

North Los Angeles County Regional Center
Executive Finance Committee Meeting Minutes
January 29, 2026

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

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 5:09 p.m. Juan Hernandez, Vice President, 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 Items A and B and Committee Business Item A. The time allotted for Action Items B and C was also increased from five minutes to seven minutes.

On a motion made by Curtis Wang, Secretary, seconded by Jacquie Colton, the agenda was approved. Motion carried.

4. **PUBLIC INPUT – AGENDA ITEMS**

There was no public input regarding the agenda.

5. **CONSENT ITEMS**

A. Approval of Minutes of the November 29, 2025, Executive Finance Committee Meeting

On a motion made by Curtis Wang, seconded by Sharmila Brunjes, President, the minutes from the November 29, 2025 Executive Finance Meeting were approved. Motion carried.

6. **ACTION ITEMS**

6.1 **Amendment of Board Budget**

Juan Hernandez introduced the proposed amendment to the Board Budget, presented by Vini Montague, Chief Financial Officer.

Vini Montague reviewed the previously approved Board Budget of slightly over \$300,000 and explained that the proposed revisions shift funds between categories to better align the budget with actual spending patterns and anticipated needs for the remainder of the fiscal year rather than increasing overall spending.

Transportation reimbursements were higher than projected due to mileage reimbursements and Uber usage late in the prior year, requiring additional funding in that category. The Consumer Advisory Committee (CAC) holiday party allocation was reduced because the actual expense totaled \$249 compared to the \$750 originally budgeted, leaving excess funds that are no longer needed. Vini Montague noted the line item is currently restricted to holiday party expenses; other CAC events could be funded in the future if brought forward separately for approval.

The Roberts Rules software subscription cost exceeded the original estimate, requiring an additional \$143. The training and leadership board advocacy line item was removed because it duplicated the consultant parliamentarian/governance coach expense, which already covers board leadership training services. Based on the approved Leading Resources contract, an additional \$4,300 was added to the parliamentarian and governance coach category.

The Executive Director evaluation model was adjusted to reflect its three-year contract structure, shifting portions of the expense to future fiscal year budgets. Legal expenditures were reduced by \$100,000 because outside counsel (Enright Ocheltree) is no longer expected to regularly attend board meetings; however, sufficient funds remain available for consultation when needed.

Overall, the proposed revisions decrease the total Board Budget by \$104,436.

During discussion, Sharmila Brunjes confirmed that adequate legal funding would remain available for occasional consultation. Juan Hernandez asked why the CAC allocation was reduced, and Vini Montague clarified it reflects actual expenditures rather than a policy change. The committee discussed that the CAC could request funding later for outreach or other events if necessary.

On a motion made by Curtis Wang, seconded by Lety Garcia, ARCA Delegate, it was resolved to approve and move forward the amended board budget to the full Board of Trustees for approval. Motion carried.

ACTION: Board Support will add this to the February Board of Trustees meeting agenda for approval.

6.2 Approval of Purchase of Service CPP Startup Contract – Homes & Hope, LLC – PL2603-999

Vini Montague, Chief Financial Officer, presented a proposed Purchase of Services Community Placement Plan (CPP) startup funding contract for a Community Resource Development Project (CRDP) housing agreement approved by the Department of Developmental Services (DDS).

Vini Montague explained DDS awarded approximately \$1.4 million in startup funding in October to support participation in an affordable housing development led by the vendor Homes and Hope in Palmdale. The project is a new multi-family residential complex consisting of approximately 160 total housing units. Through this agreement, 11 units will be permanently reserved for low-income individuals with developmental disabilities served by the regional center. The reserved units include three one-bedroom and eight two-bedroom apartments, and at least one resident in each unit must be a regional center consumer. The agreement requires these units to remain designated for regional center consumers for a period of 55 years. Vini Montague noted this is the organization's first participation in

this type of housing development partnership and there are no special contractual conditions beyond the reservation requirement.

During discussion, Sharmila Brunjes asked about the committee's role in recommending contracts to the Board. Vini Montague clarified the committee typically reviews and vets items, asks questions, and then forwards a recommendation to the Board once satisfied. Juan Hernandez asked whether the organization would be purchasing property or supporting construction; Vini Montague clarified the funds are not for acquisition but to secure dedicated units within the larger housing development for consumers.

On a motion made by Sharmila Brunjes, seconded by Curtis Wang, it was resolved to move the contract, POS CPP Startup Contract – Homes & Hope, LLC – PL2603-999, to the full Board of Trustees FOR APPROVAL. Motion carried.

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

6.3 Approval of Operations Contract – Newmark

Juan Hernandez introduced the proposed operations contract with Newmark, presented by Vini Montague, Chief Financial Officer.

Vini Montague explained Newmark is the commercial real estate brokerage firm selected through a formal Request for Proposal process and is currently assisting the organization in securing a new lease for the San Fernando Valley office. The organization previously entered into a contract with Newmark effective October 24, 2024, for workplace strategy services in the amount of \$82,300. These services include assessing operational needs and planning the layout and design of the future office space and are separate from the brokerage services used to identify potential locations.

Staff proposed entering into a second contract with Newmark for construction project management services in the amount of \$177,500. This service would begin once a final site is selected and would include managing construction activities associated with preparing the new office location for occupancy. When combined with the existing workplace strategy contract, the total contractual amount would be \$259,800, exceeding the \$250,000 approval threshold and therefore requiring committee and Board approval.

During discussion, Juan Hernandez asked whether using the same firm for project management is standard practice. Vini Montague confirmed it is typical for organizations to utilize the brokerage firm's project management division because the services align with the leasing and build-out process. Juan Hernandez also confirmed the contract would cover management of construction activities related to the new office. No additional questions were raised.

On a motion made by Curtis Wang, seconded by Jacquie Colton, the committee resolved to move the contract, Operations Contract – Newmark, to the full board for approval. Motion carried.

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

6.4 Approval to Move Employee Satisfaction Survey Results to Board Meeting

Juan Hernandez introduced the proposal to present the employee satisfaction survey results directly at the Board meeting rather than first reviewing them at the Executive Finance Committee and then again at the Board meeting. Lindsay Granger confirmed the intent was to streamline the process and avoid duplicating the same presentation in two separate meetings.

Lety Garcia noted that reports are traditionally reviewed by the committee first so members can ask questions and prevent surprises at the Board meeting. Sharmila Brunjes explained the change was

considered because delivering a full presentation twice was time-consuming and not an efficient use of committee time. Instead, the plan was to include the presentation materials in the Board packet so members could review the information in advance, consistent with standard practice.

Lety Garcia requested confirmation that the presentation materials would be included in the packet prior to the meeting. Lindsay Granger stated that recent Board presentations have typically been included and would be provided when available. Angela Pao-Johnson clarified that Amy Sullivan will present the individual and family survey, while the employee satisfaction survey will be presented by either Angela Pao-Johnson or Sheila King. Lety Garcia indicated this approach was acceptable as long as the information is available beforehand.

On a motion made by Curtis Wang, seconded by Sharmila Brunjes, it was resolved to move the employee satisfaction survey results to the next board meeting. Motion carried.

ACTION: Board Support will include this on the February Board of Trustees meeting agenda and include employee satisfaction survey presentation materials in the board meeting packet.

7. COMMITTEE BUSINESS

7.1 Status Report on Lease Agreements

Juan Hernandez introduced the status report on lease agreements, presented by Vini Montague, Chief Financial Officer.

Vini Montague reviewed a summary of lease obligations for the organization's three office locations and explained that the front summary page of the report reflects the total lease commitments for the current fiscal year. The annual obligations are approximately \$3.6 million for the San Fernando Valley office, about \$1.4 million for the Antelope Valley office, and \$806,000 for the Santa Clarita office. Vini Montague noted detailed lease terms were included in the packet, but the presentation focused on key dates and overall obligations.

Vini Montague highlighted that the San Fernando Valley lease expires February 28, 2027, and staff are actively working with a broker to secure a replacement location. The Santa Clarita office lease expires May 31, 2032, and the Antelope Valley lease expires January 31, 2036, so no immediate action is required for those sites.

During discussion, Juan Hernandez asked whether the reported amounts represent monthly or annual payments. Vini Montague clarified that the totals reflect annual obligations, while actual rent payments are made monthly. Juan Hernandez also confirmed the totals referenced on the summary page.

No further questions were raised.

7.2 DDS Contract Update

Vini Montague, Chief Financial Officer, presented an update to the contract language with the Department of Developmental Services (DDS). Only pages containing revisions were included in the packet. The first amendment increased the preliminary allocation to \$1,340,866,635.

Most revisions consisted of formatting and wording clarifications rather than substantive changes, including updates within the Information Security section that did not modify existing requirements. DDS replaced entire paragraphs in several areas rather than marking individual edits, which made the revisions appear more extensive than they functionally are.

Under Emergency Planning, Preparedness, Response, and Recovery, DDS added a requirement for the regional center's emergency coordinator to participate in monthly statewide coordination meetings. Language was also added requiring all regional centers to utilize the state's Everbridge emergency notification system and to proactively notify individuals who rely on medical equipment, are non-ambulatory, or have limited supports in order to assess additional needs during emergencies. These provisions reflect practices already implemented by NLACRC.

The Special Contract Language section was updated to remove prior-year language and replace it with provisions previously presented to the committee and Board, narrowing and clarifying the focus areas rather than introducing new obligations.

Changes to the Business Associate Agreement (HIPAA) included added definitions for artificial intelligence, generative artificial intelligence, and limited data sets (PHI excluding certain identifiers such as names and addresses). A new requirement mandates that any request for protected health information (PHI) received directly by NLACRC must be forwarded to DDS within five business days. Additional provisions require the regional center to document and track disclosures of PHI made on behalf of DDS and provide that tracking within 30 days upon request. The revisions also clarify disclosures that do not require tracking, such as when individuals request their own records.

Vini Montague summarized that the revisions primarily clarify procedures, align statewide practices, and formalize documentation expectations, with minimal operational impact to NLACRC. No questions were raised by the committee.

7.3 Financial Reports

Vini Montague, Chief Financial Officer, presented the financial report.

For the October 2025 service month, the B2 allocation totaled \$1.357 billion. Monthly expenditures were \$116.9 million, and year-to-date expenditures were approximately \$408.4 million. At the time of the report, projected annual expenditures were expected to align with the B2 allocation; however, the first Purchase of Services (POS) projection had not yet been completed, so no surplus or deficit estimate was shown.

Vini Montague reviewed the accompanying detail schedules included in the packet. The reports separated funding between operations and purchase of services, and further identified allocations specifically designated to reduce caseload ratios for (1) children ages five and under and (2) all other caseload categories. Additional pages provided consolidated expenditure detail across regular operations and Community Placement Plan (CPP) funding, followed by expanded operational category detail such as salaries and other operating cost groupings.

For the November 2025 service month, the B2 allocation remained \$1.357 billion. Monthly expenditures were \$112.1 million, with year-to-date expenditures of approximately \$520.5 million. After completion of the report, the first POS projection was finalized and indicated a projected fiscal year 2025-26 deficit of approximately \$130 million.

Vini Montague explained that the projection remains highly uncertain due to multiple ongoing statewide changes, including continued rate implementations, modifications to service codes and subcodes, and the expiration of the provider rate hold harmless period on February 28, 2026, after which provider rates above rate-study levels may adjust. These variables make forecasting significantly more difficult than in prior years, and the projection should therefore be considered preliminary.

No questions were raised.

7.4 Admin vs. Direct Allocation Report

Vini Montague, Chief Financial Officer, presented the Administrative Expenditures versus Direct Expenditures report.

The report demonstrates compliance with the statutory 15% administrative cost cap. The monthly column reflects fluctuations throughout the year and may temporarily exceed the cap due to timing of expenditures; however, the year-to-date percentage is the primary compliance measure.

As of November 20, administrative costs were approximately 11%, confirming the Center remained below the required threshold.

As of December 18, the year-to-date administrative cost percentage further decreased to approximately 10.6%.

The committee acknowledged the Center remains in compliance with the administrative cost cap. No further questions were raised.

7.5 Outstanding Authorizations Report

Vini Montague, Chief Financial Officer, presented a summary report of vendors with outstanding or escalated authorization issues, clarifying the report reflects only matters escalated beyond the regular Accounts Payable process and not all authorization issues.

As of November 2025, there were 53 service providers with escalated concerns involving 110 authorizations. During December, an additional 7 service providers with 4 authorization issues were added to the list. Staff resolved 6 provider cases and 4 authorization issues during the month.

Vini Montague noted the number of authorizations appearing lower than the number of vendors was due to incomplete counts when originally logged. As of the end of December, the total stood at 54 service providers and 110 authorizations on the escalated tracking list.

No questions were raised.

7.6 Audits Update

a. CalPERS

Vini Montague, Chief Financial Officer, provided an update on audits currently in progress, beginning with the CalPERS audit.

Previously identified findings related to personnel classification reporting have been addressed. Updated classification reports were approved by the committee and Board and submitted to CalPERS. These findings are expected to be resolved.

One remaining finding is still under review. The issue relates to a provision in the prior union contract establishing salary ranges based on a salary survey. Some long-tenured employees had compensation above those ranges. To address this, NLACRC negotiated a "longevity adjustment" as an additional salary step and included it in base wages.

CalPERS considers longevity pay to be special compensation rather than base wages, resulting in a classification disagreement. NLACRC is continuing discussions with CalPERS to resolve the matter.

No questions were raised.

b. Independent Audit

Vini Montague, Chief Financial Officer, provided an update on the independent audit conducted by Lindquist for fiscal year 2025. The audit remains in progress, with NLACRC staff having submitted

substantial documentation, most within required timelines, and continuing to respond to follow up requests. The Controller is actively working with the auditors to complete the process.

c. **DDS Audit**

Vini Montague, Chief Financial Officer, provided an update on the Department of Developmental Services (DDS) audits.

For the fiscal year 2022 and 2023 DDS audit, the initial overpayment finding totaled approximately \$1.5 million, primarily related to transportation rate implementation. NLACRC appealed the transportation portion, and DDS supported the appeal, removing about \$1 million of the finding. Approximately \$500,000 remains related to rate adjustments issued after payments were made to providers. NLACRC agrees with the remaining finding and is working with providers to recover the overpayments and remit them to DDS, with most of the amount already recovered.

Vini Montague also reported that the fiscal year 2024 DDS audit is currently pending as part of the annual audit requirement under special contract language. DDS has not yet issued a draft report and is awaiting the outcome of the transportation rate appeal before finalizing the audit.

No questions were raised.

7.7 Status of FY2025 Vendor Audit Requirement

Vini Montague, Chief Financial Officer, reported on vendor audit requirements under the Department of Developmental Services (DDS) contract.

DDS requires NLACRC to conduct a specified number and type of service provider audits annually and submit a summary letter by October 1 confirming completion. For fiscal year 2025, NLACRC was required to conduct 13 audits and exceeded this requirement by completing 28 audits, including 11 billing audits, 10 cost verification audits, 5 additional audit types, and 2 audits of vendors serving children under age three.

The audits covered 28 vendors and impacted 712 consumers. Through the audit process, NLACRC recovered \$159,781 in overpayments.

7.8 2nd Quarter Human Resources Report

Juan Hernandez introduced the Human Resources report presented by Sheila King.

For the first quarter, there were 10 positions on hold, 50 new hires, 16 promotions, and 39 separations, resulting in a turnover rate of 4.36%. For the second quarter, there were 9 positions on hold, 54 new hires, 12 promotions, and 23 separations, reducing the turnover rate to 2.31%. Reported separation reasons included retirements, personal reasons, and other causes.

Juan Hernandez asked whether separations were initiated by the organization or employees. Sheila King indicated a detailed breakdown was not immediately available but could be provided. Sheila King also noted efforts are underway to improve exit survey information to better understand reasons for departures.

No additional questions were raised.

7.9 Monthly Whistleblower Log for November 16, 2025-January 15, 2026

Juan Hernandez introduced the Monthly Whistleblower Log presented by Sheila King.

For the period November 16, 2025 through December 15, 2025, there was 1 new report, 1 pending case, 3 open cases, and 1 closed case. For the period December 16, 2025 through January 15, 2026, there were 18 new reports, 4 closed cases, and 1 pending case.

No questions were raised.

7.10 Strategic Plan Update

Sharmila Brunjes provided an update on the strategic plan process. KH Consulting has begun the project, including kickoff meetings with senior staff, Board representatives, and volunteers, and has started the interview and information-gathering phase. Updates will be provided to the Executive Finance Committee as information becomes available.

Angela Pao-Johnson reported that three staff kickoff sessions were held to accommodate hybrid schedules, with approximately 300 staff participating. The sessions explained the purpose of the strategic plan, outlined the process, and invited initial feedback, emphasizing an inclusive approach.

The committee acknowledged the launch of the strategic planning process and anticipates future updates as the work progresses.

8. CLOSED SESSION

On a motion made by Curtis Wang, seconded by Sharmila Brunjes, closed session was entered at 6:13 p.m. to discuss real estate negotiations and the quarterly legal update.

During closed session, a motion regarding existing real estate negotiations was made by Sharmila Brunjes, seconded by Juan Hernandez, and approved unanimously. The motion carried.

On a motion made by Sharmila Brunjes, seconded by Curtis Wang, it was resolved to exit closed session at 6:44 p.m.

9. CENTER OPERATIONS

Angela Pao-Johnson, Executive Director, presented the Center Operations Report and began by highlighting improvements in recruitment efficiency. Angela Pao-Johnson explained NLACRC streamlined recruiting workflows, improved applicant communication timelines, and began consistently using the applicant tracking system to actively clear candidate queues. Previously, inactive applications remained open in the system and created an inflated reported hiring timeline of 717 days in January 2025. With improved tracking and accountability, the end to end hiring timeline has been reduced to approximately 75 days overall, with Service Coordinator hiring averaging 51 days. Angela Pao-Johnson noted the organization is progressing toward the 45 day industry standard and that remaining delays are largely due to external factors such as background checks and onboarding requirements.

Angela Pao-Johnson then provided updates from the Department of Developmental Services. DDS is launching a one time operations funding survey to identify regional centers that may experience operational deficits. NLACRC does not anticipate a deficit but will participate. DDS indicated approximately \$30 million may be available statewide, although much of the funding will likely be reserved for rent adjustments and performance incentives. DDS also requested that regional centers claim outstanding funds before mid March or the funds will revert to the department.

Angela Pao-Johnson reported remote services are currently scheduled to sunset at the end of 2026. DDS must submit a report regarding remote service delivery for IPP planning meetings and services and plans to include trailer bill language acknowledging ongoing evaluation. While no immediate fiscal impact is expected, legislative decisions may affect future service delivery options.

Transportation updates were discussed. For Service Code 875, DDS finalized a reimbursement methodology recognizing urban driving conditions by compensating providers for operational time within initial mileage rather than strictly distance traveled. This change becomes effective March 1 and is intended to create equity between urban and rural providers. For Service Code 880, DDS will implement a 5 percent rate differential between ambulatory and non ambulatory consumers for transportation associated with specialized residential and day programs.

Regarding the Self Determination Program, the federal waiver is expected to expire at the end of the fiscal year and DDS will seek renewal. Public comment is expected in February with submission to the Centers for Medicare and Medicaid Services by April 1. Proposed updates may include new Fiscal Management Service standards and revised individual budget methodologies. DDS is also proposing the State Council on Developmental Disabilities serve as the sole provider of Self Determination orientation services. DDS funding for Local Volunteer Advisory Committees is expected to end, although the advisory committees will continue to operate.

Angela Pao-Johnson also shared legislative timing updates. The Department of Finance will release proposed trailer bill language earlier than typical, and the Assembly Budget Subcommittee 2 hearing overseeing health and human services is scheduled for April 15.

Organizational metrics were reviewed, showing approximately 935 filled positions, representing about 90 percent staffing, and 41,090 individuals served.

Angela Pao-Johnson highlighted outreach efforts including participation in the Armenian Parent Circle of Support holiday gathering attended by approximately 23 families. Families met staff, participated in activities, and received resources, and Senator Menjivar presented an award recognizing NLACRC's involvement. Upcoming disability community meetings were noted, including the State Council on Developmental Disabilities meeting on February 17, the Disability Rights California board meeting on March 19, and the Local Volunteer Advisory Committee meeting on February 19.

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

During public comment, Erika Perez addressed the committee in Spanish and stated this was the first meeting attended. Erika Perez requested that the regional center more clearly communicate and publish available services for children, explaining families are often not informed about services and have difficulty identifying what supports are available, particularly online.

Juan Hernandez assisted by translating and summarizing the comment for the committee, noting the request for improved visibility and accessibility of information regarding regional center services.

No additional public comments were made.

12. NEXT MEETING

The next meeting of the Executive Finance Committee will be February 26, 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 6:59 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