

North Los Angeles County Regional Center – Special Contract Language

Article X to Contract (Contract Agreement Number HD199012E, 6/1/2019 though 6/30/2026)

The following is Special Contract Language (SCL) executed between the State and Contractor, and is intended to address continued concerns and deficiencies identified at the North Los Angeles County Regional Center (regional center). To remedy these deficiencies, Contractor agrees to comply with the below special contract terms as authorized by Welfare and Institutions Code section 4635 (b). The State requires Contractor to sustain the SCL, and to keep the State informed of progress on established goals and practices. This SCL is executed for this purpose.

I. Retention of Consulting Services to Assess Current Regional Center Operations and Provide Support for Future Operations

Contractor agrees to the following terms to remedy deficiencies pertaining to its regional center operations, stability, and staff development:

A. Retention of Consulting Services. By July 15, 2024, Contractor shall retain and enter into an agreement with the Columbus Organization for the purpose of providing consultation (consulting service) on workforce development, improving staff morale, stability of the executive team, developing appropriate boundaries between the regional center's Board of Directors (Board) and staff, strengthening the relationship between regional center executive staff, regional center staff, and the Board, ensuring delivery of services, providing training, and ensuring effective governance of the regional center.

B. Evaluation of Current and Ongoing Operations. Contractor shall work with the consulting service to assess the regional center's operational infrastructure, processes for how decisions are made by regional center management, implementation of the Lanterman Developmental Disabilities Services Act (Lanterman Act), workforce deficits, and commitment to the success of the organization. This includes, but is not limited to, evaluating policies and procedures, communication systems, complaint processes, training, and regional center executive staff versus Board roles and responsibilities. Contractor will work with the consulting service to develop a plan regarding assessment and proposed remediation of operational infrastructure issues within 90 days from when the consulting service is retained.

C. Assessment of Delivery of Regional Center Services. Contractor shall work with the consulting service in order to comply with the delivery of case management services by the regional center consistent with the requirements of the Lanterman Act. Contractor will work with the consulting service to establish strategies and measures to include, but not limited to, caseload ratios are significantly reduced and progress is made towards statutory compliance, ensuring case management activities align between staff duty statements/job descriptions, and that Lanterman Act values and requirements are being met. Contractor shall work collaboratively with the consulting service to assess the regional center's operations by utilizing measurable

data points and other information needed to achieve progress and intended outcomes. Data points are to include, but are not limited to, monthly data on service coordinator to consumer caseload ratios, workforce hiring and retention, compliance with Early Start and Lanterman Act intake and assessment timeline requirements, completion of IPPs as statutorily required, timely authorizations for services, and vendor payment timelines. Contractor will work with the consulting service to develop a plan regarding assessment and proposed remediation of regional center operational issues using measurable data points within 60 days from when the consulting service is retained.

II. Board Governance

Contractor agrees to have independent legal counsel to provide regular advice on Board governance, Board member conduct, assist with Board training, and assist with a review, and as necessary development and/or modification of Board policies.

Contractor's choice of legal counsel must be approved by the State. Contractor must provide the State with its proposed legal counsel within 30 days of execution of this Article. All training material prepared by legal counsel shall be submitted to the State for review and approval at least 14 days prior to the beginning of any training. All modification or formation of Board policies must be provided to the State for review and approval at least 14 days prior to implementation of any change.

Contractor also agrees to work with the State's Technical Assistance Team, which will provide technical assistance to the Board on various matters, including but not limited to: Board agenda and packets, training, governance questions, and compliance with the terms outlined in this Article as it pertains to Board specific requirements.

A. Legal Counsel and Contractor Requirements.

1. Review of Bylaws. Contractor and its legal counsel must review, and if necessary, revise Contractor's current bylaws, including any amendments to the Board's bylaws, to comport with current federal and state laws. Contractor shall ensure special attention is given to updating the portion of its bylaws that pertain to the composition and purpose of all Board members and Board committees. This above review and proposed revisions shall occur as promptly as possible, but no later than 180 days of execution of this Article. Once updated and revised, Contractor shall provide a copy of the updated bylaws to the State for review. The State shall be allowed to provide technical assistance on the updated bylaws prior to presentation and adoption by the Board. Once the updated bylaws are approved by the Board, Contractor is required to post the updated bylaws in a conspicuous location on its public website and describe the changes made to the bylaws.

2. Board Meeting Attendance. Contractor's legal counsel must attend, either in person or virtually, every monthly, annual, and special Board meeting to ensure that all meetings are conducted in accordance with applicable state and federal laws and the Contractor's bylaws. Board Members must make every effort to attend all required monthly, annual, and special Board and committee meetings in accordance with the Contractor's bylaws. Where a majority of the Board is present in person for a meeting, the Board's counsel shall be present in-person as well.

3. Board Meeting Packets. The Board shall work with the consulting service and the Board's legal counsel to ensure Board meeting packets are transparent, accessible, and that Board meeting documents are posted timely. The Board shall work with the consulting service to create a process for preparing agendas and ensuring materials are properly prepared and ready for timely distribution. The Board shall work with the consulting service to provide tailored assistance to all Board members so that they can effectively participate in meetings and review necessary materials, including the Board meeting packets.

B. Board Training.

1. Training for Board Members. Contractor and its legal counsel are required to develop a comprehensive, annual training plan for all individuals serving on the Board. The Board training plan shall include a training schedule, which must be submitted to the State for approval, as set forth in Article VII, Section 11 of this Contract. In addition, the training plan shall include training materials for the Board, which must be provided to the State for approval at least 90 days prior to the scheduled training. The training materials must encompass at least all the following topics: (1) overview of the current contract, including SCL, between Contractor and the State; (2) the Board's role and its responsibilities under the Lanterman Act; (3) the code of conduct or civility policy; (4) the state and federal laws applicable to operating a non-profit corporation; (5) maintaining appropriate boundaries between the role of Board and regional center staff; and (6) best practices related to Board governance, including but not limited to the Executive Director's role and responsibilities and the Board's role in providing goals for and oversight of the Executive Director, the composition and purpose of each board committee, distinctions between open and closed meetings, a code of ethics, conflict of interest requirements, community relations, and best practices related to fiscal oversight and accountability by a Board of Directors.

a. Every Board member is required to attend each training or make-up session.

b. Contractor is required to create and post on its website an attendance record for each training or make-up session and provide a copy to the State within 10 business days after each session is completed.

C. Board Policy and Procedures.

1. Review and Development of Board Policies and Procedures. Contractor and its legal counsel are required to review all existing Board policies within 120 days after execution of this Article. Contractor must also provide the State with copies of the Board policies within this 120 days. If revisions and/or updates to Board policies are required, Contractor shall provide the State with copies of proposed revisions for review and approval before any Board policy is updated or enacted.

Contractor must specifically develop new and/or amended Board policies and procedures, on at least the following topics: (1) Board governance; (2) the roles and responsibilities of the Board and each Board member, including a code of conduct or civility policy among and between Board members, regional center staff, and regional center consumers and families; (3) training requirements; (4) Board member recruitment, application and selection process; (5) requirements for Board spending and processes for execution of Operations-related contracts; (6) the respective roles of the Board, Board committees, and the Executive Director of the regional center; (7) whistleblower complaints; (8) anti-retaliation, and (9) conflicts of interest. All policies and procedures developed must comply with current state or federal laws and the Contractor's bylaws. The State may provide input and recommendations on the proposed policies and procedures prior to approval by the Board, except for the POS policy that is required under Welfare and Institutions Code section 4434 (d) to be approved by the State. Specifically, the Board's policies and procedures shall include or address the following matters:

a. *Board Governance and Roles and Responsibilities.* The policies and procedures shall set forth the roles and responsibilities of both the Board and the individual Board of Directors, including participation in Board committees. The policies must address the Board's legal duties of care, loyalty, and fiduciary obligations to the regional center as well as the statutory and contractual obligations specific to regional center boards. Contractor must also establish written duty statements and requirements of each Board position and committee.

b. *Board Code of Conduct or Civility Policy.* The policies and procedures shall set forth, with specificity, the Board's code of conduct policy and expectations, which must include an outline of steps and actions to be taken for violations of the Code of Conduct or Civility Policy.

c. *Board Training.* A policy and procedure mandating annual training requirements for each individual serving on the Board to be completed each calendar year. The training topics shall at least be those set forth under section II.B.1.

d. *Board Membership, Application Process, and Recruitment.* Policies and procedures pertaining to Board membership, recruitment, and selection shall comply with the Lanterman Act, including but not limited to Welfare and Institutions Code section 4622, which lists specific regional center board criteria. In addition, the policies and procedures must detail the recruitment, application and interview process to fill board vacancies.

e. *Board Spending and Contracts.* The policies and procedures must, at a minimum, address Board spending and set forth specific processes for obtaining approval of any Board spending and/or the execution of Board contracts through Operations funding. For Board spending or contracts that the Board seeks to incur or enter into prior to the implementation and approval of a Board Spending and Contracts policy, said expenses and/or contracts must be presented to

the State for approval no less than two weeks prior to the requested spending date (or entry into a contract if the Board seeks approval of a contract).

f. *Board/Executive Director Relationship.* The policies and procedures must, at a minimum, outline: (1) the Board's authority on oversight of the regional center pursuant to the Lanterman Act and non-profit corporation state law; (2) the responsibilities that the Board intends to delegate to the Executive Director in providing leadership and administration of regional center programs and services; (3) how the Board will support the Executive Director in the performance of their duties; and (4) how the Board will monitor and review the Executive Director's performance, provide compensation and benefits, and with what frequency.

g. *Whistleblower Complaints.* The policies and procedures regarding whistleblower complaints must be reviewed and revised to ensure compliance with applicable state and federal laws, and this Contract.

h. *Anti-Retaliation.* The policies and procedures prohibiting retaliation shall set forth the expectation and entitlement of an environment free of retaliation, protections for individuals who bring forward complaints to be free of retaliation, and steps taken to address allegations of retaliation.

i. *Conflicts of Interest.* The policies and procedures regarding conflicts of interest must be reviewed and revised to ensure compliance with applicable state and federal laws, and this Contract. The conflicts of interest policy shall outline both financial and non-financial conflicts of interest. The conflicts of interest policy shall also outline Board expectations to act in the best interests of the regional center and its consumers without regard to the interests of any other organization or persons to whom they are related or associated with.

D. Board of Directors Recruitment.

Contractor and its legal counsel, and if necessary, the consulting service, shall prepare a Board of Directors recruitment plan that complies with Contractor's bylaws.

1. Contractor is required to develop a formal recruitment plan and provide it to the State for approval within 120 days of the execution of this Article.

2. The recruitment plan must:

a. Include an assessment of the Board's current composition,
and

b. Identify desirable characteristics of new Board members based on that assessment, explicit search strategies as well as the interview and vetting process (e.g., timelines for interviews, interview panel, interview questions, ensuring no conflict of interest, etc.) and timelines for seating and onboarding new Board members.

E. Board of Directors Onboarding Plan.

To ensure that the Board and its committees have a clear understanding of roles and responsibilities, as well as to ensure support for healthy Board transitions in between Board terms, Contractor shall work with its independent legal counsel and the consulting service to develop a Board Onboarding Plan. All individuals serving on the Board, including the Executive Committee and Board committee members, shall receive onboarding following implementation of the Board Onboarding Plan, regardless of their role or tenure. The above-mentioned Onboarding Plan must be submitted to the State for review and approval within 120 days following execution of this Article.

III. Workforce Development

A. Plan of Action for Personnel and Workplace Requirements. The State is informed that Contractor has experienced high turnover for its Human Resources Director position. Contractor has not been successful in hiring and retaining service coordination staff resulting in extraordinarily high caseload ratios. High service coordinator to consumer ratios has a direct impact on staff's ability to support consumers and families. Contractor shall take the following steps to address workforce and workplace stability at the regional center:

1. Retains employment law counsel, or a human resources specialist, either of which must be approved by the State, to review all of the regional center's employment policies and procedures, to conduct and/or facilitate staff training, and to ensure current compliance with all state and federal laws.

2. With the support of the consulting service, execute the review, updating, or development of the regional center's employment policies and procedures to improve workplace culture, morale, and maintain a workplace environment that is free from discrimination and harassment. Contractor must ensure that the regional center develops, reviews, or revises its code of conduct and non-retaliation policies to allow transparency and submission of complaints to Human Resources without fear of reprisal.

3. With the support of the consulting service, develop a comprehensive plan for how the regional center will hire and retain sufficient service coordination staff to significantly reduce caseload ratios for all age groups.

Contractor shall submit its plan for workforce development to the State within 90 days of executing this Article describing how it plans to remediate the issues.

IV. Regional Center Culture and Community Relations

A. Enhancing Regional Center Culture. The State has identified serious concerns within the culture of the regional center. The State has been informed of community complaints regarding perceived Board insensitivity and unprofessional conduct, resentment and mistrust between the Board and regional center staff, and animosity among staff due to high caseloads and insufficient support by the Board and management. Contractor shall take immediate action to assess and remediate the

culture within the regional center and with its stakeholders to reinforce that the regional center's mission, vision, and actions are aligned with the principles of the Lanterman Act and instilled throughout the organization and its community.

B. Plan of Action Requirements to Improve Community Relationships.

Contractor must take swift action to address and remediate the culture within the regional center which has a perception that employees are discouraged from raising issues. Contractor must take action to promote respect by the Board toward regional center staff. Contractor must also take swift action to improve its relationship with the community, address and remediate the Board's relationship and communication with their stakeholders, such as the individuals served and their families, service providers and community members. Contractor shall develop a plan of action to identify issues and concerns and promote open communication. Contractor shall take steps to create a culture of professionalism throughout the regional center. At a minimum, Contractor shall develop a plan of action that includes the following:

1. Dissemination of board and regional center information;
2. Clear vision and values that are identified and communicated throughout the regional center;
3. Measurable goals and practices that support the vision and values of the regional center. Practices shall include general guidance pertaining to Board advocacy activities on behalf of regional center consumers;
4. Public relations plan;
5. Vendor and community trainings; and
6. Community engagement and stakeholder meetings.

Contractor shall submit to the State, for review and approval, its plan regarding improving community relationships to the State within no later than 120 days of executing this Article describing how it plans to remediate the issues.

C. Fiscal Management. Contractor is responsible for ensuring the integrity of the financial operations of the regional center and Board expenditures through use of the Operations budget, including accountability, reporting of revenues and expenditures, and carrying out its programs and functions in a fiscally responsible manner. Until such time Contractor demonstrates successful implementation of the financial objectives, annual fiscal audits shall be conducted by the State.

V. Executive Director Onboarding

A. Contractor Requirements. In onboarding a permanent Executive Director for the regional center, Contractor shall:

1. Develop a formal Orientation and Onboarding Plan for the incoming Executive Director, with the assistance of the consulting service, to ensure support for and development of a healthy leadership transition.

2. The above-mentioned Orientation and Onboarding Plan for the incoming Executive Director shall be submitted to the State for review and approval within 30 days from when the consulting service is retained. The State shall be permitted to provide its input on the plan after submission and prior to implementation.

VI. Regional Center Complaints

A. Contractor shall provide the State every 30 days starting the effective date of this Article, a report of whistleblower complaints received under Contractor’s Whistleblower Policy (Regional Center Whistleblower for Vendors, Contractors and Others). This report shall contain, at a minimum, the following information for each complaint submitted: (1) Date complaint received; (2) Complainant type, if known, for whistleblower complaints (e.g., regional center staff, service provider, community member, etc.); (3) Date acknowledgement of receipt was sent to complainant; (4) Nature of complaint; (5) Details of investigation; (6) Results of investigation; and (7) Corrective action taken, if applicable.

VII. State Meetings

A. Contractor shall meet with the State at the State’s request to assess Contractor progress in addressing identified performance issues and complying with the terms of this Article. The State may, at its discretion, schedule meetings more or less frequently than every 90 days and/or require Contractor to provide written updates.

STATE:

DocuSigned by:
Nancy Bargmann July 17, 2024
By: _____
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Nancy Bargmann, Director
Department of Developmental Services

CONTRACTOR:

DocuSigned by:
Ana Quiles July 15, 2024
By: _____
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Ana Quiles, Board President
North Los Angeles County Regional Center, Inc.