NLACRC is 8th
5. Percent change to original SOAR: NLACRC is 9th

D. 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 2016-17: \$2,387,483
 2. FY 2015-16: \$ 556,338
 3. FY 2014-15: \$ 17,272
 4. FY 2013-14: \$ 8,833
- Total: \$2,969,926

This is an increase of \$29,768 since last month's report.

E. Contracts

1. Contracts for Review and Recommendation

a. Le Foyer, Inc.

M/S/C (L. Paparozzi/D. Newman) To recommend to the Executive Committee to approve the contract with Le Foyer, Inc., as presented.

b. Larry Wong

M/S/C (D. Newman/L. Paparozzi) To recommend to the Board of Trustees to approve the contract with Larry Wong, as presented.

2. Executed Contracts by NLACRC

- a. The Office Relocation
- b. AB 1522 (Sick Leave)
- c. Minimum Wage Increase
- d. 5.82% Rate Increase
- e. AB X2-1
- f. Devereux Foundation

Kim provided a report on the above listed contracts which have been executed by NLACRC.

F. Human Resources Reports

1. Monthly Summary

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

1.	FY 2016-17 authorized positions	477
2.	Open positions on hold	-0
3.	Open positions vacant	-46
4.	Separations	-6
5.	Sub-total	425
6.	New hires	4
7.	Positions filled	429

Michele added that we have received 52 applications for the deputy director position; 5 of which meet the minimum requirements. We had 5 promotions in January. In February, we are projecting 3 new hires so far,

but in March, we are projecting 10 new hires (9 of which are service coordinator positions).

2. FY 2016-17 2nd Quarter Report

During the 2nd quarter of this fiscal year, the center had 0 positions on hold, 18 new hires, 0 promotions, and 12 separations for a quarterly turnover rate of 0.08%.

G. Family Home Agency (FHA) Draft Audit Report

The center has two (2) FHAs: Free to Be and Community Options, Inc. DDS audits FHAs every 2 years to make sure they are in compliance with regulations. The results of the audits for the period September 1, 2014 to September 30, 2016 were provided to the committee and reviewed. These 2 service providers were in compliance in 7 areas, but out of compliance in 6 areas. Kim reviewed each of the audit findings reported by DDS with the committee.

Action: The committee would like the board to be given a presentation on FHAs.

H. FY 2015-16 Annual Statement Update

Each year we send statements to our consumers and families that list the services they were provided during the year and how much those services cost. The statements were sent during November 2016. However, it was brought to our attention that although the dollar amounts were accurate, the units of services were inaccurate. In researching the issue, the center found that any time a service provider received a rate increase (example, minimum wage, ABX2-1, etc.) the units of services utilized to calculate the rate increase amount was being incorrectly included in the total number of service hours provided to the consumer. The issue has been corrected, and the center plans to issue a revised FY 2015-16 annual statement to consumers and families.

I. Request for Proposals (RFP) for CPA Firm Update

The center posted the RFP for a CPA firm on our website and sent out 16 letters to CPA firms who either had expressed an interest in serving our regional center or who were currently serving other regional centers. The center received 4 proposals by the January 23rd RFP deadline and 1 CPA firm sent a letter stating that they were not interested in participating in the RFP process. The next step is for the selection committee to review the proposals, score them, and then

schedule interviews with the applicants who are selected to move forward in the process. Regional centers are required by statute to change CPA auditing firms every 5 years.

J. Payment Error Rate Measurement (PERM) Audit

The center was randomly selected by California's Department of Health Care Services for an audit to make sure no erroneous payments were made in the Medicaid programs. Copies of the audit notification letter were provided to the committee for their information.

V. Items for the Next Board Meeting

The following items were identified for the committee's section of the February 8th board meeting agenda:

- A. Minutes of the January 25th Meeting
- B. Financial Report
- C. 2nd Quarter Human Resources Report
- D. Approval of Contract: Larry Wong
- E. Acceptance of FY 2015-16 Audited Financial Report
- F. Board Presentation on Family Home Agencies (FHAs)

VI. Announcements/Information/Public Input

- A. Next Meeting: Wednesday, February 22nd, at 6:00 p.m.

VII. Executive Session

- A. Quarterly Legal Update

M/S/C (L. Paparozzi/D. Newman) To go into executive session at 8:22 p.m.

VIII. Adjournment

Lou adjourned the meeting at 8:44 p.m.

Submitted by,

Jennifer Kaiser

Jennifer Kaiser
Executive Assistant

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