

Alta California Regional Center
Finance Committee Meeting
Monday, September 13, 2021
Minutes

Present:

Yang Sun, Chair
Johnny Deng
Dan Lake
Ron Mainini
Michelle Rewerts
Steven Sanchez
Retha Seabron
Rita Walker

Absent: (* excused)

Kelly Pennington*

Visitors:

Steve Andrews
Maureen Fitzgerald
Wyatt Stroman

Board Members:

Carmen Aguilar
Jackie Armstrong
Amy Lampe
Michelle Ramirez
Anwar Safvi
Patty Wallace

Facilitators:

Amy Fulk

Staff:

Lori Banales, Executive Director
Iqbal Ahmad, Chief Financial Officer
John Decker, Director of Community
Services
Lisa West, Executive Secretary

The Finance Committee met on Monday, September 13, 2021, at 4:22 p.m. by Webex/ teleconference to discuss: 1) Monthly Financial Report; 2) Line of Credit with U.S. Bank; 3) Review DDS Vendor Audit Requirements for Current FY; and 4) State Budget Update.

Without objection, Yang Sun made the motion to adopt the Finance Committee meeting minutes of July 12, 2021 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 July 31, 2021 financial report indicates that ACRC has expended 6.1% of Purchase of Services (POS) and 11.2% of Operations (OPS) for the current fiscal year (FY).

Mr. Ahmad noted that the C-1 amendment normally encompasses approximately 95-97% of our budget for the FY, but the Department of Developmental Services (DDS) notified regional centers that they are still waiting for more general operation funding and specific policy items. In OPS, we are waiting for Community Placement Plan (CPP), Self-Determination Program (SDP), growth, and rate reform funding and other specific policy items. In POS, we are waiting for further clarification on provider rate increases that are expected to be partially implemented beginning in April 2022, which will start the three or four-year process.

Ms. Banales shared that the Deaf Specialist and the Emergency Coordinator job positions have been posted externally, but that does not negate internal candidates. We are currently developing a strategic hiring plan based on what will be expected to be received for ACRC's total allocation. We have also received funding for six 1:40 specialized caseloads.

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

Mr. Ahmad shared that we have a few staff that remained in our VALIC Pension Plan in addition to many active retirees, which was in place prior to the conversion to CalPERS. As a regional center, we are subject to audit rules and risks for the VALIC Plan. He is pleased to notify the Board that ACRC is in full compliance with this plan.

2. *Line of Credit with U.S. Bank*

Issue: The committee needs to authorize the agency's line of credit with U.S. Bank.

Discussion and Action: Mr. Ahmad shared that U.S. Bank has provided ACRC with a line of credit over the last several years that runs from September to September of each year. The purpose of the line of credit is to provide cash to the regional center in the event of cash flow delays from DDS around fiscal year end as the State finalizes a new budget. The line of credit is for \$25 million and is up for renewal.

U.S. Bank does not charge any loan fees, but the line of credit does have an interest rate of 2% plus the Daily Simple SOFR (secured overnight federal reserve rate).

Mr. Ahmad noted that it is critical that ACRC has a line of credit in place for not only our operational but also for services to be uninterrupted to our clients.

Without objection, Dan Lake made the motion to recommend to the Board the approval of the line of credit with U.S. Bank as presented.

3. *Review DDS Vendor Audit Requirements for Current FY*

Issue: The committee will review DDS' vendor audit requirement for the current FY.

Discussion and Action: Mr. Ahmad shared that DDS is requiring ACRC to conduct 17 vendor audits in the 2021-22 FY. These are required as part of our contract with the department and they are for providers that are paid under \$100,000 per year (e.g., billing audits, cost verification and/or staffing audits and Early Start audits).

- **Information only.**

4. **State Budget Update**

Issue: The committee needs to review the Governor's State Budget.

Discussion and Action: Earlier, Ms. Banales spoke about the new positions that ACRC has posted for, as well as the strategic hiring plan that we will be rolling out. DDS is developing the learning objectives for the Competency and Biased Training requirement.

Staff are reviewing the guidelines for provisional eligibility for children ages 3 to 4.9, which we are already offering to families. There will be some additional rules to the psychological testing that will be required to meet the timelines. ACRC needs to increase our resources.

We are working with our Family Resource Centers regarding additional service navigator positions. DDS has put forward funding for these positions. We currently have a grant proposal with the Warmline Resource Center.

Regional centers are awaiting further guidance from the department now that the budget has been signed. DDS will provide implementation guidelines which regional centers must closely adhere to so that there is consistency across the state.

- **Information only.**

The next Finance Committee meeting is scheduled for **Tuesday, October 12, 2021**. The meeting adjourned at 4:56 p.m.

Lisa West
Executive Secretary

cc: ACRC Board of Directors
Lori Banales