

Audit / Finance Committee Meeting Minutes

Kern Regional Center

October 28, 2014

4:00pm

Present: Susan Lara
Rosita Barron
Ismael Romero
KRC Staff: Cherylle Mallinson, Director of CSD

Absent: Jeremy Shumaker
Tracy Brown

Meeting began at 4:12pm.

Financial Report:

Meeting began with a presentation of the KRC Financial Report from CFO Jon Gusman. The Audit / Finance Committee will begin receiving the financial report and discussion began as to how in depth the committee would like to receive the report, such as using the SOAR to go over the POS budget. One change for this year is in how DDS allocated funds to Regional Centers this year using “actual expenses” from previous year as opposed to using “cost estimated figures” as years past. DDS has also paid actuals for full year 2014/15 minus the last 3%. KRC is financial in good standing; we also received the Line of credit with the same amount available if needed as last year of \$23 million at 5% interest.

Contracts:

1) **Achieve Behavioral Associates, LLC PK6243 – Client/Parent Support Behavior Intervention Training.**

This is a new vendor who will provide behavior intervention services to include the use of behavior intervention programs, development of programs to improve the recipient’s development, behavior tracking and analysis and the fading of any intrusive intervention measures. This intervention program will be restricted to generally accept positive approaches.

This a 12 month contract from 11/01/2014 to 10/31/2015. The committee reviewed rate of payment which was negotiated and within the median rate. Cost statements have been submitted and approved.

Motion to recommend contract for approval to the Board. (Romero / Barron) 2-0-0

2) **BARC H09327, SLS**

This is a renewal, vendored in 1999, BARC will provide through Supported Living Services support to individuals in their own homes from the people they hire to provide assistance with personal needs and to facilitate active participation in the community. BARC currently serves 58 individuals male and female who are 18 years and older who reside in various living arrangements.

36 month contract from 7/1/2014 to 6/30/2017. Vendor is in good standing with KRC and has met insurance requirements and has met their 15% Administrative Cap . Rate was negotiated prior to 2008. \$27.07 per client/hour, subcode PSOS \$14.87 per client/hour and IH15 of \$11.36 per Client/hour. Vendor has submitted independent audit from CPA firm. Vendor reports a loss of \$85,415 due to inadequate funding.

Committee approves concept of contract, but would like to approve for only 1 year, instead of 3 years.

3) **BARC Lake Isabella PK1834 – Community Integration Training – Look alike Day Program**

This is a renewal, Vendored in 2002, BARC will provide through a “look alike Day Program” ongoing training in an integrated community based program which focuses on community activities and critical skills training. The goal is for clients to function independently as possible and to ultimately move to the least restrictive environment as possible.

Vendor is in good standing with KRC and has met all insurance requirements, the 15% administrative cap and submitted an independent audit report. Vendor reports a profit of \$56.92%.

Since one of the BARC Contracts reports a loss and the other reports a profit, the committee was concerned of large profits and verifying that consumers are getting quality services and that they, the consumers, are always put first.

Motion to approve both BARC contracts, SLS and CIT (H09327 & PK1834) for only one year instead of 3 years, and for the committee to collectively review all of BARC’s contracts which exceed \$250,000 at the same time next year since they have multiple contracts for various services. (Barron / Romero) 2-0-0.

4) **DADD, H08900 – Transportation additional component**

Service code 880, vendored since 1985, DADD currently operates 18 vehicles, 9 of which are wheelchair equipped. They operate approximately 54 routes per day and transport 170 clients per day. Most of the transportation is provided within the city of Delano; however they provide services for 3 clients to Wasco/Lost Hills and 13 clients to Bakersfield.

Contract is for 36 months from 7/01/2014 to 6/30/2017. Vendor is in good standing with KRC, has met insurance requirements and the 15% administrative cap and has submitted an independent audit from their CPA. Rate is a negotiated rate from before 2008 of \$49.93 per vehicle service hour. Vendor reports a loss of \$101,000 per year. Vendor has been advised to apply for a Health & Safety Waiver from DDS which could increase their rate.

Since DADD also has various contracts for different services, committee motioned to recommend to the Board for approval of this contract for 1 year to then be able to collectively review all of DADD’s contracts exceeding \$250,000 at next year one time. (Romero / Barron) 2-0-0

5) **Vendor: New Leaf Supportive Services PK6216 – Money Management**

This is a new contract, New Leaf will provide money management, reporting and technical services for clients who receive social security and Medi-Cal benefits. Services include representative payee and money management for clients in independent settings or out of home placements; assistance for difficult and complex issues with social security administration, and ongoing benefit eligibility review for SSI and Medi-Cal benefits. New Leaf will start off with 40 clients and will add approximately 40

clients each month. This will help to lower some of the workload to KRC Service Coordinators by moving the money management to an outside organization.

This contract is a 21 month term through 6/30/2016. Rate of payment is \$25.00 per hour per client, and is the median rate. New Leaf works with a few other regional centers throughout California for money management. Vendor meets the 15% Administrative Cap based on a projected cost statement submitted. The check pick-up location has been resolved and will be handled by New Leaf. All checks will be mailed or deposited directly for KRC consumers. For emergency checks, they will be handled by Western Union or other similar service.

Motion by the committee to recommended contract for approval to the Board. (Romero / Barron) 2-0-0.

6) **California PsychCare, INC. Vendor #PK6160 & PK6151 – Client / Parent Support Behavior Intervention Training**

There is an issue with these two contracts, Vendor was advised they could receive either travel expense/ fuel fee or mileage reimbursement of \$.34 per mile, but not both.

Committee is recommending we table both California PsychCare contracts at this time to allow for vendor to decide between one of the two options. (Romero / Barron) 2-0-0.

Meeting Adjourned at 6:12pm

Susan Lara
Chair, Audit / Finance Committee