

Alta California Regional Center  
Finance Committee Meeting  
Monday, June 12, 2023  
Minutes

**Present:**

Yang Sun, Chair  
Johnny Deng  
Dan Lake  
Kelly Pennington  
Retha Seabron

**Absent:** (\* excused)  
Michelle Rewerts\*

**Board Members:**

Jackie Armstrong  
Amy Lampe  
Michelle Ramirez  
Anwar Safvi  
Steven Sanchez

**Visitors:**

Steve Andrews  
Maureen Fitzgerald  
Peter Mendoza

**Staff:**

Lori Banales, Executive Director  
Iqbal Ahmad, Chief Operating Officer  
Jennifer Bloom, Director of Client  
Services  
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 12, 2023, at 4:10 p.m. to discuss:  
1) Monthly Financial Report; 2) DDS Draft Audit Report; and 3) Review Insurance  
Coverage.

**Without objection, Dan Lake made the motion to adopt the Finance  
Committee meeting minutes of May 8, 2023 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 April 30, 2023 financial report indicates that with  
83.3% of the year elapsed, ACRC has expended 65.6% of Purchase of Services  
(POS) and 67.1% of Operations (OPS) for the current fiscal year (FY).

The Department of Developmental Services (DDS) released the D-2 amendments to  
regional centers, which included the remainder of our Community Placement Plan  
(CPP)/Community Resource Development Plan (CRDP) budget, as well as tuition  
reimbursement funding. ACRC submitted our tuition reimbursement plan to DDS;  
we are awaiting their approval. Meanwhile, we are sharing information with staff in  
order to promote retention. The tuition funding will be available through June  
2025.

Mr. Ahmad is currently projecting \$56 million in surplus POS funding. The  
department has indicated they will deallocate funding across the state to help shore

up the State's projected deficit. This will be reflected in the upcoming D-3 amendment, which is expected in the next few months.

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

## **2. DDS Draft Audit Report**

- DDS audits regional centers on a biannual schedule – the current audit covers FYs 2020-21 and 2021-22. Mr. Ahmad noted that these audits are mainly compliance audits. These audits cover all aspects of our program, except for the Federal Programs Department, which undergoes their own specific audit.
  - The department met with Ms. Banales and Mr. Ahmad last month and acknowledged that ACRC has appropriate controls in place and the audit was a fairly “clean” audit. DDS auditors expressed no significant concern over regional center operations and programs.
  - The audit includes one finding – “Overstated Claims Due to Health and Safety Waiver Rate Increases”.
    - ACRC’s Accounting and Community Services & Supports Department work together on these waivers and they work closely with DDS. The finding amounted to \$39,000 spread over four vendors/several clients. Back in January 2020, SB 81 provided an 8.2% rate increase to service providers. When ACRC updated the Health & Safety Waiver rate increase for these four vendors, staff included an 8.2% rate increase not knowing that this increase was already included in the calculated, approved rate from DDS; therefore, resulting in overpayments.
    - Staff have contacted the affected service providers and acknowledged the oversight. ACRC has established a long-term payment plan in order to recoup the money; so far, ACRC has collected approximately \$11,000 and Mr. Ahmad believes we will collect the remaining funds during the 2023-24 FY. This was an isolated incident impacting a very specific criteria to a few vendors.

## **3. 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 (renewing on July 1<sup>st</sup>). This policy is aligned with our FY budget and Board members are covered, as well. Other coverages include liability and property insurance.

The notable increases coming this next FY include:

- Cyber liability/data privacy – 10% increase
- Workers Compensation – 30% increase

Mr. Ahmad noted that the Workers Compensation increase is due to our ongoing hiring efforts, as well as increased wages; ACRC has grown in size by approximately 22%.

The overall insurance policy increase is 12%; Mr. Ahmad is still negotiating with various carriers but the numbers presented are the baseline. The market has been challenging and past claims still have an impact on current rates.

- **Information only.**

The next Finance Committee meeting is scheduled for **Monday, July 10, 2023**. The meeting adjourned at 4:29 p.m.

Lisa West  
Executive Secretary

cc: ACRC Board of Directors  
Lori Banales