

Alta California Regional Center
Finance Committee Meeting
Monday, June 13, 2022
Minutes

Present:

Yang Sun, Chair
Johnny Deng
Dan Lake
Kelly Pennington
Michelle Rewerts
Retha Seabron
Rita Walker

Board Members:

Jackie Armstrong
Amy Lampe
Elaine Linn
Michelle Ramirez
Anwar Safvi
Patty Wallace

Facilitators:

Amy Fulk

Visitors:

Steve Andrews
Maureen Fitzgerald

Staff:

Lori Banales, Executive Director
Iqbal Ahmad, Chief Financial Officer
John Decker, Director of Community
Services
Camelia Houston, Director of Intake &
Clinical Services
Mechelle Johnson, Director of Client
Services
Lisa West, Executive Secretary

The Finance Committee met on Monday, June 13, 2022, at 4:30 p.m. by Webex/ teleconference to discuss: 1) Monthly Financial Report; 2) Review Insurance Coverage; and 3) Update on Start-Up Contracts/Projects.

Without objection, Yang Sun made the motion to adopt the Finance Committee meeting minutes of May 9, 2022 as submitted.

1. ***Monthly Financial Report***

Issue: The monthly financial report is reviewed by the Finance Committee prior to presentation to the Board.

Discussion and Action: The May 31, 2022 financial report indicates that ACRC has expended 72.2% of Purchase of Services (POS) and 79.5% of Operations (OPS) for the current fiscal year (FY). Expenses have been encumbered and accrued for late billings and projects that are ongoing through fiscal year end and after.

ACRC has implemented the rate increases and should have enough funding in our allocated POS budget for this FY. Mr. Ahmad reminded everyone that not every service provider received a rate increase due to the Department of Developmental Services (DDS) establishing benchmark rates.

The agency's OPS budget has been affected by inflationary issues; there have been some shortages with supply chains.

ACRC currently has 560+ employees, with double-digit growth beginning on July 1st. This has drastically shifted some operational costs to the higher end.

ACRC received the C-3 amendment this past month, which includes funding for: rent (due to set increases in leases), performance incentive implementation for all regional centers, outreach in targeted languages, rate reform implementation, Home and Community-Based Services (HCBS) waiver compliance for service providers, etc. Some of these categories require DDS' approval before incurring any expenses.

Without objection, Dan Lake made the motion to recommend to the full Board the acceptance of the monthly financial statement as submitted.

- Mr. Ahmad noted that the FY 2021-22 Supplemental Budget Report is posted on DDS' website. Approximately 10% of the clients in the entire state are served by ACRC. The driving factor on funding are Individual Program Plans (IPPs), which are based on client needs. This is the ultimate driver of POS expenditures. Each clients POS budget is unique to the client and dependent on their Planning Team Meeting (PTM). It's important to realize that each regional center has a different situation (e.g., fixed OPS positions have a bigger impact on smaller regional centers, etc.). Smaller regional centers may have a higher per capita funding as their administration costs are spread over a smaller number of clients whereas larger centers have a large number of clients to spread the cost which may give the appearance that a smaller center is receiving higher funding per capita. There are metrics to show how DDS is funding each regional center.
 - Ms. Walker believes that regional centers have to be creative in serving clients/families. It is also important to note the number of resources, including generic, that are available in any particular catchment area.

2. **Review Insurance Coverage**

Issue: The committee will review the agency's insurance coverage.

Discussion and Action: Mr. Ahmad provided an overview of the agency's premium summary/ comparison insurance coverage for the expiring year versus the renewal year for review. These policies are aligned with our FY budget and provide similar plan coverages.

There are substantial increases coming this next FY:

- Crime increased by 22%, while cyber liability/data privacy increased by 71%.
- ACRC's Workers Compensation mod factor has increased to 117% from 100%; this is dependent on industry dynamics and our staff growth.

Mr. Ahmad noted that these increases are expected as we move out of the pandemic.

The outgoing carrier (Philadelphia Insurance) has agreed to cover lag coverage; there will not be a gap.

- **Information only.**

3. Update on Start-Up Contracts/Projects

- The Board will be asked to approve two contracts at the June 29th special session. ACRC has chosen Brilliant Corners as the developer for the Community Crisis Home, as well as the Home for Children with Special Health Care Needs (GHCSHN).
 - Mr. Decker shared that ACRC's Community Services Department has a smooth process for releasing Request for Proposals (RFPs), interviewing service providers and choosing the vendors.
- Board members will be invited to attend the Grand Opening of Marisol Village in September/October 2022.

The next Finance Committee meeting is scheduled for **Monday, July 11, 2022**. The meeting adjourned at 5:00 p.m.

Lisa West
Executive Secretary

cc: ACRC Board of Directors
Lori Banales