

Frank D. Lanterman Regional Center

Administrative Affairs Committee

April 12, 2016

MINUTES

PRESENT

Dina Richman, Chair
Jack Gilbertson
Marjorie Heller
Al Marsella
Greg Schaffer
Jim Simmonds
Dr. Tony Stein

NOT PRESENT

Anila Guruji

STAFF

Barry Londer
Patrick Aulicino
Melinda Sullivan

CALL TO ORDER

Ms. Richman called the meeting to order at 12:11 PM

APPROVAL OF MINUTES

The minutes of March 8, 2016 were reviewed and there is a typo on page 2: \$3000 million should be \$300 million. The minutes were approved by consensus.

CHAIRPERSONS REPORT

Ms. Richman thanked Mr. Gilbertson for chairing in her absence last month. She reported that the Board approved the records retention policy.

BUDGET UPDATE

Mr. Aulicino briefly reviewed the letter that regional centers received regarding ABX2 1 which describes provisions in the law and how the Department sees implementation. Some of the highlights include:

- \$11 million in funding to regional centers to assist in efforts to reduce purchase of service disparities
- \$31 million in funding for regional center staff salaries and benefits and administrative costs
- \$169.5 million wage and benefit increase for service provider staff that spend a minimum of 75 percent of their time providing direct services to consumers and additional funds to cover administrative costs.
- An increase in the hourly rate for individual and group supported employment services
- Allocation of \$20 million for provider placement incentives to encourage sustained and competitive integrated employment opportunities
- Increase the payment thresholds that determine if a vendor is required to obtain an independent audit or financial review
- A comprehensive rate study to be conducted by DDS with a due date of March 1, 2019

CONTRACT AMENDMENTS

Mr. Aulicino briefly reviewed the two contract amendments that are in the packet: E-7 and B-2. Discussion followed.

ENDOWMENT INVESTMENT POLICY

Ms. Richman reminded the committee that we have been discussing an investment policy as it relates to our endowment funds. The committee received a sample policy template from Public Counsel, a policy statement from California Community Foundation, and Lanterman's policy for the use of endowment funds.

After discussion, the committee agreed that they liked the sample investment policy document and would like to use that as a starting point for Lanterman's investment policy. Staff will work on a draft to bring back to the committee.

REVIEW OF FINANCIAL STATEMENTS

Mr. Londer reviewed the donation account regarding Holidays are for Sharing and summarized the activity.

Mr. Londer reported that we received full reimbursement for our most recent claim this month. We are anticipating that we will get through fiscal year without having to borrow any money.

Mr. Londer reviewed the financial statement summary activity through February 29, 2016.

Fiscal Year 2015-2016 (B-2)

In Operations (main contract) we have spent \$11,334,148. In Purchase of Service (main contract), we have spent \$84,466,399 before we add late bills. Including late projected bills, we will have spent \$86,756, 583.

Fiscal Year 2014-2015 (A-4)

This month we recorded \$63 in OPS and \$55,564 in POS. To date, we have spent 99.9% of our OPS and about \$100.8% of our POS allocations. We are currently projecting a very small surplus in OPS, and a deficit in POS, which we expect to be funded by DDS.

Fiscal Year 2013-2014 (E-7)

This month we recorded (\$450) in POS. To date, we have spent 99.9% of our OPS and 99.9% of our POS allocations. We are currently expecting a very small surplus in both OPS and POS.

POS PROJECTIONS

Mr. Aulicino reviewed the POS recap from last month; at that time the systemwide deficit was between 3.5 and 31 million for the year. Currently, Lanterman's deficit is projected to be between \$24,000 and about \$1 million.

NEXT MEETING

The committee decided that the next meeting will take place on Thursday, May 12, 2016.

ADJOURNMENT

The meeting was adjourned at 1:05 PM.

/gs