North Los Angeles County Regional Center

Executive Finance Committee Meeting Minutes

August 27, 2026

Present: Board of Trustees President Sharmila Brunjes, Vice President Juan Hernandez, Board Treasurer Anna Hurst, Board Secretary Curtis Wang, Jeremy Sunderland, ARCA Delegate, Jacquie Colton, Jason Taketa– Committee Members

Executive Director Angela Pao-Johnson, Deputy Director Evelyn McOmie, Chief Financial Officer Vini Montague, Director of Clinical Services Dr. Carlo DeAntonio, Human Resources Director Karen Waters, Executive Administrative Assistant Lindsay Granger, Controller Justice Agonoy – Staff Members

Guests: Simone Khanna, Gallagher Insurance

Absent: Laura Monge

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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 5:07 p.m. Sharmila Brunjes, Board 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 include a review of Insurance Coverage for FY26-27 as the first item under Committee Business.

Absent objection the August 27, 2026, amended meeting agenda was approved. Motion carried.

4. PUBLIC INPUT – AGENDA ITEMS

Clarification was provided regarding public comment. Public input at the beginning of the meeting is limited to agenda items, with an additional opportunity for general public comment scheduled at the end of the meeting.

There was no public input regarding the agenda.

5. ORIENTATION

A. Bylaws
B. Board Audit Section
C. Committee Priorities
D. Meeting Schedule for FY2026-27

Sharmila Brunjes reviewed the role and responsibilities of the Executive Finance Committee (EFC), which combines the former Executive and Administrative Affairs Committees. Sharmila Brunjes explained that the EFC reviews bylaws, the annual audit and management letter, and certain contracts exceeding $250,000. In circumstances requiring immediate contract approval before a regularly scheduled Board meeting, the EFC may approve the contract subject to ratification by the full Board.

Sharmila Brunjes reviewed the composition of the EFC and limitations on the Committee's authority under the Bylaws. Sharmila Brunjes noted that the EFC generally reviews matters and makes recommendations to the full Board rather than making final decisions. The EFC also provides oversight related to the Strategic Plan and annual performance contract, including reviewing goals and objectives and identifying gaps in the service delivery system.

The Committee discussed FY 2026–27 priorities. Sharmila Brunjes noted that the existing priorities were developed during the September 2025 Board retreat and suggested reviewing the priorities following the upcoming goals and priorities training. Anna Hurst recommended aligning the Committee's priorities with the developing Strategic Plan.

Sharmila Brunjes reviewed the FY 2026–27 EFC meeting schedule and explained that the schedule varies during months when the Board does not meet and around holidays. Committee members may propose schedule changes for future consideration.

6. CONSENT ITEMS

A. Approval of Minutes of the May 26, 2026, Executive Finance Committee Meeting

Absent objection the minutes of the May 26, 2026, Executive Finance Committee Meeting were approved. Motion carried.

7. ACTION ITEMS

7.1 Review and Approve Committee Schedule for FY2026-27

Sharmila Brunjes reviewed the proposed Executive Finance Committee meeting schedule. Anna Hurst moved to approve the schedule, and Curtis Wang seconded the motion.

During discussion, Jeremy Sunderland noted a scheduling conflict with the September 24 meeting and indicated availability on September 23. Anna Hurst noted that when an EFC meeting cannot be held within the usual timeframe, matters may proceed directly to the full Board. Sharmila Brunjes clarified that the schedule may occasionally require special Board meetings if time-sensitive matters arise.

On a motion made by Anna Hurst and seconded by Curtis Wang, it was resolved to approve the Executive Finance Committee schedule for FY2026-27. Motion carried.

7.2 Approval to Sunset Committee Audit Section

The Committee discussed sunsetting the existing committee audit practice. Anna Hurst explained that the audit documents were originally intended as a self-reflection tool to help Committee members evaluate whether the appropriate questions were being asked and whether the Committee was fulfilling its responsibilities. Anna Hurst noted that the documents remain valuable as a reference for Committee members but that reviewing the documents in their entirety during Committee meetings was not an effective use of meeting time.

Sharmila Brunjes clarified that the proposal was not to eliminate the documents, but to discontinue the practice of using them as a formal self-evaluation audit. The documents would remain available to Committee members as educational and reference materials. Sharmila Brunjes noted that the existing documents were created separately for the former Executive Committee and Administrative Affairs Committee, which have since been combined into the Executive Finance Committee.

Following discussion with Angela Pao-Johnson, Sharmila Brunjes further clarified that the previous audit process consisted of reviewing the documents and determining whether the Committee was performing the listed responsibilities. Sharmila Brunjes proposed transitioning the documents into guidelines or a reflection tool and noted that the Committee could consider developing a more meaningful evaluation process in the future.

On a motion made by Anna Hurst and seconded by Jeremy Sunderland, the Committee approved sunsetting the practice of using the existing documents as a committee audit. Motion carried.

On a motion made by Anna Hurst, seconded by Curtis Wang, it was resolved to rename the documents from audit documents to reflection guideline documents. Motion carried.

<u>ACTION:</u> The documents will be titled EFC Reflection Guidelines, and staff will combine the existing Executive Committee and Administrative Affairs Committee documents for presentation at the next Committee meeting.

7.3 <u>Sunset Late Bill Report</u>

Vini Montague reviewed the Late Bill Report, which has historically been presented to the Committee and Board to show the amount of late bills processed each month and the percentage of total Purchase of Service (POS) payments represented by late bills. Vini Montague explained that the report was originally developed when late billing was less common and there was greater interest from DDS in monitoring late bill processing.

Vini Montague noted that late bills have become increasingly common due to factors such as rate implementation, rate adjustments, and health and safety rates subsequently approved by DDS. As a result, the report is no longer necessarily reflective of service provider billing practices or regional center processing and may provide limited value to the Committee and Board.

On a motion made by Anna Hurst and seconded by Jacquie Colton, the Committee approved sunsetting the Late Bill Report. Motion carried.

8. <u>COMMITTEE BUSINESS</u>

8.1 <u>Review of Insurance Coverage for FY 26-27</u>

Vini Montague introduced Simone Khanna, Area Vice President with Gallagher, NLACRC's insurance broker. Simone Khanna provided an overview of NLACRC's insurance program and summer renewals and briefly discussed the upcoming workers' compensation renewal. Simone Khanna noted that Gallagher works with many regional centers throughout California and monitors insurance market trends affecting nonprofit organizations and regional centers.

Simone Khanna reported that overall insurance costs decreased slightly or remained relatively flat for the current renewal. General liability, professional liability, auto, and executive coverage had no significant changes. Property premiums decreased despite increases in personal property values at several locations. Earthquake premiums decreased by approximately 8%, representing an improvement compared with recent years when regional centers experienced annual earthquake premium increases of approximately 20% to 30%.

Cyber insurance represented one of the more significant changes for the year. Simone Khanna reported that the cyber premium increased due to a significant claim that had initially been projected at approximately $2 million and currently totals approximately $865,000. Simone Khanna noted that despite the premium increase, the cyber insurance market is beginning to soften. Coverage for social engineering and phishing-related incidents has also increased after insurers reduced this coverage during previous years.

Simone Khanna reviewed workers' compensation coverage and reported that the previous increase in premiums was influenced by approximately 20% payroll growth, an increase in NLACRC's experience modifier, claims experience, and broader insurance market conditions. Simone Khanna reported that the Workers' Compensation Insurance Rating Bureau of California recommended statewide rate increases of up to 20% due to increasing claims expenses and other market pressures.

Simone Khanna explained that Quality Comp, NLACRC's self-insured workers' compensation group, elected to increase rates by 10% as a conservative measure rather than because of concerns regarding the program's financial health. Gallagher plans to explore additional insurance markets during the upcoming renewal to identify competitive options while continuing to consider Quality Comp based on cost, service, and claims handling.

Simone Khanna concluded with a six-year overview of NLACRC's insurance program. Insurance costs have remained relatively stable over the past year, with most coverage costs decreasing or remaining flat. The primary increases were associated with cyber insurance due to the significant claim and workers' compensation due to claims experience, organizational growth, and increased payroll resulting from additional hiring. No questions were raised following the presentation.

No further questions were raised.

8.2 Discuss Request for Proposal for Independent Audit Firm

Vini Montague reported that regional centers are prohibited from using the same independent audit firm for more than five consecutive years. NLACRC has contracted with Lindquist for five years, with FY 2026 representing the firm's fifth and final year.

Vini Montague stated that NLACRC will issue a Request for Proposal (RFP) within the next few weeks to select a new independent audit firm beginning with the FY 2027 audit. The RFP review committee will consist of Vini Montague, Controller Justice Agonoy, and Board Treasurer Anna Hurst.

Over the next five to six months, the committee will review proposals, interview applicants, and select a firm to recommend to the Executive Finance Committee and full Board for approval. No questions were raised.

8.3 Status Report on Credit Line and Cash Flow

Vini Montague provided an update on NLACRC's credit line and cash flow. The Board-approved line of credit is $110 million during July, August, March, and June, when the risk of needing to borrow is highest at the beginning and end of the fiscal year. During the remaining months, the credit line is $80 million.

Vini Montague reported that NLACRC completed FY 2026 and began FY 2027 without borrowing against the line of credit. DDS worked with regional centers to help prevent the need for borrowing, and NLACRC received the FY 2027 cash advance shortly before a large Purchase of Service (POS) payment run. No questions were raised.

8.4 Review Center's Contract Changes with DDS

Vini Montague reported that the review of NLACRC's contract with DDS will be deferred to the next meeting because there are currently no contract language changes to review.

Vini Montague stated that NLACRC received the FY 2027 C1 allocation from DDS, formerly referred to as the preliminary allocation, with no changes to the contract language. The C2 allocation is expected within the next few weeks. If the C2 allocation includes contract amendments or language changes, the changes will be presented to the Executive Finance Committee for review.

8.5 Financial Reports

a. **FY2025-2026**
b. **FY2026-2027**

Vini Montague presented the FY 2025–26 financial report through the June 2026 service month, representing the first 12 months of expenditures. NLACRC received its B5 allocation, with approximately $119.2 million in operations funding and $1.3 billion in Purchase of Services (POS) funding, for a total allocation of approximately $1.42 billion. Year-to-date expenditures totaled approximately $1.35 billion, with annual expenditures projected at approximately $1.43 billion. Based on current projections, NLACRC anticipates an estimated POS deficit of $11.5 million.

Vini Montague reviewed the supporting financial schedules included in the packet, which provide additional detail on DDS allocations and expenditures by line item. The reports include breakdowns for general operations, POS, community resource development, and operations projects, including the Family Resource Center, Language Access, and Cultural Competency.

Anna Hurst asked whether FY 2025–26 operations funding was generally consistent with the prior fiscal year or included significant new funding sources. Vini Montague reported that FY 2025–26 was similar to FY 2024–25, with the primary increase attributable to caseload growth. Vini Montague noted that there were no significant new one-time funding sources or grants and that existing funding for programs such as Language Access and Cultural Competency had also been received in prior fiscal years. Anna Hurst summarized that funding remained generally consistent with the prior year, with increases based primarily on the funding formula and increased caseloads, and Vini Montague confirmed the summary.

Vini Montague then presented the FY 2026–27 financial report and C1 allocation. NLACRC received approximately $106.2 million for operations and $1.29 billion for POS. Vini Montague explained that the C1 allocation was formerly referred to as the preliminary allocation and that, in previous years, the initial operations allocation generally represented approximately 80% to 85% of anticipated operations funding.

Vini Montague explained that FY 2026–27 represents the first year that DDS is using a new staffing methodology to replace the longstanding core staffing formula. The previous formula had been used for decades and had not been substantially updated since the 1990s, including salary assumptions other than adjustments necessary to meet the state minimum wage. Vini Montague noted that the outdated methodology resulted in regional centers being underfunded for staffing needs and contributed to efforts beginning in FY 2022–23 to provide additional funding to reduce caseload ratios.

Vini Montague reported that regional centers, ARCA, and DDS have worked collaboratively to develop the new staffing methodology. The new model is intended to calculate the amount of funding each regional center needs to operate and provide a clearer measure of the difference between calculated need and actual funding. Vini Montague emphasized that use of the new methodology does not mean regional centers are currently receiving the full amount calculated under the model.

Based on the draft staffing model under review, Vini Montague reported that current funding is approximately 85% of the calculated amount needed to operate regional centers. The new methodology is not expected to provide additional funding beyond what would have been received under the previous model for FY 2026–27, but it provides a simplified method for identifying and quantifying the funding gap.

NLACRC expects to receive the C2 allocation, which will provide the remaining operations funding information and a more complete picture of FY 2026–27 funding. The remaining financial schedules in the packet provide additional breakdowns of expenditures and DDS allocations. No additional questions were raised.

8.6 Admin vs. Direct Allocation Report

a. **FY2025-2026**
b. **FY2026-2027**

Vini Montague presented the Administrative vs. Direct Expenditures Report, which is used to monitor compliance with the statutory requirement that regional center administrative costs not exceed 15% of total expenditures.

For FY 2025–26, administrative expenditures were 10.4%, below the 15% limit. For FY 2026–27, administrative expenditures were currently 28.6%; however, Vini Montague explained that the higher percentage is due to the early stage of the fiscal year and the timing of certain expenses, including insurance costs paid at the beginning of the year.

Vini Montague also noted that some rent expenses were incorrectly classified as administrative and will be reallocated. Vini Montague expressed confidence that the administrative expenditure percentage will fall below 15% within the next one to two months as additional expenditures are recorded and the necessary reallocations are completed. No questions were raised.

8.7 Outstanding Authorizations Report

Vini Montague presented the Vendor Outstanding/Escalated Authorizations Report. From June to July, the number of vendors on the report increased from 50 to 73, while outstanding authorizations increased from 77 to 89. Vini Montague explained that the increase reflects expanded tracking as NLACRC pilots a new service ticketing system for vendor payment and authorization issues.

Vini Montague explained that vendor issues were previously handled primarily through direct emails to assigned Accounts Payable staff, limiting management's ability to track the overall number, type, and status of issues. Under the new system, vendor inquiries will be centralized through a shared email address or forwarded by staff into the ticketing system. This will allow supervisors to monitor open and resolved tickets, identify recurring issues, and ensure concerns are addressed timely. The report will also expand beyond escalated matters to include all vendor issues, which may initially result in higher reported numbers. Vini Montague noted that an outstanding FY 2022–23 item has since been resolved and will be removed from a future report.

Anna Hurst asked whether the Vendor Advisory Committee (VAC) had experienced any impact from the new process. Vini Montague explained that the system is still being piloted and was recently introduced to the VAC, with a full launch targeted for October 1. Tal Segalovitch noted that the system generated interest and discussion when presented to the VAC.

Justice Agonoy provided additional information on the pilot and reported that the increased visibility has already helped staff expedite vendor issues, including resolution of an issue that had been outstanding for approximately nine months. Justice Agonoy explained that the system allows supervisors to proactively identify unresolved matters and categorize inquiries so they can be assigned to the appropriate teams, improving efficiency for both vendors and staff. Additional system licenses are expected prior to the targeted October 1 launch.

No further questions were raised.

8.8 POS Late Bill Report

Vini Montague reviewed the Purchase of Services (POS) Late Bill Report. For FY 2024–25, late bills represented 36.95% of POS payments, with the higher percentage attributed in part to rate implementation activities during the fiscal year.

Vini Montague also reported that FY 2023–24 is now closed, with late bills representing 31.58% of POS payments for the year. No questions were raised.

8.9 Review of Board Budget

a. **FY 2025-2026**
b. **FY 2026-2027**

Vini Montague reviewed the Board budget and expenditures for FY 2025–26 and FY 2026–27. For FY 2025–26, the Board's budget was approximately $196,700, with year-to-date expenditures of approximately $82,200 and approximately $114,000 remaining.

For FY 2026–27, Vini Montague reported that the approved Board budget is $101,500. As the fiscal year had recently begun, only $149 in expenditures had been recorded at the time of the report.

As part of the FY 2026–27 budget discussion, Sharmila Brunjes asked about the anticipated cost of the future requirement for legal counsel to attend Board meetings and whether the expense would be paid from the Board budget. Vini Montague confirmed that the requirement has been delayed until 2028. Anna Hurst noted that the requirement is expected to represent a significant additional expense, and the Committee acknowledged that the cost will need to be considered in future Board budget planning.

8.10 Quarterly Fees for PRMT and UAL

a. **4th Quarter PRMT Fees Report; and**
b. **4th Quarter CalPERS UAL Fees Report**

Vini Montague reviewed the fourth-quarter fees for the Post-Retirement Medical Trust (PRMT) and CalPERS Unfunded Accrued Liability (UAL) accounts.

For FY 2025–26, total PRMT fees were approximately $209,000. Vini Montague explained that PRMT fees are based on the account balance and noted that the higher fees reflect the growth of the account. Vini Montague also expressed satisfaction with the current PRMT funding ratio and noted the significant improvement in the account's funded position over the past several years.

Vini Montague reported that fourth-quarter CalPERS UAL fees totaled $108,962. The report included additional information explaining the various fees associated with the account.

Sharmila Brunjes recognized the management of the PRMT and UAL accounts and the progress reflected in their funding. No questions were raised.

8.11 Audits Update

a. **DDS Audit FY2024**
b. **DDS Audit FY2025**
c. **Lindquist, Von Husen & Joyce Audit FY2026**
d. **CalPERS Audit**

Vini Montague provided an update on the DDS audit for FY 2023–24. NLACRC received the final audit report in July after responding to the draft findings, and many of the findings have been resolved. Remaining recommendations include revising vendor payment rates to ensure providers are paid correctly, closing trust accounts associated with inactive cases, and ensuring all Board conflict-of-interest statements are reviewed and appropriate follow-up actions are completed.

Vini Montague also discussed a repeat finding related to equipment inventory. NLACRC maintains approximately 6,300 assets, including laptops, servers, furniture, and cell phones. Because some assets could not be located or had not been properly removed from the inventory system, DDS requested status updates every six months. NLACRC conducts a full inventory and a separate inventory of sensitive equipment annually and is continuing to clean up its asset records. The final FY 2023–24 DDS audit report will be posted on NLACRC's website.

Juan Hernandez asked about the types of assets that could not be located and the steps being taken to strengthen inventory controls. Vini Montague explained that examples included a laptop that was not returned by a former employee and older equipment that should have been removed from the inventory system. NLACRC has strengthened controls by installing cameras in inventory and storage rooms, requiring assets to be scanned when removed from storage and again when deployed to a new location, and conducting weekly reviews of the inventory database to identify items that may not have been properly scanned or assigned.

The FY 2024–25 DDS audit remains in progress, with NLACRC continuing to provide requested documentation. Vini Montague explained that special contract language had previously required annual DDS audits; however, that requirement was removed in FY 2025–26. Following completion of the FY 2024–25 audit, NLACRC will return to the regular audit cycle of every other year, covering two fiscal years at a time.

Vini Montague also provided an update on the independent FY 2025–26 audit by Lindquist. The planning meeting had been completed, document requests had been received, and fieldwork was scheduled to begin September 14 and continue through the end of October. A draft audit report is anticipated in mid-January.

Finally, Vini Montague reported that the CalPERS review has been completed and all findings are closed. One outstanding finding involved the classification of certain wages, which CalPERS required to be reported as special compensation rather than regular wages. NLACRC corrected several years of wage reporting and made related corrections to pay schedules. With those corrections completed, CalPERS closed the review, and the item will be removed from future Committee agendas.

8.12 Monthly Whistleblower Logs

a. **May 16, 2025 – June 15, 2026**
b. **June 16, 2026 – July 15, 2026**
c. **July 16, 2026 – August 15, 2026**

Karen Waters reviewed the monthly whistleblower reports submitted to DDS for three reporting periods. For May 16 through June 15, 2026, 28 cases were reported, with 19 open and nine closed at the time of submission. Of the 28 cases, 23 were under Community Services.

For June 15 through July 15, 2026, 23 cases were reported, with 14 open and nine closed. Of the 23 cases, 18 were under Community Services.

Karen Waters also reviewed the July 15 through August 15 reporting period. The transcript states that 28 cases were listed, but the subsequent breakdown identifies 23 cases, with 14 open, nine closed, and 18 under Community Services. Karen Waters noted that the individual reports provide additional details on each case.

8.13 Human Resources Report

a. **4th Quarter Human Resources Report**
b. **Monthly Human Resources Report**
   i. **May 2026**
   ii. **June 2026**
   iii. **July 2026**

Karen Waters presented the fourth-quarter Human Resources Report. During the quarter, NLACRC had 54 new hires, 10 promotions, 28 separations, and two hires on hold. The fourth-quarter turnover rate was 2.89%, which was slightly higher than the second and third quarters and notably higher than the first quarter.

Karen Waters noted that the supporting reports provide additional detail on separations by month, regional office, and department. Regarding reasons for separation, employees generally provided limited information, most commonly identifying personal reasons or “other.”

Anna Hurst asked whether the increased fourth-quarter turnover reflected any common trends. Karen Waters explained that the available exit data does not identify a clear trend because departing employees often choose not to provide detailed reasons for leaving. More specific information is generally available for retirements, while employees leaving for other employment frequently provide limited details about their reasons or new positions.

8.14 <u>Annual Reporting of Program Closures</u>

Arshalous Garlanian presented the annual program closures report for FY 2025–26. A total of 26 programs closed during the fiscal year, with a significant number of closures occurring at the request of vendors. Other reasons included provider retirements and businesses relocating outside of NLACRC’s catchment area.

Arshalous Garlanian reported that several program closures were related to rate reform and the sunsetting of certain service codes. These programs transitioned to other service codes that more appropriately align with rate reform; therefore, the closures did not result in a significant impact on services provided.

The report also included several Supplemental Residential Program Services under service codes 109 and 110. Arshalous Garlanian explained that some vendors may close these services when the associated one-to-one support is no longer needed for a specific individual. No questions were raised.

8.15 <u>Semi-Annual Reporting CIE/PIP</u>

Arshalous Garlanian presented the fourth-quarter and annual Competitive Integrated Employment (CIE) and Paid Internship Program (PIP) report for FY 2025–26. Arshalous Garlanian explained that CIE incentive payments are available to service providers that support individuals in obtaining and maintaining competitive integrated employment, with payments available after 30 days, six months, and 12 months of continued employment. NLACRC continues outreach and collaboration with service providers to support participation, noting that CIE incentive payments depend on providers submitting the required documentation.

Arshalous Garlanian reported continued growth in the Paid Internship Program. During FY 2025–26, 525 individuals participated in paid internships compared with 489 in FY 2024–25, representing a 7% increase.

Paid Internship Program funding has also increased significantly. Payments increased from approximately $1.6 million in FY 2023–24 to approximately $3.6 million in FY 2025–26. NLACRC continues to collaborate with service providers to expand employment experiences and support individuals in progressing toward competitive integrated employment in the community. No questions were raised.

8.16 <u>Review Board Member Conflict of Interest</u>

Sharmila Brunjes reviewed Board member conflict-of-interest requirements and noted that Jacquie Colton disclosed a conflict of interest during the annual reporting process. Sharmila Brunjes explained that conflict-of-interest requirements are established under the Lanterman Act and Title 17 and may include financial interests, certain employment or affiliations, and circumstances involving family members providing paid services.

Sharmila Brunjes reviewed the annual conflict-of-interest process. Trustees submit conflict-of-interest statements, which are reviewed to determine whether a conflict exists. When necessary, a conflict-of-interest resolution plan is developed and presented to the Board for review and approval. The resolution plan identifies limitations on the trustee's participation, including matters on which the trustee may not vote, express an opinion, or otherwise participate.

Sharmila Brunjes emphasized that trustees with an approved resolution plan are responsible for monitoring their participation and complying with the identified restrictions, with the Board also supporting compliance. Conflict-of-interest resolution plans are public information and are posted online for public review.

Sharmila Brunjes also noted that additional Board training on conflict-of-interest requirements is planned during the first half of 2027. No questions were raised.

9. <u>CENTER OPERATIONS</u>

Angela Pao-Johnson provided Center Operations updates, including upcoming Family Expos, legislative developments related to regional center Board composition, recruitment and consumer statistics, and the content of future Executive Director reports to the Executive Finance Committee.

Angela Pao-Johnson announced two upcoming Family Expos. The Santa Clarita Family Expo is scheduled for September 12 from 9:00 a.m. to 12:00 p.m. at The Centre, followed by lunch and a dance for individuals served. The Antelope Valley Family Expo is scheduled for October 24 at the Antelope Valley Fair and Event Center and will include a disco-themed event. Board members were encouraged to attend.

Angela Pao-Johnson provided a legislative update regarding SB 163 and proposed requirements affecting regional center Board composition and Consumer Advisory Committees. The proposed provisions discussed would require regional center boards to establish an advisory group, such as the Consumer Advisory Committee, and would create requirements for members of that committee and a family member or legal guardian to serve on the Board. The proposal would also require a designee to serve as a voting member of the Board's recruiting and nominating committee.

Angela Pao-Johnson explained that concerns have been raised regarding how the proposed process would interact with existing Board composition requirements and NLACRC's current Consumer Advisory Committee structure. NLACRC currently does not select Consumer Advisory Committee members; individuals served become members through participation in the committee. Under the proposal as discussed, the Board would have greater involvement in selecting Consumer Advisory Committee members, who could then be considered for Board service. Concerns discussed included Board influence over the advisory committee, the creation of a separate pathway to Board membership, and whether the proposed structure supports the goals of equity and integration.

Jeremy Sunderland shared additional context from discussions at the recent ARCA meeting. Jeremy Sunderland reported that concerns expressed by some ARCA delegates centered primarily on the process for appointing family members to regional center boards rather than on representation by individuals served. Angela Pao-Johnson also reported that members of NLACRC's Consumer Advisory Committee initially viewed increased representation positively but expressed concerns about giving the Board authority to select members of the advisory committee.

Angela Pao-Johnson clarified that the legislative provisions were still under discussion and could be amended. Discussions with DDS and within the regional center community have been ongoing. Angela

Pao-Johnson raised the possibility of the Board and Consumer Advisory Committee providing joint input if both groups identify similar concerns. Sharmila Brunjes suggested that the government-related component of the Community Services Committee review the proposed requirements, discuss their potential impact, and consider drafting a letter for presentation to the Board.

Angela Pao-Johnson also provided organizational statistics, reporting that NLACRC had 987 filled positions, including 13 new hires in August, and was serving 43,111 individuals within the catchment area.

Angela Pao-Johnson concluded by discussing the purpose and content of future Executive Director reports to the Executive Finance Committee. Due to the timing and proximity of Committee and Board meetings, similar information is sometimes presented repeatedly to different groups. Angela Pao-Johnson asked Committee members to consider what information would be most useful specifically for the Executive Finance Committee, noting that organizational personnel information may be more appropriately addressed through Human Resources reporting. The Committee agreed to continue the discussion as Committee business at the next meeting.

10. CLOSED SESSION

The committee entered Closed Session to receive the quarterly legal update.

Absent objection, the committee entered closed session at 7:04 p.m.

Absent objection, it was resolved to leave Closed Session at 7:19 p.m.

11. BOARD MEETING AGENDA ITEMS/ACTION ITEMS

- Board Support will add the approved action items to the September board meeting agenda for full board approval.
- The new reflection guidelines for the Executive Finance Committee will be added to the September EFC agenda.
- The regional center's contract changes with DDS will be added to the September EFC agenda.

12. ANNOUNCEMENTS / PUBLIC INPUT / INFORMATION ITEMS

Sharmila Brunjes opened the floor for general public input. No public comments were received.

Sharmila Brunjes announced that the next Executive Finance Committee meeting is scheduled for September 24, 2026, at 5:00 p.m. Sharmila Brunjes also reminded Committee members of the two upcoming NLACRC Family Expos and encouraged members to attend if available.

13. NEXT MEETING

The next Executive Finance Committee meeting is scheduled for September 24, 2026 at 5:00 p.m. over Zoom.

14. ADJOURNMENT

Absent objection the meeting adjourned at 7:21 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