

KERN REGIONAL CENTER

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

Board of Directors Meeting

6:30 p.m. – 8:00 p.m.

Zoom Webinar

<https://us02web.zoom.us/j/87226907375?pwd=ZkRmUU1kSjNQSVMvR3hHRFNRC3BMQT09>

Webinar ID: 872 2690 7375, Password: 299968

Dial in Number: 1-669-900-6833

MINUTES

May 26, 2020

Board Members Present:

Oscar Axume

Mitzi Villalon

Jasmeet Bains

Martin Vasquez

Ryan Jones

Nickolerene Mensch

Simon Verdugo (by phone)

Kevin Gosselin

Board Members Absent:

Mark Tolentino

GENERAL BUSINESS

1. Call to Order and Introductions

The meeting was called to order at approximately 6:46 p.m. by Oscar Axume. It was determined that a quorum was present.

2. Approval/Additions to Agenda

Action – Motion to approve the Regular Meeting of the Board of Directors Agenda dated May 26, 2020.

M/S/C – (Mensch/Gosselin) Motion approved the agenda for the meeting of May 26, 2020 with the addition of the ARCA Report as Items 9.
8-0-0.

3. Meeting Minute Approval

Action – Motion to approve the minutes of the Regular Meeting of the Board of Directors held February 25, 2020.

M/S/C – (Villalon/Bains) Motion approved the minutes of the regular meeting of the Board of Directors held on February 25, 2020.
8-0-0.

4. Public Input

No public comment.

UNFINISHED BUSINESS

REPORTS

5. Board President Report – Oscar Axume

- A.** Oscar Axume announces he is happy to see everyone and hope that all families are doing well. Thank you to Kern Regional Center (KRC) staff and management for all the excellent work performed in the past three months during these difficult times. Oscar would like to encourage the board members and public to recommend individuals to sit on the KRC Board of Directors. The Board of Directors is currently looking for the addition of at least 2 board members, but can add up to 4. Nominations may be submitted to Michi Gates or Oscar Axume. Thank you to Ismael Romero and Quanah Mason for their completion of 7 years of service on the Board of Directors. They will be greatly missed. KRC is planning on getting engraved crystal awards to present to Ismael and Quanah. Michi will run by the Board of Directors in terms of the wording that will be engraved. The awards will be in recognition of their service as a board member to KRC. Two positions that need to be filled on the Board of Directors is the Secretary and Vice-President. Emails were sent out to board members requesting volunteers. One member volunteered for the position of Vice-President.

Nomination – Oscar Axume nominates Jasmeet Bains for the position of Vice-President

Action – Motion to approve Jasmeet Bains as Vice-President on the KRC Board of Directors.

M/S/C – (Jones/Villalon) Motion approved Jasmeet Bains as Vice-President on the Board of Directors effective May 26, 2020.
8-0-0 effective

Oscar requests from the board if there are any volunteers for the position of Secretary on the Board of Directors – There are no volunteers at the moment.

Oscar reiterates if there are any volunteers, you may reach out to him.

6. Financial Report – Tom Wolfgram

- 1.** Tom Wolfgram, KRC CFO, provided the financial report for Operations and POS Operations (*see attachment 2*) – KRC shows that the projections would be about \$1.4 million left in the black, but there are 3 pay periods in May and 2 pay periods in June to go. Due to increase in staff payroll has gone up. In regards to that, Community Placement Plan (CPP) payroll in April was small due to the CPP personnel allocation that is provided is not enough to cover the full amount of the employees for the entire twelve months. KRC ends up picking up the difference in general operations. Adding up the amount of the payroll that is going to remain in the estimation of expenses will be about \$250,000 to the black in the general fund.
- 2.** POS (*see attachment 3*) – A total amount of about \$148,000,000 in expenditures has been paid to date. There are vendors that don't bill in the actual month that they provide services, so the numbers will change as the data is entered monthly. The allocation for the year was \$208 million, \$148 million has been spent, which makes it about 71% of the total allocation. On average, the estimated amount spent

is about \$15 million per month. If that same amount is spent in May and June, then KRC can project a total of about \$180 million, which is about 86% of the allocation. With the COVID-19, there have been additional payments made beyond what is normally paid. Even with the average of about \$15 million spent per month, the amount may increase as we move forward. The state has requested this to be tracked. Numbers that were sent in today was about an additional amount of \$500,000.

7. Executive Director's Report – Michi Gates

- A.** Dr. Michi Gates reported on the economic impact due to COVID-19 which has caused drastic change in the state's and country's outlook.
 - 1.** The May Revise Budget Proposal looks much different than the Governor's proposal from January. Trigger cuts listed on the handout refers to the fact that all cuts will be triggered if there is no additional funding from the federal government to the state by July 1.
 - i.** Payment reductions to providers would be \$230 million cut across the state. Currently DDS is proposing to assign a percentage of payment reductions. The distinction between a payment reduction and rate cut is that current rates for the providers would stay the same, but there will be a payment reduction. There are 3 categories based on a rate study commissioned by DDS of 7.5%, 11.5%, or 14%. Those in the rate study that were determined to need the most additional funding would get the lowest percentage cut of 7.5% and those who need the least would receive the 14% cut. This is projected to save \$230 million across the state in POS dollars.
 - ii.** The second cut that affects providers and individuals/families that are served is the Uniform Holiday Schedule. The Uniform Holiday Schedule are 14 days that providers in certain categories cannot be paid for services, such as day programs and transportation. The ARCA Association has argued against this for years and it was suspended in the past. It was supposed to be suspended again, although the department has continued to advocate for it. Due to the need for budget cuts this proposal is being enforced.
 - iii.** POS efficiencies for Regional Centers is another part of the cuts. Regional Centers across the state would be required to save a total of \$70 million. Regional Centers (RC's) would need to look at ways to lower funding for POS either through efficiencies such as providing remote services which cost less or seeing if services provided are needed. This could result in less funding for service providers since they would be providing fewer services. This was with the caveat from the department that no individuals' needs should be unmet.
 - iv.** \$30 million cut to RC's operations which is a partial year amount, about \$55 million ongoing for full fiscal year. The department is presenting this to legislators as a cut that is relatively minor, that would not result in a reduction in the number of service coordinators (SC's). There is a high level of growth at KRC because of the low-cost housing and low-cost economy in the area. Funding for growth dollars for RC's is still part of the proposed budget, but at the same time are cutting \$30 million. The understanding is

that the department's perspective is that RC's would have to prioritize positions.

- v. Another cut is cost-sharing for higher income families. There would be consolidation of the current family participation programs (18 & under). There would be a reduction of costs for low-income families and an increase of costs for high-income families. Part of the proposal is that if families don't participate in paying those fees, then they would not get services.
2. Related Trailer Bills – KRC's operations cut includes a trailer bill that would eliminate the 1:66 caseload ratio for the "Other" categories, individuals served who are over 3 years old and not on the waiver. RC's are not in agreement with this. Caseload ratios are needed to preserve quality for the services that need to be provided. There has long been an issue with the fact that RC's aren't funded to meet those caseload ratios.
- i. Remote services appears in trailer bill language. Remote services have become a necessity during the COVID-19 crisis. There is an interest on the part of the department to continue these remote services as an option to create efficiencies for both case management and for service providers.
 - ii. Language about the possibility of reducing reporting and recording that RC's are required to do. The time it takes to do a report and record has taken away the time and interaction that could be spent with the individuals and families served.
 - iii. There is language in the trailer bill that refers to cuts to the budget, which also states that there will be a high level of service quality to the individuals and continue to address issues such as disparity. There is concern that there is a proposal to add language that says we will provide a high level of quality at the same time that RC's are being cut. This was brought up at the Senate in the Sub-committee 3 Legislative Analyst report.
3. Elimination of proposals to meet the reduced budget – Some of the proposals in the January budget are now proposed to be withdrawn.
- i. The Performance Incentive Program that would provide additional funding to RC's for advanced performance is being withdrawn.
 - ii. The Enhanced Caseload Ratio proposal for 3-5 year olds that would have given them a 1:45 ratio is being withdrawn. That was a problematic proposal in January because it ignored the fact that the individuals who are 0-3 are not funded for a 1:45 caseload ratio.
 - iii. Withdrawal of the START Training Model was a proposal that would have broadened a pilot program providing wrap-around services to individuals who are dually diagnosed with both a developmental disability and a mental health diagnosis.
 - iv. Withdrawal of the proposed Rate Increase for Early Start Therapy and ILS Providers. They were overlooked in the rate study for a rate increase that was given to several other service providers in January. In terms of ARCA's position on the cuts, a letter was sent by the association to the Senate Sub-3 Committee that reviews the budget for Health & Human Services, with a statement of opposition to all of the trigger cuts and to all of the savings proposals except for the Performance Incentive Program.

4. The last proposal is to Reduce Costs by maximizing federal funding for a savings of \$27 million. This would be accomplished by getting more of the RC's individuals who are not on Medi-Cal but could qualify for Medi-Cal on Medi-Cal, so that they can qualify for the waiver which brings in federal funding as a match. This would mean, especially for children, whose parent's income is taken into account resulting in their denial of Medi-Cal, if they can qualify for Institutional Deeming where parents income is not taken into account, then RC's could get federal funding for their services. This requires families to go through an arduous application process. Some families may not make it through this process, especially if they have private insurance they may not be motivated to complete the application process. This would encourage RC's and families to follow through with the application process. The negative aspect of this, is that if a family is determined to possibly be able to get this but they don't follow through with the application process, then they would have to pay for what the federal government would have paid for, out of their own pocket.
- B. COVID-19 Update – KRC has individuals and staff diagnosed with COVID-19. Seven individuals have been found positive. A few have been hospitalized briefly, but no one required the use of a ventilator. The provider community has used great care to ensure that there are few individuals affected, and those that have been affected were referred for immediate medical care. KRC applauds the provider community for the excellent job they have done in caring for the individuals. KRC is also seeing much fewer providers affected by COVID-19. Initially there was some staff testing positive for COVID-19 diagnosis and then infecting some of the individuals in care homes, but that has decreased. Statewide statistics for the COVID-19 diagnosis can be found on the DDS website posted every Thursday for all RC's.**
1. Jasmeet Baines adds comment to COVID-19 – There are cases, and for the most part people are getting better. The important thing that we all should do, especially as a Board for KRC from a mental health aspect as everything's opening to a "new normal", is to kind of adopt into not getting involved into conspiracy theories. Instead we should accept that this is something that blindsided us, we don't know what we are heading into, and instead accept that we just don't know, that there is not enough information. Being cautious is important.
- C. KRC Support to the Community – With the COVID-19 pandemic, KRC was concerned how individuals and families were doing. There has been some information provided across the state, that RC's have not have had a good response and have not been available to support individuals and families. KRC has been making the best effort to reach out to all individuals and families from the very beginning. With KRC offices closed to the public, we wanted to make sure that individuals/families were aware that we are here and available to provide support and services. KRC immediately instituted a requirement for all the SC's to call everyone on their caseloads, and to continue regular calls unless an individual or family said that they did not need it or want it. Information was posted on the website stating the status that even though the office was closed we are still open and available, and invited individuals/families to please call their SC or the front desk if they did not have the SC contact info. The front desk has been staffed daily for calls. A letter was sent to all the individuals regarding our availability to support and how to contact us. In terms of people calling, even though staff is working from home, individuals are able to connect into the phone**

system that forwards phone calls to the SC's home. There were press releases with the same information, and KRC also used the Everbridge system to communicate our availability to support, and will continue to do so every other week. There was a positive response to the Everbridge communication with increased phone calls to the front desk. A comprehensive list of generic resources was provided to staff and posted on the website to share with individuals and families. Resources such as Personal Protective Equipment (PPE) is also available. KRC received a large amount of PPE, and is currently organizing the distribution of surgical masks, hand sanitizer, and face shields. KRC placed another order of PPE earlier today. KRC created a survey that has been out for about two weeks assessing the effectiveness of our communication and support which is posted on the KRC website, and the SC's are also sharing the information. The survey information will also be provided in the Everbridge communication. The survey is available in English and Spanish.

D. Reopening KRC – KRC is working on a plan of reopening its offices. KRC staff is being pretty successful working from home, so there is no rush to bring staff back. Priority is everyone's health and safety. Any plan would involve bringing back only individuals who are not in vulnerable categories, staff with children at home due to school closures, and don't have day care available. KRC will prioritize who will come back in the office in rotation so that we can maintain social distancing. For the offices that contain two people, KRC will make sure that only one person is in the office at a time. KRC is anticipating that programs will choose to continue remote services, have staggered schedules or multiple schedules so that they have half the attendance. There is concern if programs are going to survive this in terms of being able to remain financially viable. The absence payments that day services are able to bill is going to end June 30. The question is what billing will be like come July 1, because they are not providing the 6 hours of programming from Monday-Friday like before COVID-19 and how will they be paid. There was a proposal sent to the state by the Lanterman Coalition for how things could continue and how billing might work. At this time, there is no indication from the department about the guidance around absence billing. There is fear that many programs across the state will not survive this and may have to close.

E. Regular Business

1. DDS Fiscal Audit 12-14 – DDS is behind on providing audit results for KRC. Legacy issues, findings from prior administrations, have resulted in a large amount of findings at KRC. Summarizing the findings for 12-14, the main issues were a lack of documentation backing up POS dollars, KRC using POS dollars for Ops, paying for services that were not provided, and for violation of the Rate Freeze that was instituted in 2008. The amount owed to DDS from this audit is \$2.85 million. That amount is part of the settlement agreement that KRC is working on with DDS. There are amounts owed from subsequent audits, so the amount will be more than \$2.85 million. The draft of the 14-16 and 16-18 audit has been received, due to COVID-19 the exit interview with DDS has been postponed. In terms of the 12-14 audit, although KRC has been involved in a lot of appeals in regards the original findings in that audit, there are additional things that KRC would like to appeal from the 12-14 audit. DDS has approved an extension to file for more appeals if KRC decides to do so. To reduce the liability going forward, KRC is reviewing all of the rates to correct any findings.

2. SEIU Negotiations/Arbitration –
 - i. KRC’s negotiation contract status at this time is stalled due to COVID-19. The union did not want to meet by video or teleconference. KRC’s contract expired on December 16 and had been extended to April 16 by mutual agreement. KRC did not extend the contract further after April 16. There was no request from SEIU to extend the contract so KRC let the contract expire April 16 and notified SEIU that they are not in agreement to renew an extension of the contract. Since April 16, KRC has not been withdrawing union dues from payroll. SEIU submitted a large information request. As part of negotiations KRC does have to provide the information request. KRC notified SEIU that the timeline would not be before the end of June.
 - ii. Regarding the pension freeze, KRC at this time does not have a date for arbitration. KRC is trying to schedule a new date, and are waiting for a response from SEIU. They have asked for further informal pension negotiations. KRC has provided possible dates in August or September and are waiting on a response from SEIU.
3. What’s Next and Priorities for the Coming Year –
 - i. There was a Legislative budget hearing by the full assembly committee about the budget proposal on the May Revision. The Senate will present their version of the budget this Thursday. It is possible by the end of the week there will be a formal vote on the proposed budget. The next step would be a negotiation between the leaders in the assembly and the Senate with the Governor, and then a final budget agreement and vote on or before June 15.
 - ii. KRC’s priorities facing large budget cuts is to continue supporting our individuals and families. KRC’s goal is to always provide a high level quality of service.
 - iii. KRC will continue to support the provider community as they provide direct services to the individuals. We are hopeful to be able to strengthen KRC’s collaboration with the provider community during this very difficult time.
 - iv. KRC will maintain quality while identifying efficiencies. It is concerning that part of the trailer bill language concerns adding more reports that RC’s will have to provide to the department about how we will save more money

8. Vendor Advisory Committee – Mitzi Villalon

- A. VAC had their first Zoom meeting earlier today which Cherylle and Michi provided much needed information. It is strongly encouraged to the Vendor Advisory Committee to nominate/appoint a new VAC Chair as Mitzi will be stepping down in July. It was informed at the meeting that if there is not a new Chairperson appointed, then KRC would be reporting events and issues that are occurring within the VAC. Since the meeting multiple conversations were held with individuals about possibly sitting as VAC chair come July. The majority of the conversation in the meeting revolved around the changes to the budget and the legislative updates. It was discussed that DDS has proposed payment reduction. Mitzi supplied the vendors with phone numbers of their local representatives, so that the vendors could reach out to them and tell them their story of how the potential reductions can affect their

programs. Mitzi reached out to the Valley Coalition to see if they could put together a letter from the clients so that it could be sent to the senate to show how the cuts could also affect their lives. Also discussed was the likelihood that the absentee billing would end June 30 and what it might look like. Final discussion was about PPE's. A form was sent out by KRC for the vendors to submit a request to KRC for PPE's that came from DDS so that KRC may disperse to the vendors. Contact information was also provided for a vendor in the Fresno area who also has PPE's to share, but the downside to that is you'd have to be able to drive to Fresno to get it.

- B. Self-Determination Meeting on June 8 at 5 pm via GoToMeeting.
Board Meeting June 23 at 6:30pm via Zoom
VAC Meeting July 28 at 10 am via Zoom

9. ARCA Delegate Report – Nickolereene Mensch

- A. At the March 24th ARCA Delegates meeting it was held via video conference. We discussed about how RC's are checking in with families and clients during COVID-19. There are problems reaching out to families and clients to let them know RC's are available to help. It was also discussed how we could protect ourselves and families with special needs. It was time to vote for a new ARCA delegate president. An email will be sent with 3 delegate names that were nominated to vote for one.
- B. At the May 18 ARCA Delegate meeting we were trying to find the new norm due to COVID-19 and with the Governor's new budget cuts to DDS. We are encouraging people that have served throughout the RC system to call the Senators Congressman to support the HEROES Bill for federal funds. We are wondering how transportation of clients will work. Goodbyes were said to the exiting ARCA Delegate President and welcomed the new President, Larry. This training is important because ARCA would like to get ahead of DDS before DDS starts overseeing all 21 RC's boards. They will have 7 teams throughout the state, and the first will be at the Fairview Developmental Center. Nickole has volunteered for another year as a representative for ARCA.

10. Staff Report

A. Self Determination (SD)

- SDAC Meeting for April 20, 2020 was cancelled due to the State of Emergency and social distancing order
- The next SDAC Meeting will be held on **June 8, 2020 at 5 pm via GoToMeeting**
The call in information is provided in the handout (*see attachment 4*) and is also posted on KRC website

B. Surge Capacity Resources

In mid-March and early April KRC and DDS have been working locally and statewide to create surge capacity resources. Each RC must plan, find and build resources such as beds, cots, and other materials to create a facility that would house individuals that need to be isolated. KRC moved quickly to gather intel and resources by contacting furniture stores, pharmacies, sporting goods, and industrial supply stores. KRC has weekly calls with DDS to update the progress on the aforementioned projects of where supplies and resources could be found. KRC was able to create surge capacity

locations as follows: An Adult Residential Facility for Persons with Special Healthcare Needs (ARFPSHN) home that is sitting empty with five beds can serve Category 1 and 2. Categories are defined as individuals who have tested positive but do not need to be hospitalized. A Community Crisis Home (CCH) has four beds that can also serve Category 1 and 2, and lastly DADD (a day program) that met certain criteria to create a surge capacity location. The criteria KRC is looking for is the space must have private rooms, such as an office, must have a shower, and also access to laundry and a kitchen. KRC commends Mike Gutierrez of the Delano Association for the Developmentally Disabled (DADD) for providing a layout of what he could provide to serve 15 individuals in Category 1 and 2 at two (2) locations. DADD ordered cots, provided a Kindle and television for each room. Photos were shown to the Department of the work DADD staff has created for the surge location. On April 8, 2020 KRC selected key leaders, representatives from the vendor community, for a surge capacity workgroup. Topics covered KRC's Risk Mitigation Plan regarding alternative surge capacity locations, other resources (furniture, gloves, etc.). A furniture store was willing to give free masks in exchange for advertising their business on KRC website. Lastly, Pathpoint stepped forward to provide a staffing registry.

C. HCBS Update

1. Survey - A brief summary of the survey was provided in the board packet and is also posted on the website available for the public (*see attachment 5*). This summary is of how the HCBS vendor survey came into play. The deadline was originally in May but the department has extended it to June. Community Services will contact providers who have yet to complete the survey. KRC received data from the department that there are only 47 providers who have completed the survey. The goal is to reach 90% -100% completed surveys.
2. FY 19-20 Grant Awards (*see attachment 6*) - The past three years funds were available for providers assist with meeting the Final Rule. The awardees are posted on the KRC's website and can also be found on the DDS website. Providers awarded are:
 - Bakersfield ARC - \$185,462
 - Kern Residential Service Inc. - \$51,200
 - PathPoint - \$25,000

D. Community Placement Plan/Community Residential Development Plan (CPP/CRDP)

1. FY 16-17 Meacham – The Enhanced Behavior Support Home (EBSH) dealt with some flooding which caused some delays in development (*see attachment 7*), but is now ready. KRC is in the process of finding a provider to run the home. The EBSH is available for three females. Two have been identified.
2. FY 18-19 & 19-20 Vargas (https://www.zillow.com/homedetails/8029-Vargas-Ct-Bakersfield-CA-93313/69243369_zpid/) – Vargas home (EBSH for Children) was acquired by KRC and is in the process of being renovated to accommodate the clientele (*see attachment 8*). The repair cost, previously approved by the board, based on acquisition and rehab is approximately \$1.5 million. The exact data is not available at the moment, but the estimated cost for the renovation is about \$500,000 and about \$200,000-\$300,000 in acquisition. The carpet in the home is

removed to make sure that any adolescent with a physical disability does not have any tripping issues or hazards. For behavioral adolescents, panels may be added to the walls for protection. Buying land has been proposed to DDS. KRC was informed by DDS that they found that rehabbing a property is less expensive than building from the ground up.

3. FY 19-20 CRDP –

- i. Pacini is in escrow based on an DDS approved Housing Acquisition Request (HAR). The home has a shared well and septic. DDS has had in the past questions regarding if there is solar and who owns the solar, is it leased or owned, and if there is a shared well. If fire sprinklers are installed, we need to make sure that the entire neighborhood doesn't get dried up with a shared well. Information regarding these questions is forthcoming.
- ii. Community Crisis Step Down Home– Currently there is no identified home or provider. KRC may need to use the funds for this project for surge funding or current projects such as Pacini or Vargas.
- iii. Mobile Dental Clinic – There was No viable provider so funds were redirected to other projects (1617-1, 1617-10 and 1617-12). Redirected funds can only be completed based on DDS approval.

4. FY 2021 CPP/CRDP - There is no information at this time for these projects.

E. Resolution of Board of Directors Authorizing Execution of Purchase of Service (POS) Contracts (*see attachment 9*)-

Contracts over \$250,000 will continue to be presented to the Board of Directors for approval. In the case the Executive Director leaves KRC, the Resolution would need to be revised. Recommendation by Oscar to draft two resolutions; one to cover prior actions and one to only include position titles. KRC will have their attorney outline the items recommended.

ACTION – Requesting a motion to ratify Dr. Michi Gates to delegate the authority to sign POS contracts under \$250,000 to whomever she needs to delegate authority, and to adopt Cherylle Mallinson's prior actions; and to add language to Section 2 of the Resolution; *The Board of KRC hereby authorizes and designates the Executive Director of KRC, and such other officers, employees and agents of KRC who may be designated by the Executive Director, to execute all POS contracts with vendors;*

No vote - Action to be tabled to next meeting

F. Board Policy regarding the Request for Proposal (RFP) (*see attachment 10*); At February 25, 2020 Board meeting, it was reported that KRC may need to request permission from the KRC Board to directly procure, identify and solicit potential community resources for EBSH homes. The board had requested a timeline that KRC provide a timeline for the reason the resource/provider was removed and a new one is needed (*see attachment 11*).

ACTION - Request a motion for approval for Direct Procurement of another provider for Meacham.

M/S/C - (Gosselin/Mensch) Motion approved for Direct Procurement
7-0-1 (Villalon)

BOARD TRAINING

NEW BUSINESS

GOOD AND WELFARE

- a. Meeting is adjourned at approximately 8:45p.m.

The next Regular Meeting of the Board of Directors is tentatively scheduled for Tuesday, June 23, 2020 at 6:30 p.m. via Zoom Webinar.

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: _____

Upcoming Dates / Events / Announcements:

- a. Self-Determination Meeting on June 8 at 5 pm via GoToMeeting.
- b. VAC Meeting on July 28, 2020 at 10 am – 12 pm via Zoom
- c. KRC Board Meeting on June 23, 2020 at 6:30pm – 8:30 pm via Zoom