

**KERN REGIONAL CENTER**

3200 N. Sillect Avenue • Bakersfield, CA 93308 • (661) 327-8531

**Board of Directors Meeting**

**6:00 p.m. – 7:30 p.m.**

**KRC Malibu Conference Room**

**3300 N. Sillect Ave.**

**Bakersfield, CA 93308**

**MINUTES**

**March 27, 2018**

Present Board Members:

Ismael Romero

Kevin Gosselin

Matthew LaGrand

Laurie Hughey

Quanah Mason

Oscar Axume

**GENERAL BUSINESS**

**1. Executive Session**

**2. Call to Order and Introductions**

The meeting was called to order at approximately 6:00 p.m. by Ismael Romero. It was determined that a quorum was present.

**3. Approval/Additions to Agenda**

- A. Regular Meeting of the Board of Directors Agenda dated March 27, 2018.  
**M/S/C** – to approve agenda with addition – Re-appointment of Matthew La Grand . 6-0-0.

**4. Meeting Minute Approval**

- A. Minutes of the Regular Meeting of the Board of Directors held February 27, 2018.  
**M/S/C** - to approve minutes of the regular meeting of the Board of Directors held February 27, 2018. 5-0-1 (Lagrand).

**5. Public Input**

**No Public Input**

**UNFINISHED BUSINESS**

## REPORTS

### 6. Client Representative

- a. Roy Rocha went to Sacramento for Grassroots day with Celia Pinal and Iman Kellebrew. Roy got to talk about Social Recreation and is hoping it can be brought back for the consumers.
- b. Roy is collecting artwork from various programs. The artwork will be hung in the hallways of KRC.
- c. The Client Advisory Committee continues to meet and will be working on developing bylaws.

### 7. Board President Report

- a. Ismael Romero gave the president's report. Kurt could not be present but requested that Ismael give Michi a warm welcome.
- b. Ismael informed the public that the Board is in search of new members as some members will be stepping down.

### 8. Financial Report

- A. Jon Gusman presented his financial report.
  - a. Please see **Attachment 1**.
  - b. Kern's cash flow as of today is \$25 million.
  - c. Kern received \$14.4 million in March for the January claim.
  - d. Kern has received \$22 million for the D2 contract amendment. Of this amount, through February 2018, Kern has spent \$14 million.
  - e. The total amount to be spent, estimated through June 2018, is \$21.28 million, leaving a projected balance of \$747,000.
  - f. Kern has received, through the D2 contract amendment, \$158.7 million for purchase of service. Of this amount, through February 2018, Kern has spent \$97.37 million.
  - g. The total amount to be spent, estimated through June 2018, is \$158,000, leaving a projected balance of \$763,000.
  - h. The Statewide Purchase of Service projected deficit rests at \$47 million.
- B. Kern received a credit line for fiscal year 17/18 in the amount of \$15 million. This amount is the same as the last fiscal year. The credit line is authorized by the bank of Tokyo Mitsubishi Limited acting through its New York Branch. The interest remains the same at 3.5%. Jon is requesting a motion of the Board to authorize the line of credit.  
**M/S/C** – to approve the line of credit from Tokyo Mitsubishi Limited acting through its New York Branch. 6-0-0.
- C. Last year Kern completed its 5 year timeline with Barbich CPA for the independent audits. This year, Kern utilized Roland Roos. Roland Roos presented the audit to the board.
  - a. Roland Roos completed the audit. The audit can be found on the Kern Regional Center website under transparency.
  - b. There were no findings that needed to be reported which indicates that the system at Kern is working correctly.
  - c. Kern's billing is in accordance with the contract. The property and equipment is owned by the State. The biggest asset owned by Kern is the post-retirement benefits (\$25 million for the pension and \$26 million for the health care).

## 9. Financial Solvency

- a. Max reiterated that the special contract language requires Kern to operate similar to the other Regional Centers in the State of California. There have been two situations where the State has given monies to Kern in order to continue to operate. The State has made it clear that they will not continue to provide additional monies. The caseload ratio for Kern should be at 75 as part of the fiscal solvency plan.
- b. Kern has met all of the requirements from the Special Contract Language with the exception of achieving fiscal solvency.
- c. The plan presented to the Board for fiscal solvency does not include salary reductions; it does call for a savings of approximately \$900,000 by freezing the pension plan and coming back with different pension plan options and about \$500,000 by making changes in healthcare.
- d. Max requested that the Board reaffirm their approval for the plan, which was approved at the last Board meeting.
- e. Kern has given the Union notice of insolvency, which requires bargaining to commence within 30 days and an agreement to be reached within 60 days.
- f. Max assured the Board that approval of this plan would allow for continued open conversations with the Union to allow for a resolution.  
M/S/C – (Gosselin/Mason) to reaffirm the Board’s approval for the plan presented by Columbus. 5-0-1 (Axume).
- g. Union leadership should be applauded for their hard work and collaboration in working towards fiscal solvency.

## 10. Director’s Report

- a. Michi thanked the Board for the opportunity to serve as Kern Regional Center’s Executive Director. Michi was very impressed by the Board Members at the time of her interview. The Board Members are very dedicated to their work at KRC. Michi also thanked David Reister, Robert Riddick, Lynn Fjeld for all of the support they’ve provided to Kern Regional Center over the past few years. Michi also thanked Max, Kim and Jim for all of the progress they’ve made with Kern; and a thank you to all of the staff who has worked towards making Kern successful and improving services to our families.
- b. Michi was with Northbay Regional Center for 21 years; is working on learning Kern Regional Center’s process. She has visited the Lamont office and has appointments to visit every branch office. Michi will also be attending unit meetings and team meetings to learn about processes.
- c. Michi attended the ARCA meeting this past month. One of the more urgent projects that was discussed was the Self Determination program, which is expected to be approved within the next 90 days.
- d. Another topic discussed was the rate study that Burns and Associates is doing for DDS; it is very important to our system that there be a rate reform in order to maintain and bring more quality services to our consumers.
- e. DDS is working on the Community Resources Development funds, which will be used to develop resources for individuals in the Developmental Centers. With all of the Developmental Centers closing, those funds will hopefully be moved to Community Development for those already in the community.

- f. In terms of important legislation, something to keep an eye on are the \$25 million proposed by assembly member Holden that are called bridge funding. This will help vendors until the rate study is completed.
- g. Senator Wilk is proposing changing the California definition of “Developmental Disabilities” to match the Federal definition, which would increase the age of eligibility to 22.
- h. ARCA is helping advocate for realistic funding for Regional Centers in hopes that Regional Centers can meet caseload ratios.
- i. Max Jackson informed the public that KRC is undergoing some facility upgrades, which will have most of our Service Coordinators telecommuting for about two weeks. Services Coordinators will be accessible by email and phone.
- j. Offices will be kept looking clean and professional.

### **11. Reappointing Board Member**

- a. Axume motions to reappoint Matthew Lagrand to the Board for one more year. Laurie Hughey seconds the motion.  
  - M/S/C** – (Axume/Hughey) to reappoint Matthew Lagrand to the Board for one more year. 5-0-1 (Lagrand).
- b. Matthew thanked the Board for reappointing him and assured consumers that he was here to make sure they were being served properly.

### **12. ARCA Report**

- a. ARCA has been a great experience. There is a great vibe about Kern Regional Center and a lot of excitement from other Regional Centers about what is happening at Kern.
- b. The Uniform Holiday has been rejected by Regional Centers and as discussed at the recent ARCA meeting.
- c. ARCA is really advocating for additional funding for staff. They continue to have conversations on current and future needs of services coordinators and how to bring caseload ratios down.
- d. Social Recreation was another huge topic; a website was created to keep people informed, [restoremyservices.net](http://restoremyservices.net).
- e. The ARCA website has been redesigned, [arcanet.org](http://arcanet.org); feel free to visit for more information.

### **13. Vendor Advisory Committee**

- a. This is Laurie Hughey’s last Board Meeting as the Vendor Advisory chair. Mtzi Villalon will be taking her place and attending future meetings. Laurie is pleased to see how well the Board has come together since she first started and has had a pleasurable time serving.
- b. The Uniform Holiday schedule and its impact on vendors was discussed at the last VAC meeting. They will be paying close attention to any changes in the next few months.
- c. Smart911.com is being lead by the voice committee. Families and consumers are being encouraged to go to the website and register. The Sheriff’s department is currently involved with this program.
- d. Pathpoint will be having an open house on May 10<sup>th</sup> at Mercy Hospital.
- e. BARC will be holding a golf tournament on April 9<sup>th</sup>.

## 14. Staff Report

### A. Columbus Group

- a. Columbus is working on ensuring that they leave behind the tools necessary to continue working with teams.
- b. A Program Manager's Tool Kit is being developed to train new Program Managers.
- c. Jim Freyvogel provided an update on team building trainings. Jim reported that when Columbus came to Kern, they found an organization that was ready to change and staff that were not empowered to use all the skills, experience and knowledge that they had to further the mission of Kern Regional Center.
- d. Over a period of 3 months, Jim lead 13 trainings and trained 155 team members.
- e. There is currently a 5 part training taking place at Kern Regional Center; all staff is being provided this training. Executive Leadership training is currently being developed.
- f. Most progress presented to the Board since Columbus came in was completed by work teams.
- g. Teams work as it leads to groups of people doing tremendous amounts of work with minimal supervision.

### B. Purchase of Service Disparity

- a. Thank you ARCA; Daniel Savino at ARCA did a phenomenal job organizing Grassroots Day. Roy Rocha did a great job representing Kern Regional Center with a passion to restore Social Recreation. Iman Killebrew, Rhonda Glen, and John Noriega joined Roy and Celia at Grassroots.
- b. Kristine Khuu, Celia Pinal and Program Managers did some community outreach to discuss Purchase of Service Disparity. They found that this year, in comparison to FY 2015/2016, the disparity was at 50% which is rather high. Kern is looking to be fully staffed by the end of the year and will address the disparity issues.
- c. Some of the feedback at the meetings included requests for improvement of customer service, having well trained service coordinators a more user friendly website.

### C. Self Determination

- a. The Department sent a letter providing an update on the CMS final rule; on March 13, 2018, the Home and Community-Based Services Waiver application seeking federal funding for the Self-Determination Program was formally re-submitted to the federal Centers for Medicare and Medicaid Services (CMS). CMS has 90 days to either approve the application, deny the application or request additional information. The Department tis very appreciative of the significant efforts of the Department's Self Determination Advisory group and other stakeholders, which have been instrumental in assisting the Department complete the Waiver application.
- b. The first informational meeting was held at Kern Regional Center last night. Many more will be held; dates can be found on the KRC website.
- c. A total of 31 attendees showed up to the English session and 28 to the Spanish session for a total of 59 individuals attending both meetings.

- d. KRC will be submitting each session's results to the Department to increase the number of those interested in participating.
- e. The next SDAC meeting will be held on Monday, April 23<sup>rd</sup> at 5:00 pm in the Malibu Conference Room.

**D. Community Placement Plan**

- a. Both properties, 1617-5 Enhanced Behavior Support Home and the 1617-12 Adult Residential Facility for Persons with Special Healthcare Needs, are in escrow.

**BOARD TRAINING**

**NEW BUSINESS**

**GOOD AND WELFARE**

- a. Meeting is adjourned at approximately 7:10 p.m.

The next Regular Meeting of the Board of Directors is scheduled for Tuesday, March 27<sup>th</sup>, 2018, at 6:00 p.m. in the Malibu Conference Room at the Kern Regional Center.

Note: Requests for a disability related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting should be made to the Administrative Assistant during regular business hours at 661-852-3360.

Respectfully submitted: \_\_\_\_\_  
Eva Rocha

**Action Items:**

**M/S/C** – to approve agenda with addition – Re-appointment of Matthew La Grand . 6-0-0.

**M/S/C** - to approve Minutes of the Regular Meeting of the Board of Directors held February 27, 2018. 5-0-1 (Lagrand).

**M/S/C** – to approve the line of credit from Tokyo Mitsubishi Limited acting through its New York Branch. 6-0-0.

**M/S/C** – (Gosselin/Mason) to reaffirm the Board's approval for the plan presented by Columbus. 5-0-1 (Axume).

**M/S/C** – (Axume/Hughey) to reappoint Matthew Lagrand to the Board for one more year. 5-0-1 (Lagrand).

KERN REGIONAL CENTER  
 BUDGET AND EXPENSE REPORT  
 FY 2017/2018  
 AS OF FEB 28, 2018

	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8
(1) - OPERATIONS	Preliminary Allocation - D Series	D-1 Allocation	D-2 Allocation	Total Allocation To Date thru D-2 Allocation - Col. 1 + Col. 2 + Col. 3	Operations By Claim to State July thru Feb 2018	Projected - Mar to June 2018	Total Projected - Col. 5 + Col. 6	Projected Balance - Col. 4 - Col. 7
GENERAL								
Salaries and Benefits	\$ 14,701,866	\$ 1,257,639	\$ 578,709	\$ 16,538,214	\$ 10,177,272	\$ 4,645,228	\$ 14,822,500	
Operating Expenses		3,504,480	964,167	4,468,647	3,549,563	1,997,380	5,546,943	
<b>TOTAL PERSONNEL SERVICES</b>	<b>14,701,866</b>	<b>4,762,119</b>	<b>1,542,876</b>	<b>21,006,861</b>	<b>13,726,835</b>	<b>6,642,608</b>	<b>20,369,443</b>	<b>637,418</b>
Less: Interest Income					(51,544)	(8,456)	(60,000)	60,000
Less: ICF SPA Fees ( see Note 2)					(37,759)	(7,241)	(45,000)	45,000
Less: Other Income					(11,264)	6,264	(5,000)	5,000
<b>SUBTOTAL GENERAL</b>	<b>\$ 14,701,866</b>	<b>\$ 4,762,119</b>	<b>\$ 1,542,876</b>	<b>\$ 21,006,861</b>	<b>\$ 13,626,268</b>	<b>\$ 6,633,175</b>	<b>\$ 20,259,443</b>	<b>\$ 747,418</b>
Percentage				100%	64.87%	31.58%		3.56%
COMMUNITY PLACEMENT PLAN (CPP)								
Salaries & Benefits		\$ 480,613		\$ 480,613	\$ 282,932	\$ 260,192	\$ 543,124	
Operating Expenses		235,152	127,144	362,296	19,053	280,732	299,785	
<b>SUBTOTAL CPP</b>	<b>\$ -</b>	<b>\$ 715,765</b>	<b>\$ 127,144</b>	<b>\$ 842,909</b>	<b>\$ 301,984</b>	<b>\$ 540,925</b>	<b>\$ 842,909</b>	<b>\$ -</b>
FOSTERGRANDPARENT (FGP)								
Salaries & Benefits		\$ 59,043		\$ 59,043	\$ 46,232	\$ 12,811	\$ 59,043	
Operating Expenses		26,967	89,996	116,963	65,279	51,684	116,963	
<b>SUBTOTAL FGP</b>	<b>\$ -</b>	<b>\$ 86,010</b>	<b>\$ 89,996</b>	<b>\$ 176,006</b>	<b>\$ 111,511</b>	<b>\$ 64,495</b>	<b>\$ 176,006</b>	<b>\$ -</b>
<b>GRAND TOTAL OPERATIONS</b>	<b>\$ 14,701,866</b>	<b>\$ 5,563,894</b>	<b>\$ 1,760,016</b>	<b>\$ 22,025,776</b>	<b>\$ 14,039,763</b>	<b>\$ 7,238,595</b>	<b>\$ 21,278,358</b>	<b>\$ 747,418</b>
Percentage				100%	63.74%	32.86%		3.39%

Note 1: The "Projected Balance" is an estimate of the difference between KRC's funding allocation from DDS (col. 4), and Total Projected (col. 7)

Note 2: The Intermediate Care Facility State Plan Amendment (ICF SPA) administrative fees are included in this fiscal year as an offset to current year expenditures. The fees are 1.5% of current year day program and transportation costs for KRC clients that resided in ICF's.

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 BUDGET AND EXPENSE REPORT  
 FY 2017/2018  
 AS OF FEB 28, 2018

	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8
(2) - PURCHASE OF SERVICES	Preliminary Allocation - D Series	D-1 Allocation	D-2 Allocation	Total Allocation To Date thru D-2 Alloc - Col.1 + Col. 2+ Col. 3	Purchase of Service By Claim to State - July thru Feb 2018	Projected - Mar to June 2018	Total Projected - Col. 5 + Col. 6	Projected Balance - Col. 4 - Col. 7
GENERAL								
Out of Home Care	\$ 28,787,609	\$ 7,129,944		\$ 35,917,553	\$ 23,515,673	\$ 12,877,909	\$ 36,393,582	\$ (476,029)
Day Programs	22,216,516	7,274,193		29,490,709	19,481,602	11,607,954	31,089,556	(1,598,847)
Other Services	71,522,176	20,198,665	127,880	91,848,721	56,193,171	36,408,945	92,602,116	(753,395)
<b>SUBTOTAL GENERAL</b>	<b>122,526,301</b>	<b>34,602,802</b>	<b>127,880</b>	<b>157,256,983</b>	<b>99,190,446</b>	<b>60,894,808</b>	<b>160,085,254</b>	<b>(2,828,271)</b>
Less: ICF SPA Funded					(2,080,951)	(1,632,181)	(3,713,132)	3,713,132
<b>TOTAL GENERAL</b>	<b>\$ 122,526,301</b>	<b>\$ 34,602,802</b>	<b>\$ 127,880</b>	<b>\$ 157,256,983</b>	<b>\$ 97,109,495</b>	<b>\$ 59,262,627</b>	<b>\$ 156,372,122</b>	<b>\$ 884,861</b>
Percentage				100%	61.75%	37.69%		0.56%
COMMUNITY PLACEMENT PLAN (CPP)								
Out of Home Care		\$ 256,718	\$ 210,350	\$ 467,068	\$ 184,786	\$ 350,350	\$ 535,136	(68,068)
Day Programs		-		0	21,577	43,895	65,472	(65,472)
Other Services		998,200		998,200	53,143	933,783	986,926	11,274
<b>TOTAL CPP</b>	<b>\$ -</b>	<b>\$ 1,254,918</b>	<b>\$ 210,350</b>	<b>\$ 1,465,268</b>	<b>\$ 259,506</b>	<b>\$ 1,328,028</b>	<b>\$ 1,587,534</b>	<b>\$ (122,266)</b>
Percentage				100.00%	17.71%	90.63%		-8.34%
<b>TOTAL PURCHASE OF SERVICE</b>	<b>\$ 122,526,301</b>	<b>\$ 35,857,720</b>	<b>\$ 338,230</b>	<b>\$ 158,722,251</b>	<b>\$ 97,369,002</b>	<b>\$ 60,590,654</b>	<b>\$ 157,959,656</b>	<b>\$ 762,595</b>
Percentage				100%	61.35%	38.17%		0.48%
<b>GRAND TOTAL ALL BUDGETS</b>	<b>\$ 137,228,167</b>	<b>\$ 41,421,614</b>	<b>\$ 2,098,246</b>	<b>\$ 180,748,027</b>	<b>\$ 111,408,765</b>	<b>\$ 67,829,249</b>	<b>\$ 179,238,014</b>	<b>\$ 1,510,013</b>
Percentage				100%	61.64%	37.53%		0.84%

Note 1: The "Projected Balance" is an estimate of the difference between KRC's funding allocation from DDS (col. 4), and Total Projected (col. 7)

Note 2: Reimbursement for the estimated costs of day program and transportation for Intermediate Care Facility State Plan Amendment clients is not funded by DDS's Standard Agreement. The reimbursement to KRC will be provided from the SPA ICF's within the catchment area.