



North Los Angeles County Regional Center

Main 818-778-1900 • Fax 818-756-6140 | 9200 Oakdale Avenue #100, Chatsworth, CA 91311 | www.nlacrc.org

MEMORANDUM

Date: January 29, 2026

To: **Executive Finance Committee:**
Sharmila Brunjes, Juan Hernandez, Anna Hurst, Leticia Garcia, Curtis Wang, Laura Monge, Jacquie Colton, Jason Taketa

From: Lindsay Granger, Executive Administrative Assistant

Re: Information for the next Executive Committee meeting on
Thursday, January 29, 2026, at 5:00 pm

.....

Attached is information for the next Executive Committee meeting. Please review this information prior to the meeting.

The meeting will be held remotely via Zoom.

Join Zoom Meeting

<https://us06web.zoom.us/j/83619671313?pwd=IBXh17JjkBEQTZP7Yka65RNI8AtO4L.1>

Meeting ID: 836 1967 1313

Passcode: 033386

If you have any questions, or **if you are unable to attend the meeting**, please send us an email to boardsupport@nlacrc.org.

Thank you!

c: Angela Pao-Johnson, Executive Director, Evelyn McOmie, Deputy Director, Vini Montague, Chief Financial Officer, Donna Rentsch, Consumer Services Director, Silvia Renteria-Haro, Director of Client Services

Attachments

Executive Finance Committee Meeting

January 29, 2026

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EXECUTIVE FINANCE COMMITTEE

Thursday, January 29, 2026, at 5:00 pm - Zoom

Executive Committee Members: Sharmila Brunjes – President, Juan Hernandez – Vice President, Anna Hurst – Treasurer, Curtis Wang – Secretary, Lety Garcia – ARCA Rep., Jacquie Colton, Laura Monge, Jason Taketa, Jaklen Keshishyan – VAC Rep.

Staff: Angela Pao-Johnson, Executive Director, Vini Montague, Chief Financial Officer, and Lindsay Granger, Exec. Admin.

~AGENDA ~

- I. **Call to Order and Introductions** (1 min)
- II. **Committee Member Attendance/Quorum** (1 min)
- III. **Agenda** (1 min)
 - A. Approval of Agenda for the January 29, 2026, Meeting
- IV. **Public Input – Agenda Items** (3 min per person / 3 attendees max)
- V. **Consent Items** (2 min)

All Consent Items are to be approved in one motion unless a Committee Member or a member of the public requests separate action or discussion on a specific item.

 - A. Approval of Minutes of the November 29, 2025, Executive Finance Committee Meeting
- VI. **Action Items**
 - A. Amendment of Board Budget – Vini Montague (5 min)
 - B. Approval of Purchase of Service CPP Startup Contract – Vini Montague (3 min)
 1. Homes & Hope, LLC – PL2603-999
 - C. Approval of Operations Contract – Newmark – Vini Montague (3 min)
 - D. Approval to Move Employee Satisfaction Survey Results to Board Meeting – Sharmila Brunjes (1 min)
- VII. **Committee Business**
 - A. Status Report on Lease Agreements – Vini Montague (3 min)
 - B. DDS Contract Update – Vini Montague (15 min)
 - C. Financial Reports – Vini Montague (5 min)
 - D. Admin vs. Direct Allocation Report – Vini Montague (5 min)
 - E. Outstanding Authorizations Report – Vini Montague (3 min)
 - F. Audits Update – Vini Montague (5 min)
 1. CalPERS
 2. Independent Audit
 3. DDS Audit
 - G. Status of FY2025 Vendor Audit Requirement – Vini Montague (2 min)



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- H. 2nd Quarter Human Resources Report – Sheila King (*3 min*)
- I. Monthly Whistleblower Log for October 16, 2025 – January 15, 2026– Sheila King (*3 min*)
- J. Strategic Plan Update – Sharmila Brunjes (*3 min*)

VIII. Closed Session

- A. Real Estate Negotiations (*30 min*)
- B. Quarterly Legal Update (*6 min*)

IX. Center Operations Angela Pao-Johnson (*10 min*)

X. Announcements / Public Input/Information Items (*3 min per person*)

- A. Next meeting February 26, 2026 at 5:00 p.m.
- B. Committee Attendance

XI. Adjournment

Please refer to NLACRC's website for the Calendar of Events, which includes a link for the Family Focus Resource Center, for information regarding more support groups, training opportunities, dates, times, and links – www.nlacrc.org



North Los Angeles County Regional Center
Executive Finance Committee Meeting Minutes
November 20, 2025

Present: Board of Trustees President Sharmila Brunjes, Vice President Juan Hernandez, Board Treasurer Anna Hurst, Board Secretary Curtis Wang, ARCA Representative Leticia Garcia, Jacquie Colton, Jason Taketa, VAC Representative Jaklen Keshishyan – Committee Members

Executive Director Angela Pao-Johnson, Deputy Director Evelyn McOmie, and Executive Administrative Assistant Lindsay Granger, Stephanie Margaret, Justice Agonoy – Staff Members

Guests:

Absent: Chief Financial Officer Vini Montague

1. **CALL TO ORDER**

There being a quorum present, and adequate and proper notice of the meeting having been given, the meeting was called to order at 6:08 p.m. Sharmila Brunjes reminded members to identify themselves prior to making a motion and reviewed the NLACRC Board of Trustees Civility Code.

2. **COMMITTEE MEMBER ATTENDANCE**

3. **AGENDA**

The agenda was amended to defer Action Item A, Action Item B, and Committee Business Item A. the time for the action items B and C to seven minutes instead of five minutes.

Absent objection the agenda was approved as amended. Motion carried.

4. **PUBLIC INPUT – AGENDA ITEMS**

There was no public input regarding the agenda.

5. **CONSENT ITEMS**

A. Approval of Minutes of the August 28, 2025, Executive Finance Committee Meeting

Absent objection the minutes from the September 25, 2025 Executive Finance Meeting were approved. Motion carried.

6. **ACTION ITEMS**

6.1 **Status of FY2025 Vendor Audit Requirement**

This item was deferred until the next committee meeting in January.

Absent objection the status of the FY2025 vendor audit requirement was deferred until the January Executive Finance Committee meeting. Motion carried.

ACTION: Board Support will add this to the January committee meeting agenda for approval.

6.2 Amendment of the Board Budget

This item was deferred until the next committee meeting in January.

Absent objection the amendment of the board budget was deferred until the January Executive Finance Committee meeting. Motion carried.

ACTION: Board Support will include this item January Executive Finance Committee agenda.

6.3 Approval of POS CPP Startup Contract – Brilliant Corners – PL2495-999

Chair Sharmila Brunjes introduced the action item regarding the approval of POS CPP Startup Contract – Brilliant Corners – PL2495-999. Due to the absence of Chief Financial Officer Vini Montague, Stephanie Margaret, Contract and Compliance Supervisor in Community Services, presented the item.

Stephanie Margaret provided an overview of a proposed \$500,000 Community Placement Plan (CPP) startup contract with Brilliant Corners, which has already been approved by the Department of Developmental Services (DDS).

The funding will support the construction of a two-person accessory dwelling unit (ADU) located on the same property as an existing home purchased earlier in the year in Palmdale. The ADU will be developed for use as a specialized residential facility. Staff confirmed that the \$500,000 award represents a standard DDS funding amount for this type of project.

During discussion, Laura Monge raised questions regarding the cost relative to serving two consumers. Stephanie Margaret clarified that the project scope and funding level are consistent with DDS standards and prior DDS approval.

On a motion made by Curtis Wang, seconded by Jacquie Colton it was resolved to move this item to the full Board of Trustees the Brilliant Corners – PL2495-999 contract. Motion carried. Laura Monge abstained.

ACTION: Board Support will include this on the January Board of Trustees meeting agenda.

6.4 Discuss and Approve Executive Finance Committee Priorities

Sharmila Brunjes presented Action Item D regarding discussion and approval of the Executive Finance Committee (EFC) priorities for the 2025–26 fiscal year. Sharmila Brunjes explained that the draft priorities were developed at the start of the year and informed by best practices discussed during the ARCA Academy, including a workshop led by former technical advisor Tresa Oliveri and the Executive Director of the Orange County Regional Center, which emphasized outcome-focused, structured governance goals. The draft priorities were also designed to align with the Executive Director, Angela Pao-Johnson, goals presented to the Board.

Sharmila Brunjes outlined six draft priorities and emphasized that the document was intended to serve as a working draft for discussion, feedback, and refinement prior to finalization by staff. The priorities included ongoing compliance requirements tied to special contract language, specifically correcting caseload ratios in accordance with Department of Developmental Services (DDS) target

dates of October 2025 and March 2026. Additional compliance-related priorities included improving consumer and family satisfaction, including tracking required survey data and addressing challenges related to historically low statewide IPP survey response rates.

A governance-focused priority was also presented to strengthen board effectiveness through board-initiated governance policies and procedures, clarification of the distinct roles of the Board and Executive Director, and adoption of board goals using the Carver governance framework, with the intent of posting approved board goals on the NLACRC website by the end of the fiscal year. Sharmila Brunjes also referenced a related compliance objective of maintaining zero substantiated whistleblower complaints related to board contracts.

Additional priorities included continued development of the NLACRC strategic plan in collaboration with the community and staff, recognizing that plan completion is anticipated in the following fiscal year. Sharmila Brunjes also highlighted the need for oversight of potential crisis-mode operations in light of anticipated state and federal budget constraints and the Regional Center's responsibility to serve as funder of last resort. The final priority focused on protecting operational flexibility in anticipation of increased Public Records Act (PRA) demands, noting that only a small portion of the Regional Center's overall funding is discretionary and that increased PRA-related costs could impact administrative and operational capacity.

Sharmila Brunjes explained that following committee approval and incorporation of any amendments, the priorities would be forwarded to staff for final drafting and implementation for the remainder of the fiscal year.

On a motion made by Curtis Wang, seconded by Laura Monge, it was resolved to approve the Executive Committee Priorities for FY 2025-26. Motion carried.

ACTION: The priorities will go to staff for the final priorities.

7. **COMMITTEE BUSINESS**

7.1 **Status Report on Lease Agreements**

This item was deferred until the January Executive Finance Committee meeting.

ACTION: Board Support will add this item to the January Executive Finance Committee agenda.

7.2 **Financial Reports**

Justice Agonoy, Controller of the Accounting Department, presented committee business item B the Financial Reports on behalf of Vini Montague. Justice Agonoy reviewed the Fiscal Year 2025–26 financial report as of September 2025, noting that the Regional Center is operating under the B2 allocation with a total NLACRC budget of approximately \$1.3 billion. This includes approximately \$1.2 billion in Purchase of Services (POS) funding and \$117 million for operations.

Justice Agonoy reported year-to-date expenditures of approximately \$23 million for operations and \$268 million for POS. Justice Agonoy explained that no projected annual surplus or deficit is available at this time, as the first POS projection for the Department of Developmental Services (DDS) is not due until December 10, 2025. Once the projection is completed, surplus or deficit estimates will be available.

Justice Agonoy reviewed the operational budget breakdown, noting that caseload ratio funding is presented separately from general operations. This includes approximately \$15 million allocated for caseload ratios for children through age five and approximately \$10 million allocated for other caseload ratios. Additional operational funding supports Family Resource Centers (FRCs), Self-Determination

Program (SDP) operations, and Language Access and Cultural Competency (LACC) initiatives, which collectively comprise the \$117 million operations budget.

Justice Agonoy also reviewed the POS budget breakdown, explaining that the preliminary B1 allocation of approximately \$961 million combined with the B2 allocation of approximately \$261 million totals approximately \$1.2 billion in POS funding. When combined with projected Intermediate Care Facility State Plan Amendment (ICF SPA) revenue, total funding is approximately \$1.239 billion.

During discussion, Laura Monge asked about the absence of funding for social recreation projects. Justice Agonoy clarified that prior Social Recreation Activity (SRA) projects funded in fiscal years 2023–24 are no longer provided as operational funding and that current SRA funding is addressed within the POS budget rather than the operations budget. Justice Agonoy further noted that DDS has indicated that language access and cultural competency costs may be embedded into regular operational budgets going forward, with additional guidance from DDS pending.

Justice Agonoy also noted that no year-to-date expenditures have yet occurred for the language access coach role, but contracts have been approved and expenditures are expected to begin in the coming months. Jaklen Keshishyan, MPH, confirmed that Self-Determination Program (SDP) costs are included in the POS budget rather than operations.

No further questions were raised.

7.3 Admin vs. Direct Allocation Report

Justice Agonoy, Controller of the Accounting Department, presented the Admin vs. Direct Allocation Report of the financial report regarding administrative versus direct service expenditures. Justice Agonoy explained that, pursuant to statute, administrative expenditures may not exceed 15 percent of total expenditures on a year-to-date basis. As a result, staff monitor this ratio monthly to track both month-to-month activity and cumulative year-to-date compliance.

During the presentation, Sharmila Brunjes sought clarification regarding how month-to-month administrative expenditure percentages are evaluated in relation to the 15 percent statutory limit. Justice Agonoy explained that month-to-month percentages may fluctuate due to the timing of expense recognition and do not independently indicate noncompliance. Justice Agonoy noted that the statutory requirement applies strictly to the year-to-date calculation and that the cumulative percentage must remain below the 15 percent threshold. As reflected in the September report, administrative expenditures were approximately 12.9 percent of total expenditures, remaining within statutory limits.

Justice Agonoy confirmed that staff will continue to monitor the administrative versus direct expenditure ratio on a monthly basis. No questions were raised.

7.4 Outstanding Authorizations Report

Justice Agonoy, Controller of the Accounting Department, presented the Outstanding Authorizations Report of the financial report regarding outstanding vendor authorizations with issues. Justice Agonoy provided context, noting that NLACRC works with approximately 700 vendors, encompassing more than 1,600 vendorizations and 1,700 service lines. Of these, 29 vendor authorizations were currently identified as having outstanding issues.

Justice Agonoy explained that the majority of outstanding authorizations originated in Fiscal Year 2025 and were primarily related to vendors who experienced ownership changes and had not yet submitted required documentation. Additional cases involved vendor overpayments for which repayment agreements are in place; these authorizations will remain on the outstanding list until repayment is fully completed.

Justice Agonoy noted that the current tracking system was intentionally designed to create greater accountability and a sense of urgency in resolving authorization issues. Justice Agonoy further explained that the system will be enhanced in the coming months with stricter thresholds, which may result in a temporary increase in the number of outstanding items. This change reflects higher compliance standards rather than a deterioration in vendor performance.

Justice Agonoy identified that most authorization issues stem from delayed admission agreements, which can cause downstream billing delays. To address this, staff plan to tighten timelines so that admission agreements not returned within one month will be flagged as outstanding. The intent is to strengthen authorization controls and ensure service quality.

During discussion, Sharmila Brunjes asked whether consumer or family reimbursement vendors appear on the same outstanding authorization list. Justice Agonoy clarified that those reimbursements are tracked separately and that the list presented focuses on fully vendored providers. Jaklen Keshishyan, MPH, asked whether an overpayment related to service code 880 appeared on the list. Justice Agonoy responded that most items on the list involve placement-related service codes, such as 915s, and indicated that further review would be needed to confirm whether the service code 880 overpayment was included.

Justice Agonoy stated that staff would follow up on the inquiry. No further questions were raised.

ACTION: Staff will follow up on Jaklen's Keshishyan's question regarding overpayments related to service code 880 on the list.

7.5 Quarterly Fees for PRMT and UAL

- a. 1st Quarter PRMT Fees Report
- b. 1st Quarter CalPERS UAL Fees Report

Justice Agonoy, Controller of the Accounting Department, presented the Quarterly Fees Report for PMRT and UAL of the financial report regarding trustee service fees by quarter for post-retirement medical trusts. Justice Agonoy reported that the Post-Retirement Medical Trust (PRMT) currently has an estimated market value of approximately \$46 million, with trustee fees recorded to date at approximately \$10,000. Justice Agonoy noted that projected trustee fees are expected to approximate 13 percent of market value; however, current fees remain significantly lower due to the absence of invoices.

Justice Agonoy explained that the delayed fees are likely attributable to the recent transition of trustee services from Highmark to PFM. Staff have not yet received the corresponding invoices and will follow up accordingly. Once invoices are received, trustee fees are expected to increase and align with projected levels.

Justice Agonoy further noted that a similar situation applies to the Unfunded Accrued Liability (UAL) trust, which currently reflects a market value of approximately \$10 million and recorded trustee fees of approximately \$4,500. Justice Agonoy stated that fees for the UAL trust are also expected to increase once pending invoices are received.

No questions were raised.

7.6 Audits Update

- a. CalPERS

The CalPERS audit update will be deferred until the January Executive Finance Committee meeting.

b. **Independent Audit**

Justice Agonoy, Controller of the Accounting Department, provided an update on committee business item F. 2 – the Independent Audit Update. Justice Agonoy reported that NLACRC is currently undergoing the LinkIST Audit (Linkus | Hazen) and that the audit remains in progress. Justice Agonoy stated that staff have submitted all requested documentation to date, with the exception of two remaining items scheduled for submission the following day. Justice Agonoy explained that audit requests are being addressed promptly, with documents provided within a few days when available and additional time required when reconciliation or document retrieval is necessary. Justice Agonoy noted that staff are actively monitoring the audit portal and responding to follow-up questions related to previously submitted materials.

c. **DDS Audit**

The DDS Audit Update will be deferred until the January Executive Finance Committee meeting.

Following the update, Sharmila Brunjes stated for the record that, absent objection, Committee Business Item F. 1., Audits Update – CalPERS, and Item F. 3., Audits Update – DDS Audit, would be deferred to the next meeting. No objections were raised, and both audit updates were deferred.

7.7 **1st Quarter Human Resources Report**

Angela Pao-Johnson, Executive Director, presented the First Quarter Human Resources Report. Angela Pao-Johnson reported that during the first quarter of the fiscal year, NLACRC hired 50 new employees and promoted 16 employees, noting an emphasis on internal promotions to support long-term career development within the organization.

Angela Pao-Johnson reported 39 employee separations during the quarter. Of these, six employees retired, 24 employees separated for personal reasons, and the remaining separations resulted from a variety of factors, including some non-voluntary separations. Angela Pao-Johnson noted that some level of planned attrition is anticipated as accountability metrics are more consistently enforced. Angela Pao-Johnson reported that the turnover rate for the quarter was 4.36 percent.

No questions were raised.

7.8 **Monthly Whistleblower Log for September 16, 2025 – October 15, 2025**

Angela Pao-Johnson, Executive Director, presented the Whistleblower Report covering the reporting period from the 15th of the previous month through the 15th of the current month. Angela Pao-Johnson reported that there were five open whistleblower complaints during the period. Of these, four cases remain open, and one case is considered open pending direction from the Department of Developmental Services (DDS), as staff are awaiting DDS guidance following multiple communications regarding a specific incident.

Angela Pao-Johnson reported a total of ten whistleblower complaints during the period, with eight complaints related to service providers and two complaints related to employees. Angela Pao-Johnson further noted that one additional whistleblower complaint submitted directly to the Board regarding an NLACRC employee had been omitted from the initial count. When included, the total number of whistleblower complaints would be eleven, with the additional complaint having been closed and determined to be unsubstantiated.

No questions were raised.

8. CLOSED SESSION

Absent objection closed session was entered at 6:51 p.m. to discuss real estate negotiations.

Absent objection, it was unanimously decided to exit closed session at 7:08 p.m.

Real estate negotiations were discussed, but the Quarterly Legal Update was deferred.

9. CENTER OPERATIONS

Angela Pao-Johnson, Executive Director, provided a Center Operations update. Angela Pao-Johnson reported the addition of three new Self-Determination Program (SDP) Lead Service Coordinators, bringing the total to 12 SDP leads, with four located in the Antelope Valley office, five in the San Fernando Valley office, and three in the Santa Clarita Valley office. Angela Pao-Johnson explained that these positions were created to support families transitioning from the traditional service model to SDP by providing specialized guidance within each unit.

Angela Pao-Johnson also reported on the Associate Consumer Services Coordinator program developed in partnership with California State University, Northridge (CSUN). Two part-time coordinators are currently supporting San Fernando Valley School Age units with social recreation requests, and two additional coordinators are being onboarded. Angela Pao-Johnson noted that NLACRC is exploring opportunities to expand the recruitment pipeline with CSUN by engaging students earlier in their academic careers.

Angela Pao-Johnson announced that NLACRC received approval for its first multifamily housing project, which will provide 11 low-income housing units for individuals served.

Angela Pao-Johnson provided Department of Developmental Services (DDS) updates, including ongoing exploration of allowing behavior management day programs to operate in conjunction with regular day services. Angela Pao-Johnson also reported that, for Service Code 620, behavior management consultants are not required to be Board Certified Behavior Analysts but must remain in good standing with appropriate licensing or certification boards, and that consultation hours may be used for both direct and indirect support.

Additional DDS updates included forthcoming plain-language guidance on In-Home Supportive Services (IHSS) data sharing involving the Department of Social Services and the Department of Health Care Services, with future data-sharing efforts focused on CalFresh, including confirmation that individuals served by regional centers are exempt from work requirements. Angela Pao-Johnson also noted continued statewide work on refining Self-Determination Program guidance related to individual budget development, financial management services, cost effectiveness, and provider and participant agreements. An SDP orientation in partnership with the State Council on Intellectual and Developmental Disabilities is scheduled for January.

Angela Pao-Johnson reported that 916 positions are currently filled, NLACRC is serving 40,897 individuals, and 17 new employees are being onboarded during the month. Angela Pao-Johnson also shared the date of the upcoming Disability Rights California board meeting.

During discussion, Sharmila Brunjes asked about DDS's decision to relax licensing requirements for behavior management consultants under Service Code 620. Angela Pao-Johnson stated that additional information would be requested from DDS and shared at a future meeting.

No further questions were raised.

10. BOARD MEETING AGENDA ITEMS/ACTION ITEMS

- Board Support will add the Brilliant Corners – PL 2495-999 to the January board meeting agenda for full board approval.
- Board Support will add the Status of FY2025 Vendor Audit Requirement, Amendment of Board Budget, and Status Report on Lease Agreements to the next Executive Finance Committee agenda.

11. ANNOUNCEMENTS / PUBLIC INPUT / INFORMATION ITEMS

There was no public input.

Sharmila Brunjes announced that a board-only gathering, with limited staff participation, would be scheduled in the coming weeks. Lindsay Granger confirmed that outreach to Board members to finalize a date would occur the following day. The group discussed plans for a low-budget White Elephant gift exchange, with a spending limit of \$15 or less.

Angela Pao-Johnson shared that additional White Elephant gifts would be brought to ensure participation for all attendees. Angela Pao-Johnson also offered closing reflections, noting that earlier in the day a staff gratitude gathering had been held and expressing appreciation for the resilience, collaboration, and commitment demonstrated by staff and Board members throughout the year.

Sharmila Brunjes added remarks expressing appreciation for the Board's dedication, willingness to take thoughtful risks, and commitment to excellence in service to the community.

Due to ongoing technical difficulties preventing Juan Hernandez from being heard, no additional comments were received. At the suggestion of Angela Pao-Johnson, and with agreement from Sharmila Brunjes, the meeting proceeded to adjournment.

12. NEXT MEETING

The next meeting of the Executive Finance Committee will be January 29, 2025 at 5:00 p.m.

13. ADJOURNMENT

On a motion made by Curtis Wang, seconded by Sharmila Brunjes, it was agreed that there was no further business to transact; the meeting adjourned at 7:23 p.m.

DISCLAIMER

The above minutes should be used as a summary of the motions passed and issues discussed at the meeting. This document shall not be considered a verbatim copy of every word spoken at the meeting.



Submitted by:
Lindsay Granger
Executive Administrative Assistant—Board Relations Liaison



North Los Angeles County Regional Center

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Contract Summary and Board Resolution

No.	Description	Contract Summary
1.	Contract Overview: (New or Amendment) (POS or OPS)	CRDP Housing Agreement, Purchase of Services (POS)
2.	The Name of Vendor or Service Provider	Homes & Hope, LLC (42 nd Street Palmdale) Vendor Number: PL2603 Service code: 999 Project # NLACRC-2526-10
3.	The Purpose of the Contracts	Department of Developmental Disabilities (“DDS”) approval of Community Resource Development Plan (“CRDP”) Start-Up Funds to develop a Housing Agreement for FY2025/2026 project, acquisition of multifamily housing development located in the city of Palmdale with 11 of 160 units set aside at 30 percent Area Median income for individuals served by a Regional Center.
4.	The Contract Term	Fifty-five (55) year contract effective March 1, 2026 through the earlier of (1) the date HDO is no longer owner of the Property or (2) February 28, 2055. The termination or expiration of the Agreement shall not affect the continued enforceability of the documents intended to survive its termination.
5.	The Total Amount of the Contract	Maximum Funding Amount: \$1,400,000.00
6.	The Total Proposed Number of Consumers Served	11 units (three (3) one-bedroom and eight (8) two-bedroom)
7.	The Rate of Payment or Payment Amount	Payment will be reimbursed to HDO based on performance milestones or on other such terms as required under DDS’s written guidelines.
8.	Method or Process Utilized to Award the Contract.	On October 23, 2025 DDS awarded HDO funding for this Start-Up project per the DDS FY2025-2026 Housing Guidelines and Attachment “O” Multi-Family Housing Proposal Guidelines.
9.	Method or Process Utilized to Establish the Rate or the Payment Amount	Funding was established in NLACRC’s FY2025-2026 CPP/CRDP approved by DDS on October 23, 2025. The acquisition of the property will be pursuant to DDS FY2025-2026 Housing Guidelines and Attachment “O” Multi-Family Housing Proposal Guidelines.



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10.	Exceptional Conditions or Terms: Yes/No If Yes, provide explanation	Funds must be encumbered by June 30, 2026. Each contract is subject to changes recommended by legal counsel and on such further terms and conditions as any Officer of NLACRC may approve. Any change to award amounts per contract will be approved by DDS.
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The North Los Angeles County Regional Center’s (“NLACRC”) Executive Finance Committee reviewed and discussed the above CRDP Housing Agreement (“**Agreement**”) and is recommending an action of the Board of Trustees to Approve the Agreement.

Anna Hurst, Board Treasurer

January 29, 2026
Date



North Los Angeles County Regional Center

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Contract Summary and Board Resolution

The North Los Angeles County Regional Center’s (“NLACRC”) Board of Trustees reviewed and discussed the CRDP Housing Agreement (“Agreement”, or “Contract”) for **Homes & Hope, LLC** and passed the following resolution:

RESOLVED THAT in compliance with NLACRC’s Board of Trustees Contract Policy, the Contract between NLACRC and **Homes & Hope, LLC** was reviewed and approved by NLACRC’s Board of Trustees on **February 11, 2026**.

NLACRC’s Board of Trustees hereby authorized and designates any officer of NLACRC to finalize, execute and deliver the Contract on behalf of NLACRC, in such form as NLACRC’s legal counsel may advise, and on such further terms and conditions as such Officer may approve. The final terms of the Contract shall be conclusively evidenced by the execution of the Contract by such Officer. For purposes of this authorization, an “Officer” means NLACRC’s Executive Director, Deputy Director, and Chief Financial Officer, and no one else.

Certification by Secretary: I certify that: (1) I am the Secretary of the NLACRC; (2) the foregoing Resolution is a complete and accurate copy of the Resolution duly adopted by NLACRC’s Board of Trustees; (3) the Resolution is in full force and has not been revoked or changed in any way.

Curtis Wang, Board Secretary

February 11, 2026
Date

**Fiscal Year 2025-2026 Base Rent
Lease Summary**

A Office Location	B Suite, if applicable	C # Months	Fiscal Year Base Rent Calculation				D Total Base Rent for FY2025-2026	E Rentable Square Foot (RSF)	F Rate Per RSF
			Base Rent	#Months	Base Rent	#Months			
SFV	Floor 1 thru 4	12	\$248,238.17	3	\$255,685.31	9	\$ 3,045,882.30	93,315	\$ 2.7201
SFV	Floor 7 (Suite 710)	12	\$34,497.69	3	\$35,532.63	9	\$ 423,286.74	12,968	\$ 2.7201
SFV	Floor 1 (Suite 101)	12	\$15,529.79	3	\$15,995.69	9	\$ 190,550.58	5,832	\$ 2.7228
SFV	Cage	12	\$1,918.00	3	\$1,918.00	9	\$ 23,016.00	1,918	\$ 1.0000
SFV	Parking (14 spaces)	12			\$ 350.00	12	\$ 4,200.00		
Total SFV							\$ 3,686,935.62	114,033	\$ 2.6943
AV	Occupy Full Premises	12	\$114,198.00	7	\$117,623.00	5	\$ 1,387,501.00	38,288	\$ 3.0199
Total AV							\$ 1,387,501.00	38,288	\$ 3.0199
SCV	Suites 150/120	12	\$ 33,228.00	11	\$ 34,335.60	1	\$ 399,843.60	11,076	\$ 3.0083
SCV	Suites 100/180/200/260	12	\$ 33,813.00	11	\$ 34,940.10	1	\$ 406,883.10	11,271	\$ 5.1571
Total SCV							\$ 806,726.70	22,347	\$ 3.8000
Total							\$ 5,881,163.32	174,668	\$ 3.0152

**Oakdale Lease Highlights
For Fiscal Year 2025-2026
Suites 100 through 400**

Lease Highlight	Lease Section	Description					
Landlord	Page 1	Omninet West Valley, LP 9420 Wilshire Blvd., Fourth Floor; Beverly Hills, CA 90212					
ADDRESS	Page 1	9200 Oakdale Avenue, Chatsworth, CA 91311					
Square Footage	Page 2	Suites		RSF	USF	LOAD FACTOR	
		100 (1st floor)		13,592	11,700	13.92%	
		(2nd floor)		25,355	21,600	14.81%	
		(3rd floor)		27,184	23,700	12.82%	
		(4th floor)		27,184	23,700	12.82%	
Total		93,315	80,700	13.52%			
TENANT'S SHARE	Page 3	36.17% (93,315 rsf / 258,005 rsf)					
TERM	Page 2	125 months (October 1, 2016 to February 28, 2027)					
LEASE COMMENCEMENT DATE	Page 2	October 1, 2016					
LEASE EXPIRATION DATE	Page 2	February 28, 2027					
OPTION TO TERMINATE	Page 60	No Termination Option Early termination option (last day of the 96 month, September 2024) under Article 33 has been deleted pursuant to the Second Lease Amendment (Article 7) for 1st Floor Expansion Space					
OPTION TO EXTEND	Page 56	Two (2) periods of five (5) years each Notice: minimum 9 months notice prior to the term					
RENT TYPE		Full Service Gross (Landlord pays taxes, insurance, common area maintenance expenses, utilities, and janitorial)					
BASE RENT ADJUSTMENT	Page 2	Term	#Mos	Rate/RSF	Monthly Rent	Annual Rent	
		10/01/16 - 09/30/17:	12.00	\$2.10	\$195,961.50	\$2,351,538.00	
		10/01/17 - 09/30/18:	12.00	\$2.16	\$201,840.35	\$2,422,084.20	
		10/01/18 - 09/30/19:	12.00	\$2.23	\$207,895.56	\$2,494,746.72	
		10/01/19 - 09/30/20:	12.00	\$2.29	\$214,132.42	\$2,569,589.04	
		10/01/20 - 09/30/21:	12.00	\$2.36	\$220,556.39	\$2,646,676.68	
		10/01/21 - 09/30/22:	12.00	\$2.43	\$227,173.09	\$2,726,077.08	
		10/01/22 - 09/30/23:	12.00	\$2.51	\$233,988.28	\$2,807,859.36	
		10/01/23 - 09/30/24:	12.00	\$2.58	\$241,007.93	\$2,892,095.16	
		10/01/24 - 09/30/25:	12.00	\$2.66	\$248,238.17	\$2,978,858.04	
		10/01/25 - 09/30/26:	12.00	\$2.74	\$255,685.31	\$3,068,223.72	
10/01/26 - 02/28/27:	5.00	\$2.82	\$263,355.87	\$1,316,779.35			
Total		125.00			\$28,274,527.35		
OPERATING EXPENSES AND TAXES	Page 2	Base Year: 2017 Paid Monthly, with an Annual Reconciliation of Actual cost vs. Projected cost					

**Oakdale Lease Highlights
For Fiscal Year 2025-2026
Suites 100 through 400**

Lease Highlight	Lease Section	Description																				
PARKING	Page 3	Total: 466 parking passes (5 parking passes per 1,000 rsf) -40 reserved stalls Grade Level -14 single underground reserved Pass -412 unreserved parking Grade Level Rate: \$25.00 per reserved pass x 14 parking space = \$350.00 per month; the rest are free																				
SECURITY DEPOSIT	Page 13	None (\$0); However NLACRC paid \$195,961.50 first month's rent upon execution of lease																				
LATE CHARGES	Page 39	Late Charges are applied to overdue amounts after 5 days of due date 10% of overdue amount																				
RENT ABATEMENT	Page 6-7	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Month 2 through Month 12</td> <td style="width: 15%; text-align: right;">\$105,564.90</td> <td style="width: 10%; text-align: right;">11.00</td> <td style="width: 25%; text-align: right;">\$1,161,213.90</td> </tr> <tr> <td>Month 13 through 15</td> <td style="text-align: right;">\$108,731.85</td> <td style="text-align: right;">3.00</td> <td style="text-align: right;">\$326,195.55</td> </tr> <tr> <td>Month 16 through 24</td> <td style="text-align: right;">\$15,623.35</td> <td style="text-align: right;">9</td> <td style="text-align: right;">\$140,610.15</td> </tr> <tr> <td>Month 25</td> <td style="text-align: right;">\$16,092.05</td> <td></td> <td style="text-align: right;">\$16,092.05</td> </tr> <tr> <td>Total Rent Abatement</td> <td style="text-align: right;">\$246,012.15</td> <td style="text-align: right;">23.00</td> <td style="text-align: right;">\$1,644,111.65</td> </tr> </table>	Month 2 through Month 12	\$105,564.90	11.00	\$1,161,213.90	Month 13 through 15	\$108,731.85	3.00	\$326,195.55	Month 16 through 24	\$15,623.35	9	\$140,610.15	Month 25	\$16,092.05		\$16,092.05	Total Rent Abatement	\$246,012.15	23.00	\$1,644,111.65
Month 2 through Month 12	\$105,564.90	11.00	\$1,161,213.90																			
Month 13 through 15	\$108,731.85	3.00	\$326,195.55																			
Month 16 through 24	\$15,623.35	9	\$140,610.15																			
Month 25	\$16,092.05		\$16,092.05																			
Total Rent Abatement	\$246,012.15	23.00	\$1,644,111.65																			
MISCELLANEOUS PROVISIONS	Page 22 Art 9(g) Page 61 Page 57 Page 4	HVAC: \$60.00 per hour Server Room Electricity use measured by a separate meter Monument signage, standard signage in Lobby, Eyebrow Signage on Prairie Right of First Refusal on First Floor May lease Storage Space at rate of \$1.00 rsf																				
Number of Staff (filled as of October 31, 2025)		622																				
Number of Authorized positions		711																				
Current Capacity (1 thru 4)		399																				
Current Capacity (7th floor)		215																				
Total Capacity (Workstations & Offices)		614																				
Capacity (Family Resource Center)		3																				

**Oakdale Lease Highlights
For Fiscal Year 2025-2026
Suite 710**

Lease Highlight	Lease Section	Description				
Landlord	Page 1	Omninet West Valley, LP 9420 Wilshire Blvd., Fourth Floor; Beverly Hills, CA 90212				
ADDRESS	Page 1	9200 Oakdale Avenue, Chatsworth, CA 91311				
Square Footage	Page 2	Suites	RSF	USF	LOAD FACTOR	
		710 (7th floor)	12,968	9,600	25.97%	
		Total	12,968	9,600	25.97%	
TENANT'S SHARE	Page 3	5.03% (12,968 rsf / 258,005 rsf)				
TERM	Page 2	109.50 months (February 15, 2018 to February 28, 2027)				
LEASE COMMENCEMENT DATE	Page 2	February 15, 2018 (earlier of 150 days from 09/18/2017 or commencement of business)				
LEASE EXPIRATION DATE	Page 2	February 28, 2027				
OPTION TO TERMINATE	Page 60 Article 33	No Termination Option Early termination option (last day of the 96 month, September 2024) under Article 33 has been deleted pursuant to the Second Lease Amendment (Article 7) for 1st Floor Expansion Space				
OPTION TO EXTEND	Page 56	Two (2) periods of five (5) years each Notice: minimum 9 months notice prior to the term				
RENT TYPE		Full Service Gross (Landlord pays taxes, insurance, common area maintenance expenses, utilities, and janitorial)				
BASE RENT ADJUSTMENT	Page 2	Term	#Mos	Rate/RSF	Monthly Rent	Annual Rent
		10/01/16 - 09/30/17:	0.00	\$2.10	\$27,232.80	\$0.00
		10/01/17 - 09/30/18:	7.50	\$2.16	\$28,049.78	\$210,373.35
		10/01/18 - 09/30/19:	12.00	\$2.23	\$28,891.27	\$346,695.24
		10/01/19 - 09/30/20:	12.00	\$2.29	\$29,758.02	\$357,096.24
		10/01/20 - 09/30/21:	12.00	\$2.36	\$30,650.76	\$367,809.12
		10/01/21 - 09/30/22:	12.00	\$2.43	\$31,570.28	\$378,843.36
		10/01/22 - 09/30/23:	12.00	\$2.51	\$32,517.39	\$390,208.68
		10/01/23 - 09/30/24:	12.00	\$2.58	\$33,492.91	\$401,914.92
		10/01/24 - 09/30/25:	12.00	\$2.66	\$34,497.69	\$413,972.28
		10/01/25 - 09/30/26:	12.00	\$2.74	\$35,532.63	\$426,391.56
		10/01/26 - 02/28/27:	5.00	\$2.82	\$36,598.61	\$182,993.05
				Total	108.50	
OPERATING EXPENSES AND TAXES	Page 2	Base Year: 2017 Paid Monthly, with an Annual Reconciliation of Actual cost vs. Projected cost				
PARKING	Page 3	Total: 65 parking passes (5 parking passes per 1,000 rsf) -65 unreserved parking Grade Level				
SECURITY DEPOSIT	Page 13	None (\$0)				
LATE CHARGES	Page 39	Late Charges are applied to overdue amounts after 5 days of due date 10% of overdue amount				
RENT ABATEMENT	Page 6-7	Month 2 through Month 6 (11/01/16 through 04/01/17)	\$28,049.78	6.00	\$168,298.68	
		Total	\$28,049.78	6.00	\$168,298.68	
MISCELLANEOUS PROVISIONS	Page 22	HVAC: \$60.00 per hour				
Capacity (Workstations & Offices)		62				

**Oakdale Lease Highlights
For Fiscal Year 2025-2026
Suite 101**

Lease Highlight	Lease Section	Description				
Landlord	Page 1	Omninet West Valley, LP 9420 Wilshire Blvd., Fourth Floor; Beverly Hills, CA 90212				
ADDRESS	Page 1	9200 Oakdale Avenue, Chatsworth, CA 91311				
Square Footage	Page 2	Suites	RSF	USF	LOAD FACTOR	
		101 (1st Floor Expansion)	5,832	5,832	0.00%	
		Total	5,832	5,832	0.00%	
TENANT'S SHARE	Page 3	2.26% (5,832 rsf / 258,005 rsf)				
TERM	Page 2	40.84 months (October 6, 2023 to February 28, 2027)				
LEASE COMMENCEMENT DATE	Page 2	October 6, 2023 (the date Tenant commences to conduct business in Expansion Premises or the fifth (5th) day following the date of Substantial Completion of the Improvements in the Expansion Premises)				
LEASE EXPIRATION DATE	Page 2	February 28, 2027				
OPTION TO TERMINATE	Page 60	No Termination Option Early termination option (last day of the 96 month, September 2024) under Article 33 has been deleted pursuant to the Second Lease Amendment (Article 7) for 1st Floor Expansion Space				
OPTION TO EXTEND	Page 56 Article 31	Two (2) periods of five (5) years each Notice: minimum 9 months notice prior to the term				
RENT TYPE		Full Service Gross (Landlord pays taxes, insurance, common area maintenance expenses, utilities, and janitorial)				
BASE RENT ADJUSTMENT	Page 2	Term	#Mos	Rate/RSF	Monthly Rent	Annual Rent
		10/01/16 - 09/30/17:	0.00	\$2.10	\$0.00	\$0.00
		10/01/17 - 09/30/18:	0.00	\$2.16	\$0.00	\$0.00
		10/01/18 - 09/30/19:	0.00	\$2.23	\$0.00	\$0.00
		10/01/19 - 09/30/20:	0.00	\$2.29	\$0.00	\$0.00
		10/01/20 - 09/30/21:	0.00	\$2.36	\$0.00	\$0.00
		10/01/21 - 09/30/22:	0.00	\$2.43	\$0.00	\$0.00
		10/01/22 - 09/30/23:	0.00	\$2.51	\$14,638.32	\$0.00
		10/01/23 - 09/30/24:	11.84	\$2.58	\$15,077.47	\$178,517.24
		10/01/24 - 09/30/25:	12.00	\$2.66	\$15,529.79	\$186,357.48
		10/01/25 - 09/30/26:	12.00	\$2.74	\$15,995.69	\$191,948.28
10/01/26 - 02/28/27:	5.00	\$2.82	\$16,475.56	\$82,377.80		
		Total	40.84		\$639,200.80	
OPERATING EXPENSES AND TAXES	Page 2	Base Year: 2023 Paid Monthly, with an Annual Reconciliation of Actual cost vs. Projected cost				
PARKING	Page 3	Total: 29 parking passes (5 parking passes per 1,000 rsf) 29 unreserved parking Grade Level				
SECURITY DEPOSIT	Page 13	None (\$0)				
LATE CHARGES	Page 39	Late Charges are applied to overdue amounts after 5 days of due date 10% of overdue amount				
RENT ABATEMENT		None				
MISCELLANEOUS PROVISIONS						
Capacity (Workstations & Offices)		11				

**Oakdale Lease Highlights
For Fiscal Year 2025-2026
Cage Storage**

Lease Highlight	Lease Section	Description				
Landlord	Page 1	Omninet West Valley, LP 9420 Wilshire Blvd., Fourth Floor; Beverly Hills, CA 90212				
ADDRESS	Page 1	9200 Oakdale Avenue, Chatsworth, CA 91311				
Square Footage	Page 2	Suites	RSF	USF	LOAD FACTOR	Start Date
		Storage Space	1,000	1,000	0.00%	8/18/2017
		Storage Space	918	918	0.00%	10/1/2021
		Total	1,918	1,918	0.00%	
TERM (1,000 sq. ft. space)	Page 2	August 18, 2017 to February 28, 2027				
TERM (918 sq. ft. space)	Page 1	October 1, 2021 to February 28, 2027				
LEASE COMMENCEMENT DATE (1,000 sq. ft. space)	Page 2	August 18, 2017				
LEASE COMMENCEMENT DATE (918 sq. ft. space)	Page 1	October 1, 2021				
LEASE EXPIRATION DATE (1,000 sq. ft. space)	Page 2	February 28, 2027 or with thirty (30) days notice				
LEASE EXPIRATION DATE (918 sq. ft. space)	Page 1	February 28, 2027 or with thirty (30) days notice				
BASE RENT	Page 2	Term	#Mos	Rate/RSF	Monthly Rent	Annual Rent
		08/18/17 - 09/30/17:	1.50	\$1.00	\$1,000.00	\$1,500.00
		10/01/17 - 09/30/18:	12.00	\$1.00	\$1,000.00	\$12,000.00
		10/01/18 - 09/30/19:	12.00	\$1.00	\$1,000.00	\$12,000.00
		10/01/19 - 09/30/20:	12.00	\$1.00	\$1,000.00	\$12,000.00
		10/01/20 - 09/30/21:	12.00	\$1.00	\$1,000.00	\$12,000.00
		10/01/21 - 09/30/22:	12.00	\$1.00	\$1,918.00	\$23,016.00
		10/01/22 - 09/30/23:	12.00	\$1.00	\$1,918.00	\$23,016.00
		10/01/23 - 09/30/24:	12.00	\$1.00	\$1,918.00	\$23,016.00
		10/01/24 - 09/30/25:	12.00	\$1.00	\$1,918.00	\$23,016.00
		10/01/25 - 09/30/26:	12.00	\$1.00	\$1,918.00	\$23,016.00
		10/01/26 - 02/28/27:	5.00	\$1.00	\$1,918.00	\$9,590.00
		Total		114.50		

**Antelope Valley Lease Highlights
For Fiscal Year 2025-2026**

Lease Highlight	Lease Section	Description				
Landlord		Rami and Reem Dorghalli dba RD Properties (formerly Fraber Properties II- Frank Visco)				
ADDRESS		43850 10th Street West, Lancaster CA 93534				
Square Footage		Suites	RSF	USF	LOAD FACTOR	
Estimated RSF, final RSF will be determined after the construction is completed (Section 62.6)		Full Occupancy	38,288	38,288	0.00%	
		Total	38,288	38,288	0.00%	
TENANT'S SHARE of PREMISES		100.00%				
TERM		180 months or 15 years				
LEASE COMMENCEMENT DATE		February 1, 2021				
LEASE EXPIRATION DATE		January 31, 2036				
OPTION TO TERMINATE		none (due to new construction)				
OPTION TO EXTEND		Two (2) periods of five (5) years from May 31, 2035 as follows: 1st optional renewal term: From August 31, 2034 to May 1, 2035; Notice: At least 9 months but not more than 18 months prior to option to extend 2nd optional renewal term: From August 1, 2039 to May 1, 2040; Notice: At least 9 months but not more than 18 months prior to option to extend				
OPTION TO EXPAND		Right and option to expand into second building on property Notice to be provided to Landlord between 11/01/2025 and 11/1/2026 Provides a TI Allowance for the Expansion Space of \$78 per RSF (Section 61.4)				
RENT TYPE		Full Service Gross (Landlord pays taxes, insurance, common area maintenance expenses, utilities, and janitorial); Additionally, Landlord will provide security				
BASE RENT ADJUSTMENT		Term	#Mos	Rate/RSF	Monthly Rent	Annual Rent
Projected Effective Date		1 02/1/21 - 01/30/22:	12	\$2.6500	\$101,463.00	\$1,217,556.00
		2 02/1/22 - 01/30/23:	12	\$2.7295	\$104,507.00	\$1,254,084.00
		3 02/1/23 - 01/30/24:	12	\$2.8114	\$107,642.00	\$1,291,704.00
		4 02/1/24 - 01/30/25:	12	\$2.8957	\$110,871.00	\$1,330,452.00
		5 02/1/25 - 01/30/26:	12	\$2.9826	\$114,198.00	\$1,370,376.00
		6 02/1/26 - 01/30/27:	12	\$3.0721	\$117,623.00	\$1,411,476.00
		7 02/1/27 - 01/30/28:	12	\$3.1642	\$121,152.00	\$1,453,824.00
		8 02/1/28 - 01/30/29:	12	\$3.2592	\$124,787.00	\$1,497,444.00
		9 02/1/29 - 01/30/30:	12	\$3.3570	\$128,530.00	\$1,542,360.00
		10 02/1/30 - 01/30/31:	12	\$3.4577	\$132,386.00	\$1,588,632.00
		11 02/1/31 - 01/30/32:	12	\$3.5614	\$136,358.00	\$1,636,296.00
		12 02/1/32 - 01/30/33:	12	\$3.6682	\$140,449.00	\$1,685,388.00
		13 02/1/33 - 01/30/34:	12	\$3.7783	\$144,662.00	\$1,735,944.00
		14 02/1/34 - 01/30/35:	12	\$3.8916	\$149,002.00	\$1,788,024.00
		15 02/1/35 - 01/30/36:	12	\$4.0084	\$153,472.00	\$1,841,664.00
		Total	180.00			\$22,645,224.00

**Antelope Valley Lease Highlights
For Fiscal Year 2025-2026**

Lease Highlight	Lease Section	Description
Rent Adjustment for Subsequent Years		Lease provides for 3% increase per year.
OPERATING EXPENSES AND TAXES		Base Year: 2021 Paid Annually Controllable Expenses (all expenses except Taxes, Utilities, and Insurance) shall not exceed 4% per year Afterhours HVAC is \$40.00 per hour Building Security. Mon-Sun (check in times 4 times per day) Common Area Operating Expense (CAOE) is \$0 until Calendar Year 2021
PARKING		Tenant has use of the entire parking lot at no cost 272 parking spaces as follows: 150 parking spaces for NLACRC's exclusive use 46 new unreserved parking spaces 10 reserved parking spaces 2 Electronic vehicle charging stations 64 pre-existing unreserved parking spaces on the property
SECURITY DEPOSIT		None (\$0)
MISCELLANEOUS PROVISIONS		Tenant Improvement allowance is \$90.00 rsf or \$3,445,920 (excludes outdoor area) NLACRC has first right of refusal to 43630 10th Street West ("Second Building") Build to Suit-New construction; delivery date projected to be December 1, 2020 Early Access up to 45 days prior to the expected Substantial Completion date Landlord responsible for Holdover Rent in the event premises is not available Conditional Waiver of Deed Restriction (Palmdale Regional Medical Center has a no compete clause on the property deed)
Number of Staff (filled as of October 31, 2025)		198
Number of Authorized positions		219
Capacity (Workstations & Offices)		204
Capacity (Family Resource Center)		3

**Santa Clarita Valley Lease Highlights
For Fiscal Year 2025-2026**

Lease Highlight	Lease Section	Description				
Landlord	Page 2	Tourney Road Investments, LLC 4605 Lankershim Blvd. #707; North Hollywood, CA 91602-1818				
ADDRESS	Page 2	25360 Magic Mountain Parkway, Valencia California 91355				
Square Footage	Page 2	Suite	RSF	USF	LOAD FACTOR	
		150	9,620	8,364	13.06%	
		120	1,456	1,263	13.26%	
		100	3,907	3,397	13.05%	
		180	1,004	873	13.05%	
		200	3,262	2,836	13.06%	
		260	3,098	2,694	13.04%	
		Total	22,347	19,427	15.03%	
TENANT'S SHARE		45.08%: (22,347 RSF / 49,570 total RSF)				
TERM	1 D	120 months or 10 years				
ORIGINAL LEASE COMMENCEMENT DATE	1 D	June 1, 2022				
LEASE EXPIRATION DATE	1 D	May 31, 2032				
OPTION TO TERMINATE		Option to terminate lease effective on May 31, 2029 Written notice to landlord no later than May 31, 2028 Termination Fee: Unamortized free rent, TI's and commissions @6%, 2 months base rent				
OPTION TO EXTEND	31	No Option to Renew				
RENT TYPE	18 & 19	Full Service Gross (Landlord pays taxes, insurance, common area maintenance expenses, utilities, and janitorial)				
BASE RENT ADJUSTMENT		Term	#Mos	Rate/RSF	Monthly Rent	Annual Rent
	1	06/01/22 - 05/31/23:	12	\$2.75	\$61,454.00	\$737,448.00
	2	06/01/23 - 05/31/24:	12	\$2.83	\$63,242.00	\$758,904.00
	3	06/01/24 - 05/31/25:	12	\$2.92	\$65,253.00	\$783,036.00
	4	06/01/25 - 05/31/26:	12	\$3.00	\$67,041.00	\$804,492.00
	5	06/01/26 - 05/31/27:	12	\$3.10	\$69,276.00	\$831,312.00
	6	06/01/27 - 05/31/28:	12	\$3.19	\$71,287.00	\$855,444.00
	7	06/01/28 - 05/31/29:	12	\$3.28	\$73,298.00	\$879,576.00
	8	06/01/29 - 05/31/30:	12	\$3.38	\$75,533.00	\$906,396.00
	9	06/01/30 - 05/31/31:	12	\$3.48	\$77,768.00	\$933,216.00
	10	06/01/31 - 05/31/32:	12	\$3.59	\$80,226.00	\$962,712.00
		Total	120.00			\$8,452,536.00
OPERATING EXPENSES AND TAXES	3	Base Year: Calendar Year 2022 <u>Comment:</u> Paid Monthly, with an Annual Reconciliation of Actual cost vs. Projected cost				

**Santa Clarita Valley Lease Highlights
For Fiscal Year 2025-2026**

Lease Highlight	Lease Section	Description
PARKING	5	4 spaces per 1,000 rsf leased, free 90 unreserved parking spaces Landlord does not currently provide reserved parking, but if it became available, Landlord shall provide NLACRC with a share of the reserved parking spaces based on the overall parking allocation
SECURITY DEPOSIT	6	\$27,803.76 If annual revenue falls below \$300 million, additional \$52,380.10 security deposit required
LATE CHARGES	11	Late Charges are applied to overdue amounts after 5 days of due date 5% of overdue amount
MISCELLANEOUS PROVISIONS	76H	HVAC at \$85.00 per hour
Number of Staff (filled as of October 31, 2025)		88
Number of Authorized positions		94
Capacity (Workstations & Offices)		77
Capacity (Family Resource Center)		2

ARTICLE I. STANDARD TERMS AND CONDITIONS

1. Amount of Contract

The total amount payable to Contractor under this contract shall not exceed ~~\$1,070,465,490.00~~ \$1,340,866,635.00 for Fiscal Year 2025-2026 as reflected in Exhibit A of this contract.

Fiscal year funds identified above may not be used for any other fiscal year than the fiscal year specified unless authorized by the State.

2. Term of Contract

Subject to the provisions of Article VI, Section 1 and Article VIII, Section 1 herein, the period of this contract shall be for seven years as specified below. The term of the contract is from July 1, 2024 through June 30, 2031. The first five years of the term, from July 1, 2024 through June 30, 2029, is intended to meet the requirements specified in W&I Code Section 4629. The last two years of the term, from July 1, 2029 through June 30, 2031, is solely to provide for the claims period specified in Government Code section 16304, and to allow for adjustments to the regional centers' allocations and for the payment of claims up to two years after the close of each fiscal year, specifically FY 2029/2030 and FY 2030/2031.

3. Exhibits

- a. Exhibit A, entitled "Contract Budget Summary," is attached hereto and made a part of this contract.
- b. Exhibit B, entitled "Home and Community-Based Services Waiver Regional Center Fiscal Agent Responsibilities," is attached hereto and made a part of this contract.
- c. Exhibit C, entitled "Performance Plan," is incorporated by reference and made a part of this contract.
- d. Exhibit D, entitled "Early Start Statement of Assurances," is attached hereto and made a part of this contract.
- e. Exhibit E, entitled "Community Placement Plan and Community Resource Development Plan Statement of Assurances," is attached hereto and made a part of this contract.
- f. Exhibit F, entitled "Statement of Assurances for Protection of Protected Health Information," is attached hereto and made a part of this contract.
- g. Exhibit G entitled "Medicaid Enrollment Requirements," is attached hereto and made a part of this contract.

shall be the property of the State of California and used for the performance of this contract, unless specifically exempted in the State's Equipment Management System Guidelines.

Contractor shall maintain and administer, in accordance with sound business practice, a program for the utilization, care, maintenance, protection and preservation of State of California property so as to assure its full availability and usefulness for the performance of this contract. Contractor shall comply with the State's Equipment Management System Guidelines for regional center equipment and appropriate directions and instructions which the State may prescribe as reasonably necessary for the protection of State of California property.

- b. Except as authorized in W&I Code section 4669.2, subdivision (a)(8), Contractor is prohibited from expending any state funds that result in the State of California owning, or incurring a liability for, real property.

5. Public Disclosure of Contracts

In accordance with W&I Code Section 4640.6(k), Contractor shall make available to the public for review, all employment contracts with regional center staff or contractors (entered into on or after January 1, 2003) upon request. No employment contract, or portion thereof, may be deemed confidential or unavailable for public review except the social security number of the contracting party.

- a. The term of an employment contract between Contractor and an employee or contractor shall not exceed five years or the term of the State's contract with the regional center.
- b. When reporting the information to the State, as required by W&I Code Sections 4639.5 and 4640.6(k). Contractor shall include any information regarding Executive Director current annual compensation as defined by IRS Code for completion of the IRS Form 990, and associated detail. This information shall be provided in a format with instructions agreed to by the State and regional centers.

6. Information Security

- a. The Contractor agrees to comply with the most current version of the State's 'Statement of Assurances for Protection of Protected Health Information' (Exhibit F) which sets forth the security and notification requirements and best practices for, but not limited to, the protection of all confidential, sensitive, and/or personal information collected and stored on behalf of the State regardless of format or media type.
- b. Contractor, agrees to adhere to State policy and Exhibit F regarding incident reporting, requiring privacy breaches and/or security incidents involving paper and other formats to notify the Department's Information Security Officer, via email at iso@dds.ca.gov and copy

privacy@dds.ca.gov in the event of any loss or theft of personal, sensitive, or confidential information in any format, including but not limited to flash drives, cell phones, personal digital assistants, tablets, computers, and laptops immediately, but no later than within 72 hours.

The notification to the Department must be reported on form DS 5340B or other online submission form as directed by the Department. The Department is mandated by law to notify other entities of disclosure of information; the timelines are extremely short for many of these reports; therefore, it is essential that the Department is notified immediately, but no later than 72 hours upon the discovery of a breach compromising the security and/or privacy of Protected Health Information, or upon a reasonable belief such breach has occurred.

6. ~~Consumer Information Security~~

- a. ~~The Contractor agrees to adhere to the most current version of the State's 'Statement of Assurances for Protection of Protected Health Information' (Exhibit F) which sets forth the security and notification requirements and best practices for, but not limited to, the protection of all confidential, sensitive, and/or personal information collected and stored on behalf of the State regardless of format or media type.~~
- b. ~~Contractor, agrees to adhere to State policy regarding incident reporting, requiring privacy breaches and/or security incidents involving paper and other formats to immediately notify the Department's Information Security Officer, via email at iso@dds.ca.gov in the event of any loss or theft of personal, sensitive, or confidential information in any format, including but not limited to flash drives, cell phones, personal digital assistants (i.e. blackberry), tablets, computers, and laptops within 72 hours.~~

~~The notification to the Department must be reported on form DS 5340B or other online submission form as directed by the Department. DDS is mandated by law to notify other entities of disclosure of information; the timelines are extremely short for many of these reports; therefore, it is essential that DDS is notified immediately, within 72 hours, when a suspected privacy breach or security incident is discovered by the Contractor.~~

ARTICLE VII: MISCELLANEOUS

1. Lease/Rental Agreements

The contractor shall include in all new leases or rental agreements for real property a clause that holds the State harmless for such leases.

2. Emergency Response System

Contractor shall implement an emergency response system that ensures that a regional center staff person will respond to a consumer, or individual acting on behalf of a consumer, within two hours of the time an emergency call is placed. This emergency response system shall be operational 24 hours per day, 365 days per year.

3. Emergency Planning, Preparedness, Response and Recovery

- a. Definitions for terms, as used in this section:
 - 1) “Emergency” means any situation that requires immediate action in which the life or safety of individuals are threatened by events including but not limited to: floods, fires, earthquakes, power outages, chemical spills, or events for which a disaster has been declared by a unit of local, state, federal, or tribal government.
 - 2) “Community” means regional center individuals, their families and caregivers, service providers, regional center staff and other relevant local partners.
- b. Contractor shall develop, and annually thereafter review and update, as necessary, its emergency plan to encompass planning, preparedness, response and recovery. The plan shall, at minimum, include a description of Contractor’s ongoing efforts to develop and maintain relationships, educate, prepare and plan, and collaborate with County Emergency Management Offices, tribal entities, neighboring regional centers, and the community.
- c. Contractor shall maintain a current list of key regional center personnel involved in emergency activities, from planning, preparedness, response, recovery, and reporting, and their contact information, and share it with the State’s Emergency Preparedness and Response Office to ensure coverage and daily reporting during an emergency. To the extent possible, the State will make efforts to streamline requests during an emergency.
- d. Contractor shall hire, maintain and designate one full-time Emergency Coordinator position. The Emergency Coordinator shall participate in-person or remotely in state- funded training opportunities and exercises. If every effort has been made for Emergency Coordinator to participate, but is unable, a designee shall participate. Additionally, the emergency coordinator shall participate remotely in designated monthly statewide

Emergency Coordination meetings to ensure all Emergency Coordinators receive information including but not limited to: updates on Department initiatives, new updates or changes related to emergency preparedness programs.

- e. Contractor shall work with the State to utilize resources made available for:
 - 1) Training and community engagement, and
 - 2) Distribution of emergency preparedness resources to individuals and families in the Contractor's catchment area.

- f. During an emergency that impacts individuals served by the regional center, Contractor shall:
 - 1) Provide timely and immediate notifications and updates to impacted individuals using the Everbridge Notification platform;
 - 2) Utilizing the information available from the Everbridge Notification platform, Contractor shall identify individuals who rely on medical equipment, who are non- ambulatory, or who live with limited supports to quickly assess additional needs or support;
 - 3) Identify facility and program closures that result in individual displacement and/or loss of services;
 - 4) Coordinate with local, state, federal and tribal entities, the community, and other regional centers, as needed to maintain individual safety and supports;
 - 5) Provide daily, or at a frequency requested by Contractor and approved by the State, updates to the State regarding Contractor's actions taken, the safety, well-being, and unmet needs of individuals, to the extent known to Contractor, in a format mutually agreed upon.

- g. Contractor shall assist individuals after emergency events, and may utilize the service providers for assistance, which may include, but not be limited to, the following:
 - 1) Returning home.
 - 2) Identifying alternative sources of services, if needed.
 - 3) Connecting to state and federal assistance programs, which may include, but not be limited to food, income supports, childcare, interpretation, and health care.

- a. ~~Definitions for terms, as used in this section:~~
- 1) ~~“Emergency” means any situation that requires immediate action in which the life or safety of consumers are threatened by events including but not limited to: floods, fires, earthquakes, power outages, chemical spills, or events for which a disaster has been declared by a unit of local, state, federal, or tribal government.~~
 - 2) ~~“Community” means regional center consumers, their families and caregivers, service providers, regional center staff and other relevant local partners.~~
- b. ~~Contractor shall develop, and annually thereafter review and update, as necessary, its emergency plan to encompass planning, preparedness, response and recovery. The plan shall, at minimum, include a description of Contractor’s ongoing efforts to develop and maintain relationships, educate, prepare and plan, and collaborate with County Emergency Management Offices tribal entities, neighboring regional centers, and the community.~~
- c. ~~Contractor shall maintain a current list of key regional center personnel involved in emergency activities, from planning, preparedness, response, recovery, and reporting, and their contact information, and share it with the State’s Emergency Preparedness and Response Office.~~
- d. ~~Contractor shall hire, maintain and designate one full-time Emergency Coordinator position. The Emergency Coordinator shall participate in-person or remotely in state-funded training opportunities and exercises, and quarterly statewide meetings. If every effort has been made for Emergency Coordinator to participate, but is unable, a designee shall participate.~~
- e. ~~Contractor shall work with the State to utilize resources allocated for:~~
- 1) ~~Training and community engagement, and~~
 - 2) ~~Generators, batteries, go-bags/emergency kits for consumers living in high-risk areas defined by CalFire and the California Public Utilities Commission, to the extent applicable to the Contractor’s catchment area.~~
- f. ~~During a declared emergency, Contractor shall:~~
- 1) ~~Provide timely notifications and updates to impacted consumers;~~
 - 2) ~~Identify facility and program closures that result in consumer displacement and/or loss of services;~~

- ~~3) Coordinate with local, state, federal and tribal entities, the community, and other regional centers, as needed to maintain consumer safety and supports;~~
- ~~4) Provide daily, or at a frequency requested by Contractor and approved by the State, updates to the State regarding the safety, well-being, and unmet needs of consumers, to the extent known to Contractor, in a format mutually agreed upon.~~
- ~~g. Contractor shall assist consumers after emergency events, and may utilize the service providers for assistance, which may include, but not be limited to, the following:~~
 - ~~1) Returning home.~~
 - ~~2) Identifying alternative sources of services, if needed.~~
 - ~~3) Connecting to state and federal assistance programs, which may include, but not be limited to food, income supports, childcare, interpretation, and health care.~~

4. Collection of Parental Information

In accordance with W&I Code Section 4657, Contractor shall collect the following for each new case and each review of all clients in out-of-home placement:

- a. The social security number of the parents of the client;
- b. The birthday of the parents of the client;
- c. The disability status of the parents of the client; and,
- d. Whether the parents of the client are deceased or not.

5. Registered Sex Offenders

Effective April 1, 2005, Contractor shall, for every newly eligible consumer over 16 years of age, review Megan's Law website (www.meganslaw.ca.gov) to determine if the consumer is required to register as a sex offender pursuant to Penal Code 290. If the consumer is required to register as a sex offender, the Contractor shall appropriately note this information in the consumer's electronic record and case file.

6. Data Compilation

Both parties to this contract recognize the specific requirements under law as stated in W&I Code Section 4519.5 and 4519.6. Contractor shall provide the report specified in W&I Code Section 4519.5(f) to the State annually by May 31.

7. Shared Vendors and Case Management Responsibility

ARTICLE X: ADDITIONAL PROVISIONS

The following is an amendment to Special Contract Language (SCL) executed between the State and Contractor on June 27, 2025 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. Regional Center Operations

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

A. Delivery of Regional Center Services. Contractor shall comply with the delivery of case management services by the regional center consistent with the requirements of the Lanterman Act. Contractor shall provide monthly data on service coordinator to consumer caseload ratios, and shall reduce caseload ratios as follows:

1. By October 1, 2025: Contractor shall meet the California average among all regional centers for the following caseloads which were not in compliance based on the Contractor's caseload ratio survey in March 2025:

a. On Waiver 1:72

b. Under 6 Years 1:48

c. Over 5, Non-Waiver, Non-Mover 1:70

2. By March 1, 2026: Contractor shall meet the required caseload ratios in clause a., b., and c. of subparagraph 1. These ratios are specified in Welfare and Institutions Code sections 4640.6 (c)(3)(A), 4640.6 (c)(4), and 4640.6 (c)(3)(C), respectively.

3. Contractor's compliance with the requirements of subparagraph 2 for two consecutive caseload ratio survey cycles (i.e. March 2026 and March 2027), will be deemed substantial compliance and this provision of SCL will be considered met and the requirements in this section, I.A., will be removed.

II. Regional Center Community Relations. Contractor shall demonstrate community responsiveness and positive relationships with its community members, including individuals and families served and their provider community. This will be reflected in the percentage of Individual Program Plan (IPP) surveys returned by individuals and families served by the Contractor. Contractor shall make individuals and families aware of the availability of the IPP survey. Upon Contractor having a 15% return rate on IPP surveys and at least a rate of 85% or better on the level of satisfaction over a consecutive period of six months, this provision of SCL will be considered met and the requirement will be removed.

III. **Regional Center Complaints.** 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). Contractor shall continue providing this reporting until SCL is withdrawn. This report shall contain, at a minimum, the following information for each complaint submitted: (1) Date complaint was received; (2) Entity that is the target of the complaint (e.g., regional center staff, service provider, community member, etc.); and (3) Total number of days Contractor took to complete the inquiry/follow-up, from the date the complaint was received until Contractor deemed the complaint closed.

IV. **State Meetings.** 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.

~~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 12, 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.

Statement of Assurances for Protection of Protected Health Information

Health Insurance Portability and Accountability Act (HIPAA)
Health Information Technology for Economic and Clinical Health (HITECH)
Business Associate Agreement

1. Background

The terms of this Agreement are intended to create a business associate relationship between the contracting parties (collectively, “Contractor” and “DDS”) as required under the Health Insurance Portability and Accountability Act (“HIPAA”), codified in Title 42 of the United States Code, Section 1320d et seq. and its implementing law and regulations such as the Health Information Technology for Economic and Clinical Health Act of 2009, (Public Law 111-005, Title XIII, Subtitle D, Section 13400 et seq., Feb. 17, 2009) (“HITECH Act”), and Title 45 of the Code of Federal Regulations (“CFR”) Parts 160 and 164 (“HIPAA Regulations”).

Since a business associate relationship is created by this Agreement and protected health information (“PHI”), as defined in Section 3 herein, may be exchanged, created, received, maintained, used and/or disclosed to Contractor, Contractor agrees to comply with all applicable requirements of HIPAA, HIPAA Regulations, and the HITECH Act which pertain to the privacy and security of PHI.

In addition, HIPAA’s preemption exception under Title 45 of the CFR Section 160.203 requires state law to apply if state law is more stringent in protecting PHI than a standard, requirement, or implementation specification adopted under HIPAA Regulations. Accordingly, the intent of the parties is that Contractor shall comply with applicable California law governing the exchange, creation, dissemination, maintenance, use or disclosure of PHI to the extent that it exceeds the requirements of HIPAA, HIPAA Regulations, and the HITECH Act. Under its authority and pursuant to Governor Gavin Newsom’s Generative Artificial Intelligence (GenAI) Executive Order N-12-23, the California Department of Technology has issued policies requiring Contractor to notify DDS in writing if their services or any work under the contract includes, or makes available, any previously unreported GenAI technology, including GenAI from third parties or subcontractors, as required under Article IV: Contractor Operations, of the contract.

2. Recitals

- A. DDS wishes to disclose to Contractor and/or wishes for the Contractor to receive certain information pursuant to the terms of this Agreement, some of which may constitute PHI.
- B. As set forth in this Agreement Contractor is the “Business Associate”, as defined

in Section 3 herein, of DDS that provides services, arranges, performs or assists in the performance of functions or activities on behalf of DDS, and creates, receives, maintains, transmits, uses or discloses PHI.

- C. DDS and Contractor desire to protect the privacy of and secure the PHI created, received, maintained, transmitted, used, or disclosed pursuant to this Agreement, in compliance with HIPAA, HIPAA Regulations, the HITECH Act, and any more stringent applicable state law protecting PHI.

Now, therefore, the parties agree as follows:

3. Definitions

- A. **Accounting** – “Accounting” means Contractor’s accounting of PHI disclosures to an individual upon his or her request in accordance with 45 CFR § 164.528, subject to the exceptions listed therein. As stated in 45 CFR § 164.528(b) an accounting includes the date of disclosure, the name of the entity or person who received the PHI and, if known, the address of such entity or person, a brief description of the PHI disclosed, and a brief statement of the purpose of disclosure or copy of a written request for disclosure by the Secretary, as defined herein, or by an entity or person permitted under 45 CFR § 164.512.
- B. **Artificial Intelligence** – “Artificial Intelligence” or “AI” shall have the same meaning as defined in Article I, section 4, of the operative Contract.
- C. **Breach or Breaches** – “Breach” or “Breaches” has the same meaning as the term “breach” defined under 45 CFR § 164.402, which is the acquisition, access, use or disclosure of PHI in a manner not permitted under Title 45 of the CFR Part 164, Subpart E, that compromises the security or privacy of PHI, subject to the breach exclusions listed therein.
- D. **Business Associate** – “Business Associate” has the same meaning as the term “business associate” defined in 45 CFR § 160.103, which means an entity or person who, on behalf of a covered entity, creates, receives, maintains or transmits PHI by conducting services including legal, actuarial, accounting, consulting, data aggregation, management, administrative, accreditation, financial services, claims processing or administration, data analysis, processing or administration, utilization review, quality assurance, billing, patient safety activities benefit management, practice management and/or repricing. “Business Associate” also refers to Contractor who is a party to this Agreement.
- E. **Covered Entity** – “Covered Entity” has the same meaning as the term “covered entity” defined in 45 CFR § 160.103, which means a health plan, health clearinghouse or healthcare provider. Covered entity also refers to DDS who is a party to this Agreement.
- F. **Designated record set** – “Designated record set” has the same meaning as the term “designated record set” defined in 45 CFR § 164.501, which is a group of records that contains PHI and is maintained by or for a covered entity. The designated record set includes medical records and billing records, enrollment, payment, claims adjudication and case/medical management record systems, and/or records used, in whole or part, to make decisions about individuals.
- G. **Disclosure** – “Disclosure” has the same meaning as the term “disclosure” defined in 45 CFR § 160.103, which is the release, transfer, provision of access

- to, or divulging in any manner of information outside the entity holding the information.
- H. **Discovery** – “Discovery” has the same meaning as “Breaches treated as discovered” under 45 CFR § 164.410. Under Section 164.410, a breach shall be treated as discovered by a business associate on the first day on which such breach is known, or by exercising reasonable diligence would have been known by the business associate, including its employees or agents.
- I. **Electronic PHI** – “Electronic PHI” is protected health information in an electronic form.
- J. **Encryption** – “Encryption” has the same meaning as the term “encryption” defined in 45 CFR § 164.304, which is the use of an algorithmic process to transform data into a form in which there is a low probability of assigning meaning without use of a confidential process or key.
- K. **Generative AI** – “Generative AI” or “GenAI” shall have the same meaning as defined in Article I, section 4, of the operative Contract.
- L. **Harmful effect** – “Harmful effect” means a negative effect of using or disclosing PHI, known to the covered entity or business associate, that would violate HIPAA, HIPAA Regulations, the HITECH Act, as set forth in 45 CFR § 164.530(f), or any more stringent applicable state law protecting PHI.
- M. **Health care operations** – “Health care operations” has the same meaning as the term “health care operations” defined in 45 CFR § 164.501. Under Section 164.501, health care operations include, but are not limited to, conducting quality assessment and improvement activities, including outcomes evaluation, development of clinical guidelines, patient safety activities, population-based activities relating to improving health, protocol development, case management and care coordination, reviewing competence and qualifications of health care professionals, evaluating provider/vendor performance, conducting training programs for students, trainees or practitioners in the area of health care to improve skills, training of non-health care professionals, accreditation, certification, licensing or credentialing activities, underwriting and enrollment relating to creation, renewal or replacement of health insurance or benefits, medical review, legal services, auditing functions, business planning and development, business management and general administrative activities such as implementation and compliance with HIPAA, HIPAA Regulations, and the HITECH Act, customer service, resolution of internal grievances, the creation of de-identified health information or a limited data set, and/or fundraising for the benefit of the business associate.
- N. **Individual or Individuals** – “Individual” or “Individuals” has the same meaning as the term “individual” defined in 45 CFR § 160.103, which is the person who is the subject of PHI.
- O. **Lanterman Act** – The “Lanterman Act” means the Lanterman Developmental Disabilities Services Act codified in California Welfare and Institutions Code Sections 4500, *et seq.*
- P. **Limited Data Set** – “Limited Data Set” has the same meaning as the term “limited data set” defined in 45 CFR § 164.514(e)(2). Under Section 164.514(e)(2), a limited data set is PHI which excludes the following direct identifiers of the individual or of relatives, employers, or household members of

the individuals: (1) names; (2) addresses, other than town or city, state and zip code; (3) telephone numbers; (4) fax numbers; (5) email addresses; (6) social security numbers; (7) medical record numbers; (8) health plan beneficiary numbers; (9) account numbers; (10) certificate/license numbers; (11) vehicle identifiers and serial numbers, including license plate numbers; (12) device identifiers and serial numbers; (13) URLs; (14) IP address numbers; (15) biometric identifiers, including finger and voice prints; and (16) full face photographic images and any comparable images.

- Q. ***Minimum necessary*** – “Minimum necessary” means the “minimum necessary” standard set forth in 45 CFR § 164.502(b), which requires covered entities and business associates to make reasonable efforts to limit the use or disclosure of PHI to accomplish the intended purpose of the use, disclosure or request, subject to the exceptions set forth therein.
- R. ***Notice of Privacy Practices*** – “Notice of Privacy Practices” means the required notice under 45 CFR § 164.520 provided to individuals by a covered entity regarding the use and disclosure of PHI that may be made by the covered entity, and the individual’s rights and covered entity’s legal duties with respect to PHI.
- S. ***PHI or protected health information*** – “PHI” or “protected health information” has the same meaning as the term “individually identifiable health information” as defined in 45 CFR § 160.103. Under Section 160.103, individually identifiable health information is information that is a subset of health information, including demographic information collected from an individual, and is created or received by a covered entity or business associate and relates to the past, present, or future physical or mental health of an individual; the provision of health care to an individual; or the past, present, or future payment for the provision of health care to the individual. In addition, the information must identify the individual or there must be a reasonable basis to believe the information may be used to identify the individual.
- T. ***Required by law*** – “Required by law” has the same meaning as the term “required by law” defined in 45 CFR § 164.103, which is a mandate contained in law that compels an entity to make a use or disclosure of PHI and that is enforceable in a court of law.
- U. ***Safeguards*** – “Safeguards” referenced herein collectively means the required “administrative safeguards” defined in 45 CFR § 164.308, “physical safeguards” defined in 45 CFR § 164.310, and “technical safeguards” defined in 45 CFR § 164.312.
- 1) Under 45 CFR § 164.308, “administrative safeguards” is the implementation of policies and procedures to prevent, detect, contain and correct security violations.
 - 2) Under 45 CFR § 164.310, “physical safeguards” is the implementation of policies and procedures to limit physical access to electronic information systems and the facility or facilities in which PHI is maintained, while ensuring proper authorized access to PHI.
 - 3) Under 45 CFR § 164.312, “technical safeguards” is the implementation of policies and procedures for electronic information systems that maintain electronic PHI to allow access only to those persons or software programs that have been granted access rights specified in 45 CFR § 164.308(a)(4).

- V. **Secretary** – “Secretary” means the Secretary of the United States Department of Health and Human Services.
- W. **Security Incident** – “Security Incident” has the same meaning as the term “security incident” defined in 45 CFR § 164.304, which is the attempted or successful unauthorized access, use, disclosure, modification or destruction of information or interference with system operations in an information system.
- X. **Subcontractor or Agent** – “Subcontractor” or “Agent” has the same meaning as the term “subcontractor” defined in 45 CFR § 160.103, which is a person to whom a business associate delegates a function, activity or service, other than in the capacity of a member of the workforce of such business associate.
- Y. **Unsecured PHI** – “Unsecured PHI” has the same meaning as “unsecured protected health information” defined in 45 CFR § 164.402, and it is PHI that is not rendered unusable, unreadable, or indecipherable to unauthorized persons through the use of technology and methodology specified by the Secretary in the guidance issued under section 13402(h)(2) of Public Law 111-5.
- Z. **Use or usage** – “Use” or “usage” has the same meaning as the term “use” defined in 45 CFR § 160.103, which is the sharing, employment, application, utilization, examination, or analysis of PHI within an entity that maintains such information.

4. **Permitted Uses and Disclosures of PHI by Business Associate**

- A. **Usage Permitted by This Agreement and HIPAA**. Contractor may use or disclose PHI only to perform functions, activities or services for, or on behalf of the DDS as specified in this Agreement, provided that such use or disclosure does not violate HIPAA, HIPAA Regulations, the HITECH Act, and any more stringent applicable state law protecting PHI. The use and disclosure of PHI may not be more expansive than applicable to DDS as the “Covered Entity” under 45 CFR Part 164. (45 CFR § 164.504(e)(2)(i)).
- B. **Usage for Legal, Management and Administrative**. In accordance with 45 CFR § 164.504(e)(4), Contractor may disclose PHI if necessary for the legal, management, or administrative purposes of Contractor. In disclosing PHI, Contractor’s disclosure must be required by law, or the Contractor must obtain reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as required by law or for the purpose for which it was disclosed to the person, and the person notifies Contractor of any instances of which it is aware in which the confidentiality of the information has been breached.
- C. **Minimum Necessary**. Contractor shall comply with the requirements under 45 CFR § 164.502(b) to only request, use, and disclose the minimum PHI necessary to accomplish the intended purpose of the request, use or disclosure.
- D. **Access**. Contractor shall provide access to an individual’s PHI in a designated record set to DDS, or to the individual to whom the PHI in the designated record set pertains, upon request, and in the time and manner designated by either

DDS, or the individual to whom the PHI in a designated record set pertains, in order to meet the requirements of 45 CFR § 164.524 and 45 CFR § 164.504(e)(2)(ii)(E) regarding an individual's right to access PHI.

- 1) If Contractor maintains electronic PHI, and an individual requests a copy of his or her PHI in an electronic format, Contractor shall provide such information in an electronic format to enable DDS to fulfill its obligations under the HITECH Act, including but not limited to 42 USC § 17935(e).

E. **Nondisclosure.** In accordance with 45 CFR § 164.504(e)(2)(ii)(A), Contractor shall not use or further disclose PHI other than as permitted or required by this Agreement, or as required by law.

F. **Amendments.** In accordance with 45 CFR § 164.504(e)(2)(ii)(F) and 45 CFR § 164.526), Contractor shall make any amendment(s) to PHI in a designated record set that DDS directs or agrees to and in the time and manner designated by DDS, or at the request of an individual. If an individual makes such request directly to the Contractor, Contractor will forward said request to DDS within five (5) business days of receipt. Contractor shall ensure the amendment/s that are accepted are incorporated into the PHI in accordance with 45 CFR § 164.526.

G. **Accounting.**

- 1) Except as provided in this subsection, Contractor shall document and track disclosures of PHI that it makes on behalf of DDS to establish an accounting. The accounting of disclosures shall include: (1) the date of disclosure; (2) the name of the entity or person who received the PHI and, if known, the address of such entity or person; (3) a brief description of the PHI disclosed; and (4) a brief statement describing the reason for the required or permitted disclosure (e.g., pursuant to a court order), or a copy of the written request if applicable, as required under 45 CFR § 164.528(b)(2).

- 2) In accordance with 45 CFR § 164.528(a)(1), Contractor is not required to document and track the following disclosures of PHI that it makes::

- a. Disclosures made for treatment, payment and healthcare operations as provided in 45 CFR § 164.506;
- b. Disclosures made to the individual about themselves as provided in 45 CFR § 164.502;
- c. Disclosures incident to a use otherwise permitted or required, as provided in 45 CFR § 164.502;
- d. Disclosures made pursuant to a valid HIPAA authorization under 45 CFR § 164.508(c);
- e. Disclosures made for the Contractor's director, or to persons involved in the individual's care or for other notification purposes as provided in 45 CFR § 164.510;

- f. Disclosures made pursuant to national security or intelligence purposes as provided in 45 CFR § 164.512(k)(2);
 - g. Disclosures made to correctional institutions or law enforcement as provided in 45 CFR § 164.512(k)(5); and
 - h. Disclosures that are part of a limited data set in accordance with 45 CFR § 164.514(e).
- 3) Contractor shall provide an accounting of disclosures of PHI to DDS or an individual for the six years prior to the date of the request, in accordance with 45 CFR § 164.528 (a)(1), subject to the exceptions listed therein. Contractor shall respond in writing to a request for accounting of disclosures within thirty (30) calendar days of receipt of the request by producing the accounting of disclosures or verifying there were no disclosures.

5. Uses and Disclosures Not Provided for by this Agreement

- A. **Mitigation.** In accordance with 45 CFR § 164.530 (f), Contractor shall mitigate, to the extent practicable, any harmful effect that is known to Contractor of a use or disclosure of PHI in violation of the requirements of this Agreement.
- B. **Requests to Restrict PHI.** Contractor shall not disclose PHI about an individual to a health plan for payment or health care operations purposes if PHI pertains solely to a health care item or service for which the health care provider involved has been paid out of pocket in full and the individual requests such restriction, in accordance with 42 USC § 17935(a) and 45 CFR 164.522(a).
- C. **No Remuneration Without Written Consent.** In accordance with 42 USC § 17935(d)(1), Contractor shall not directly or indirectly receive remuneration in exchange for PHI, except with the prior written consent of DDS and a valid HIPAA authorization under 45 CFR § 164.508.

6. Safeguarding Protected Health Information

- A. In accordance with 45 CFR § 164.504(e)(2)(ii)(B) and 45 CFR Part 164, Subpart C, Contractor shall use appropriate safeguards to prevent use or disclosure of PHI, including electronic PHI, except as provided in this Agreement or as required by law.
- B. In accordance with 45 CFR Part 164, Subpart C and 45 CFR § 164.314(a)(2)(i)(A) & (B), Contractor shall implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the PHI, including electronic PHI, it creates, receives, maintains, or transmits, including in an electronic format, on

behalf of DDS to prevent unauthorized access, viewing, use, disclosure or breach of PHI, other than as provided for by this Agreement or required by law.

- C. Contractor shall develop and maintain a written information privacy and security program that includes administrative, technical and physical safeguards appropriate to the size and complexity of Contractor's operations and the nature and scope of its activities, and which incorporates the requirements of Section 7, Security, below.
- D. ***Privacy Officer.*** Contractor shall designate a Privacy Officer/Coordinator who shall: (1) develop policies and procedures on PHI that comply with this Agreement, HIPAA, HIPAA Regulations, the HITECH Act, and any more stringent applicable state law protecting PHI; (2) receive complaints/notices pertaining to breaches, and process those complaints/notices in accordance with Section 10, herein; and (3) be the point of contact for communication on privacy matters with DDS. Contractor shall notify DDS's privacy and security officers of the individual designated as Privacy Officer and his/her appropriate contact information (including telephone, work address and email) upon execution of this Agreement, and within 10 calendar days of any changes or annually per DDS Technical Bulletin 479.

7. Security

- A. Contractor shall ensure the security of all computerized data systems containing PHI in compliance with HIPAA, HIPAA Regulations, the HITECH Act, and in accordance with 45 CFR § 164.502(e), and the standards provided by National Institute of Standards and Technology (NIST). These steps shall include, at a minimum, but not be limited to:
- 1) Ensuring appropriate security levels to maintain the confidentiality, integrity and availability of PHI and electronic PHI in accordance with 45 CFR Part 164, Subpart C;
 - 2) Protecting against any reasonably anticipated threats or hazards to the security or integrity of PHI and electronic PHI in accordance with 45 CFR 164.306(a)(2);
 - 3) Protecting against any reasonably anticipated uses or disclosures of PHI and electronic PHI that are not permitted or required under 45 CFR Part 164, Subpart E, in accordance with 45 CFR 164.306(a)(3);
 - 4) Requiring encryption of electronic PHI that is stored or transmitted using portable computing devices (including, but not limited to, tablets, smartphones, laptops and notebook computers, electronic tapes) and/or portable electronic storage media (e.g., CD, DVD, flash drives, etc.) or through utilization of cloud services (including but not limited to Software as a Service, Infrastructure as a Service, Platform as a Service, or other cloud computing service), except in the limited circumstances where an individual, or individual's authorized representative, provides a written request to have

the individual's PHI sent to themselves or a third party, by unencrypted e-mail or in another unsecure manner, which the individual has a right to request;

- 5) Designating a Security Officer pursuant to 45 CFR § 164.308 to oversee Contractor's data security program. The Security Officer shall be responsible for carrying out the requirements of this Section 7 and to be the point of contact for communicating on security matters with DDS. Contractor shall notify DDS's privacy and security officers of the individual designated as Security Officer and his/her appropriate contact information (including telephone, work address and email) upon execution of this Agreement, and within 10 calendar days of any changes or annually per DDS Technical Bulletin 479.

8. Agents and Subcontractors

- A. Contractor shall require any of its agents, including subcontractors, that create, receive, maintain, or transmit PHI and/or electronic PHI on behalf of Contractor pursuant to its Agreement with DDS, to agree to the same restrictions, safeguards, and conditions that apply to Contractor herein with respect to such information. (45 CFR §§ 164.502, 164.504, 164.314(a)(2)(i)(B)).
- B. Contractor's agents and subcontractors who create, receive, maintain, or transmit PHI and/or electronic PHI on behalf of Contractor are business associates of Contractor and are directly liable under HIPAA, HIPAA Regulations and the HITECH Act for any breach they commit. As such, Contractor's agents and subcontractors who create, receive, maintain, or transmit PHI and/or electronic PHI are subject to civil and, in some cases, criminal penalties for making uses and disclosures of PHI that are not authorized by contract or required by law. Contractor's agents and subcontractors who create, receive, maintain, or transmit electronic PHI, are also directly liable and subject to civil penalties for failing to safeguard electronic PHI in accordance with HIPAA, HIPAA Regulations, and the HITECH Act.

9. Records available to the State and Secretary and Compliance Reviews

- A. In accordance with 45 CFR § 164.504(e)(2)(ii), Contractor shall make its internal practices, books and records relating to the use and disclosure of PHI received from DDS, or created or received by Contractor on behalf of DDS, available to DDS or to the Secretary for purposes of investigating or auditing DDS's compliance with the requirements of HIPAA, HIPAA Regulations, and the HITECH Act, in the time and manner designated by DDS or the Secretary.
- B. In accordance with 45 CFR § 160.310, Contractor shall cooperate with the investigation and compliance reviews conducted by the Secretary. Contractor must provide the Secretary with access to PHI during Contractor's normal business hours; however, upon exigent circumstances, access at any time must be granted. Upon the Secretary's compliance review or investigation, if PHI is

unavailable to Contractor and in possession of a subcontractor or agent, Contractor must certify the efforts it has made to obtain the information from the subcontractor or agent and provide those certified efforts to the Secretary.

10. Breach Procedure

A. **Discovery of Breach.** Contractor shall notify DDS ***immediately, but no later than 72 hours by telephone call plus email*** upon the discovery of a breach compromising the security and/or privacy of PHI, or upon a reasonable belief such breach has occurred, as required at 45 CFR §164.410. Notification shall be provided to the DDS Privacy Officer and the DDS Information Security Officer. If the incident occurs after business hours or on a weekend or holiday and involves electronic PHI, notification shall be provided by calling the DDS Service Desk. Upon discovery of such breach or reasonable belief of such breach, Contractor shall immediately:

- 1) Take prompt corrective action to mitigate any risks or damages involved with the breach and to protect the operating environment; and
- 2) Commence an investigation.

Content of Notification: Immediately, but no later than 72 hours, upon discovery of breach or reasonable belief such breach occurred, Contractor shall include the following information in the notification to the DDS Privacy Officer and the DDS Information Security Officer to the extent known:

- 1) Identification of each individual whose unsecured PHI or confidential information has been, or is reasonably believed to have been accessed, acquired, used, disclosed, or breached;
- 2) A description of the probable causes of the improper use or disclosure;
- 3) What data elements were involved and the extent of the data involved in the breach (such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code or other types of information were involved);
- 4) A description of the unauthorized persons known or reasonably believed to have improperly used or disclosed PHI or electronic PHI;
- 5) A description of what happened, including the date of the breach and date of discovery of the breach, and where the PHI is believed to have been improperly used, accessed, and/or disclosed;
- 6) A description of the steps that an individual may take to protect him/her from the potential harm resulting from the breach; and
- 7) A description of what Contractor is doing to investigate the breach, to mitigate harm to individuals, and to protect against further breaches.

B. **Status Updates.** Contractor shall provide regular updates (no less than once every seven calendar days) to the DDS Privacy Officer and the DDS Information Security

Officer regarding the status of the investigation, mitigation efforts, and any material developments, if any, until the incident is resolved.

- C. **Written Report.** In accordance with 45 CFR § 164.504(e)(2)(ii)(C) and 45 CFR § 164.410, Contractor shall provide a written report of the investigation to the DDS Privacy Officer and the DDS Information Security Officer within thirty (30) calendar days of the discovery of the breach or unauthorized use or disclosure.
- D. **Notification of Individuals.** Contractor or Contractor's subcontractor or agent shall notify individuals whose unsecured PHI has been or is reasonably believed by Contractor to have been accessed, acquired, used, transmitted, or disclosed as a result of the breach as required under 45 CFR § 164.404. Notification shall be provided without unreasonable delay as required by 42 USC § 17932(d), and within 30 calendar days. The DDS Privacy Officer and the DDS Information Security Officer shall be notified of the time, manner and content of any such notifications. Contractor, or Contractor's subcontractor or agent, shall pay any costs of such notifications, as well as any costs associated with the breach.
- E. **Responsibility for Reporting Breaches Involving Less Than 500 Individuals.** If the cause of breach of PHI or electronic PHI is attributable to the Contractor, or its subcontractors or agents, Contractor is responsible for all required reporting of the breach as specified in 42 USC § 17932 and 45 CFR Part 164, Subpart D. The breach reporting requirements of this paragraph are in addition to the reporting requirements set forth in subsection 10(A-C) above.
- F. **Responsibility for Reporting Breaches Involving 500 or More Individuals.** If a breach of unsecured PHI involves 500 or more residents of the State of California or its jurisdiction, Contractor, with DDS' oversight and input, shall notify the Secretary of the breach immediately upon discovery of the breach and prominent media outlets serving the State of California or its jurisdiction in accordance with 42 USC § 17932 and 45 CFR §§ 164.406, 164.408. The breach reporting requirements of this paragraph are in addition to the reporting requirements set forth in subsection 10(A-C) above. In addition, Contractor, with DDS's input and oversight, shall notify the California Department of Justice, Office of the Attorney General, as required under Civil Code §1798.82.
- G. **DDS Contact Information.** Contractor shall direct communications to the following DDS staff. DDS reserves the right to make changes to the contact information below by giving written notice to the Contractor. Said changes shall not require an amendment to this Agreement.

<u>DDS</u> <u>Privacy Officer</u>	<u>DDS</u> <u>Information Security Officer</u>
Privacy Officer privacy@dds.ca.gov (916) 654-3657	Information Security Officer iso@dds.ca.gov (916) 654-1704
<u>Privacy Coordinator</u> datarequests@dds.ca.gov (916) 653-0779	

11. Term and Termination

- A. **Term.** The term of this Agreement shall terminate when this contract expires or when all of the PHI provided by the DDS to Contractor, or created or received by Contractor on behalf of the DDS, in any format, is returned to the DDS and any associated storage media is destroyed, whichever is later.
- B. **Termination for Cause.** Upon DDS's knowledge of a pattern of activity or practice by Contractor that constitutes a material violation of this Agreement by Contractor, DDS shall **comply with the termination procedure set forth under the Lanterman Act.**
- 1) DDS may take reasonable steps to provide an opportunity for Contractor to end the violation. If efforts to resolve the problem informally are unsuccessful, DDS shall have the option to issue a letter of noncompliance and establish a Corrective Action Plan ("CAP") under Welfare and Institutions Code section 4635; and if Contractor is not in compliance with the CAP, DDS shall move to terminate this Agreement under Welfare and Institutions Code section 4635.
 - 2) If cure is not possible and Contractor has committed a material breach, DDS shall comply with termination provisions set forth in the Lanterman Act to terminate this Agreement and report the violation to the HHS Secretary if such cure is not possible.
- C. **Effect of Termination or Nonrenewal**
- 1) In accordance with 45 CFR § 164.504(e)(2)(ii)(J), upon termination of this Agreement or nonrenewal of this Agreement, Contractor shall, if reasonably feasible, return or destroy all PHI and/or electronic PHI received from DDS, or created or received by Contractor on behalf of the DDS. Contractor shall, if reasonably feasible, require that any PHI and/or electronic PHI in possession of subcontractors or agents is returned or destroyed and that no copies of such information is retained.

- 2) In the event Contractor determines that returning or destroying the PHI and/or electronic PHI is reasonably infeasible, Contractor shall notify DDS about the conditions that make return or destruction reasonably infeasible. If DDS agrees that the return or destruction of PHI and/or electronic PHI is not feasible, Contractor shall extend the protections of this Agreement to such information and limit further use and disclosures of such personal information to those purposes that make the return or destruction infeasible, for so long as Contractor, or any of its agents or subcontractors, maintains such information.

12. Judicial or Administrative Proceeding

DDS may terminate this Agreement in accordance with the terms and conditions of this Agreement as written herein above if: (1) Contractor is found guilty in a criminal proceeding for a violation of the HIPAA, HIPAA Regulations, or the HITECH Act; or (2) a finding or stipulation that the Contractor has violated a privacy or security standard or requirement of HIPAA, HIPAA Regulations, the HITECH Act, or any more stringent applicable state law protecting PHI in an administrative or civil proceeding in which Contractor is a party.

13. Due Diligence

Contractor shall exercise due diligence to ensure that it remains in compliance with this Agreement and is in compliance with the applicable provisions of HIPAA, HIPAA Regulations, the HITECH Act, and any more stringent applicable state law protecting PHI, and require its subcontractors and agents to be in compliance with the same.

14. Sanctions and/or Penalties

Contractor understands and acknowledges that it is required to comply with the provisions of HIPAA, HIPAA Regulations, the HITECH Act, and any more stringent applicable state law protecting PHI, and that failure to comply with these laws may result in the imposition of civil and/or criminal sanctions and/or other penalties on Contractor as set forth under HIPAA, HIPAA Regulations and the HITECH Act.

15. Employee Training and Discipline

- A. Contractor shall use reasonable measures to ensure compliance with the requirements of this Agreement. In doing so, Contractor must provide, at its own expense, annual security and privacy training on HIPAA to its employees who create, receive, maintain or transmit PHI or electronic PHI on behalf of DDS in accordance with 45 CFR § 164.308(a)(5)(i). Contractor shall require each employee who receives this training to sign a certification indicating the employee's name and the date on which the training was completed. Contractor

shall retain each employee's written certifications for DDS inspection for a period of three years following contract termination.

- B. Contractor also agrees to discipline employees who intentionally violate any provisions of this Agreement, including up to termination of employment.

16. Audits, Inspection and Enforcement

From time to time, DDS may inspect the facilities, systems, information security controls, books and records of Contractor to monitor compliance with this Agreement. Contractor shall promptly remedy any violation of any provision of this Agreement and shall certify the same in writing to the DDS Information Security Officer at iso@dds.ca.gov. The fact that DDS inspects, or fails to inspect, or has the right to inspect, Contractor's facilities, systems and procedures does not relieve Contractor of its responsibility to comply with this Agreement, nor does DDS's:

- A. Failure to detect; or
- B. Detection, but failure to notify Contractor or require Contractor's remediation of any unsatisfactory practices, constitute acceptance of such practice or a waiver of DDS enforcement rights under this Agreement.

If Contractor is the subject of an audit, compliance review, or complaint investigation by the Secretary or the Office of Civil Rights, U.S. Department of Health and Human Services, that is related to the performance of its obligations pursuant to this Agreement, Contractor shall notify DDS, at iso@dds.ca.gov, and provide DDS with a copy of any PHI or electronic PHI that Contractor provides to the Secretary or the Office of Civil Rights concurrently with providing such PHI or electronic PHI to the Secretary. Contractor is responsible for any civil or criminal penalties assessed due to an audit or investigation of Contractor in accordance with 42 USC § 17934(c).

17. Obligations of DDS

- A. **Notice of Privacy Practices.** DDS shall provide Contractor with the Notice of Privacy Practices that DDS produces in accordance with 45 CFR § 164.520, as well as any changes to such notice. Visit www.dds.ca.gov to view the most current Notice of Privacy Practices.
- B. **Permission by Individuals for Use and Disclosure of PHI.** DDS shall provide Contractor, in writing, with any changes in, or revocation of, permission by an individual to use or disclose PHI or electronic PHI, if such changes affect the Contractor's permitted or required uses and disclosures.
- C. **Notification of Restrictions.** DDS shall notify Contractor, in writing, of any restriction to the use or disclosure of PHI that DDS has agreed to in accordance with 45 CFR § 164.522, to the extent that such restriction may affect Contractor's use or disclosure of PHI.

D. **Requests Conflicting with HIPAA Rules.** DDS shall not request Contractor to use or disclose PHI or electronic PHI in any manner that would not be permissible under HIPAA, HIPAA Regulations, the HITECH Act, or any more stringent applicable state law protecting PHI.

18. **Miscellaneous**

- A. **Disclaimer.** DDS makes no warranty or representation that compliance by Contractor with this Agreement, HIPAA, HIPAA Regulations or the HITECH Act, will be adequate or satisfactory for Contractor's own purposes or any information in Contractor's possession or control, or transmitted or received by Contractor, is or will be secure from unauthorized access, viewing, use, or disclosure. Contractor is solely responsible for all decisions made by Contractor regarding the safeguarding of PHI.
- B. **Amendment.** The parties acknowledge that federal and state laws relating to electronic data security and privacy are rapidly evolving and that amendment of this Agreement may be required to provide for procedures to ensure compliance with such developments. The parties specifically agree to take such action as is necessary to implement the standards and requirements of HIPAA, HIPAA Regulations, the HITECH Act, and other applicable laws relating to the security or privacy of PHI and/or electronic PHI. Upon DDS's request Contractor agrees to promptly enter into good faith negotiations with DDS concerning an amendment to this Agreement embodying written assurances consistent with the standards and requirements of HIPAA, HIPAA Regulations, and the HITECH Act, or other applicable laws. If negotiations are unsuccessful, DDS may move to terminate this Agreement in the event:
- 1) Contractor does not promptly enter into negotiations to amend this Agreement when requested by DDS pursuant to this Section, or
 - 2) Contractor does not enter into an amendment providing assurances regarding the safeguarding of PHI that DDS deems sufficient to satisfy the standards and requirements of HIPAA, HIPAA Regulations, and the HITECH Act.
- C. **Assistance in Litigation or Administrative Proceedings.** Contractor shall make available to DDS, at no cost to DDS, its employees, subcontractors and/or agents to testify as witnesses, or otherwise, in the event litigation or administrative proceedings are commenced against DDS, its officers or employees, based upon a claimed violation of HIPAA, HIPAA Regulations, the HITECH Act or any more stringent applicable state law protecting PHI, which involve the inactions or actions by Contractor. This provision does not apply where Contractor or its subcontractor, employee or agent is a named adverse party to DDS.

- D. **No Third Party Beneficiaries.** Nothing express or implied in the terms and conditions of this Agreement is intended to confer, nor shall anything herein confer, upon any person other than DDS or Contractor and their respective successors or assignees, any rights, remedies, obligations or liabilities whatsoever.
- E. **Interpretation.** The terms and conditions in this Agreement shall be interpreted as broadly as necessary to implement and comply with HIPAA, HIPAA Regulations, the HITECH Act, and any more stringent applicable state law protecting PHI. The parties agree that any ambiguity in the terms and conditions of this Agreement shall be resolved in favor of a meaning that complies and is consistent with HIPAA, HIPAA Regulations, the HITECH Act and any more stringent applicable state law protecting PHI.
- F. **References.** A reference in the terms and conditions of this Agreement to a section in HIPAA, HIPAA Regulations, and/or the HITECH Act means the section currently in effect or as amended.
- G. **Survival.** The respective rights and obligations of Contractor in this Agreement shall survive the termination or expiration of this Agreement.
- H. **No Waiver of Obligations.** No change, waiver or discharge of any liability or obligation hereunder on any one or more occasions shall be deemed a waiver of performance of any continuing or other obligation, or shall prohibit enforcement of any obligation, on any other occasion.

References:

United States Department of Health and Human Services, Office for Civil Rights, Medical Privacy - National Standards to Protect the Privacy of Personal Health Information: <https://www.hhs.gov/hipaa/index.html>

References, Continued:

United States Department of Health and Human Services – Security Rule Guidance Material
[Security Rule Guidance Material | HHS.gov](#)

National Institute of Standards and Technology (NIST)
nist.gov/

FEDERAL INFORMATION PROCESSING STANDARDS (FIPS)
csrc.nist.gov/publications/PubsFIPS.html

CONFIDENTIALITY AGREEMENT

North Los Angeles County Regional Center, Inc.

Required for Release of DDS Data
Per the State Administrative Manual Section (5310)

Contractor hereby acknowledges that Department of Developmental Services (DDS) records and documents are subject to strict confidentiality requirements imposed by State and Federal laws including, but not limited to, Health Insurance Portability and Accountability Act in Title 42 of the United States Code, Section 1320d et seq. and its implementing law and regulations such as the Health Information Technology for Economic and Clinical Health Act of 2009, (Public Law 111-005, Title XIII, Subtitle D, 13400 et seq., Feb. 17, 2009), 45 CFR Parts 160 and 164, Sections 56 and following and 1798.24 through 1798.24b of the California Civil Code; California Welfare and Institutions Code sections 4514, 5328, and 15633 and following; California Penal Code Section 11167.5; and any other applicable State or Federal law pertaining to confidentiality.

Contractor assures that the appropriate provisions of both State and Federal law have been met and further assures that all agents of the organization, including subcontractors and agents, have been informed that intentional unauthorized use, dissemination or distribution of PHI and/or electronic PHI is a crime and that breaches of confidentiality and security may be subject to civil and criminal penalties by the State or Federal government.

Contractor assures that it will require its agents, including subcontractors, to agree to not use, disseminate or otherwise distribute records or documents containing PHI, either on paper or by electronic means, other than as required in the performance of their duties per this contract.

Contractor agrees that unauthorized use, dissemination or distribution of DDS records, documents or information is grounds for immediate termination of any contracts with the DDS and may subject Contractor to penalties, both civil and criminal.

Signature of Contractor's Authorized Representative

Date: _____

Name/Title (Print)

Statement of Assurances for Protection of Protected Health Information

**Health Insurance Portability and Accountability Act (HIPAA)
Health Information Technology for Economic and Clinical Health (HITECH)**

1. Background

The terms of this Agreement are intended to create a business associate relationship between the contracting parties (collectively, "Contractor" and "DDS") as required under the Health Insurance Portability and Accountability Act ("HIPAA"), codified in Title 42 of the United States Code, Section 1320d et seq. and its implementing law and regulations such as the Health Information Technology for Economic and Clinical Health Act of 2009, (Public Law 111-005, Title XIII, Subtitle D, Section 13400 et seq., Feb. 17, 2009) ("HITECH Act"), and Title 45 of the Code of Federal Regulations ("CFR") Parts 160 and 164 ("HIPAA Regulations").

Since a business associate relationship is created by this Agreement and protected health information ("PHI"), as defined in Section 3 herein, may be exchanged, created, received, maintained, used and/or disclosed to Contractor, Contractor agrees to comply with all applicable requirements of HIPAA, HIPAA Regulations, and the HITECH Act which pertain to the privacy and security of PHI.

In addition, HIPAA's preemption exception under Title 45 of the Code of Federal Regulations Section 160.203 requires state law to apply if state law is more stringent in protecting PHI. Accordingly, the intent of the parties is that Contractor shall comply with the applicable requirements of California law governing the exchange, creation, dissemination, maintenance, use or disclosure of PHI that exceeds the requirements of HIPAA, the HITECH Act, and HIPAA Regulations.

2. Recitals

- A. DDS wishes to disclose to Contractor and/or wishes for the Contractor to receive certain information pursuant to the terms of this Agreement, some of which may constitute PHI.
- B. As set forth in this Agreement Contractor is the "Business Associate", as defined in Section 3 herein, of DDS that provides services, arranges, performs or assists in the performance of functions or activities on behalf of DDS and creates, receives, maintains, transmits, uses or discloses PHI.
- C. DDS and Contractor desire to protect the privacy and provide the security of PHI created, received, maintained, transmitted, used, or disclosed pursuant to this Agreement, in compliance with HIPAA, the HITECH Act, HIPPA Regulations, and any more stringent applicable state law protecting PHI.

Now, therefore, the parties agree as follows:

3. Definitions

- A. **Accounting** — “Accounting” means Contractor’s accounting of PHI disclosures to an individual upon his or her request in accordance with 45 CFR § 164.528, subject to the exceptions listed therein. As stated in 45 CFR § 164.528(b) an accounting includes the date of disclosure, the name of the entity or person who received the PHI and, if known, the address of such entity or person, a brief description of the PHI disclosed, and a brief statement of the purpose of disclosure or copy of a written request for disclosure by the Secretary, as defined herein, or by an entity or person permitted under 45 CFR § 164.512.
- B. **Breach or Breaches** — “Breach” or “Breaches” have the same meaning of the term “breach” defined under 45 CFR § 164.402, which is the acquisition, access, use or disclosure of PHI in a manner not permitted under Title 45 of the Code of Federal Regulations Part 164, Subpart E, that compromises the security or privacy of PHI, subject to the breach exclusions listed therein.
- C. **Business associate** — “Business Associate” has the same meaning of the term “business associate” defined in 45 CFR § 160.103, which means an entity or person on behalf of a covered entity who creates, receives, maintains or transmits PHI by conducting services including legal, actuarial, accounting, consulting, data aggregation, management, administrative, accreditation, financial services, claims processing or administration, data analysis, processing or administration, utilization review, quality assurance, billing, patient safety activities benefit management, practice management and/or repricing. “Business associate” also refers to Contractor who is a party to this Agreement.
- D. **Covered entity** — “Covered Entity” has the same meaning of the term “covered entity” defined in 45 CFR § 160.103, which means a health plan, health clearinghouse or healthcare provider. Covered entity also refers to DDS who is a party to this Agreement.
- E. **Designated record set** — “Designated record set” has the same meaning of the term “designated record set” defined in 45 CFR § 164.501, which is a group of records that contains PHI and is maintained by or for a covered entity. The designated record set includes medical records and billing records, enrollment, payment, claims adjudication and case/medical management record systems, and/or records used, in whole or part, to make decisions about individuals.
- F. **Disclosure** — “Disclosure” has the same meaning of the term “disclosure” defined in 45 CFR § 160.103, which is the release, transfer, provision of access to, or divulging in any manner of information outside the entity holding the information.
- G. **Discovery** — “Discovery” has the same meaning of “Breaches treated as discovered” under 45 CFR § 164.410. Under Section 164.410, a breach shall be treated as discovered by a business associate on the first day on which such breach is known, or by exercising reasonable diligence would have been known by the business associate, including its employees or agents.
- H. **Electronic PHI** — “Electronic PHI” is protected health information in an electronic form.

- I. ~~**Encryption**~~ — “Encryption” has the same meaning of the term “encryption” defined in 45 CFR § 164.304, which is the use of an algorithmic process to transform data into a form in which there is a low probability of assigning meaning without use of a confidential process or key.
- J. ~~**Harmful effect**~~ — “Harmful effect” means a negative effect of using or disclosing PHI known to the covered entity or business associate that would violate HIPAA, HITECH Act, HIPAA Regulations as set forth in 45 CFR § 164.530(f), or any more stringent applicable state law protecting PHI.
- K. ~~**Health care operations**~~ — “Health care operations” has the same meaning of the term “health care operations” defined in 45 CFR § 164.501. Under Section 164.501, health care operations includes conducting quality assessment and improvement activities, outcomes evaluation, development of clinical guidelines, patient safety activities, population-based activities relating to improving health, protocol development, case management and care coordination, reviewing competence and qualifications of health care professionals not involving treatment, evaluating provider/vendor performance, conducting training programs for students, trainees or practitioners in the area of health care to improve skills, training of non-health care professionals, accreditation, certification, licensing or credentialing activities, underwriting and enrollment relating to creation, renewal or replacement of health insurance or benefits, medical review, legal services, auditing functions, business planning and development, business management and general administrative activities such as implementation and compliance with HIPAA, HITECH Act, and HIPAA Regulations, customer service, resolution of internal grievances, the creation of de-identified health information or a limited data set, and/or fundraising for the benefit of the business associate.
- L. ~~**Individual or Individuals**~~ — “Individual” or “individuals” have the same meaning of the term “individual” defined in 45 CFR § 160.103, which is the person who is the subject of PHI.
- M. ~~**Lanterman Act**~~ — The “Lanterman Act” means the Lanterman Developmental Disabilities Services Act codified in California Welfare and Institutions Code Sections 4500, *et seq.*
- N. ~~**Minimum necessary**~~ — “Minimum necessary” means the “minimum necessary” standard set forth in 45 CFR § 164.502, which requires covered entities and business associates to make reasonable efforts to limit the use or disclosure of PHI to accomplish the intended purpose of the use, disclosure or request, subject to the exceptions set forth therein.
- O. ~~**Notice of Privacy Practices**~~ — “Notice of Privacy Practices” means the required notice under 45 CFR § 164.520 provided to individuals by a covered entity regarding the use and disclosure of PHI that may be made by the covered entity, and the individual’s rights and covered entity’s legal duties with respect to PHI.
- P. ~~**PHI or protected health information**~~ — “PHI” or “protected health information” have the same meaning of the term “individually identifiable health information” as defined in 45 CFR § 160.103. Under Section 160.103 individual identifiable health information is information that is created or received by a covered entity or business associate that relates to the past, present, or future physical or mental health of an individual; or the past, present, or future payment for the provision of health care to the individual. In addition, the information must identify the

individual or there must be a reasonable basis to believe the information may be used to identify the individual.

- Q. ~~**Required by law**~~—“Required by law” has the same meaning of the term “required by law” defined in 45 CFR § 164.103, which is a mandate contained in law that compels an entity to make a use or disclosure of PHI and that is enforceable in a court of law.
- R. ~~**Safeguards**~~—“Safeguards” referenced herein collectively means the required “administrative safeguards” defined in 45 CFR § 164.308, “physical safeguards” defined in 45 CFR § 164.310, and “technical safeguards” defined in 45 CFR § 164.312.
- 1) Under 45 CFR § 164.308 “administrative safeguards” is the implementation of policies and procedures to prevent, detect, contain and correct security violations.
 - 2) Under 45 CFR § 164.310 “physical safeguards” is the implementation of policies and procedures to limit physical access to electronic information systems and the facility or facilities in which PHI is maintained, while ensuring proper authorized access to PHI.
 - 3) Under 45 CFR § 164.312 “technical safeguards” is the implementation of policies and procedures for electronic information systems that maintain electronic PHI to allow access only to those persons or software programs that have been granted access rights specified in 45 CFR § 164.308(a)(4).
- S. ~~**Secretary**~~—“Secretary” means the Secretary of the United States Department of Health and Human Services.
- T. ~~**Security Incident**~~—“Security incident” has the same meaning of the term “security incident” defined in 45 CFR § 164.304, which is the attempted or successful unauthorized access, use, disclosure, modification or destruction of information or interference with system operations in an information system.
- U. ~~**Subcontractor or Agent**~~—“Subcontractor” or “agent” have the same meaning of the term “subcontractor” defined in 45 CFR § 164.10, which is a person to whom a business associate delegates a function, activity or service, other than in the capacity of a member of the workforce of such business associate.
- V. ~~**Unsecured PHI**~~—“Unsecured PHI” has the same meaning of “unsecured protected health information” defined in 45 CFR § 164.402, and it is PHI that is not rendered unusable, unreadable, or indecipherable to unauthorized persons through the use of technology and methodology specified by the Secretary in the guidance issued under section 13402(h)(2) of Public Law 111-5.
- W. ~~**Use or usage**~~—“Use” or “usage” have the same meaning of the term “use” defined in 45 CFR § 160.103, which is the sharing, employment, application, utilization, examination, or analysis of PHI within an entity that maintains such information.

4. ~~Permitted Uses and Disclosures of PHI by Business Associate~~

- A. ~~**Usage Permitted by This Agreement and HIPAA**~~. Contractor may use or disclose PHI only to perform functions, activities or services for, or on behalf of the DDS as specified in this Agreement, provided that such use or disclosure does not violate HIPAA, HIPAA Regulations, the HITECH Act, and any more

~~stringent applicable state law protecting PHI. The use and disclosure of PHI may not be more expansive than applicable to DDS as the "Covered Entity" under 45 CFR Part 164. (45 CFR § 164.504(e)(2)(i)).~~

- ~~B. **Usage for Legal, Management and Administrative.** In accordance with 45 CFR § 164.504(e)(4), Contractor may disclose PHI if necessary, for the legal, management, or administrative purposes of Contractor. In disclosing PHI, Contractor's disclosure must be required by law, or the Contractor must obtain reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as required by law or for the purpose for which it was disclosed to the person, and the person notifies Contractor of any instances of which it is aware in which the confidentiality of the information has been breached.~~
- ~~C. **Minimum Necessary.** Contractor shall comply with the requirements under 45 CFR § 164.502(b) to only request, use, and disclose the minimum PHI necessary to accomplish the intended purpose of the request, use or disclosure.~~
- ~~D. **Access.** Contractor shall provide access, at the request of DDS, and in the time and manner designated by DDS, to PHI in a designated record set to DDS or, as directed by DDS, to an individual in order to meet the requirements of 45 CFR § 164.524 and 45 CFR § 164.504(e)(2)(ii)(E) regarding an individual's right to access PHI.~~
- ~~1) If Contractor maintains electronic PHI, and an individual requests a copy of his or her PHI in an electronic format, Contractor shall provide such information in an electronic format to enable DDS to fulfill its obligations under the HITECH Act, including but not limited to 42 USC § 17935(e).~~
- ~~E. **Nondisclosure.** In accordance with 45 CFR § 164.504(e)(2)(ii)(A), Contractor shall not use or further disclose PHI other than as permitted or required by this Agreement, or as required by law.~~
- ~~F. **Amendments.** In accordance with 45 CFR § 164.526(a) and 45 CFR § 164.504(e)(2)(ii)(F), Contractor shall make any amendment(s) to PHI in a designated record set that DDS directs or agrees to and in the time and manner designated by DDS, or at the request of an individual. Individual requests for amendment(s) are subject to the right of Contractor to exercise denial under 45 CFR § 164.526(a)(2) and under the Lanterman Act. Contractor shall ensure the amendment/s are incorporated into the PHI in accordance with 45 CFR § 164.526.~~
- ~~G. **Accounting.** Contractor shall provide an accounting of disclosures of PHI to an individual for the six years prior to the date of the individual's request, in accordance with 45 CFR § 164.528 (a)(1), subject to the exceptions listed therein.~~

5. Uses and Disclosures Not Provided for by this Agreement

- A. **~~Mitigation.~~** In accordance with 45 CFR § 164.530 (f), Contractor shall mitigate, to the extent practicable, any harmful effect that is known to Contractor of a use or disclosure of PHI in violation of the requirements of this Agreement.
- B. **~~Requests to Restrict PHI.~~** Contractor shall not disclose PHI about an individual to a health plan for payment or health care operations purposes if PHI pertains solely to a health care item or service for which the health care provider involved has been paid out of pocket in full and the individual requests such restriction, in accordance with 42 USC § 17935(a) and 45 CFR 164.522(a).
- C. **~~No Remuneration Without Written Consent.~~** In accordance with 42 USC § 17935(d)(1) Contractor shall not directly or indirectly receive remuneration in exchange for PHI, except with the prior written consent of DDS and a valid HIPAA authorization under 45 CFR § 164.508.

6. Safeguarding Protected Health Information

- A. In accordance with 45 CFR § 164.504(e)(2)(ii)(B) and 45 CFR Part 164, Subpart C, Contractor shall use appropriate safeguards to prevent use or disclosure of PHI, except as provided in this Agreement or as required by law.
- B. In accordance with 45 CFR Part 164, Subpart C and 45 CFR § 164.314(a)(2)(i)(A) & (B), Contractor shall implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the PHI, including electronic PHI, it creates, receives, maintains, or transmits in an electronic format on behalf of DDS to prevent unauthorized access, viewing, use, disclosure or breach of PHI, other than as provided for by this Agreement or required by law.
- C. Contractor shall develop and maintain a written information privacy and security program that includes administrative, technical and physical safeguards appropriate to the size and complexity of Contractor's operations and the nature and scope of its activities, and which incorporates the requirements of Section 7, Security, below.
- D. **~~Privacy Officer.~~** Contractor shall designate a Privacy Officer who shall: (1) develop policies and procedures on PHI that comply with this Agreement, HIPAA, HIPAA Regulations, HITECH Act, and any more stringent applicable state law protecting PHI; (2) receive complaints/notices pertaining to breaches, and process those complaints/notices in accordance with Section 10, herein; and (3) be the point of contact for communication on privacy matters with DDS. Contractor shall notify DDS's privacy and security officers of the individual designated as Privacy Officer and his/her appropriate contact information (including telephone, work address and email) upon execution of this Agreement. If there is a contact change of the Privacy Officer, Contractor shall notify DDS within 10 calendar days or annually per DDS Technical Bulletin 479.

7. Security

~~A. Contractor shall ensure the security of all computerized data systems containing PHI in compliance with HIPAA, HIPAA Regulations, the HITECH Act, and the standards provided by National Institute of Standards and Technology (NIST). These steps shall include, at a minimum, but not limited to:~~

- ~~1) Ensuring appropriate security levels to maintain the confidentiality, integrity and availability of PHI and electronic PHI in accordance with 45 CFR Part 164, Subpart C;~~
- ~~2) Protecting against any reasonably anticipated threats or hazards to the security or integrity of PHI and electronic PHI in accordance with 45 CFR 164.306(a)(2);~~
- ~~3) Protecting against any reasonably anticipated uses or disclosures of PHI and electronic PHI that are not permitted or required under 45 CFR Part 164, Subpart E, in accordance with 45 CFR 164.306(a)(3);~~
- ~~4) Requiring encryption of all laptops, desktops, tablets, smartphones and other mobile devices, when storing and transmitting electronic PHI, including encryption of portable electronic storage media (e.g., CD, DVD, flash drives, etc.);~~
- ~~5) Requiring the development and maintenance of a Technical Recovery Plan (TRP) documenting the procedures required to restore critical business systems, including conducting an annual performance tabletop test of the TRP and providing annual self-certification of conducting such test to DDS' Information Security Officer; and~~
- ~~6) Designating a Security Officer pursuant to 45 CFR § 164.308 to oversee Contractor's data security program. The Security Officer shall be responsible for carrying out the requirements of this Section and to be the point of contact for communicating on security matters with DDS. Contractor shall notify DDS's privacy and security officers of the individual designated as Security Officer and his/her appropriate contact information (including telephone, work address and email) upon execution of this Agreement. If there is a contact change of the Security Officer, Contractor shall notify DDS within 10 calendar days or annually per DDS Technical Bulletin 479.~~

8. Agents and Subcontractors

~~A. Contractor shall require any of its agents, including subcontractors, that create, receive, maintain, or transmit PHI and/or electronic PHI on behalf of Contractor pursuant to its Agreement with DDS, to agree to the same restrictions, safeguards, and conditions that apply to Contractor herein with respect to such information. (45 CFR §§ 164.502, 164.504, 164.506, 164.314(a)(2)(i)(B)).~~

~~B. Contractor's agents and subcontractors who create, receive, maintain, or transmit PHI and/or electronic PHI on behalf of Contractor are business associates of Contractor and are directly liable under HIPAA, HIPAA Regulations and the HITECH Act for any breach they commit. As such, Contractor's agents and subcontractors who create, receive, maintain, or transmit PHI and/or electronic PHI are subject to civil and, in some cases, criminal penalties for making uses and disclosures of PHI that are not authorized by contract or required by law. Contractor's agents and subcontractors who create, receive or transmit electronic PHI, are also directly liable and subject to civil penalties for failing to safeguard electronic PHI in accordance with HIPAA, the HITECH Act, and HIPAA Regulations.~~

~~9. Records available to the State and Secretary and Compliance Reviews~~

~~A. In accordance with 45 CFR § 164.504(e)(2)(ii)(I), Contractor shall make its internal practices, books and records relating to the use and disclosure of PHI received from DDS, or created or received by Contractor on behalf of DDS, available to DDS or to the Secretary for purposes of investigating or auditing DDS's compliance with the requirements of HIPAA, HIPAA Regulations, and the HITECH Act, in the time and manner designated by DDS or the Secretary.~~

~~B. In accordance with 45 CFR § 160.310, Contractor shall cooperate with the compliance and investigation reviews conducted by the Secretary. PHI access to the Secretary must be provided during Contractor's normal business hours, however, upon exigent circumstances access at any time must be granted. Upon the Secretary's compliance or investigation review, if PHI is unavailable to Contractor and in possession of a subcontractor or agent, it must certify efforts to obtain the information to the Secretary.~~

~~10. Breach Procedure~~

~~A. **Discovery of Breach.** Contractor shall notify DDS **within 72 hours by telephone call plus email or fax** upon the discovery of a breach compromising the security and/or privacy of PHI, or upon a reasonable belief such breach has occurred, as required at 45 CFR §164.410. Notification shall be provided to the DDS Privacy Officer and the DDS Information Security Officer. If the incident occurs after business hours or on a weekend or holiday and involves electronic PHI, notification shall be provided by calling the DDS Service Desk. Upon discovery of such breach or reasonable belief of such breach, Contractor shall:~~

- ~~1) Take prompt corrective action to mitigate any risks or damages involved with the breach and to protect the operating environment; and~~
- ~~2) Commence an investigation.~~

~~**Content of Notification:** Within 72 hours of discovery of such breach or reasonable belief such breach occurred, Contractor shall include the following information in the notification to the DDS Privacy Officer and the DDS Information Security Officer to the extent presently known:~~

- ~~1) Identification of each individual whose unsecured PHI or confidential information has been, or is reasonably believed to have been accessed, acquired, used, disclosed, or breached;~~
- ~~2) What data elements were involved, and the extent of the data involved in the breach;~~
- ~~3) A description of the unauthorized persons known or reasonably believed to have improperly used or disclosed PHI or electronic PHI;~~
- ~~4) A description of the steps that an individual may take to protect him/her from the breach; and~~
- ~~5) A description of what Contractor is doing to investigate the breach, to mitigate harm to individuals, and to protect against further breaches.~~

~~B. **Written Report.** In accordance with 45 CFR § 164.504(e)(2)(ii)(C) and 45 CFR § 164.410, Contractor shall provide a written report of the investigation to the DDS Privacy Officer and the DDS Information Security Officer within thirty (30) calendar days of the discovery of the breach or unauthorized use or disclosure.~~

~~C. **Notification of Individuals.** Contractor or Contractor's subcontractor or agent shall notify individuals whose unsecured PHI has been or is reasonably believed by Contractor to have been accessed, acquired, used, or disclosed as a result of the breach as required under 45 CFR § 164.404. Notification shall be provided without unreasonable delay as required by 42 USC § 17932(d), and within 30 calendar days. Contractor, or Contractor's subcontractor or agent, shall pay any costs of such notifications as well as any costs associated with the breach.~~

~~D. **Responsibility for Reporting Breaches Involving Less Than 500 Individuals.** If the cause of breach of PHI or electronic PHI is attributable to the Contractor, or its subcontractors or agents, Contractor is responsible for all required reporting of the breach as specified in 42 USC § 17932 and 45 CFR Part 164, Subpart D. The breach reporting requirements of this paragraph are in addition to the reporting requirements set forth in subsection 10(A-C) above.~~

~~E. **Responsibility for Reporting Breaches Involving 500 or More Individuals.** If a breach of unsecured PHI involves 500 or more residents of the State of California or its jurisdiction, Contractor, with DDS's oversight and input, shall notify the Secretary of the breach immediately upon discovery of the breach and prominent media outlets serving the State of California or its jurisdiction in accordance with 42 USC § 17932 and 45 CFR §§ 164.406, 164.408. The breach reporting requirements of this paragraph are in addition to the reporting requirements set forth in subsection 10(A-C) above. In addition, Contractor, with DDS's input and oversight, shall notify the California Department of Justice, Office of the Attorney General, as required under Civil Code §1898.82.~~

~~F. **DDS Contact Information.** Contractor shall direct communications to the following DDS staff. DDS reserves the right to make changes to the contact information below by giving written notice to the Contractor. Said changes shall not require an amendment to this Agreement.~~

DDS Privacy Officer	DDS Information Security Officer
Privacy Officer privacy@dds.ca.gov (916) 654-2120	Information Security Officer ise@dds.ca.gov (916) 654-1704
Fax (916) 654-3352	Fax (916) 654-3352

11. Term and Termination

A. ~~**Term.** The term of this Agreement shall terminate when the regional center's contract expires or when all of the PHI provided by the DDS to Contractor, or created or received by Contractor on behalf of the DDS, in any format, is returned to the DDS and any associated storage media is destroyed, whichever is later.~~

B. ~~**Termination for Cause.** Upon DDS's knowledge of a pattern of activity or practice by Contractor that constitutes a violation of this Agreement by Contractor, DDS shall comply with the termination procedure set forth under the Lanterman Act.~~

1) ~~DDS may take reasonable steps to provide an opportunity for Contractor to end the violation. If efforts to resolve the problem informally are unsuccessful, DDS shall have the option to issue a letter of noncompliance and establish a Corrective Action Plan ("CAP") under Welfare and Institutions Code section 4635; and if Contractor is not in compliance with the CAP, DDS shall move to terminate this Agreement under Welfare and Institutions Code section 4635.~~

2) ~~If cure is not possible and Contractor has committed a material breach, DDS shall comply with termination provisions set forth in the Lanterman Act to terminate this Agreement and report the violation to the HHS Secretary.~~

C. Effect of Termination or Nonrenewal

1) ~~In accordance with 45 CFR § 164.504(e)(2)(ii)(J), upon termination of this Agreement or nonrenewal of this Agreement, Contractor shall return or destroy all PHI and/or electronic PHI received from DDS or created or received by Contractor on behalf of the DDS. Contractor shall require that any PHI and/or electronic PHI in possession of subcontractors or agents is returned or destroyed and that no copies of such information is retained.~~

2) ~~In the event Contractor determines that returning or destroying the PHI and/or electronic PHI is not feasible, Contractor shall notify DDS about the conditions that make return or destruction not feasible. If DDS agrees that the return or destruction of PHI and/or electronic PHI is not feasible, Contractor shall extend the protections of this Agreement to such information and limit further use and disclosures of such personal information to those purposes that~~

~~make the return or destruction infeasible, for so long as Contractor, or any of its agents or subcontractors, maintains such information.~~

12. ~~Judicial or Administrative Proceeding~~

~~DDS may terminate this Agreement in accordance with the terms and conditions of this Agreement as written herein above if: (1) Contractor is found guilty in a criminal proceeding for a violation of the HIPAA, HIPAA Regulations, or the HITECH Act; or (2) a finding or stipulation that the Contractor has violated a privacy or security standard or requirement of the HITECH Act, HIPAA, HIPAA Regulations or any more stringent applicable state law protecting PHI in an administrative or civil proceeding in which Contractor is a party.~~

13. ~~Due Diligence~~

~~Contractor shall exercise due diligence to ensure that it remains in compliance with this Agreement and is in compliance with the applicable provisions of HIPAA, HIPAA Regulations, the HITECH Act, and any more stringent applicable state law protecting PHI, and require its subcontractors and agents to be in compliance with the same.~~

14. ~~Sanctions and/or Penalties~~

~~Contractor understands and acknowledges that it is required to comply with the provisions of HIPAA, HIPAA Regulations, the HITECH Act, and any more stringent applicable state law protecting PHI, and that failure to comply with these laws may result in the imposition of civil and/or criminal sanctions and/or other penalties on Contractor as set forth under HIPAA, HIPAA Regulations and the HITECH Act.~~

15. ~~Employee Training and Discipline~~

~~A. Contractor shall use reasonable measures to ensure compliance with the requirements of this Agreement. In doing so, Contractor shall provide annual security and privacy training on HIPAA to its employees who create, receive, maintain or transmit PHI or electronic PHI on behalf of Contractor in accordance with 45 CFR § 164.308(a)(5)(i). Contractor shall require each employee who receives this training to sign a certification indicating the employee's name and the date on which the training was completed. Contractor shall retain each employee's written certifications for DDS inspection for a period of three years following contract termination.~~

~~B. Contractor also agrees to discipline employees who intentionally violate any provisions of this Agreement, including up to termination of employment.~~

16. ~~Audits, Inspection and Enforcement~~

~~From time to time, DDS may inspect the facilities, systems, information security controls, books and records of Contractor to monitor compliance with this Agreement. Contractor shall promptly remedy any violation of any provision of this~~

Agreement and shall certify the same to the DDS Privacy Officer in writing. The fact that DDS inspects, or fails to inspect, or has the right to inspect, Contractor's facilities, systems and procedures does not relieve Contractor of its responsibility to comply with this Agreement, nor does DDS's:

- A. Failure to detect; or
- B. Detection, but failure to notify Contractor or require Contractor's remediation of any unsatisfactory practices, constitute acceptance of such practice or a waiver of DDS enforcement rights under this Agreement.

If Contractor is the subject of an audit, compliance review, or complaint investigation by the Secretary or the Office of Civil Rights, U.S. Department of Health and Human Services, that is related to the performance of its obligations pursuant to this Agreement, Contractor shall notify DDS and provide DDS with a copy of any PHI or electronic PHI that Contractor provides to the Secretary or the Office of Civil Rights concurrently with providing such PHI or electronic PHI to the Secretary. Contractor is responsible for any civil or criminal penalties assessed due to an audit or investigation of Contractor in accordance with 42 USC § 17934(c).

17. Obligations of DDS

- A. ***Notice of Privacy Practices.*** DDS shall provide Contractor with the Notice of Privacy Practices that DDS produces in accordance with 45 CFR § 164.520, as well as any changes to such notice. Visit www.dds.ca.gov to view the most current Notice of Privacy Practices:
- B. ***Permission by Individuals for Use and Disclosure of PHI.*** DDS shall provide Contractor with any changes in, or revocation of, permission by an individual to use or disclose PHI or electronic PHI, if such changes affect the Contractor's permitted or required uses and disclosures.
- C. ***Notification of Restrictions.*** DDS shall notify Contractor of any restriction to the use or disclosure of PHI that DDS has agreed to in accordance with 45 CFR § 164.522, to the extent that such restriction may affect Contractor's use or disclosure of PHI.
- D. ***Requests Conflicting with HIPAA Rules.*** DDS shall not request Contractor to use or disclose PHI or electronic in any manner that would not be permissible under HIPAA, HIPAA Regulations, HITECH Act, or any more stringent applicable state law protecting PHI.

18. Miscellaneous

- A. ***Disclaimer.*** DDS makes no warranty or representation that compliance by Contractor with this Agreement, HITECH Act, HIPAA, or HIPAA Regulations will be adequate or satisfactory for Contractor's own purposes or any information in Contractor's possession or control, or transmitted or received by Contractor, is or

will be secure from unauthorized access, viewing, use, or disclosure. Contractor is solely responsible for all decisions made by Contractor regarding the safeguarding of PHI.

~~B. **Amendment.** The parties acknowledge that federal and state laws relating to electronic data security and privacy are rapidly evolving and that amendment of this Agreement may be required to provide for procedures to ensure compliance with such developments. The parties specifically agree to take such action as is necessary to implement the standards and requirements of HIPAA, the HITECH Act, the HIPAA Regulations, and other applicable laws relating to the security or privacy of PHI and/or electronic PHI. Upon DDS's request Contractor agrees to promptly enter into negotiations with DDS concerning an amendment to this Agreement embodying written assurances consistent with the standards and requirements of HIPAA, the HITECH Act, the HIPAA Regulations or other applicable laws. If informal attempts to negotiate are unsuccessful, DDS may move to terminate this Agreement in accordance with the Lanterman Act in the event:~~

- ~~1) Contractor does not promptly enter into negotiations to amend this Agreement when requested by DDS pursuant to this Section, or~~
- ~~2) Contractor does not enter into an amendment providing assurances regarding the safeguarding of PHI that DDS deems sufficient to satisfy the standards and requirements of HIPAA, the HITECH Act, and the HIPAA Regulations.~~

~~C. **Assistance in Litigation or Administrative Proceedings.** Contractor shall make available to DDS, at no cost to DDS, its employees, subcontractors and/or agents to testify as witnesses, or otherwise, in the event litigation or administrative proceedings are commenced against DDS, its officers or employees, based upon a claimed violation of HIPAA, HIPAA Regulations, HITECH Act or any more stringent applicable state law protecting PHI, which involve the inactions or actions by Contractor. This provision does not apply where Contractor or its subcontractor, employee or agent is a named adverse party to DDS.~~

~~D. **No Third-Party Beneficiaries.** Nothing express or implied in the terms and conditions of this Agreement is intended to confer, nor shall anything herein confer, upon any person other than DDS or Contractor and their respective successors or assignees, any rights, remedies, obligations or liabilities whatsoever.~~

~~E. **Interpretation.** The terms and conditions in this Agreement shall be interpreted as broadly as necessary to implement and comply with HIPAA, the HITECH Act, the HIPAA Regulations and any more stringent applicable state law protecting PHI. The parties agree that any ambiguity in the terms and conditions of this~~

~~Agreement shall be resolved in favor of a meaning that complies and is consistent with HIPAA, the HITECH Act, HIPAA Regulations, and any more stringent applicable state law protecting PHI.~~

~~F. **References.** A reference in the terms and conditions of this Agreement to a section in HIPAA, HIPAA Regulations, and/or HITECH Act means the section currently in effect or as amended.~~

~~G. **Survival.** The respective rights and obligations of Contractor in this Agreement shall survive the termination or expiration of this Agreement.~~

~~H. **No Waiver of Obligations.** No change, waiver or discharge of any liability or obligation hereunder on any one or more occasions shall be deemed a waiver of performance of any continuing or other obligation, or shall prohibit enforcement of any obligation, on any other occasion.~~

References:

United States Department of Health and Human Services, Office for Civil Rights, Medical Privacy – National Standards to Protect the Privacy of Personal Health Information: <https://www.hhs.gov/hipaa/index.html>

United States Department of Health and Human Services, Centers for Medicare and Medicaid Services – Security Standards
www.cms.hhs.gov/SecurityStandard/

National Institute of Standards and Technology (NIST)
nist.gov/

FEDERAL INFORMATION PROCESSING STANDARDS (FIPS)
csrc.nist.gov/publications/PubsFIPS.html

CONFIDENTIALITY AGREEMENT

North Los Angeles County Regional Center, Inc.

***Required for Release of DDS Data
Per the State Administrative Manual Section (5310)***

~~Contractor hereby acknowledges that Department of Developmental Services (DDS) records and documents are subject to strict confidentiality requirements imposed by State and Federal laws including, but not limited to, Health Insurance Portability and Accountability Act in Title 42 of the United States Code, Section 1320d et seq. and its implementing law and regulations such as the Health Information Technology for Economic and Clinical Health Act of 2009, (Public Law 111-005, Title XIII, Subtitle D, 13400 et seq., Feb. 17, 2009), 45 CFR Parts 160 and 164, Sections 56 and following and 1798.24 through 1798.24b of the California Civil Code; California Welfare and Institutions Code sections 4514, 5328, and 15633 and following; California Penal Code Section 11167.5; and any other applicable State or Federal law pertaining to confidentiality.~~

~~Contractor assures that the appropriate provisions of both State and Federal law have been met and further assures that all agents of the organization, including subcontractors and agents, understand that unauthorized use, dissemination or distribution of PHI is a crime and that breaches of confidentiality and security may be subject to civil and criminal penalties by the State or Federal government.~~

~~Contractor assures that its agents, including subcontractors, will not use, disseminate or otherwise distribute records or documents containing PHI, either on paper or by electronic means, other than as required in the performance of their duties per this contract.~~

~~Contractor agrees that unauthorized use, dissemination or distribution of DDS records, documents or information is grounds for immediate termination of any contracts with the DDS and may subject Contractor to penalties, both civil and criminal.~~

Signature of Contractor's Authorized Representative

Date: _____

Name/Title (Print)

Summary of Vendors with Outstanding Authorization Issues

**Vendors with Outstanding Authorization Issues
As of November 30, 2025**

Fiscal Year	Unique Vendor	No. of O/S Auth's
Prior to FY22	1	3
FY22	0	0
FY23	7	18
FY24	8	18
FY25	24	50
FY26	13	21
	53	110

Change from November 30, 2025 to December 31, 2025

New Vendors	New Auths	Resolved Vendors	Resolved Auths
0	0	0	0
1	0	0	0
1	0	0	0
0	0	-1	-1
2	2	-4	-2
3	2	-1	-1
7	4	-6	-4

**Vendors with Outstanding Authorization Issues
As of December 31, 2025**

Fiscal Yr	Unique Vendor Numbers	No. of O/S Auth's
Prior to FY22	1	3
FY22	1	0
FY23	8	18
FY24	7	17
FY25	22	50
FY26	15	22
	54	110



North Los Angeles County Regional Center

Main 818-778-1900 | Fax 818-756-6140 | 9200 Oakdale Avenue, Suite 100, Chatsworth, CA 91311 | www.nlacrc.org

August 5, 2025

Ed Yan, Audit Branch Manager
Department of Developmental Services
1215 O Street, 230 MS 9-20
Sacramento, CA 95814

RE: Summary of Audits Performed for Fiscal Year 2024-25 and Schedule of Recoveries

Dear Ed Yan,

North Los Angeles County Regional Center (NLACRC) was required to complete 13 audits during Fiscal Year 2024-2025 in accordance with the Number of Vendor Audits Required for Contract Compliance report provided to NLACRC by Department of Developmental Services. These audits were broken down into the following requirements:

- 11 billing audits
- 10 cost verification and/or staffing audits
- 5 other types of audits
- 2 audit of programs that serve children under 3

We are pleased to report that NLACRC was able to meet its contractual obligation and completed 28 physical audits for Fiscal Year 2024-2025 in the specified ratio mentioned above. Additionally, NLACRC collected \$159,781.93 as a result of audit findings from all of our audits.

Please find enclosed the Audit Summary Report that summarizes the vendor audits conducted by NLACRC and the Schedule of Recoveries Report that summarizes the total amount of funds recovered from vendor audits during FY 2024-2025. Lastly, you will find the Audit Findings Report that summarizes the audit findings related to FY 2024-2025.

If you have any questions regarding this information, please e-mail me at JAgonoy@nlacrc.org.

Respectfully yours,


Justice Agonoy
Controller

cc: Angela Pao-Johnson, Executive Director
Evelyn McOmie, Deputy Director
Vini Montague, Chief Financial Officer
Arshalous Garlanian, Community Service Director

Enclosure: NLACRC Audit Summary Reports

NORTH LOS ANGELES COUNTY REGIONAL CENTER
 AUDIT SUMMARY
FISCAL YEAR 2024-2025

Audit Summary Fiscal Year 2024-2025			
Audit Classification	Number of Audits Conducted	Number of Vendors	Number of Consumers
Billing/ Attendance Audit	11	11	598
Cost Verification/ Staffing Ratio Audit	10	10	40
CPP Funding Audit	-	-	-
Early Start Audit	2	2	57
P & I Audit	5	5	17
Money Management	-	-	-
Totals	28	28	712

North Los Angeles County Regional Center

FY26

Quarterly Human Resources Report

Quarter FY25	Hold	New Hires	Promotions	Separations	Turnover Rate
1st Quarter	10	50	16	39	4.36%
2nd Quarter	9	54	12	23	2.31%
3rd Quarter	0	0	0	0	0.00%
4th Quarter	0	0	0	0	0.00%

Total	9	104	28	62	6.65%
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Quarter FY25	Separation Reasons	Totals
Jul - Sep	Retire	4
	School	0
	Relocation	0
	Personal	17
	Other	19
Oct - Dec	Retire	3
	School	0
	Relocation	0
	Personal	19
	Other	1
Jan - Mar	Retire	0
	School	0
	Relocation	0
	Personal	0
	Other	0
	Retire	0

NLACRC Whistleblower Complaint Log

Time Period:		11/16/2025 -12/15/2025										
Date Complaint Received	Complainant Type	Investigation Case No.	Date Acknowledgment Sent to Complainant	Entity That is Target of Complaint	Nature of Complaint	Investigation Allegation Details	Investigation Results	Corrective Action Taken (if applicable)	Date Complaint Closed	Complaint Investigation Duration (in Days)	Submitted/Logged by	
7/1/2025	Anonymous/Unknown	DDS 25-063001; 2025-UWB-02	N/A	Service Provider - SLS	Fraudulent billing practices; Staff and consumer boundary concerns; Staffing not being provided; Clients Rights Violation	<ol style="list-style-type: none"> Staff has been billing for services that are not provided to consumer and has been using fraudulent documentation (i.e., timesheets). Deferred to Accounting for Financial Audit Consumer lives at staff's private residence in Chatsworth - Unsubstantiated Consumer has not been receiving 24-hour supervision or care - Deferred to Accounting for Financial Audit Staff has been neglecting and mistreating consumer for the past 4 years - Unsubstantiated 	<ol style="list-style-type: none"> Deferred to accounting Unsubstantiated Deferred to accounting Unsubstantiated 	Plan for Improvement 8/22/2025	8/22/2025 * Reopened 9/19/2025 10/17/2025	53/59	Arshalous Garlanian, Community Services Director	
7/9/2025	Community Member	DDS 25-070801; 2025-SPWB-11	N/A	Service Provider - ADC	Client's Rights Violation; Lack of supervision; Health & Safety; Failure to report incidents; Staffing policies and protocols.	<ol style="list-style-type: none"> Individuals served are treated poorly by the program director and staff. Examples include: -Individuals are yelled at, called names, harassed, and verbally and physically abused. -Individuals are excluded from group activities/socializing with other individuals served. - Staff are leaving individuals unattended while using their cellphones and/or when individuals are upset, not ensuring the individuals are safe, and not considering the individuals' wants, needs, and goals. -Individuals are being provoked, potentially resulting in aggressive behaviors. Unsubstantiated Incidents are ignored by this provider and are not reported. Unsubstantiated Staff are attempting to have client(s) removed from the program. Unsubstantiated Staff use their cellphones (i.e., text messaging, video calling) while driving individuals and other staff in the company van. Unsubstantiated Staff prohibit individuals from making purchases. Inconclusive Staff cover the deficiencies within the program to prevent licensing from observing what is occurring. Unsubstantiated Staff prevented a client from entering the company van to be taken home (names not provided). Unsubstantiated Staff are inappropriately holding individuals and mocking them. Unsubstantiated Staff did not report an incident where an individual had a seizure and fell on the ground. Unsubstantiated The provider is not using funds towards the clients' activities and is profiting from selling soda to individuals in the program. Unsubstantiated Company vans are dirty, have broken parts, including seat belts, and the provider will not repair the vehicles. Substantiated Former staff who are prohibited from being near the program have been seen nearby. Unsubstantiated 	<ol style="list-style-type: none"> Unsubstantiated Unsubstantiated Unsubstantiated Unsubstantiated Inconclusive Unsubstantiated Unsubstantiated Unsubstantiated Unsubstantiated Unsubstantiated Substantiated Unsubstantiated 	n/a	8/12/2025 **Reopened 8/25/2025 10/15/2025	35/61	Arshalous Garlanian, Community Services Director	
7/18/2025	Anonymous/Unknown	DDS 25-062602; amended to 2025 - EWB - 05	N/A	NLACRC Employee(s)	Fiscal malfeasance; violation of Board/regional center policy	<p>Complainant alleges:</p> <ol style="list-style-type: none"> The combined contract totals for two I.T. consultants exceeded \$600,000 annually in Fiscal Years 2021-22, 2022-23, and 2023-24. However, the contracts were intentionally split to evade review by the NLACRC Board of Trustees (Board). The contracts were presented to the Board for approval without the appropriate parties disclosing the cumulative financial and functional impact, compromising fiduciary responsibility and public trust. 	<p>Complainant alleges:</p> <ol style="list-style-type: none"> The combined contract totals for two I.T. consultants exceeded \$600,000 annually in Fiscal Years 2021-22, 2022-23, and 2023-24. However, the contracts were intentionally split to evade review by the NLACRC Board of Trustees (Board). The contracts were presented to the Board for approval without the appropriate parties disclosing the cumulative financial and functional impact, compromising fiduciary responsibility and public trust. 	Pending Direction - Submitted Responses to DDS on 8/18/2025, 09/02/2025, and 09/04/2025			Betsy Monahan, HR Director	
7/22/2025	Anonymous/Unknown	DDS 24-110801 re-opened: new information	N/A	NLACRC Employee	Alleged sexual harassment (hostile work environment)	<p>Original complaint alleges:</p> <ol style="list-style-type: none"> NLACRC Management individual is intimidating, bullying, harassing and sexually harassing NLACRC staff. <p>New allegation:</p> <ol style="list-style-type: none"> Type 4 Workplace Violence perpetrator allegedly verbally, digitally and physically harassed NLACRC staff member due to improper relationship/association with NLACRC Management individual. 	Open	Open			Betsy Monahan, HR Director	
11/4/2025	Client	2025-SPWB-15	11/4/2025	Service Provider	Unprofessional conduct; Client's Rights Violation	<ol style="list-style-type: none"> Vendor Staff went to consumer's residence stating "her supervisor sent her to hand me sixty dollars (\$60) in cash". Instead of issuing a proper reimbursement through the vendor's HR/accounting department or via NLACRC, she demanded I sign her notebook as "proof," and insisted on taking photographs of me while I held the cash. On October 24, consumer observed the same woman taking photographs of her building without notice or consent. Vendor Staff has repeatedly called consumer and coordinated others to pressure consumer to continue services, despite clear, repeated requests to terminate services with the vendor and to stop contacting consumer. 	<p style="text-align: center;">Open OOA Vendor Referred to vendoring center Joint investigation</p>	Open		41	Arshalous Garlanian, Community Services Director	

10/31/2025 11/5/2025	Anonymous/Unknown	2025-SPWB-16	N/A	Service Provider	Retaliation against staff; Failure to report; Failure to provide proper medical care.	1. Employees who report suspected client abuse, neglect, or other serious incidents are being terminated shortly after making those reports. Unsubstantiated 2. Failure to report and concealment of abuse. In some cases, employees were instructed not to document or even alter the documentation. Unsubstantiated 3. Licensed staff, leads, and administrator failed to provide or seek medical care to the individuals. Unsubstantiated	1. Unsubstantiated 2. Unsubstantiated 3. Unsubstantiated		12/12/2025	45	Arshalous Garlanian, Community Services Director
11/10/2025	Family Member	2025-BDWB-17	N/A	NLACRC	Ongoing issues with services and access to required planning documents.	1. Denial of access to consumer IPP 2. Pattern of Retaliatory Denial of Social-Recreation Services	Open. Referred to Board Legal Counsel for response and investigation	Open			Sheila King, HR Manager
12/11/2025	Community Member	2025-SPWB-18	N/A	Service Provider	Unprofessional conduct; Fraudulent billing (cross reported from another RC)	1. Staff providing direct services not being paid. 2. Staff does not have clearance. 3. Fraudulent billing		Open		4	

NLACRC Whistleblower Complaint Log

Time Period:		12/16/2025-01/15/2026										
Date Complaint Received	Complainant Type	Investigation Case No.	Date Acknowledgment Sent to Complainant	Entity That is Target of Complaint	Nature of Complaint	Investigation Allegation Details	Investigation Results	Corrective Action Taken (if applicable)	Date Complaint Closed	Complaint Investigation Duration (in Days)	Submitted/Logged by	
7/18/2025	Anonymous/Unknown	DDS 25-062602; amended to 2025 - EWB - 05	N/A	NLACRC Employee(s)	Fiscal malfeasance; violation of Board/regional center policy	Complainant alleges: 1. The combined contract totals for two I.T. consultants exceeded \$600,000 annually in Fiscal Years 2021-22, 2022-23, and 2023-24. However, the contracts were intentionally split to evade review by the NLACRC Board of Trustees (Board). 2. The contracts were presented to the Board for approval without the appropriate parties disclosing the cumulative financial and functional impact, compromising fiduciary responsibility and public trust.	Complainant alleges: 1. The combined contract totals for two I.T. consultants exceeded \$600,000 annually in Fiscal Years 2021-22, 2022-23, and 2023-24. However, the contracts were intentionally split to evade review by the NLACRC Board of Trustees (Board). 2. The contracts were presented to the Board for approval without the appropriate parties disclosing the cumulative financial and functional impact, compromising fiduciary responsibility and public trust.	Pending Direction - Submitted Responses to DDS on 8/18/2025, 09/02/2025, and 09/04/2025		182	Betsy Monahan, HR Director	
7/22/2025	Anonymous/Unknown	DDS 24-110801 re-opened: new information	N/A	NLACRC Employee	Alleged sexual harassment (hostile work environment)	Original complaint alleges: 1. NLACRC Management individual is intimidating, bullying, harassing and sexually harassing NLACRC staff. New allegation: 2. Type 4 Workplace Violence perpetrator allegedly verbally, digitally and physically harassed NLACRC staff member due to improper relationship/association with NLACRC Management individual.	Open			178	Betsy Monahan, HR Director	
11/4/2025	Client	2025-SPWB-15	11/4/2025	Service Provider	Unprofessional conduct; Client's Rights Violation	1. Vendor Staff went to consumer's residence stating "her supervisor sent her to hand me sixty dollars (\$60) in cash". Instead of issuing a proper reimbursement through the vendor's HR/accounting department or via NLACRC, she demanded I sign her notebook as "proof," and insisted on taking photographs of me while I held the cash. 2. On October 24, consumer observed the same woman taking photographs of her building without notice or consent. 3. Vendor Staff has repeatedly called consumer and coordinated others to pressure consumer to continue services, despite clear, repeated requests to terminate services with the vendor and to stop contacting consumer.	Open OOA Vendor Referred to vendoring center Joint investigation			73	Arshalous Gartanian, Community Services Director	
11/10/2025	Family Member	2025-BDWB-17	N/A	NLACRC	Ongoing issues with services and access to required planning documents.	1. Denial of access to consumer IPP 2. Pattern of Retaliatory Denial of Social-Recreation Services	Open. Referred to Board Legal Counsel for response and investigation			67	Sheila King, HR Manager	
12/11/2025	Community Member	2025-SPWB-18	N/A	Service Provider	Unprofessional conduct; Fraudulent billing (cross reported from another RC)	1. Staff providing direct services not being paid. 2. Staff does not have clearance. 3. Fraudulent billing	OPEN			36	Arshalous Gartanian, Community Services Director	
12/17/2025	Community Member	2025-SPWB-19	N/A	Service Provider	Financial abuse/exploitation; neglect; possible retaliatory behavior.	1. Staff have had long-term unauthorized access to her bank accounts. Reports of missing funds and unexplained negative balances. 2. Consumer passwords are repeatedly changed without her consent. 3. Consumer felt manipulated and pressured by staff.	OPEN			30	Arshalous Gartanian, Community Services Director	
1/2/2026	Community Member	2026-SPWB-20	1/2/2026	Service Provider	Unprofessional Conduct; Fraudulent Billing	1. DDS received additional information from WB alleging two additional individuals were aware of fraudulent practices that were previously looked into and addressed in a WB complaint received on 9/19/25	1. Inconclusive	Closed	1/13/2026	11	Arshalous Gartanian, Community Services Director	
1/4/2026	NLACRC Employee	2026-EWB-21	1/8/2026	NLACRC	Leadership/Governance practices	1. Leadership Conduct. 2. Governance Practices. 3. Conflicts of Interest and Operational Integrity.	Open. Referred to Board Legal Counsel for response and investigation			12	Sheila King, HR Manager	
1/5/2026	Community Member	2026-SPWB-22	N/A	Service Provider	Consumer rights and financial exploitation.	1. Interference with mail: a. CSC instructed vendor to "withhold her SSI check..."; b. Vendor withheld mail from resident. 2. Professional boundaries and oversight concerns.	1a. Unsubstantiated 1b. Unsubstantiated 2. Outside of CS Scope, Referred to CM	Closed	1/13/2026	8	Arshalous Gartanian, Community Services Director	
1/5/2026	Community Member	2026-SPWB-23	N/A	Service Provider	Unprofessional Conduct; Staff did not meet job requirements.	1. Vendor did not provide adequate level of support. 2. Staff were not LVN certified	OPEN			11	Arshalous Gartanian, Community Services Director	
1/5/2026	Community Member	2026-SPWB-24	N/A	Service Provider	Violations of consumer due process rights, unlawful service termination, vendor retaliation, Failure of regional center oversight.	1. Consumer was not provided with a proper written 30-day notice as required by Title 17.	OPEN			11	Arshalous Gartanian, Community Services Director	
1/5/2026	Community Member	2026-SPWB-25	1/6/2026	Service Provider	Clients Rights Violation	1. Staff not treating resident with respect. 2. Home staff appeared to make resident uncomfortable.	OPEN			11	Arshalous Gartanian, Community Services Director	
1/5/2026	Community Member	2026-SPWB-26	N/A	Service Provider	Unlawful service termination; denial of due process; failure to provide 30-day notice; consumer retaliation from vendor.	1. Consumer was removed from day program without a clear explanation of reason for termination. 2. Vendor failed to provide transparency and accountability despite having received multiple requests as to the nature of his termination. 3. Consumer alleges he was treated differently after an incident involving himself and another consumer.	OPEN			11	Arshalous Gartanian, Community Services Director	

1/7/2026	Community Member	2026-SPWB-27	N/A	Service Provider	Suspected healthcare fraud; falsification of service records' and potential financial exploitation	1. Billing for services not rendered while consumer was out of town. 2. Falsification of documents.	OPEN			9	Arshalous Garlanian, Community Services Director
1/7/2026	Community Member	2026-SPWB-28	1/7/2026	Service Provider	Health and safety risks; suspected neglect, fraud, and financial exploitation.	1. SLS worker failed to provide required support, including meal preparation. 2. Consumer has fallen out of her chair while staff are outside in their car. 3. SLS worker hired an individual to work with staff, individual was not authorized to provide support. Potential HIPAA violation. 4. Consumer is threatened by staff to not say anything due to potential threats of losing services. 5. Program owners are aware of these issues but have not addressed them.	OPEN			9	Arshalous Garlanian, Community Services Director
1/7/2026	Community Member	2026-SPWB-29	1/7/2026	Service Provider	Health and safety risks; allegations of abuse and neglect.	1. Staff member allegedly sexually abused and harassed residents and staff members at their home. 2. Staff member was observed to have gone into a consumers room and the consumer was heard screaming and yelling to stop. 3. Staff 2 hit resident in the head. 4. Residents are not fed properly causing a resident to develop diabetes. 5. Staff are instructed to pay for resident food and hygiene materials out of pocket.	1. Unsubstantiated 2. Unsubstantiated 3. Unsubstantiated 4. Unsubstantiated 5. Unsubstantiated	Closed	1/13/2026	7	Arshalous Garlanian, Community Services Director
1/8/2026	Community Member	2026-SPWB-30	N/A	Service Provider	Wage and labor violations	1. Staff did not receive training stipend for completing DSP training.	OPEN			8	Arshalous Garlanian, Community Services Director
1/9/2026	Community Member	2026-SPWB-31	N/A	Service Provider	Suspected neglect; timecard fraud.	1. Job Coach left consumer unattended during work hours. Job Coach reportedly left work early on multiple occasions and was observed sitting in their car instead of providing on-site support.	OPEN			7	Arshalous Garlanian, Community Services Director
1/9/2026	Community Member	2026-SPWB-32	1/9/2026	Service Provider	Health and safety risks; suspected abuse, neglect, and rights violations; Staff misconduct.	1. An incident occurred (date not provided) in which staff forcibly removed a protective glove for an open wound on the hand of a resident causing bleeding. It was reported to management, but no action was taken, and no incident report was filed. 2. Management is prohibiting resident from using her personal phone or the house phone to call her father. 3. Staff members (including but limited to a staff) routinely smoke marijuana on their break and come in after laughing, smelling like marijuana, and work with residents while under the influence. 4. Staff (potentially staff) bring family members into the home to cook food for the residents and themselves against home policies/requirements. Resident has reportedly stated that this makes her uncomfortable which may be leading to behavioral escalations.	1. Unsubstantiated 2. Unsubstantiated 3. Unsubstantiated 4. Substantiated	Closed	1/13/2026	5	Arshalous Garlanian, Community Services Director
1/9/2026	Community Member	2026-SPWB-33	1/9/2026	Service Provider	Services not rendered; health and safety; time fraud; Lack of clearance.	1. Staff clocks in and documents overtime but does not show up to work, sits outside the home in her car, or does not support client. as required (e.g., not cooking meals). On numerous occasions, resident has fallen out of her chair while staff is outside in her car. 2. SLS staff hired a woman to support client. but this individual is not authorized to work and has not been fingerprinted. Client does not say anything because staff buys her things she wants (e.g., amazon purchases). Staff also threatens client by stating she won't receive help if she fires her. 3. The program owners, are aware of these issues but do not address them.	OPEN			7	Arshalous Garlanian, Community Services Director
1/13/2026	Community Member	2026-SPWB-34	1/23/2026	Service Provider	Client Rights	1. Resident was being accused of spitting on staff. Staff members in a harsh tone/raised voice to go to their room. When resident did not go to their room, staff collided with resident., pushing him. This resulted in resident feeling distressed and stating out loud, "call cops, go to cops, go to hospital". Resident was hitting and slamming his hands into the windows and staff members were laughing at him. 2. Supervisor is aware of staff behaviors and does not act; instead, she responds by saying how and resident have known each other for a while.	OPEN			3	Arshalous Garlanian, Community Services Director
1/13/2026	Community Member	2026-SPWB-35	1/13/2026	Service Provider	Client Rights	1. Alleged that home staff and/or NLACRC staff may be withholding resident's SSI check.	OPEN			3	Arshalous Garlanian, Community Services Director

FY 2025-26	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-25	Jun-25	Total Absences	Total Hours
Executive Finance Committee	Special			Dark		Dark						Dark		
Sharmila Brunjes	P	P	P		P									6.25
Juan Hernandez	P	P	P		P								0	6.25
Anna Hurst	P	P	P		P								0	6.25
Curtis Wang		P	P		P								0	5.75
Leticia Garcia	P	P	P		P								0	6.25
Jacquie Colton			P		P								0	2.75
Jason Taketa			P		P								0	2.75
Laura Monge			Ab		P								1	1.50
Meeting Time	0.5	3.00	1.25		1.50									6.25

P = Present Ab = Absent

Attendance Policy: In the event a Trustee shall be absent from three (3) consecutive regularly-scheduled Board meetings or from three (3) consecutive meetings of any one or more committees on which he or she may be serving, or shall be absent from five (5) regularly-scheduled Board meetings or from five (5) meetings of any one or more Committees on which he or she may be serving during any twelve (12) month period, then the Trustee shall, without any notice or further action required of the Board, be automatically deemed to have resigned from the Board effective immediately. The secretary of the Board shall mail notice of each Trustee's absences during the preceding twelve (12) month period to each Board member following each regularly-scheduled Board meeting. (policy adopted 2-10-99)