

North Los Angeles County Regional Center
Administrative Affairs Committee Meeting Minutes – Via Zoom
April 29, 2020

Present: Elena Burnett, Anna Hamilton, Lillian Martinez, Debra Newman, and Ana Quiles– Committee Members
Ruth Janka, Jennifer Kaiser, Michele Marra, Vini Montague, Kim Rolfes, and Jesse Weller – Staff Members

Absent: All present

I. Call to Order & Introductions

Ana Quiles, the board’s new treasurer, called the meeting to order at 6:58 p.m.

II. Public Input – There was no public input.

III. Consent Items

A. Approval of Revised Agenda

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

B. Approval of Minutes from the March 25th Meeting

M/S/C (E. Burnett/D. Newman) To approve the minutes as presented.

IV. Committee Business

A. FY 2019-20 Financial Report

The March 2020 financial report showed that the center’s operations budget for FY 2019-20 was \$55,978,293 and the purchase of service (POS) budget was \$499,080,326 for a total budget of \$555,058,619. We are projecting a deficit in our POS budget of \$2,820,913, which will be resolved by future allocations from the Department of Developmental Services (DDS). Our administrative operating expenses are 14.6% year to date, which is less than the 15% cost cap.

1. Change in PEP April 2020 vs March 2020:

Kim presented the report of the changes in the monthly Purchase of Service Expenditure Projection (PEP) report. The report showed that the center’s non-community placement plan (CPP) POS deficit increased by \$370,817 and that the CPP POS deficit decreased by (\$147,429). The

increase in non-CPP POS expenditures was due to increase in 1:1 supplemental residential support services, in-home respite, and personal assistance services, which was offset by an increase in the projected ICF/SPA revenue. The decrease in CPP POS deficit decreased due to changes in our projection of placements and ongoing costs for consumers exiting the developmental center, Canyon Springs, a STAR facility, or IMD facility. Kim reported that some of the changes in our POS projections were as result of the COVID-19 outbreak.

2. Statewide Regional Center POS Expenditure Projection Report: Copies of the April 10th report were provided. According to the report, 13 of the 21 regional centers are projecting a potential POS deficit for this fiscal year (including NLACRC), while the other 8 centers are projecting POS surpluses. In each chart, NLACRC is pretty much in the middle of the pack. Statewide, the regional center system is projecting a POS deficit of just over \$23 million.
3. COVID-19 Expenditure Tracker dated April 24, 2020: Kim presented this new report which tracks the center's operations and POS expenditures as they related to COVID-19. So far, \$104,704 has been spent from the operations budget and \$15,651,496 has been spent from the POS budget. DDS reported that it has filed for federal funding for COVID-19 expenditures through FEMA and will provide direction to the regional centers as to whether DDS will seek funding on behalf of all regional centers or whether each regional center should apply separately.

B. Cash Flow/Credit Line Update

Kim reported that due to the COVID-19 crisis, Governor Newsom had scrapped the January budget planned for FY 2020-21 and our governor has reported that the revised FY 2020-21 budget will be radically different and that the focus will be on coronavirus response, homelessness, and wildfire prevention. Currently, the Legislative's Analysts Office is anticipating a budget deficit of \$35 billion during FY 2020-21, which is expected to increase to \$85 billion in the years to follow. Given this information, NLACRC is anticipating that its FY 2020-21 budget will be less. Further, if the State should have cash flow issues due to less revenue, it is possible that the center's cash advance(s) may be delayed, which may require the center to use our credit line in order to continue to operate the regional center and continue payments to our service providers. To help us prepare for these scenarios, Kim is securing a \$50 million credit line from City National Bank for the center, which she reported would be presented to the committee next month. Kim reported that the Center will need to be very

conservative with our operations dollars during next fiscal year. Ruth emphasized that the center's value is to keep our staff whole, including any newly hired staff, with no furloughs or layoffs.

Action: Kim will present details of the credit line to the committee at their meeting next month.

C. Approval of Contract: Lanspeed

M/S/C (E. Burnett/A. Quiles) To recommend to the Executive Committee to approve the contract with Lanspeed, as presented, on behalf of the Board of Trustees.

D. Executed Contract by NLACRC: POS Contract Renewal(s)

Two contract renewals have been made; 1 on October 1, 2019 and the other on December 1, 2019.

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 2019-20: \$2,842,080
2. FY 2018-19: 95,056
\$2,937,136

The total amount is \$645,697 **less** than what was reported last month. We have closed out FY 2016-17 and FY 2017-18 because we have collected all of the monies due for those 2 fiscal years.

F. Monthly Human Resources Report

Michele provided the committee with copies of the summary and reviewed it with the committee. The summary included the following information:

FY 2019-20 authorized positions	566
Open positions on hold	-1
Open positions vacant	-36
Separations	-3
Sub-total	526
New hires	+2

Double billeted position	1
Positions filled	529

We are projecting to hire in June, five (5) service coordinators and will be participating in their new staff training remotely.

G. Audit Updates

1. IRS Compliance Check of CalPERS 457 Plan: The IRS made an inquiry regarding special catch up contributions as it related to the CalPERS 457 plan. The IRS closed its inquiry on March 11, 2020 and this matter is now closed.
2. Windes Audit: Every year, Windes conducts the center's financial audit. They will begin their audit of FY 2019-20 in October.
3. Risk Assessment: We hired a company called Cynergistics to conduct a risk assessment audit of the center. However, the COVID-19 pandemic came and we had to defer the assessment until June 30th.

H. Antelope Valley Office Relocation Update

Kim reported that as of April 25th, the new AV office building was 75% complete. Further, Kim reported that there are 2 potential issues that may delay the completion of construction. The first potential issue is that due to the COVID-19 outbreak, manufacturers of doors and windows had stopped production. However, our project manager reported that during the past week these types of manufacturers have started to return to work and it is anticipated that this will no longer create a delay. The second potential issues is the availability of the fire marshal to conduct building inspections. Currently, due to the COVID-19 outbreak, the fire marshal has not been readily available for construction projects. Currently, both our architect and our landlord are actively working to resolve this issue so that there will not be a delay. At this point time, if the above two issues are resolved, we anticipate the office being ready for occupancy during the 1st week of September.

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

The following items were identified for the committee's section of the May 12th board meeting agenda:

- A. Minutes of the April 29th Meeting

- B. FY 2019-20 Financial Report
- C. April 2020 Human Resources Report
- D. Approval of Contract: Lanspeed
- E. Delay of Risk Assessment Audit

VI. Announcements/Information/Public Input

- A. Next Meeting: Wednesday, May 27th, at 6:00 p.m.

VII. Executive Session

Action: The committee went into executive session at 7:39 p.m.

- A. Quarterly Legal Update
- B. Lease Update
- C. Personnel Issues

VIII. Adjournment

Ana adjourned the meeting at 8:43 p.m.

Submitted by,

Jennifer Kaiser

Jennifer Kaiser
Executive Assistant

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