

LOS ANGELES COUNTY DEVELOPMENTAL SERVICES FOUNDATION, INC.

Board of Directors

August 22, 2012

MINUTES

PRESENT

Mark Higgins, Chair
Anila Guruji
Marjorie Heller
Al Marsella
Howard McBroom
Brian Newkirk
Dina Richman
Ed Solis
Kelly White

NOT PRESENT

Larry DeBoer
Zulma Mena
Louis Mitchell
Ana Villasenor

STAFF

Diane Anand
Patrick Aulicino
Karen Ingram
Melinda Sullivan

GUESTS

Judith Enright, Corporate Counsel

CALL TO ORDER

Mr. Higgins called the meeting to order at 6:06 PM.

PUBLIC INPUT

No public input.

ANNOUNCEMENTS

No announcements were made.

APPROVAL OF MINUTES

The minutes of June 27, 2012 were approved by consensus.

BOARD EDUCATION

Duties of Directors

Ms. Judith Enright, Lanterman's corporate counsel, made a presentation on the duties and responsibilities of directors of non-profit corporations. The Board was given the opportunity to ask questions about the presentation and discussion followed.

Conflict of Interest

Ms. Enright made a presentation on Conflict of Interest and advised the Board that DDS has issued emergency regulations on conflict of interest that take effect immediately. Ms. Enright spoke to those changes and reminded all Board members that they are required to complete the Conflict of Interest Form as part of the Center's yearly record update. The Board was given the opportunity to ask questions and discussion followed.

The Conflict of Interest Statements were executed by Board members present and staff will follow-up with Board members not in attendance.

Distribution of Board Handbooks

Ms. Anand reviewed the board handbook contents and board members were given the opportunity to ask questions.

Adjournment for Executive Session

- **Ms. Heller moved to adjourn the meeting for executive session at 7:10 pm to discuss pending litigation, Mr. Newkirk seconded, and it passed unanimously.**
- **The meeting was reconvened at 7:26 pm for the general session.**

PRESIDENT'S REPORT

The Way Forward Update

Mr. Higgins reported that invitations to complete the survey were sent out in May to approximately 1900 individuals. The survey was completed in June with a 37% response rate. Mr. Higgins advised the Board that they could find a summary of the findings under the President's Report tab. Discussion followed.

ARCA REPORT

Mr. Higgins and Ms. Anand attended the ARCA meeting in Sacramento on August 16 and 17 and reported on the highlights from the meeting. A copy of the highlights were on the table for the Board to review.

EXECUTIVE DIRECTOR'S REPORT

SB 946 Implementation – Autism Insurance

Ms. Sullivan gave a brief report on the status of the autism insurance bill and the challenges that it poses. Ms. Sullivan reported that Center has sent out letters to approximately 170 families who receive ABA services and have a health plan. The letter explains the co-pay process and gives direction on how to continue with services that are approved in the client's IPP. The Center has made its first set of referrals to approximately 10 health care providers and is working with parents to help them through the process.

EXECUTIVE COMMITTEE

Review Board Self Assessment

Mr. Higgins advised the Board that they could find in their packet the full report on the board self-assessment put together by BoardSource. Mr. Higgins reported that in order to have time to review and discuss each section, only Section 1 and 2 would be discussed this month. Mr. Higgins advised the Board that the Executive Committee made the following recommendations which were implemented this month.

1. Include the mission statement in every board packet.
2. Provide New Board Member Orientation at the first meeting after the annual meeting of the corporation in June.

Discussion followed. **The Board will review and discuss Sections 3 and 4 at the next meeting.**

DDS Summary of FY 2012-13 budget Trailer Bill Language

Ms. Anand shared with the Board a copy of the June 2012 TBL Affecting Regional Centers. This was for information only and the Board will be informed as the changes are implemented.

DDS Proposed Conflict Of Interest Regulations

(For Information Only)

Ms. Anand advised the Board that the Center has received from DDS a notice of proposed emergency regulatory action regarding the conflict-of-interest standards and procedures for regional board members, employees, and others acting on the regional center's behalf. Ms. Anand reported that they were sent to Ms. Judith Enright, legal counsel, for review and analysis. Ms. Enright spoke to these changes under "Board Education".

ADMINISTRATIVE AFFAIRS COMMITTEE

Independent Audit Proposal for 2011-12

Ms. Heller advised the Board that the Committee reviewed a proposal from Windes & McClaughry. The proposal is twofold. First, it will perform the audit as of June 30, 2012 and second, it will prepare the state and federal tax returns. The estimated cost of the proposal for the audit is not to exceed \$48,000 and for the preparation of the federal and California tax returns it is not to exceed \$5,000. These costs are the same as the prior year. Discussion followed.

Ms. White moved that the Board accept the proposal from Windes & McClaughry as the Center's auditor for Fiscal Year 2011-12, Mr. Newkirk seconded the motion, and it passed unanimously.

C-7 Contract Amendment

Ms. Heller advised the Board that the Committee reviewed the cash flow projections and reported that the state has distributed all three cash advances to regional centers. As a result, it is not expected that the Center will need to access its line of credit.

Ms. Heller reported that DDS has asked the Center to relinquish excess POS funds from its anticipated surplus. Initially, DDS had requested \$1 million. The Center informed DDS that Lanterman's projections regarding surplus funds were significantly different. The proposed C-7 amendment reflects a POS reduction of \$600,000, which is within the center's anticipated surplus. Mr. Aulicino explained that what DDS is doing is moving money around to allocate to the centers that are projecting deficits for last year. Discussion followed.

Mr. McBroom moved that the Board authorize the Board President to sign the C-7 contract amendment once it arrives, Ms. Guruji seconded the motion, and it passed unanimously.

Social Security Administration Audit

Mr. Aulicino reviewed the audit findings of client trust funds performed by the Social Security Administration in December of 2011 and the Center's response. A principal issue related to the audit is whether individuals are considered over the allowable resource limit when funds are held to pay residential providers in arrears. Mr. Aulicino reported that a letter has been sent to Social Security on behalf of all regional centers by the North Los Angeles County Regional Center to request an exemption as the SSA team leader had suggested. To date, the Center has not received a response.

Review of Financial Statements

Ms. Heller reviewed the financial summary statements through June 30, 2012 as follows:

Fiscal Year 2011-12

In Operations (main contract), we have spent 95.4% of our C-6 budget allocation. In Purchase of Services (main contract), we have spent 99.2% of our C-6 budget allocation, before we add in projected late bills. Including projected late bills, we have spent 99.2% of our C-6 allocation.

Fiscal Year 2010-11

This month we recorded \$259 in OPS and \$1,260 in POS. To date, we have spent 98.9% of our OPS and 97.8% of our POS allocations. We are currently expecting a small surplus in OPS and about \$2 million surplus in POS, due to substantial cost savings, minimal caseload growth, and some relinquishment of excess funds.

Fiscal year 2009-10

This month we recorded (\$369) in POS. To date, we have spent 98.9% of our OPS and 96.1% of our POS allocations. We are currently expecting a small surplus in OPS and about a \$4.37 million surplus in POS.

2011-12 POS RECAP

With the C-7 amendment, there is an estimated surplus of \$117, 314.

STRATEGIC PLANNING COMMITTEE

Fall Community Meetings

Ms. Anand advised the Board that they could find a copy of the notice for the Fall community meetings in their packet. Ms. Anand reported that the draft plan has been prepared by Strategic Planning Committee and the notice along with the draft plan for 2012 are posted on the Center's website. Regional centers are required to have at least one meeting to get community input into their annual performance plans. The Center will host 4 meetings this year.

PROGRAMS AND SERVICES COMMITTEE

Supported Living Services Service Standard

This agenda item was tabled for the September meeting.

ADJOURNMENT

The meeting was adjourned at 8:15 pm to return to Executive Session.

Anila Guruji, Secretary

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BOARD OF DIRECTORS

ACTION LOG

August 22, 2012

	DESCRIPTION	ACTION	STATUS
	Approval of June 27, 2012 minutes	<ul style="list-style-type: none">• Approved	
	Appointment of the Corporate Auditor	<ul style="list-style-type: none">• Approved	
	C-7 Amendment	<ul style="list-style-type: none">• Approved	
	Supported Living Services Service Standard	<ul style="list-style-type: none">• Tabled for September meeting.	