



**REGIONAL CENTER OF ORANGE COUNTY
BOARD OF DIRECTORS' MEETING
AGENDA**

Date: Thursday, June 5, 2025

Time: 6:00 p.m.

Location: RCOC Board Room, 1525 Tustin Avenue, Santa Ana, California 92705

I.		Closed Session (Board Members Only)	
	A.	W&I Code §4663 and §4664	Greg Simonian, Esq.
		1. Pending Litigation Welfare & Institutions Code Sections 4663(a)(5) and 4664(a)	
II.		Recess	
III.		General Session	
	A.	Pledge of Allegiance/Reading of RCOC’s Mission and Vision Statement	Sandy Martin
	B.	Community Forum for Agenda Items Only***	Sandy Martin
	C.	Budget and Finance Committee	Jacqueline Nguyen
	D.	Consent Calendar*	Sandy Martin
		1. Approval of Board of Directors’ Minutes for May 1, 2025** 2. Budget and Finance Committee** a. Approval of Monthly Sufficiency of Allocation Report, April 2025** b. Approval of Contract and B-1 Allocation for Fiscal Year 2025-26 c. Approval of Line of Credit for Fiscal Year 2024-25** d. Approval of CalPERS Requirement for a Publicly Available Pay Schedule Effective June 5, 2025** e. Approval of Audited Financials for the Year Ended June 30, 2024 f. Approval of Budget Amendment	
	E.	Executive Director’s Report	Larry Landauer
		1. Recognition of Persons’ Served Employment Longevity 2. Approval of Performance Contract for Fiscal Year 2025-26** 3. Approval of Amendment to Property Acquisition Agreement with Non-Profit Housing Corporation, Brilliant Corners, for the Development of an Enhanced Behavioral Supports Home (CRDP Project No. 2324-11/2425-3)(<i>Westvale</i>)** 4. Approval of Amendment No. 1 to Property Renovation Agreement with Non-Profit Housing Corporation, Brilliant Corners, for the Development of an Enhanced Behavioral Supports Home (CRDP Project No. 2324-11/2425-3) (<i>Westvale</i>)** 5. Information Regarding Amendment to Property Acquisition Agreement with Non-Profit Housing Corporation, Brilliant Corners, for the Development of an Adult Residential Facility for Persons with Special Healthcare Needs - Behavioral (CRDP Project No. 2324-9)(<i>Lizbeth</i>)** 6. Approval of Amendment No. 1 to Property Renovation Agreement with Non-Profit Housing Corporation, Brilliant Corners, for the Development of an Adult Residential Facility for Persons with Special Healthcare Needs - Behavioral (CRDP No. 2324-9)(<i>Lizbeth</i>)** 7. Approval of Start-Up Funding Agreement with Service Provider California Enhanced Behavioral Support Services for Development of an Enhanced Behavioral Supports Home (CRDP Project No. 2425-1)(<i>Russell</i>)** 8. Operations Report – April 2025**	Theresa Ta

		9. Performance Contract Report – April 2025** 10. Person-Centered Thinking (PCT) Update 11. Employment Update 12. Housing Update 13. Health and Wellness Update	Jennifer Montanez Arturo Cazares Jack Stanton Bonnie Ivers
	F.	Executive Committee	Sandy Martin
		1. Approval of Board of Directors' Meeting Schedule for Fiscal Year 2025-26**	
	G.	Board Recruitment and Training Committee**	Sandy Martin
	H.	Policies and Outcomes Committee**	Meena Chockalingam
		1. Approval of the Whistleblower Policy** 2. Transparency and Public Information Policy**	
	I.	Vendor Advisory Committee**	Rick Perez
		1. Approval of Vendor Advisory Committee Members**	
	J.	Peer Advisory Committee**	Yvonne Kluttz
	K.	Legislative and Community Awareness Committee	Bruce Hall
	L.	ARCA Report	Sandy Martin
	M.	Community Forum***	Sandy Martin
	N.	Chairperson's Report	Sandy Martin
IV.		Adjournment	Sandy Martin

**All items on the Consent Calendar will be approved by one motion, and there will be no discussion on individual items unless a Board member or a member of the public requests that a specific item be pulled from the Consent Calendar for separate discussion and possible action.*

***Attachments for Board members in Board packet.*

****This is an opportunity for public comments. Each person is limited to a maximum of three minutes.*

**Regional Center of Orange County
Board of Directors' Meeting Minutes
May 1, 2025**

Board Members Present:

(Members in-person, unless otherwise noted)

Sandy Martin, Chairperson
Marcell Bassett
Meena Chockalingam (*joined virtually*)
Bruce Hall
Yvonne Kluttz
Chinh Nguyen
Jacqueline Nguyen (*joined virtually*)
Fernando Peña

Board Members Absent:

Frances Hernandez
Hilda Mendez
Rick Perez

Corporate Counsel Present:

Greg Simonian, Esq.

Ms. Sandy Martin called the meeting to order at 6:02 p.m.

I. General Session

A. Pledge of Allegiance/Reading of RCOC's Mission and Vision Statement

Mr. Fernando Peña led attendees in a recitation of the Pledge of Allegiance.
Ms. Yvonne Kluttz read RCOC's Mission and Vision Statement.

B. Community Forum for Agenda Items Only

There were no speakers for community forum.

C. Budget and Finance Committee

Ms. Jacqueline Nguyen reported that the Committee approved and recommended for approval all of its items on the consent calendar.

D. Consent Calendar

1. Approval of Board of Directors' Minutes for March 6, 2025
2. Budget and Finance Committee
 - a. Approval of Monthly Sufficiency of Allocation Report, February 2025
 - b. Approval of Monthly Sufficiency of Allocation Report, March 2025
 - c. Annual Sufficiency of Allocation Report (SOAR), Fiscal Year 2024-2025
 - d. Approval of Budget Amendment A-2, Fiscal Year 2024-2025
 - e. Draft Form 990, Return of Organization Exempt from Income Tax for Year

Ended June 30, 2024

- f. Approval of Second Amendment to Property Lease for Santa Ana Office

M/S/C to approve the consent calendar, as presented

E. Executive Director's Report

1. Recognition of Persons' Served Employment Longevity

The Board of Directors honored four persons served who have worked for the same employer for 20 or more years with a Certificate of Recognition.

2. Annual Sufficiency of Allocation Report (SOAR) for Fiscal Year 2024-2025

Ms. Marta Vasquez, RCOC's Chief Financial Officer, presented the Annual Sufficiency of Allocation Report (SOAR) for fiscal year 2024-25.

3. Approval of Request for Waiver of Potential Conflict of Interest and Conflict Resolution Plan for Diane Karle-Botello, Early Start Service Coordinator

M/S/C to Approve the Request for Waiver of Potential Conflict of Interest and Conflict Resolution Plan for Diane Karle-Botello, Early Start Service Coordinator, as presented

4. Information regarding Amendment to Property Acquisition Agreement with Non-Profit Housing Corporation, Brilliant Corners, for the Development of Enhanced Behavioral Supports Home (CRDP Project No. 2324-10)(Faye)

Ms. Theresa Ta, RCOC's Manager of Safety Net and Resource Development, reported that The Department of Developmental Services (DDS) made a special allocation to RCOC's Community Resource Development Plan (CRDP) for the development of an Enhanced Behavioral Supports Home (EBSH). This facility will serve individuals who currently reside in a restrictive setting, such as a psychiatric hospital, crisis facility, or locked facility, or are at risk of being placed in a restrictive setting. The Board previously approved a property acquisition agreement with non-profit housing corporation Brilliant Corners on June 6, 2024 for \$350,000. RCOC and Brilliant Corners identified a property in Garden Grove with a purchase price of \$1.2 million. While reviewing the property for approval, DDS allocated an additional \$339,000 in CRDP start-up funding to go toward the down payment on the property. This additional funding will reduce Brilliant Corners' monthly mortgage payments, and in turn reduce the monthly rent for the service provider who will lease the home. This additional funding required an amendment to the original Board approved agreement. In accordance with RCOC's Contract Policy, the Board was notified of the amendment to the acquisition agreement on April 9, 2025, and the amendment was subsequently executed by the Executive Director.

5. Approval of Amendment No. 1 to Property Renovation Agreement with Non-Profit Housing Corporation, Brilliant Corners, for the Development of an Enhanced Behavioral Supports Home (CRDP Project No. 2324-10/2425-2)(Faye)

Ms. Ta reported that DDS made a special allocation to RCOC's CRDP for the development of an EBSH to serve individuals who currently reside in a restrictive setting, such as a psychiatric hospital, crisis facility, or locked facility, or are at risk of being placed in a restrictive setting. The Board previously approved a property renovation agreement for \$400,000 with non-profit housing corporation Brilliant Corners on January 9, 2025. Brilliant Corners has acquired the property where the facility will be located, and DDS has approved additional funding to complete the renovations that the home requires. DDS has approved an additional \$215,216 in RCOC's CRDP funding for fiscal year 2023-2024 as requested to address renovation costs for the following: (1) reframe the home to create a layout that will accommodate four bedrooms; (2) complete a large amount of concrete work needed for off-street parking; (3) replace existing brick and tile throughout the home for durability; (5) demolish a pre-existing unpermitted addition to allow for more backyard space; (6) install a new electrical panel and subpanel; (7) install a fire sprinkler system; (8) install a new 5-ton HVAC system with a split system unit; (9) replace windows throughout the home with double pane windows; and (10) reinforce walls throughout the home.

M/S/C to Approve the Amendment No. 1 to Property Renovation Agreement with Non-Profit Housing Corporation, Brilliant Corners, for the Development of an Enhanced Behavioral Supports Home (CRDP Project No. 2324-10/2425-2)(Faye), as presented

6. Approval of Start-Up Funding Agreement with University of New Hampshire for Development of START Program (CRDP Project No. 2324-6)

Ms. Ta reported that DDS has made an allocation to RCOC's CRDP for the development of the Systemic, Therapeutic, Assessment, Resources, and Treatment (START) program. START is a community-based model of crisis prevention and intervention for individuals with intellectual and developmental disabilities and mental health needs. START operates on a three-part model: (1) training outreach and education to the system; (2) assessment and identification of strengths, needs and challenges; and (3) in-person emergency assessment with crisis follow-up. The program works to build a strong foundation for crisis support for individuals across their lifespan. DDS has allocated \$961,954 in CRDP start-up funding for the provider that will develop the START program. On December 17, 2024, RCOC posted a Request for Proposals (RFP) for a provider; one response was received from the University of New Hampshire, Institute on Disability National Center for START Services (NCSS). NCSS is currently providing START services for sixteen other regional centers throughout California. The RFP Review Committee evaluated the proposal and interviewed NCSS. The Committee agrees that NCSS is qualified to successfully complete the project if awarded and recommends awarding the project to NCSS. Because NCSS is based in New Hampshire, RCOC sought approval from DDS to contract with a provider outside of California and DDS provided approval on March 5, 2025.

M/S/C to Approve the Start-Up Funding Agreement with University of New Hampshire for Development of START Program (CRDP Project No. 2324-6), as presented

Mr. Larry Landauer gave his Executive Director's Report, which included the following highlights:

- *Association of Regional Center Agencies (ARCA).* Mr. Landauer reported that ARCA sponsored Assembly Bill 1172 (AB 1172) Adult Day Programs: Administration of Inhalable Emergency Antiseizure Medications. The bill would authorize a licensed facility to administer inhalable emergency antiseizure medication to an individual diagnosed with seizures, a seizure disorder or epilepsy and who has been prescribed inhalable emergency antiseizure medication, during a seizure emergency. RCOC's Medical Consultant, Dr. Iris Richard, provided expert testimony for the bill. At its first Committee review, the California Energy Commission (CEC) passed the bill with a unanimous vote of 6-0 on April 8, 2025.
- *Master Plan for Developmental Services.* Mr. Landauer reported that the California Health and Human Services Agency (CHHSA) Master Plan for Developmental Services held its last meeting on March 19, 2025. For more information, visit: <https://www.chhs.ca.gov/home/master-plan-for-developmental-services/>.
- *California's State Budget.* Mr. Landauer reported that the Governor's budget for Fiscal Year 2025-26 includes \$19 billion for DDS, a net increase of \$3.2 billion over the FY 2024-25 budget. The majority of DDS' budget of \$18.56 billion consists of the Community Services Program and regional center budgets, which includes payments to service providers for Purchase of Services (POS). The remaining components of the DDS budget include \$324.64 million for state-operated facilities and \$156.6 million for DDS headquarters. The state of California will also utilize the Home and Community-Based Services (HCBS) Waiver to receive \$6.5 billion in federal reimbursements for most regional center services in FY 2025-26.

Mr. Landauer also stated that the primary reason for DDS' 20 percent total budget increase from FY 2024-25 to 2025-26, is due to caseload growth and the full implementation of services provider rate reform. The FY 2025-26 proposed budget estimates over 500,000 individuals will be served by the developmental services systems for both Early Start and Lanterman caseloads. DDS anticipates a caseload increase of 39,740 individuals for the incoming fiscal year.

- *Purchase of Service (POS) Expenditures for Fiscal Year 2024-25.* Mr. Landauer reported that there is a projected surplus statewide.
- *Person Centered Thinking (PCT).* In Ms. Jennifer Montanez's absence, Mr. Landauer reported that approximately 99.71% of Individual Program Plans (IPPs) for Lanterman cases are in the PCT format and that RCOC is providing PCT trainings for new staff and refresher courses for previously trained staff.
- *Employment.* Mr. Arturo Cazares, RCOC's Director of Community Services, reported that discussions with Kaiser Permanente continue with regard to developing additional internship opportunities for the Project SEARCH Program.

***RCOC Board of Directors' Meeting Minutes
May 1, 2025***

Mr. Cazares also reported that the Employment Pilot with Goodwill of Orange County has a person served that was recently laid off from his employment. Goodwill will continue to support the individual served by developing a new employment opportunity.

- *Housing.* Mr. Jack Stanton, RCOC's Associate Director of Housing, reported that RCOC was able to secure three separate properties, which includes an EBSH home that has closed escrow and a second EBSH home that is set to close escrow by June 30, 2025. A third property will be developed as an Adult Residential Facility for Persons with Special Health Needs – Behavioral (ARFPSHN-B), and is scheduled to close escrow on May 19, 2025.
- *Legislative and Community Awareness (LCA).* Mr. Landauer reported that RCOC hosted another successful Spotlight Awards ceremony on April 25, 2025, with Ms. Michele Gile, a reporter with CBS 2/KCAL 9, as guest emcee.
- *RCOC News.* Mr. Landauer reported that he and his staff continue to work with the Hispanic families group to address their concerns. The group last met on March 26, 2025 and scheduled its next meeting for June 25, 2025.
- *Self-Determination Program (SDP).* Mr. Landauer reported that the SDP Local Volunteer Advisory Committee met on March 24, 2025 and the next meeting is scheduled for June 2, 2025.

F. Executive Committee

Ms. Sandy Martin reported that the Committee met on April 21, 2025, and the next meeting is scheduled for May 19, 2025.

G. Board Recruitment and Training Committee

Ms. Martin reported that the Committee met on April 14, 2025, and reviewed the Board composition, upcoming retreat and training topics. A Board training was also held on April 3, 2025 on *Adult Day and Employment Services and HCBS Final Rule*. The next Committee meeting is scheduled for May 12, 2025.

Ms. Martin also presented the following agenda item from the Board Recruitment and Training Committee for approval:

1. Approval of Board Membership for John "Chip" Wright for a One-Year Term Commencing June 16, 2025 and Ending June 15, 2026

M/S/C to approve Board Membership for John "Chip" Wright for a One-Year Term Commencing June 16, 2025 and Ending June 15, 2026, as recommended

H. Policies and Outcomes Committee

RCOC Board of Directors' Meeting Minutes
May 1, 2025

Ms. Meena Chockalingam reported that the Committee met on April 21, 2025, and reviewed the Communications Policy, Executive Limitation Policy, Policies on Governance, Policy on Executive Performance and Monitoring, and the Policy to Mitigate Conflicts for Delegated Conservatorships. Revisions were proposed for the Communications Policy and the Policy to Mitigate Conflicts for Delegated Conservatorships.

Ms. Chockalingam presented revisions to the Communications Policy and to the Policy to Mitigate Conflicts for Delegated Conservatorships, as recommended by the Policies and Outcomes Committee:

1. Approval of Revisions to the Communications Policy

M/S/C to approve revisions to the Communications Policy as recommended

2. Approval of Revisions to the Policy to Mitigate Conflicts for Delegated Conservatorships

M/S/C to approve revisions to the Policy to Mitigate Conflicts for Delegated Conservatorships as recommended

The next Committee meeting is scheduled for May 19, 2025.

I. Vendor Advisory Committee

Mr. Rick Perez was not in attendance and no report was provided.

J. Peer Advisory Committee

Ms. Yvonne Kluttz reported that the Committee met on March 19, 2025 and had a presentation on California's Public Records Act by Ms. Cathy Furukawa, RCOC's Manager of Organizational Development.

The next Committee meeting is scheduled for May 21, 2025.

K. Legislative and Community Awareness Report

Mr. Bruce Hall reported that the Committee met on April 8, 2025, and received updates on media outreach, the 2025 Spotlight Awards, the spring Dialogue issue, legislative updates and disparity-focused activities.

The next Committee meeting is scheduled for July 8, 2025.

L. ARCA Report

Ms. Martin reported that the ARCA Board of Directors met on March 21, 2025 in Sacramento. The Directors discussed creating an on-boarding process for future ARCA Board Delegates.

The next ARCA Board of Directors meeting is scheduled for June 27, 2025.

M. Community Forum

There were no speakers for community forum.

N. Chairperson's Report

Ms. Martin again acknowledged and congratulated the four persons served recognized tonight who have worked for the same employer for 20 or more years.

Ms. Martin acknowledged and congratulated this year's 2025 Spotlight Award honorees along with Integrity House for another successful event.

Ms. Martin reported that the next Board of Directors' meeting is scheduled for June 5, 2025 at 6:00 p.m.

O. Annual Performance Contract Presentation for Fiscal Years 2025-2026

Mr. Stanton and Mr. Cazares presented the annual Performance Contract for Fiscal Year 2025-2026.

II. Adjournment

Ms. Martin adjourned the meeting at 7:25 p.m.

Yvonne Kluttz, Secretary

Recorder: Sandra Lomelí

**Regional Center of Orange County
Budget & Finance Committee
Meeting Minutes
May 1, 2025**

Committee Members Present: Jacqueline Nguyen, Chair (*joined virtually*)
Bruce Hall
Liza Krazner
Sandy Martin
Fernando Peña

Committee Members Absent: Marcell Bassett

Other Board Members Present: Yvonne Kluttz
Amy Jessee

Board Counsel Present: Greg E. Simonian

RCOC Staff Present: Larry Landauer, Executive Director
Lilian Castillo, Accounting Manager – Vendorization
Arturo Cazares, Director of Community Services
Valeria de los Angeles, Accounting Supervisor
Jennifer Montanez, Director of Case Management
Irma Padilla, Human Resources Specialist
Christina Petteruto, General Counsel
Linda Pham, Accountant
Marta Vasquez, Chief Financial Officer
Audrey Viers, Accounting
Stacy Wong, HR Director

Guests: Mr. Rick Sherburne, SIOR, President, HRS Commercial
Mr. Kyle Sherburne, MCR, Vice President, HRS Commercial
Mr. Matt Sherburne, Vice President, HRS Commercial

The meeting was called to order at 4:07 p.m.

Ms. Marta Vasquez, RCOC's Chief Financial Officer, presented the Annual Sufficiency of Allocation Report for fiscal year 2024-25, which was submitted to the Department of Developmental Services (DDS) in April 2025.

1. Approval of Monthly Sufficiency of Allocation Report (SOAR), February and March 2025

The monthly reports for February and March 2025 were reviewed. RCOC is projecting a deficit of \$25.7 million. RCOC's projected deficit will be \$17.8 million if all \$7.9 million of the State Plan Amendment Receivables are paid.

M/S/C to approve the monthly SOARs

2. Approval of Budget Amendment A-2, Fiscal Year 2024-25

Ms. Vasquez reported that DDS allocated an additional \$18,466,735 on the A-2 Budget Amendment.

M/S/C to approve the Budget Amendment

3. Draft Form 990, Return of Organization Exempt from Income Tax for Year Ended June 30, 2024

Ms. Vasquez reported that a draft of the 990 will be sent to the Board prior to filing.

4. Approval of Second Amendment to Property Lease for Santa Ana Office

Mr. Rick Sherburne, President of HRS Commercial, presented the terms in the second amendment and all the elements that had been evaluated in negotiating the amendment.

M/S/C to approve the Amendment

The meeting adjourned at 4:53 p.m.

REGIONAL CENTER OF ORANGE COUNTY

BOARD OF DIRECTORS

AGENDA ITEM DETAIL SHEET

DATE: June 5, 2025
TO: Board of Directors
FROM: Jacqueline Nguyen
Chair, Budget & Finance Committee

ACTION	X
ACTION/CONSENT	
DISCUSSION	
INFO ONLY	

SUBJECT: Approval of Monthly Sufficiency of Allocation Report, April 2025

BACKGROUND:

Staff presents the monthly sufficiency of allocation report to the Budget and Finance Committee for review and approval. This committee then presents the statement to the Board.

REASON FOR CURRENT ITEM:

The Board has a responsibility to monitor the Center's financial status.

FISCAL IMPACT:

None.

RECOMMENDATION:

That the Board approve the monthly sufficiency of allocation report as presented.

REGIONAL CENTER OF ORANGE COUNTY

MEMORANDUM

Date: June 5, 2025

To: Board of Directors

From: Budget and Finance Committee

Subject: Highlights – April 2025 Sufficiency of Allocation Report (SOAR)

Purchase of Services (POS)

As previously shared, RCOC submitted the one-time Sufficiency of Allocation Report (SOAR) for fiscal year 2024-25 to the Department of Developmental Services (DDS) on April 10, 2025. At this time, RCOC's deficit remains at \$25.7 million. RCOC's deficit will be \$17.8 million if all \$7.9 million of the State Plan Amendment receivables are paid.

The challenge that continues to affect this year's projection is the full implementation of the Rate Models, including the Quality Incentive Payments. RCOC continues to receive Directives from DDS as the deadline for vendors to complete the Service Acknowledgement Form approaches; the forms are due May 30, 2025,

The projection includes the fiscal impact of prior years' and current year's rate increases.

- the continuation of prior year minimum wage increases,
- the continuation of the Rate Model increase effective April 1, 2022 and January 1, 2023, (a total of 50% of the difference between the rate calculated by Burns & Associates and the rate as of March 31, 2022),
- the continuation of the Rate Model adjustment for Independent Living Services,
- the continuation of the application of the Rate Model rate to Personal Assistance Worker Administration services,
- the continuation of the rate increases for occupational, physical and speech therapy, and
- the continuation of sick leave increases.
- the retroactive minimum wage and IRS mileage rate increases effective July 1, 2024,
- the application of the Rate Model agency rate to Respite Worker Administration services effective July 1, 2024,
- the minimum wage increase effective January 1, 2025,
- the full implementation of the final phase of the Rate Models effective January 1, 2025, (an additional 40% of the difference between the rate calculated by Burns and Associates and the rate as of March 31, 2022, and 10% in quality incentives for vendors that registered for the Provider Directory).

The projection also includes the projected costs of 601 persons served who are aging out from school to regional center-funded adult day programs.

Year to date, RCOC's caseload increased by 1,089 for an annualized caseload growth of 5.0%; the regional center system increased 25,280 persons for an annualized caseload growth of 6.9%.

Operations

RCOC will be within budget for both Operating Expenses and Personal Services.

**Monthly Sufficiency of Allocation Report
As of April 30, 2025**

	A	B	C	D	E	F	G	H
				SOAR		VARIANCE		
		ACTUAL	PROJECTED	PROJECTED	(column A-D)/A	(column A-D)	CHANGE	
	A-2	SPENT	EXPENDITURES	EXPENDITURES	%	AMOUNT	FROM PRIOR	SPENT
PURCHASE OF SERVICE	ALLOCATION	YEAR TO DATE	AT "RUN RATE"	4/10/2025	YEAR TO DATE		MO. REPORTED	PRIOR YEAR
(1) Licensed Residential Care	\$ 225,955,062	\$ 182,711,922	\$ 219,254,306	226,683,525	0%	-\$728,463	\$0	\$206,633,014
(2) Day Care	1,982,163	860,634	1,687,538	1,982,163	0%	\$0	0	1,499,788
(3) Day Training	85,647,121	79,680,312	95,616,374	94,359,937	-10%	-\$8,712,816	0	76,791,854
(4) Habilitation	9,771,746	6,434,572	8,978,473	9,771,746	0%	\$0	0	8,510,309
(5) Transportation	21,652,981	12,815,420	21,642,116	25,877,202	-20%	-\$4,224,221	0	16,093,890
(6) Respite	73,213,934	51,404,720	84,500,910	85,289,928	-16%	-\$12,075,994	0	57,355,609
(7) Personal Assistance	70,874,436	49,714,539	67,867,124	70,874,436	0%	\$0	0	60,719,741
(8) Supported Living	73,471,566	61,579,614	73,895,537	73,471,566	0%	\$0	0	62,282,919
(9) Non-medical	40,796,805	29,229,604	36,592,252	40,796,805	0%	\$0	0	32,795,486
(10) Medical	16,152,198	12,415,578	16,554,104	16,152,198	0%	\$0	0	11,276,544
(11) Other	87,214,230	61,900,492	81,711,439	87,214,230	0%	\$0	0	63,168,839
(12) Early Start (Age 0-3)	45,883,152	31,483,907	39,169,206	45,883,152	0%	\$0	0	40,278,477
(13) Community Placement Plan	3,006,513	-	-	-	n/a	n/a	0	1,281,386
(14) Purchase of Service Total	755,621,907	580,231,314	747,469,378	778,356,888	-3%	-25,741,494	0	638,687,856
OPERATIONS						-\$17,832,004	If all SPA receivables are paid.	
(15) Operating Expense (Gross)	12,989,075	7,317,296	8,780,755	12,989,075	0%	0	0	7,744,527
(16) Less Interest Income and SPA Fees	-600,000	-2,405,324	-2,886,389	-600,000	0%	0	0	-2,340,983
(17) Operating Expense (Net)	12,389,075	4,911,972	5,894,366	12,389,075	0%	0	0	5,403,544
(18) Personal Services	68,940,980	47,029,470	56,435,364	68,940,980	0%	0	0	50,743,360
(19) Family Resource Center/Services	269,299	176,461	211,753	269,299	0%	0	0	228,214
(20) Operations Total	81,599,354	52,117,903	62,541,483	81,599,354	0%	0	0	56,375,117
(21) Total	\$837,221,261	\$632,349,217	\$810,010,861	\$859,956,242	0%	-\$25,741,494	\$0	\$695,062,973

* State Plan Amendment (SPA). Regional centers pay the Day Program and Transportation expenditures for persons who live in Intermediate Care Facilities (ICFs); DDS pays ICFs; ICFs pay regional centers.

** Due to later payment dates, the Spent Year to Date amount (column B) for line items 5 through 10 is approximately one month less than expenditures for Residential Care and Day Training.

STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES
AS OF APRIL 30, 2025

ASSETS	GENERAL FUND	CUSTODIAL FUND
CURRENT ASSETS		
Petty cash	\$300.00	
Checking	84,672,147.45	\$93,022.40
Savings	112,526.15	
Money market	0.00	
Payroll	2,086,907.12	
Donations	210,110.86	
Unemployment	803,984.06	
Certificate of deposit	0.00	
Total current assets	87,885,975.64	93,022.40
RECEIVABLES		
State claim	139,808,394.85	
Client support revenue	35,337.56	1,416.48
Due from State - prior years	33,359,212.64	
Due from ICF - ICF Supplemental Services	4,218,191.58	
Total receivables	177,421,136.63	1,416.48
PREPAID ITEMS		
Deposits	293,582.86	
Prepaid expense	0.00	
Total prepaid items	293,582.86	0.00
OTHER ASSETS		
Tenant improvements	155,666.58	
Building acquisition	63,613.98	
Total other assets	219,280.56	0.00
TOTAL ASSETS	\$265,819,975.69	\$94,438.88
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable	\$47,038,731.21	\$35,337.56
Due to State - ICF Supplemental Services	0.00	
Loans payable	0.00	
Cash advance	217,815,785.65	
Unemployment insurance	755,347.97	
Total liabilities	265,609,864.83	35,337.56
FUND BALANCES		
General		
Donations	210,110.86	
Custodial		59,101.32
TOTAL LIABILITIES AND FUND BALANCES	\$265,819,975.69	\$94,438.88

REGIONAL CENTER OF ORANGE COUNTY
BRIAN'S FUND
APRIL 30 2025

Beginning Balance		\$208,566.08
Donations:		
Monarch Beach Sunrise Rotary Foundation	\$500.00	
Loan Payments	1,036.00	
Interest	8.78	
Disbursements	<u>0.00</u>	
Net Increase (Decrease)		<u>1,544.78</u>
Ending Balance		<u><u>210,110.86</u></u>

REGIONAL CENTER OF ORANGE COUNTY

BOARD OF DIRECTORS

AGENDA ITEM DETAIL SHEET

DATE: June 5, 2025
TO: Board of Directors
FROM: Jacqueline Nguyen
Chair, Budget & Finance Committee

ACTION	X
ACTION/CONSENT	
DISCUSSION	
INFO ONLY	

SUBJECT: Approval of Contract and B-1 Allocation for Fiscal Year 2025-26

BACKGROUND:

Each year, ARCA and the Department of Developmental Services (DDS) negotiate a standard contract for adoption by regional centers and DDS. In the past, a preliminary allocation was issued as a placeholder budget. However, DDS will no longer utilize the preliminary, the B-1 is now the placeholder budget.

Regional centers usually receive the planning allocation in August. The planning allocation is used to determine the sufficiency or deficiency of the allocation.

REASON FOR CURRENT ITEM:

The B-1 allocation allows regional centers to make cash advance requests for operating funds in the new fiscal year. In order to prevent any disruption in cash flow as well as the expense of drawing on its line of credit, RCOC must return the signed contract and submit the cash advance requests to DDS as soon as the contract is received in June.

FISCAL IMPACT:

The B-1 allocation for fiscal year 2025-26 is:

Purchase of Service.....	\$690,604,252
Operations\$79,640,279
Total	\$770,244,531

RECOMMENDATION:

That the Board authorize the Chairperson to execute the contract upon receipt.

REGIONAL CENTER OF ORANGE COUNTY

BOARD OF DIRECTORS

AGENDA ITEM DETAIL SHEET

DATE: June 5, 2025
TO: Board of Directors
FROM: Jacqueline Nguyen
Chair, Budget & Finance Committee

ACTION	X
ACTION/CONSENT	
DISCUSSION	
INFO ONLY	

SUBJECT: Approval of Line of Credit for Fiscal Year 2024-25

BACKGROUND:

Last year's line of credit commitment from U.S. Bank was for \$65,000,000, which was available for drawing from June 3, 2024 to September 30, 2024.

REASON FOR CURRENT ITEM:

The new commitment from U.S. Bank is for \$70,000,000 at the reference rate (currently at 7.5%); and the term is from June 13, 2025 to September 30, 2025.

U.S. Bank is not charging a commitment fee for the line of credit, but is charging a legal fee of \$7,500.

The Department of Developmental Services (DDS) plans to pay the advances for fiscal year 2024-25 as soon as the enacted state budget is in place. However, if DDS delays these payments, RCOC may need to draw on the line in order to continue operations and payments to providers.

FISCAL IMPACT:

If RCOC borrowed \$15 million for 15 days, the interest expense would be approximately \$46,875 at the current interest rate of 7.5%. The interest rate may change.

RECOMMENDATION:

That the Board authorize execution of the line of credit documents.

**CREDIT AND SECURITY AGREEMENT
(REVOLVING LOAN FACILITY)**

This CREDIT AND SECURITY AGREEMENT (REVOLVING LOAN FACILITY) (this “*Agreement*”) is dated as of June 13, 2025 (the “*Closing Date*”), and is between REGIONAL CENTER OF ORANGE COUNTY, INC., a California non-profit corporation (the “*Borrower*”) and U.S. BANK NATIONAL ASSOCIATION (together with its successors and assigns, the “*Lender*”).

RECITALS

WHEREAS, the Borrower has requested that the Lender agree to, among other things, provide a revolving loan facility in the maximum principal amount of \$70,000,000.00 (the “*Commitment*”) for its operating cash needs for its fiscal year and for Reimbursable Amounts (as hereinafter defined), such Commitment to be available for drawing for the period from June 13, 2025, through September 30, 2025 (the “*Availability Period*”), and the Lender agrees, subject to the terms and conditions set forth herein, to do so. Certain defined terms used herein have the meanings set forth in Section 11 below.

Accordingly, the parties hereto agree as follows:

SECTION 1. REVOLVING FACILITY; AUTHORIZATION TO DISBURSE.

(a) Subject to the terms hereof, the Lender agrees to make loans (the “*Loans*”) on a revolving credit basis to the Borrower from time to time on any Business Day during the Availability Period; *provided, however*, that the aggregate principal amount of all Loans outstanding shall not exceed at any time (i) the Commitment or (ii) the current aggregate Reimbursable Amount. Within the limits of the Commitment, the Borrower may borrow, prepay and reborrow Loans. Loans shall only be made for those amounts so long as the aggregate amount of such Loan and all outstanding Loans do not exceed the lesser of (1) the aggregate amount of Reimbursable Amounts already approved by DDS or (2) amounts certified by DDS to the Borrower as payable to the Borrower under its DDS approved Budgets, in either case, as demonstrated to the Lender in writing.

(b) The Borrower shall give the Lender irrevocable notice of a requested borrowing in the form of Exhibit A attached hereto, prior to 1:00 p.m., Los Angeles time, at least one (1) Business Day prior to the proposed Borrowing Date, (i) specifying the principal amount of the Loan requested (the “*Requested Loan*”), (ii) specifying the requested Borrowing Date, (iii) attaching a copy of the Borrower’s written request to the DDS for reimbursement under the DDS Agreement in an amount at least equal to the principal amount of the Requested Loan and (iv) making the certifications and providing the deliverables set forth in and/or required to be delivered pursuant to Section 8(b) hereof. The Borrower agrees that the Lender is hereby authorized and is instructed to disburse the proceeds of any Loan under this Agreement, subject to the terms and conditions hereof, as requested by the Borrower from time to time pursuant to this Agreement, to the Primary Operating Account. On the proposed Borrowing Date, subject to the terms and conditions set forth herein, the Lender shall make the Loan to the Borrower by crediting such amount to the Borrower’s Primary Operating Account. The Lender is hereby authorized and

instructed by the Borrower to disburse the proceeds of the Loan on a revolving basis to the Primary Operating Account.

(c) In authorizing the Lender, pursuant to this Section 1, to disburse the proceeds of any Loan under this Agreement to the Primary Operating Account, the Borrower agrees as follows:

(1) The Lender shall disburse proceeds to the Borrower on each applicable Borrowing Date up to the amount of the Commitment in accordance with the foregoing authorization provided that the Borrowing Date is not later than the termination of the Availability Period. The authorization will remain in full force and effect until the Obligations have been fulfilled.

(2) The Lender may decline to advance the proceeds of any Loan if all of the conditions precedent to such Loan set forth in Section 8(b) hereof are not satisfied.

(3) The Lender is authorized to release information concerning Borrower's credit record and financial condition: (i) to suppliers, other creditors, credit bureaus, credit reporting agencies, other credit reporters, and any guarantors, (ii) to or among departments of the Lender and its affiliates, and/or (iii) to other parties pursuant to an order from a governmental agency or court; and the Lender is authorized to obtain such information from any third party at any time and to take such other steps as the Lender deems appropriate to verify such information provided in connection therewith.

SECTION 2. RESERVED.

SECTION 3. INTEREST.

(a) Each Loan shall bear interest at a rate per annum equal to the Reference Rate. Interest shall be payable by the Borrower in arrears on the last day of each calendar month. Interest hereunder shall be computed for the actual number of days elapsed on the basis of a year consisting of 360 days.

(b) If any Default or Event of Default shall have occurred and be continuing, all amounts outstanding hereunder shall immediately and without notice bear interest at a rate per annum equal to the Reference Rate plus 5.0% per annum, payable by the Borrower on demand, from the date of the occurrence of such Default or Event of Default until such Default or Event of Default is no longer continuing (after as well as before judgment).

SECTION 4. REPAYMENT OF LOANS.

(a) The principal amount of the Loans, all unpaid interest thereon and all other Obligations, are due in full on the Maturity Date. In addition, if at any time the aggregate principal amount of the Loans outstanding exceeds the Commitment or the aggregate Reimbursable Amount at such time, the Borrower shall immediately repay the Loans in an amount equal to such excess.

(b) The Lender shall invoice the Borrower for payments, fees, expenses, and other amounts payable to the Lender in connection with this Agreement, which invoice(s) shall be due immediately upon receipt. Any amounts paid by the Borrower in response to an invoice shall be paid to the Lender in lawful money of the United States of America in freely transferable and immediately available funds in U.S. Dollars by Fed Wire transfer to: U.S. Bank, Government Banking WIP Account, Routing No.: 042000013, Account No.: 2519956 2160600, Reference: Regional Center of Orange County, Inc., or such other office as the Lender may designate from time to time. Each such payment shall be made by 2:30 p.m., New York time, on the date such payment is due. Funds received after such time shall be deemed received on the next succeeding Business Day.

SECTION 5. PAYMENTS GENERALLY.

(a) Payments of principal, interest and any other amount due hereunder shall be made to the Lender in the manner set forth in Section 4(b) hereof. If any payment hereunder becomes due and payable on a day other than a Business Day, such payment shall be extended to the next succeeding Business Day, and, with respect to payments of principal, interest thereon shall be payable during such extension.

(b) All payments by the Borrower hereunder shall be made without set off or counterclaim and in such amounts as may be necessary in order that all such payments (after deduction or withholding for or on account of any present or future taxes, levies, imposts, duties or other charges of whatsoever nature imposed by any governmental authority, other than any tax on or measured by the overall net income of the Lender) shall not be less than the amounts otherwise specified to be paid hereunder.

(c) *Increased Costs.*

(i) *Increased Costs Generally.* If any Change in Law shall:

(A) impose, modify or deem applicable any reserve, capital or liquidity ratio, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or advances, loans or other credit extended or participated in by, the Lender;

(B) subject the Lender to any Taxes of any kind whatsoever with respect to this Agreement or the Loans, or change the basis of taxation of payments to the Lender in respect thereof (except for Indemnified Taxes covered by Section 5(b) hereof and the imposition of, or any change in the rate of any Excluded Taxes payable by the Lender); or

(C) impose on the Lender any other condition, cost or expense affecting this Agreement or the Loans;

and the result of any of the foregoing shall be to increase the cost to the Lender of making or maintaining the Loans, or to reduce the amount of any sum received or receivable by the Lender

hereunder or under the Loans (whether of principal, interest or any other amount) then, upon written request of the Lender as set forth in subsection (c)(ii) below, the Borrower shall promptly pay to the Lender, as the case may be, such additional amount or amounts as will compensate the Lender, as the case may be, for such additional costs incurred or reduction suffered.

(ii) *Capital or Liquidity Requirements.* If the Lender determines that any Change in Law affecting the Lender or the Lender's parent or holding company, if any, regarding capital or liquidity requirements, has or would have the effect of either (1) affecting the amount of capital or liquidity required or expected to be maintained by the Lender or the Lender's parent or holding company, if any, or (2) reducing the rate of return on the Lender's capital or liquidity or the capital or liquidity of the Lender's parent or holding company, if any, as a consequence of this Agreement or ownership of the Loans, to a level below that which the Lender or the Lender's parent or holding company could have achieved but for such Change in Law (taking into consideration the Lender's policies and the policies of the Lender's parent or holding company with respect to capital or liquidity adequacy), then from time to time upon written request of the Lender as set forth in subsection (c)(iii) below, the Borrower shall promptly pay to the Lender, as the case may be, such additional amount or amounts as will compensate the Lender or the Lender's parent or holding company for any such reduction suffered.

(iii) *Certificates for Reimbursement.* A certificate of the Lender setting forth the amount or amounts necessary to compensate the Lender or the Lender's parent or holding company, as the case may be, as specified in paragraph (i) or (ii) of this Section 5(c) above and delivered to the Borrower, shall be conclusive absent manifest error. The Borrower shall pay the Lender the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(iv) *Delay in Requests.* Failure or delay on the part of the Lender to demand compensation pursuant to this Section 5(c) shall not constitute a waiver of the Lender's right to demand such compensation.

(v) *Survival.* Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower contained in this Section 5(c) shall survive the termination of this Agreement and the payment in full of the Loans and the obligations of the Borrower thereunder and hereunder.

SECTION 6. REPRESENTATIONS AND WARRANTIES.

The Borrower represents and warrants to the Lender as follows:

(a) the Borrower is duly organized, validly existing and in good standing as a non-profit corporation under the laws of the State of California and has the power and authority to own its property (other than real property), lease its properties and to carry on its businesses as now being conducted and as currently contemplated to be conducted hereafter and is duly qualified to do business in each jurisdiction in which the character of the properties leased by it or in which the transactions of any material portion of its business (as now conducted and as currently contemplated to be conducted) makes such qualification necessary;

(b) (i) the Borrower is in compliance in all material respects with all Laws applicable to it, and all contractual obligations to which it is party;

(ii) the Borrower has neither received notice nor does it have knowledge that any Governmental Authority or accreditation organization is considering limiting, suspending, terminating, or revoking any Permit, except for notices or occurrences for which the Borrower is pursuing a plan of compliance or taking similar actions to correct any such deficiency in a manner acceptable to the related Governmental Authority or related accreditation organization such that upon completion of the related plan of compliance the Borrower does not reasonably expect a limitation, suspension, termination or revocation of such Permit;

(iii) all Permits are valid and in full force and effect;

(iv) to the extent it participates in a particular Program, the Borrower meets all of the requirements of participation and payment of Medicare, Medicaid, any other state or federal government health care programs and any other public or private third party payor programs (each, a “Program” and, collectively, “Programs”) and is a party to valid participation agreements for payment by such Programs;

(v) there is no investigation, audit, claim review, or other action pending or, to the knowledge of the Borrower, threatened which could result in a revocation, suspension, termination, probation, material restriction, material limitation, or non-renewal of any Program participation agreement or result in the Borrower’s exclusion from any Program;

(iv) neither the Borrower nor any of its officers and directors has been or is currently excluded from participation in any government health care programs pursuant to 42 U.S.C. § 1320a-7;

(c) the execution, delivery and performance by the Borrower of this Agreement is within its corporate powers, has been duly authorized by all necessary action and does not (i) contravene the Borrower’s articles of incorporation, by-laws or other similar organizational documents, (ii) require any consent or approval of any creditor of the Borrower, (iii) violate any Laws (including, without limitation, Regulations T, U or X of the Board of Governors of the Federal Reserve System of the United States, or any successor regulations), (iv) conflict with, result in a breach of or constitute a default under any contract to which the Borrower is a party or by which it or any of its respective property may be bound or (v) result in or require the creation or imposition of any Lien upon or with respect to any property now owned or hereafter acquired by the Borrower or any affiliate thereof except such Liens, if any, expressly created by a Related Document;

(d) no authorization, approval or other action by, or notice to or filing with, any governmental authority or regulatory body (other than the filing of an appropriate UCC-1 financing statement under Section 7) is required for the due execution, delivery and performance by the Borrower of this Agreement;

(e) this Agreement and the other Related Documents to which the Borrower is a party are the legal, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with their respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles;

(f) the Borrower will use the proceeds of the Loans solely for its operating cash needs and for other expenses in accordance with the DDS Agreement and no part of the proceeds from the Loans will be used to purchase or carry any such Margin Stock or extend credit to others for the purpose of purchasing or carrying any such Margin Stock;

(g) there is no litigation, proceeding, labor strike, condemnation or other dispute pending, or, to the best knowledge of the Borrower, threatened against or affecting the Borrower or its property;

(h) as to the DDS Agreement, (i) the Borrower has delivered to the Lender a true and correct copy of such Agreement, including all amendments and supplements thereto and (ii) such DDS Agreement is in full force and effect with no defaults by either party thereunder;

(i) all financial statements and other financial information regarding the Borrower provided to the Lender present fairly the financial condition and results of operation of the Borrower, are correct and complete in all material respects, and are consistent with the books and records of the Borrower and since June 30, 2024, there has been no material adverse change in the financial condition or operations of the Borrower that could reasonably be expected to result in a Material Adverse Effect;

(j) there is no environmental contamination at, under or about any properties leased by the Borrower, or material violation of any environmental law with respect to such properties or the business conducted at such properties, nor has the Borrower received any notice of any such violation;

(k) the Borrower's exact legal name, and the place of formation of the Borrower, are as set forth in the preamble to this Agreement;

(l) the Borrower is the legal and beneficial owner of the Collateral free and clear of all Liens except for Liens permitted by Section 9(h). Section 7 of this Agreement provides a Lien on and security interest in the Collateral to secure the prompt payment of (i) the Loans and (ii) all Obligations owing to the Lender hereunder. The Borrower has taken any and all action necessary to perfect the Lien on and security interest in the Collateral, pursuant to Section 7 hereof, by the filing of appropriate financing statements;

(m) all information, reports and other papers and data with respect to the Borrower furnished by the Borrower to the Lender were, at the time the same were so furnished, correct in all material respects. Any financial, budget and other projections furnished by the Borrower to the Lender were prepared in good faith on the basis of the

assumptions stated therein, which assumptions were fair and reasonable in light of conditions existing at the time of delivery of such financial, budget or other projections, and represented, and as of the date of this representation, represent (subject to the updating or supplementation of any such financial, budget or other projections by any additional information provided to the Lender in writing, the representations contained in this Agreement being limited to financial, budget or other projections as so updated or supplemented), in the judgment of the Borrower, a reasonable, good faith estimate of the information purported to be set forth, it being understood that uncertainty is inherent in any projections and that no assurance can be given that the results set forth in the projections will actually be obtained. No fact is known to the Borrower that materially and adversely affects or in the future may (as far as it can reasonably foresee) materially and adversely affect the security for any of the Loans, or the ability of the Borrower to repay when due the Obligations, that has not been set forth in the financial statements and other documents referred to in this Section 6(m) or in such information, reports, papers and data or otherwise disclosed in writing to the Lender. The documents furnished and statements made by the Borrower in connection with the negotiation, preparation or execution of this Agreement and the Related Documents do not contain untrue statements of material facts;

(n) no default by the Borrower has occurred and is continuing in the payment of the principal of or premium, if any, or interest on any Indebtedness. No bankruptcy, insolvency or other similar proceedings pertaining to the Borrower or any agency or instrumentality of the Borrower are pending or presently contemplated. No Default or Event of Default has occurred and is continuing hereunder. No “default” or “event of default” under, and as defined in, any of the other Related Documents has occurred and is continuing. The Borrower is not presently in default under any material agreement to which it is a party which could reasonably be expected to have a Material Adverse Effect. The Borrower is not in violation of any material term of the Organizational Documents applicable to the Borrower or any material term of any bond indenture or agreement to which it is a party or by which any of its property is bound which could reasonably be expected to result in a Material Adverse Effect. The Borrower is solvent;

(o) none of the Related Documents or this Agreement provide for any payments that would violate any applicable law regarding permissible maximum rates of interest;

(p) the Borrower has not entered into any transaction of any kind with any affiliate, whether or not in the ordinary course of business, other than on fair and reasonable terms substantially as favorable to the subject affiliate as would be obtainable by the subject affiliate at the time in a comparable arm’s length transaction with a Person other than the Borrower;

(q) the Borrower has good and marketable title to its assets except where the failure to have good and marketable title to any of its assets would not have a Material Adverse Effect free and clear of all liens except for those permitted by the Related Documents;

(r) the Borrower currently maintains insurance coverage with insurance companies believed by the Borrower to be capable of performing their obligations under the respective insurance policies issued by such insurance companies to the Borrower (as determined in its reasonable discretion) and in full compliance with Section 9(d) hereof;

(s) the representations and warranties of the Borrower contained in the other Related Documents, together with the related definitions of terms contained therein, are hereby incorporated by reference in this Agreement as if each and every such representation and warranty and definition were set forth herein in its entirety, and the representations and warranties made by the Borrower in such Sections are hereby made for the benefit of the Lender. No amendment to or waiver of such representations and warranties or definitions made pursuant to the relevant Related Document or incorporated by reference shall be effective to amend such representations and warranties and definitions as incorporated by reference herein without the prior written consent of the Lender;

(t) all representations and warranties made hereunder and in any other Related Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Lender, regardless of any investigation made by the Lender or on its behalf and notwithstanding that the Lender may have had notice or knowledge of any Default or Event of Default at the time of the making of any Loan, and shall continue in full force and effect as long as any Obligation hereunder shall remain unpaid or unsatisfied;

(u) the Borrower, its Subsidiaries and their respective directors, officers, and employees and, to the knowledge of the Borrower, the agents of the Borrower and its Subsidiaries are in compliance with Anti-Corruption Laws and all applicable Sanctions in all material respects. The Borrower and its Subsidiaries have implemented and maintain in effect policies and procedures designed to ensure compliance with Anti-Corruption Laws and applicable Sanctions. None of the Borrower, any of its Subsidiaries or any director, officer, employee, agent or affiliate of the Borrower or any of its Subsidiaries is an individual or entity that is, or is 50% or more owned (individually or in the aggregate, directly or indirectly) or controlled by individuals or entities (including any agency, political subdivision or instrumentality of any government) that are (a) the target of any Sanctions or (b) located, organized or resident in a country or territory that is the subject of Sanctions;

(v) (i) neither the Borrower nor any ERISA Affiliate maintains, contributes to or is obligated to maintain or contribute to, or has at any time within the past six years, maintained, contributed to or been obligated to maintain or contribute to, any pension plan as defined in section 3(2) of ERISA which is subject to ERISA;

(ii) all Governmental Plans have been established, operated, administered and maintained in compliance with all laws, regulations and orders applicable thereto, except where such failure so to comply would not reasonably be expected to have a Material Adverse Effect. All contributions and any other

amounts required by applicable law to be paid or accrued by the Borrower with respect to a Governmental Plan has been paid or accrued as required, except where failure so to pay or accrue would not be reasonably be expected to have a Material Adverse Effect;

(iii) the present value of the accrued benefit liabilities under each Governmental Plan that is funded, determined as of the end of the Borrower's most recently ended fiscal year on the basis of reasonable actuarial assumptions, did not exceed the current value of the assets of such Governmental Plan allocable to such benefit liabilities by an amount which would reasonably be expected to have a Material Adverse Effect; and

(w) the Borrower has no knowledge of any existing or pending strike, walkout or work stoppage.

SECTION 7. COLLATERAL.

(a) To secure the payment and performance of the Obligations, the Borrower hereby grants to the Lender a continuing security interest in all personal property and assets of the Borrower, whether now owned or hereafter acquired and wherever located (collectively, the "*Collateral*"), including but not limited to the following: (i) all present and future accounts, accounts receivable, general intangibles, payment intangibles, supporting obligations, agreements, guarantees, contracts, instruments, documents, chattel paper, leases, licenses, contract rights, letter-of-credit rights and other rights to payment, including but not limited to all rights to payment under the DDS Agreement (which such DDS Agreement is not intended to limit or prohibit the granting of a security interest in such rights to payment pursuant to Section 4630 of the California Welfare and Institutions Code) and all warrants issued by the State of California, whether registered or unregistered; (ii) all present and future demand, time, savings, deposit, securities and like accounts, and all money, cash and cash equivalents, whether or not deposited in any such account; (iii) all present and future stocks, bonds, securities, security entitlements, subscription rights, investment and/or brokerage accounts, and all other investment property, and all rights, preferences, privileges, dividends, distributions, redemption payments or liquidation payments with respect thereto; and (iv) any and all proceeds of the foregoing; *provided* that the Collateral shall not include any governmental permit or any license, contract or agreement to the extent that the collateral assignment thereof or the creation of a security interest therein would constitute a breach of the terms of such permit, license, contract or agreement, or would permit the relevant governmental authority or any party to such agreement to terminate such permit, license, contract or agreement, except the Collateral expressly shall include any proceeds of any of the foregoing assets; *provided further* that, any permit, license, contract or agreement excluded in accordance with the foregoing shall cease to be so excluded to the extent (x) such term is rendered ineffective under Sections 9-406, 9-407, 9-408 or 9-409 of the UCC of any relevant jurisdiction or (y) all required consents to such assignment and security interest are obtained.

(b) The Lender is hereby authorized to file all such financing statements relating to the Collateral, and to take all such other actions as the Lender may deem appropriate to perfect and to maintain perfected the security interests granted herein. The Borrower shall execute and deliver

to the Lender, at the Borrower's expense, all instruments and documents requested by the Lender to fully perfect, protect and maintain the Lender's security interests granted herein or to enable the Lender to exercise and enforce its rights and remedies hereunder.

(c) The Lender may at any time: (i) itself or through its representatives, visit and inspect the Borrower's properties and examine and make abstracts from any of its books and records at any reasonable time, and (ii) during the existence of an Event of Default, notify obligors on the Collateral that the Collateral has been assigned as security to the Lender, request from such obligors information concerning the Collateral and the amounts owing thereon and direct such obligors to direct their performance to the Lender. Nothing contained herein shall constitute an assumption by the Lender of any obligations of the Borrower under any contracts assigned hereunder.

(d) During the existence of an Event of Default, the Lender shall have all rights and remedies under applicable laws or in equity, under this Agreement, and all rights and remedies of a secured party under the UCC, and in addition the following rights and remedies, all of which shall be cumulative and not exclusive and may be exercised with or without notice to the Borrower except as specifically required by applicable law: (i) to foreclose the Liens created hereunder by any available judicial procedure or without judicial process; (ii) to enter any premises where any Collateral may be located for the purpose of securing, protecting, inventorying, appraising, inspecting, repairing, preserving, storing, preparing, processing, taking possession of or removing the same; (iii) to sell, assign, lease or otherwise dispose of any Collateral or any part thereof for cash, on credit or otherwise, with or without representations or warranties and upon such terms as shall be commercially reasonable; (iv) to collect by legal proceedings or otherwise all dividends, distributions, interest, principal or other sums now or hereafter payable upon or on account of the Collateral; (v) to enter into any extension, reorganization, disposition or any other agreement relating to or affecting the Collateral; (vi) to settle, compromise or release, on terms acceptable to the Lender, any amounts owing on the Collateral and/or any disputes with respect thereto; (vii) to extend the time of payment, make allowances and adjustments and issue credits in connection with the Collateral; (viii) to enforce payment and prosecute any action or proceeding with respect to the Collateral and take or bring, in the name of the Lender or the Borrower, any and all steps, actions, suits or proceedings deemed necessary or desirable by the Lender to effect collection of or to realize upon the Collateral in such order and manner as the Lender in its sole discretion shall determine; (ix) the right to receive, receipt for, endorse, assign, deposit and deliver, in the name of the Lender or the Borrower, any and all checks, notes, drafts and other instruments for the payment of money constituting proceeds of or otherwise relating to the Collateral; (x) to the extent permitted by applicable law, to operate the business of the Borrower, directly or through a receiver, by taking possession of the Collateral or any part thereof and collecting and receiving the rents, issues, profits, income and proceeds thereof, pending the exercise of any and all other rights and remedies available to the Lender; and (xi) to set-off and appropriate and apply against the Obligations any and all deposits (general or special, time or demand, provisional or final) at any time held or owing by the Lender to or for the credit or the account of the Borrower. The Borrower hereby irrevocably appoints the Lender as its attorney-in-fact, effective upon an Event of Default, with full authority in the place and stead of the Borrower to do all acts and things and to execute all documents necessary or advisable to perfect and continue perfected and to preserve, maintain and protect the Collateral.

(e) The proceeds resulting from the collection, sale or other disposition of the Collateral shall be applied, *first*, to the costs and expenses (including reasonable attorneys' fees) of retaking, holding, storing and preparing for sale, selling, collecting and liquidating the Collateral; and *second*, to the satisfaction of all Obligations. The Borrower shall be liable for any deficiency. The Borrower waives all claims against the Lenders arising out of the repossession, retention or sale of the Collateral, or any part or parts thereof.

(f) (i) In the event that (1) an Event of Default has occurred and is continuing pursuant to this Agreement, (2) the Lender has notified the Borrower in writing of the occurrence and continuance of such Event of Default, and (3) the Borrower has failed to cure such Event of Default within fifteen (15) days of the receipt of such notice from the Lender; then, the Lender shall provide written notice to DDS of such Event of Default and request reimbursement of any amounts then due and owing under this Agreement. The Lender shall not request reimbursement from DDS of any amounts that constitute Advance Funds or in excess of funds otherwise due and payable by DDS to the Borrower. Such notice shall be sent to the State of California, Department of Developmental Services, 1600 9th Street, Room 300, MS3-18, Sacramento, California 95814, Attention: Hiren Patel, Esq. Such notice shall specify the amount of defaulted Obligations owing by the Borrower and shall include wire instructions and the address of the Lender.

(ii) The Borrower hereby irrevocably directs the Lender to immediately apply to the Obligations the proceeds of any wire transfer, check or other payment received by the Lender from DDS as contemplated in this subsection (f). To the extent the Lender receives funds from DDS, (1) the Lender shall apply such funds received to the Borrower's Obligations and (2) the Borrower shall credit such payment against sums owed to it by DDS under the DDS Agreement.

SECTION 8. CONDITIONS.

(a) *Conditions to Closing Date.* This Agreement shall become effective upon receipt by the Lender of the following, in each case in form and substance acceptable to the Lender;

(i) this Agreement, duly executed by the Borrower;

(ii) with respect to the Borrower, (A) resolutions of its board of directors or similar governing body, authorizing this Agreement and (B) its signature and incumbency certificate; *provided*, that with respect to clauses (A) and (B), such items may be in the form of an "authorization to obtain credit, grant security, guarantee or subordinate," in form and substance satisfactory to the Lender;

(iii) a certificate issued by an appropriate official of the Borrower's jurisdiction of organization stating that the Borrower is in good standing in such jurisdiction;

(iv) a copy of the DDS Agreement, along with the most recent amendment to such Agreement extending such Agreement through the Availability Period;

(v) (A) a UCC search against the Borrower, showing no Liens against the Collateral and (B) such Uniform Commercial Code financing statements (appropriately

completed) for filing in such jurisdictions as the Lender may reasonably request to evidence the Liens granted to Lender herein;

(vi) an executed Certificate of Beneficial Ownership and such other documentation and other information requested in connection with applicable “know your customer” and anti-money laundering rules and regulations, including the Patriot Act;

(vii) Chapman and Cutler LLP, as counsel to the Lender, shall have received payment of its reasonable legal fees and expenses incurred in connection with the preparation, review, negotiation, execution and delivery of the Related Documents; and

(viii) such other approvals, opinions and documents as it may reasonably request and all legal matters incident to the making of the Loan shall be satisfactory to the Lender.

(b) *Additional Conditions to Loans.* The agreement of the Lender to make each Loan from time to time requested to be made hereunder is subject to the satisfaction, immediately prior to or concurrently with the making of such Loan, of the following: (i) the following statements shall be true and the Borrower’s acceptance of the proceeds of such Loan shall be deemed to be a representation and warranty of the Borrower, on the date of such Loan, that: (A) the representations and warranties contained in this Agreement and each certificate or other writing delivered to the Lender in connection herewith are correct on and as of such date in all material respects as though made on and as of such date; (B) no Default or Event of Default has occurred and is continuing or would result from the making of the Loan to be made on such date; and (C) the aggregate amount of such Loan and all outstanding Loans does not exceed the lesser of (1) the aggregate amount of Reimbursable Amounts already approved by DDS or (2) amounts certified by DDS to the Borrower as payable to the Borrower under its DDS-approved Budget and, in either case as demonstrated the Lender in writing and (ii) the making of such Loan shall not contravene any law, rule or regulation applicable to the Lender or the Borrower.

SECTION 9. COVENANTS.

So long as any Obligation shall be outstanding or any Commitment shall remain, the Borrower shall:

(a) (i) preserve and maintain its corporate existence and good standing in California, and comply in all material respects with all applicable laws, rules, regulations and orders, (ii) take all reasonable action to maintain all Permits necessary for the normal conduct of its business, including, without limitation, the maintenance of its status as a provider of acute care services eligible for reimbursement under the Medicare and Medicaid programs, and such other similar federal and state reimbursement or repayment programs unless the failure to maintain any such Permit could not reasonably be expected to result in a Material Adverse Effect, (iii) maintain, preserve and protect all of its material properties and equipment necessary in the operation of its business in good working order and condition, ordinary wear and tear excepted; (iv) make all necessary repairs thereto and renewals and replacements thereof except where the failure to do so could not reasonably be expected to result in a Material Adverse Effect; and (v) use commercially reasonable

efforts to operate and maintain the facilities owned, leased or operated by such Person now or in the future in a manner believed by such Person to be consistent with prevailing industry standards in the locations where the facilities exist from time to time, except to the extent failure to do so could not reasonably be expected to result in a Material Adverse Effect;

(b) (i) keep adequate records and books of account, in which full and correct entries shall be made in accordance with GAAP of all financial transactions of the Borrower, its assets and its business and (ii) permit any Person designated by the Lender (at the expense of the Borrower) to visit any of the offices of the Borrower to examine the books and financial records (except books and financial records the examination of which by the Lender is prohibited by Law, including, without limitation, any Health Care Law, or by attorney or client privilege), including minutes of meetings of any relevant governmental committees or agencies, and make copies thereof or extracts therefrom, and to discuss the affairs, finances and accounts of the Borrower with their principal officers, employees and independent public accountants, all at such reasonable times and as often as the Lender may reasonably request;

(c) furnish to the Lender: (i) as soon as available and in any event within two hundred seventy (270) days after its fiscal year end, a copy of its financial statements audited by an independent accounting firm satisfactory to the Lender, (ii) within three Business Days after receipt thereof, notice of (A) any default under the DDS Agreement or any rejection or reduction by DDS in any Reimbursable Amount previously notified to the Lender, any material adverse change in its business, (B) any Default or Event of Default, or notice thereof, hereunder, which shall be accompanied by a certificate signed by an authorized representative of the Borrower specifying in reasonable detail the nature and period of existence thereof and what action the Borrower has taken or proposes to take with respect thereto, (C) all actions, suits, disputes or proceedings pending or threatened against the Borrower before any arbitrator of any kind or before any court or any other Governmental Authority which could reasonably be expected to result in a Material Adverse Effect, (D) any event, situation or circumstance which could reasonably be expected to result in a Material Adverse Effect, accompanied by a certificate signed by an authorized representative of the Borrower specifying in reasonable detail the nature and period of existence and what action the Borrower has taken or proposes to take with respect thereto and (E) the occurrence of any Health Care Reportable Event, (iii) promptly following a written request of the Lender, and in any event within three Business Days of the receipt of such request, a certificate of an authorized representative of the Borrower as to the existence or absence, as the case may be, of a Default or an Event of Default under this Agreement, (iv) for the first three cash advance claims under the DDS Agreement for its fiscal year, within three Business Days after delivery thereof, a copy of each written request to DDS for reimbursement and (v) promptly following a written request of the Lender, such other information regarding the business affairs, financial condition and/or operations of the Borrower as the Lender may from time to time reasonably request;

(d) maintain, with financially sound and reputable insurance companies or associations liability insurance and property insurance in at least such amounts and against

such risks as are typically insured against in the same general area by companies engaged in the same or a similar business;

(e) (i) maintain its primary depository relationship with the Lender, and substantially all its deposit accounts with the Lender and (ii) not enter into any deposit account control agreement, securities account control agreement or any other agreement of similar force and effect with respect to the Primary Operating Account unless the Lender is a party thereto;

(f) upon receipt of any registered warrants issued by the State of California, either (i) apply the proceeds thereof to payment of the Obligations or (ii) promptly endorse the same in favor of the Lender as additional collateral, as the Lender may elect in its discretion;

(g) not create, incur, assume or suffer to exist any Indebtedness except for (i) Indebtedness created under this Agreement or otherwise owing to the Lender and (ii) capital leases in each case approved by the Lender in writing;

(h) not create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues except for: (i) Liens created under this Agreement or otherwise secured Indebtedness owing to the Lender, (ii) Liens securing capital leases approved by the Lender in writing and (iii) Liens in favor of DDS and existing pursuant to the terms of the DDS Agreement;

(i) not (i) enter into any merger, consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution); (ii) sell, transfer, convey, exchange, lease or otherwise dispose of any of its properties, business or assets; (iii) make any advance, loan, extension of credit or other investment in any Person except short-term liquid investments acceptable to the Lender or (iv) engage in any material line of business substantially different from those lines of business conducted by the Borrower on the date hereof or any business substantially related or incidental thereto;

(j) not change its legal name, or its place of incorporation, formation or organization (as applicable) from those specified in the preamble to this Agreement;

(k) (i) (A) comply with all Laws (including, without limitation, environmental laws, Health Care Laws, Anti-Corruption Laws and applicable Sanctions) applicable to it and its property, and (B) perform in all material respects its obligations under material agreements to which it is a party except, in each case, where non-compliance could not reasonably be expected to result in a Material Adverse Effect, such compliance to include, without limitation, paying all taxes, assessments and governmental charges imposed upon it or its property before the same become delinquent, unless and to the extent that the same are being contested in good faith and by appropriate proceedings and reserves are provided therefor that in the opinion of the Borrower are adequate;

(ii) (A) maintain in effect and enforce policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions; and (B) not use or allow any tenants or subtenants to use, or permit any Subsidiary to use or allow any tenants or subtenants to use, its property for any business activity that violates any applicable federal or state law or that supports a business that violates any federal or state law;

(l) not enter into, nor will it permit any other affiliate to, enter into any transaction of any kind with any affiliate of the Borrower, whether or not in the ordinary course of business, other than on fair and reasonable terms substantially as favorable to the subject party as would be obtainable by the subject party at the time in a comparable arm's length transaction with a Person other than the Borrower or an affiliate;

(m) not modify, amend or consent to any modification, amendment or waiver in any material respect of any Related Document (other than amendments to the DDS Agreement to allocate funds made available from budget augmentations) or the Organizational Documents of the Borrower without the prior written consent of the Lender;

(n) (i) provide notice of any liability with respect to one or more Governmental Plans which could reasonably be expected to have a Material Adverse Effect;

(ii) not maintain, contribute to or be obligated to maintain or contribute to or have any liabilities with respect to any pension plan as defined in section 3(2) of ERISA which is subject to ERISA;

(o) not take or omit to take any action, which action or omission will in any way (i) result in the proceeds from the of the Loans being applied in a manner other than as provided herein, (ii) which would materially adversely affect the rights, interests, remedies or security of the Lender under this Agreement or any other Related Document or which could reasonably be expected to result in a Material Adverse Effect, (iii) directly or indirectly, use the proceeds of the Loans, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person (A) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws or (B)(1) to fund any activities or business of or with any Person, or in any country or territory, that, at the time of such funding, is the subject of Sanctions, or (2) in any other manner that would result in a violation of Sanctions by any Person (including any Person participating in the Loans, whether as Lender, underwriter, advisor, investor, or otherwise);

(p) perform and comply with each and every covenant and agreement required to be performed or observed by it in the Related Documents to which it is a party;

(q) to the extent permitted by the DDS Agreement, law and the State of California, ensure that the Lender has the sole lien on Reimbursed Funds in the Borrower's

accounts and a junior lien (subject only to the paramount lien of DDS) on Advance Funds in the accounts; and

(r) provide, and shall cause each Subsidiary to provide, such information and take such actions as are reasonably requested by the Lender in order to assist the Lender in maintaining compliance with anti-money laundering laws and regulations.

SECTION 10. EVENTS OF DEFAULT.

The term “*Event of Default*” shall mean any of the following:

- (a) the use of the proceeds of the Loans in any manner not permitted hereunder;
- (b) the failure of the Borrower to make any payment required under this Agreement when due;
- (c) any breach, misrepresentation or other default by Borrower under any term or provision of this Agreement or any other agreement with the Lender or in any certificate or statement delivered hereunder or thereunder;
- (d) the Borrower shall (i) have entered involuntarily against it an order for relief under the United States Bankruptcy Code, as amended, (ii) become insolvent or shall not pay, or be unable to pay, or admit in writing its inability to pay, its debts generally as they become due, (iii) make an assignment for the benefit of creditors, (iv) apply for, seek, consent to, or acquiesce in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any substantial part of its property, (v) institute any proceeding seeking to have entered against it an order for relief under the United States Bankruptcy Code, as amended, to adjudicate it insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, marshalling of assets, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it, (vi) take any corporate action in furtherance of any matter described in parts (i) through (v) above, or (vii) fail to contest in good faith any appointment or proceeding described in Section 10(e) of this Agreement;
- (e) a custodian, receiver, trustee, examiner, liquidator or similar official shall be appointed for the Borrower or any substantial part of its property, or a proceeding described in Section 10(d)(v) hereof shall be instituted against the Borrower and such proceeding continues undischarged or any such proceeding continues undismissed or unstayed for a period of thirty (30) or more days;
- (f) the failure of the Borrower to comply with any order, judgment, injunction, decree, writ or demand of any court or other public authority;
- (g) the filing or recording against the Borrower, or the property of the Borrower, of any notice of levy, notice to withhold, or other legal process for taxes;

(h) the default by the Borrower on any Obligation hereunder; or the default in the observance or performance of any agreement or condition relating to any Indebtedness of the Borrower or contained in any instrument or agreement evidencing, securing or relating thereto, or any other default, event of default or similar event shall occur or condition exist, the effect of which default, event of default or similar event or condition is to cause, or permit (determined without regard to whether any notice is required), any such Indebtedness to become immediately due and payable in full as the result of the acceleration, mandatory redemption or mandatory tender of such Indebtedness;

(i) the issuance against the Borrower, or the property of the Borrower, of any writ of attachment, execution, or other judicial lien or any final, unappealable judgment or judgments, writ or writs or warrant or warrants of attachment, or any similar process or processes, which are not covered in full by insurance, with written acknowledgement of such coverage having been provided by the provider of such insurance coverage to the Lender, in an aggregate amount not less than \$100,000 shall be entered or filed against the Borrower or against any of its property and remain unpaid, unvacated, unbonded or unstayed for a period of thirty (30) days;

(j) the sale or transfer of greater than ten percent (10%) of the assets of the Borrower or a change of ownership or membership interest of the Borrower;

(k) any of Fitch Ratings, Inc., Moody's Investors Service and Standard & Poor's Ratings Services shall have downgraded its unenhanced credit rating assigned to the State of California below "BBB-" (or its equivalent), "Baa3" (or its equivalent), or "BBB-" (or its equivalent) respectively, or suspended or withdrawn its rating of the same;

(l) the DDS Agreement shall be terminated by either party, or any material amendment or modification thereto shall be made that could have a material adverse effect on the Borrower's ability to pay the Obligations;

(m) any Related Document or any material provision thereof, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of the Lender, all the Obligations, ceases to be in full force and effect, or the Borrower or any Governmental Authority contests in any manner the validity or enforceability of any Related Document or any provision thereof, or the Borrower denies that it has any or further liability or obligation under any Related Document, or purports to revoke, terminate, or rescind any Related Document or any provision thereof;

(n) the Borrower shall default in the due performance or observance of any of the covenants set forth in Section 9 hereof; or the Borrower shall default in the due performance or observance of any other term, covenant or agreement contained in this Agreement (other than with respect to any Event of Default specified in this Section 10) or any other Related Document and such default shall remain unremedied for a period of thirty (30) days after the occurrence thereof; or

(o) (i) the amount (if any) by which the aggregate present value of accrued benefit liabilities under all funded Governmental Plans exceeds the aggregate current value of assets of such Governmental Plans by an amount which would reasonably be expected to result in a Material Adverse Effect; or (ii) the Borrower becomes subject to any liability with respect to one or more Governmental Plans that would reasonably be expected to result in a Material Adverse Effect; or (iii) the Borrower fails to administer or maintain a Governmental Plan in compliance with the requirements of any applicable laws, statutes, rules, regulations or court orders and such failure would reasonably be expected to result in a Material Adverse Effect.

Upon the occurrence of any Event of Default, the Lender, in its discretion, may cease making Loans hereunder and may declare the Loans and all other Obligations under this Agreement immediately due and payable; however, upon the occurrence of any Event of Default described in subsections (d), (e), (f) or (g) above, all principal, interest, fees, expenses, charges and other Obligations owing under this Agreement shall automatically become immediately due and payable. Upon the occurrence of an Event of Default, the Lender may, at its option, compute the interest rate applicable to Borrower's obligations hereunder at a per annum rate equal to five percent (5%) in excess of the applicable interest rate specified in Section 3(a) above, calculated from the date of the occurrence of such Event of Default until all amounts due and payable hereunder are paid in full. Upon the occurrence of an Event of Default, the Lender may exercise, or cause to be exercised, any and all remedies as it may have under the Related Documents (other than as provided for in this paragraph) and as otherwise available at law and at equity. Upon any failure by the Borrower to make required payments of principal, interest or other amounts due and owing with respect to any Loan, no provision in the DDS Agreement is intended to limit or prohibit the Lender from setting off against or otherwise applying funds on deposit in the accounts of the Borrower at the Lender to satisfy the Obligations of the Borrower.

SECTION 11. DEFINITIONS.

Unless the context otherwise requires, terms defined in the UCC and not otherwise defined in this Agreement shall have the meanings defined for those terms therein. In addition, capitalized terms not otherwise defined herein shall have the following respective meanings:

"Advance Funds" means any fund paid in advance by DDS to the Borrower pursuant to Section III(3) of the DDS Agreement for services not yet rendered by the Borrower, including DDS's reimbursements to the Borrower for its expenditures that are then applied to replenish Advance Funds. The Borrower is indebted to DDS for the amount of Advance Funds received by the Borrower for any fiscal year, until such amount is either repaid by the Borrower or DDS or reduced through offset by DDS against reimbursement claims submitted by the Borrower to DDS.

"Anti-Corruption Laws" means the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder, and any other anti-corruption law applicable to the Borrower and its Subsidiaries.

"Availability Period" has the meaning set forth in the recitals hereof.

“Beneficial Owner” means a single individual with significant responsibility to control, manage or direct the Borrower.

“Borrowing Date” means the date on which the proceeds of a Loan will be available in the Borrower’s Primary Operating Account.

“Budgets” means the Borrower’s purchase of services (POS) and operations (OPS) budgets, each as set forth in Exhibit A to the DDS Agreement, as each budget may be amended from time to time in accordance with the DDS Agreement.

“Business Day” a day other than a Saturday, Sunday, a day on which the New York Stock Exchange or the Federal Reserve Bank is closed or other day on which commercial banks in the State of California are authorized or required by law to close.

“Certificate of Beneficial Ownership” means a certificate in form and substance acceptable to the Lender (as amended or modified by the Lender from time to time in its sole discretion), certifying, among other things, the Beneficial Owner of the Borrower.

“Change in Law” means the occurrence, after the Closing Date, of any of the following: (a) the adoption or taking effect of any Law, including, without limitation, Risk-Based Capital Guidelines, (b) any change in any Law or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, ruling, guideline, regulation or directive (whether or not having the force of law) by any Governmental Authority; *provided that* notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, ruling, guidelines, regulations or directives thereunder or issued in connection therewith and (ii) all requests, rules, rulings, guidelines, regulations or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States of America or foreign regulatory authorities shall in each case be deemed to be a “Change in Law,” regardless of the date enacted, adopted or issued.

“Code” means the Internal Revenue Code of 1986, as amended, and, where appropriate any statutory predecessor or any successor thereto.

“Confidential Information” means any sensitive or confidential information regarding the Borrower, the Lender or any affiliate of the Lender including, without limitation, address and account information, e-mail addresses, telephone numbers, facsimile numbers, names and signatures of officers, employees and signatories.

“DDS” the Department of Developmental Services, an agency of the State of California, and any successor agency having the same function.

“DDS Agreement” that certain written agreement between the DDS and the Borrower, pursuant to which the Borrower provides services to persons with disabilities as

contemplated by the Lanterman Developmental Disabilities Services Act, as such agreement may be amended, extended, supplemented or replaced from time to time.

“*Default*” any of the events specified in Section 10, whether or not any requirement for the giving of notice, the lapse of time, or both, or any other condition, has been satisfied.

“*ERISA*” means the Employee Retirement Income Security Act of 1974, as amended from time to time.

“*ERISA Affiliate*” means any trade or business (whether or not incorporated) under common control with the Borrower within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

“*Excluded Taxes*” means, with respect to the Lender, Taxes imposed on or measured by its overall net income (however denominated), franchise Taxes and branch profit Taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the Laws of which it is incorporated or is organized or in which its principal executive office is located.

“*Generally Accepted Accounting Principles*” or “*GAAP*” means generally accepted accounting principles in effect from time to time in the United States and applicable to entities such as the Borrower.

“*Governmental Authority*” means the government of the United States of America or any other nation or any political subdivision thereof or any governmental or quasi-governmental entity, including any court, department, commission, board, bureau, agency, administration, central bank, service, district or other instrumentality of any governmental entity or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or European Central Bank), or any arbitrator, mediator or other Person with authority to bind a party at law.

“*Governmental Plan*” means any plan, fund or similar program that is established or maintained by a or for a governmental entity which plan, fund or similar program provides, or results in, retirement income, a deferral of income in contemplation of retirement of payments to be made upon termination of employment for which the Borrower could be liable and which is not subject to ERISA.

“*Health Care Laws*” means all relevant federal and state Laws regulating health services or payment, including, but not limited to, Section 1128B(b) and Section 1877 of the Social Security Act, the federal Anti-Kickback Statute (42 U.S.C. § 1320a-7b(b)), the Stark Law (42 U.S.C. § 1395nn), the Anti-Inducement Law (42 U.S.C. § 1320a-7a(a)(5)), the civil False Claims Act (31 U.S.C. § 3729 *et seq.*), the administrative False Claims Law (42 U.S.C. § 1320a-7b(a)), the exclusion laws (42 U.S.C. § 1320a-7), the civil monetary

penalty laws (42 U.S.C. § 1320a-7a), the administrative simplification provisions of the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. §§ 1320d-1320d-8), Medicare, Medicaid, and any other state or federal law, regulation, guidance document, manual provision, program memorandum, opinion letter, or other issuance which regulates kickbacks, patient or program charges, recordkeeping, referrals, the hiring of employees or acquisition of services or supplies from those who have been excluded from government health care programs, quality, safety, privacy, security, licensure, accreditation, or any other aspect of providing health care.

“Health Care Reportable Event” means (a) the Borrower becomes subject to any civil or criminal investigations, or any material inquiries, validation reviews, program integrity reviews, reimbursement audits or statements of deficiencies, involving and/or related to its compliance with Health Care Laws; (b) any material exclusion, voluntary disclosure, notice of claim to recover material overpayments, revocation, suspension, termination, probation, restriction, limitation, denial, or non-renewal affecting the Borrower with respect to any material Program; or (c) the occurrence of any reportable event under any settlement agreement or corporate integrity agreement involving and/or related to its compliance with Health Care Laws entered into with any Governmental Authority.

“Indebtedness” as to any Person, means (i) all indebtedness of such Person for borrowed money or for the deferred purchase price of property or services, (ii) all obligations of such Person evidenced by notes, bonds, debentures, loan agreements or other similar instruments, (iii) all indebtedness created or arising under any conditional-sale or other title-retention agreement with respect to property acquired by such Person, (iv) all capitalized leases obligations of such Person, (v) all obligations of such Person under a Swap Contract, (vi) all obligations, contingent or otherwise, of such Person under acceptance, under letters of credit (including standby and commercial), bankers’ acceptances, bank guaranties, surety bonds and similar instruments, (vii) all guarantee obligations of such Person and all other obligations (contingent or otherwise) to purchase or otherwise acquire, or otherwise to secure a credit against loss in respect of, indebtedness or obligations of others of the kinds referred to above and (viii) all indebtedness of others secured by a lien on any asset of such Person, whether or not such indebtedness is assumed by such Person.

“Indemnified Taxes” means Taxes imposed on or with respect to any payment made by or on account of any obligation of the Borrower under any Related Document, other than Excluded Taxes and Other Taxes.

“Law” means, collectively, any treaty or any international, foreign, federal, regional, state and local law, statute, rule, guideline, ordinance, regulation, code, license, authorization, decision, injunction, interpretation or administration, order or decree or precedent of any court, or other Governmental Authority and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

“*Lien*” means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, security agreement, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

“*Margin Stock*” has the meaning ascribed to such term in Regulation U promulgated by the Board of Governors of the Federal Reserve System of the United States, as now and hereafter from time to time in effect.

“*Material Adverse Effect*” means: (a) a material adverse change in, or a material adverse effect upon, the operations, business, properties, liabilities (actual or contingent), condition (financial or otherwise) or prospects of the Borrower; (b) a material impairment of the ability of the Borrower to perform its obligations under any Related Document to which it is a party; or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against the Borrower of any Related Document to which it is a party or the rights, security, interests or remedies of the Lender hereunder or under any other Related Document.

“*Maturity Date*” means the last day of the Availability Period.

“*Medicaid*” means, collectively, the health care assistance program established by Title XIX of the Social Security Act (42 U.S.C. §§ 1396 *et seq.*) and any statutes succeeding thereto, and all Laws, rules, regulations, manuals, orders, guidelines or requirements pertaining to such program including (a) all federal statutes (whether set forth in Title XIX of the Social Security Act or elsewhere) affecting such program; (b) all state statutes and plans for medical assistance enacted in connection with such program and federal rules and regulations promulgated in connection with such program; and (c) all applicable provisions of all rules, regulations, manuals, orders and administrative and reimbursement guidelines and requirements of all government authorities promulgated in connection with such program (whether or not having the force of law), in each case, as the same may be amended, supplemented or otherwise modified from time to time.

“*Medicare*” means, collectively, the health insurance program for the aged and disabled established by Title XVIII of the Social Security Act (42 U.S.C. §§ 1395 *et seq.*) and any statutes succeeding thereto, and all Laws, rules, regulations, manuals, orders or guidelines pertaining to such program including (a) all federal statutes (whether set forth in Title XVIII of the Social Security Act or elsewhere) affecting such program; and (b) all applicable provisions of all rules, regulations, manuals, orders and administrative and reimbursement guidelines and requirements of all governmental authorities promulgated in connected with such program (whether or not having the force of law), in each case, as the same may be amended, supplemented or otherwise modified from time to time.

“Obligations” the unpaid principal of and interest on (including, without limitation, interest accruing after the maturity of the Loans and interest accruing on or after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding relating to the Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding and whether or not at a default rate) the Loans, and all other obligations and liabilities of the Borrower to the Lender, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, this Agreement and any other document made, delivered or given in connection herewith or therewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses or otherwise.

“OFAC” means the U.S. Department of the Treasury’s Office of Foreign Assets Control, and any successor thereto.

“Organizational Documents” means, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement; and (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

“Other Taxes” means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Related Document.

“Patriot Act” means the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), as amended from time to time, and any successor statute.

“Permit” means any permit, approval, authorization, certification, license, variance, accreditation or permission required from a Governmental Authority under an applicable Law or any accrediting organization.

“Person” any individual, firm, partnership, joint venture, corporation, limited liability company, association, business enterprise trust, unincorporated organization, government or department or agency thereof or other entity, whether acting in an individual, fiduciary or other capacity.

“Primary Operating Account” means the account of the Borrower held at U.S. Bank National Association, DDA Number 158300223118, CIF Number 202340127, Fed ABA Number 122235821, DDA Account Name: Regional Center of Orange County, Inc.

“Reference Rate” the rate of interest per annum publicly announced from time to time by the Lender as its *“reference rate”* or *“prime rate”* in effect at its office in New York, New York. Such rate is a rate set by the Lender based upon various factors including the Lender’s costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. The Reference Rate hereunder shall automatically change as and when the *“reference rate”* announced by the Lender shall change. Notwithstanding anything set forth herein to the contrary, in the event that the Reference Rate is less than zero, it shall be deemed to be zero for purposes of this Agreement.

“Reimbursable Amount” means, on any date, the aggregate amount owing and unpaid by the DDS to the Borrower under the DDS Agreement, which amounts (i) represent compensation for services that have been rendered by the Borrower (and not advance payments by the DDS) in accordance with the terms of the DDS Agreement and (ii) are the subject of written requests for reimbursement sent by the Borrower to the DDS.

“Reimbursed Funds” means any funds received by the Borrower from DDS that are not Advance Funds.

“Related Documents” means this Agreement, the DDS Agreement, and any other documents related to any of the foregoing or executed in connection therewith, and any and all future renewals and extensions or restatements of, or amendments or supplements to, any of the foregoing permitted hereunder and thereunder.

“Risk-Based Capital Guidelines” means (a) the risk-based capital guidelines in effect in the United States of America, including transition rules, and (b) the corresponding capital regulations promulgated by regulatory authorities outside the United States of America including transition rules, and any amendment to such regulations.

“Sanctions” means sanctions administered or enforced from time to time by the U.S. government, including those administered by OFAC, the U.S. Department of State, the United Nations Security Council, the European Union, His Majesty’s Treasury or other relevant sanctions authority.

“Subsidiary” of a Person means (i) any corporation more than 50% of the outstanding securities having ordinary voting power of which shall at the time be owned or controlled, directly or indirectly, by such Person or by one or more of its Subsidiaries or by such Person and one or more of its Subsidiaries, or (ii) any partnership, limited liability company, association, joint venture or similar business organization more than 50% of the ownership interests having ordinary voting power of which shall at the time be so owned or controlled.

“Swap Contract” means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond

index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "*Master Agreement*"), including any such obligations or liabilities under any Master Agreement.

"*Taxes*" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, fines, additions to tax or penalties applicable thereto.

"*UCC*" the Uniform Commercial Code of the State of California.

SECTION 12. MISCELLANEOUS.

(a) No amendment or waiver of any provision of this Agreement, or consent to any departure by the Borrower herefrom, shall in any event be effective unless the same shall be in writing and signed by the Lender, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. In the case of any such waiver or consent relating to any provision hereof, any Default or Event of Default so waived or consented to shall be deemed to be cured and not continuing, but no such waiver or consent shall extend to any other or subsequent Default or Event of Default or impair any right consequent thereto.

(b) All notices and other communications to be given with respect hereto shall be in writing and mailed or delivered by reputable courier or by fax or by e mail or by other electronic means of communication capable of creating a written record of such notice and its receipt. To the extent that any electronic means of communication notice is permitted hereunder, the parties hereto shall provide appropriate e mail addresses or facsimile numbers. All such notices and communications shall be sent to the respective addresses for the parties set forth below, or to such other address as a party may specify by notice given in accordance with the provisions hereof:

If to the Borrower:

Regional Center of Orange County, Inc.
1525 North Tustin Avenue
Santa Ana, California 92705
PO Box 22010
Santa Ana, California 92702-2010

If to the Lender for Advances:

U.S. Bank National Association
Cupertino De Anza

10381 S De Anza Blvd
Cupertino, CA 95014
Attention: Credit Support
Email: GBDCreditSupport@usbank.com

Attention: Diane Henry
Email: diane.henry1@usbank.com

Attention: Brian D. Richter
Telephone: (414) 588-7722
Email: brian.richter@usbank.com

Attention: Christy Chambless
Telephone: (931) 684-8043
Email: christy.chambless@usbank.com

Attention: Tiana Cabrera
Telephone: (669) 437-0709
Email: tiana.cabrera@usbank.com

If to the Lender for all other matters: U.S. Bank National Association
Attention: Diane Henry
Email: diane.henry1@usbank.com

U.S. Bank National Association
U.S. Bank Center Milwaukee
777 E Wisconsin Avenue
Milwaukee, WI 53202
MK-WI-T5GB
Attention: Brian D. Richter
Telephone: (414) 588-7722
Email: brian.richter@usbank.com

(c) No failure on the part of the Lender to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided, and provided under each other Related Document, are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

(d) The Borrower agrees to pay on demand all costs and expenses incurred by the Lender (including all attorneys' fees, including the allocated costs of in-house counsel to the Lender) in connection with the enforcement of this Agreement and any instrument or document executed in connection herewith, including losses, costs and expenses sustained as a result of a default by the Borrower in the performance of its obligations contained herein or in any related document. The Borrower agrees to pay, and indemnify and hold harmless the Lender and its officers, directors

and agents (each, an “*Indemnatee*”) from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits and costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery and enforcement of this Agreement and any document or instrument executed in connection herewith or the use of the proceeds of the Loans (all the foregoing, collectively, the “*indemnified liabilities*”), other than indemnified liabilities arising from the gross negligence or willful misconduct of the Lender, as determined in a final, non-appealable judgment by a court of competent jurisdiction. To the fullest extent permitted by applicable Law, the Borrower shall not assert, and hereby waives, and acknowledges that no other Person shall have, any claim against any Indemnatee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Related Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, the making of the Loans or the use of the proceeds thereof. No Indemnatee shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnatee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Related Documents or the transactions contemplated hereby or thereby. The obligations of the Borrower under this paragraph shall survive the payment in full of the Loans.

(e) (i) All covenants, agreements, representations and warranties made herein and in the certificates delivered pursuant hereto shall survive the making of any Loan hereunder and shall continue in full force and effect until all of the Obligations hereunder shall have been paid in full. This Agreement shall be binding upon and inure to the benefit of the Borrower and the Lender and their respective successors and assigns; provided that the Borrower may not assign any interest in this Agreement without the prior written consent of the Lender. The Lender may assign to any Person all or any part of, or any interest in, the Lender’s rights and benefits under this Agreement and any document or instrument executed in connection herewith and to the extent of such assignment such assignee shall have the same rights and benefits against the Borrower as it would have had if it were the Lender hereunder. The Lender may at any time, without the consent of, or notice to, the Borrower, sell participations to any Person (other than a natural person) in all or a portion of the Lender’s rights and/or obligations under this Agreement (including all or a portion of the Loans owing to it) and such participants shall be entitled to the benefits of this Agreement to the same extent as if they were a direct party hereto. Whenever in this Agreement any of the parties hereto is referred to, such reference shall, be deemed to include the successors and assigns of such party.

(ii) The Lender may at any time pledge or grant a security interest in all or any portion of its rights under the Loans, this Agreement and the Related Documents to secure obligations of the Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; *provided* that no such pledge or assignment shall release the Lender from any of its obligations hereunder or substitute any such pledgee or assignee for the Lender as a party hereto.

(f) This Agreement shall be governed by, and construed in accordance with, the laws of the State of California (without reference to its choice of law rules).

(g) ALL CLAIMS, CAUSES OF ACTION OR OTHER DISPUTES CONCERNING THIS AGREEMENT (EACH A “CLAIM”), INCLUDING ANY AND ALL QUESTIONS OF LAW OR FACT RELATING THERETO, SHALL, AT THE WRITTEN REQUEST OF ANY PARTY TO THIS AGREEMENT, BE DETERMINED BY JUDICIAL REFERENCE PURSUANT TO CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638 (“REFERENCE”). THE PARTIES SHALL SELECT A SINGLE NEUTRAL REFEREE, WHO SHALL BE A RETIRED STATE OR FEDERAL JUDGE. IN THE EVENT THAT THE PARTIES CANNOT AGREE UPON A REFEREE, THE REFEREE SHALL BE APPOINTED BY THE COURT. THE REFEREE SHALL REPORT A STATEMENT OF DECISION TO THE COURT. NOTHING IN THIS PARAGRAPH SHALL LIMIT THE RIGHT OF ANY PARTY AT ANY TIME TO EXERCISE SELF-HELP REMEDIES, FORECLOSE AGAINST COLLATERAL OR OBTAIN PROVISIONAL REMEDIES. THE PARTIES SHALL BEAR THE FEES AND EXPENSES OF THE REFEREE EQUALLY UNLESS THE REFEREE ORDERS OTHERWISE. THE REFEREE SHALL ALSO DETERMINE ALL ISSUES RELATING TO THE APPLICABILITY, INTERPRETATION, AND ENFORCEABILITY OF THIS PARAGRAPH. THE PARTIES ACKNOWLEDGE THAT THE CLAIMS WILL NOT BE ADJUDICATED BY A JURY. IF ANY ACTION OR PROCEEDING IS FILED IN A COURT OF THE STATE OF CALIFORNIA BY OR AGAINST ANY PARTY HERETO IN CONNECTION WITH ANY OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY OTHER RELATED DOCUMENT, (A) THE COURT SHALL, AND IS HEREBY DIRECTED TO, MAKE A GENERAL REFERENCE PURSUANT TO CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638 TO A REFEREE (WHO SHALL BE A SINGLE ACTIVE OR RETIRED JUDGE) TO HEAR AND DETERMINE ALL OF THE ISSUES IN SUCH ACTION OR PROCEEDING (WHETHER OF FACT OR OF LAW) AND TO REPORT A STATEMENT OF DECISION, *PROVIDED* THAT AT THE OPTION OF ANY PARTY TO SUCH PROCEEDING, ANY SUCH ISSUES PERTAINING TO A “PROVISIONAL REMEDY” AS DEFINED IN CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 1281.8 SHALL BE HEARD AND DETERMINED BY THE COURT, AND (B) WITHOUT LIMITING THE GENERALITY OF SECTION 12(D) HEREOF, THE BORROWER SHALL BE SOLELY RESPONSIBLE TO PAY ALL FEES AND EXPENSES OF ANY REFEREE APPOINTED IN SUCH ACTION OR PROCEEDING.

Subject to the foregoing, each party hereto hereby irrevocably and unconditionally:

(i) submits for itself and its property in any legal action or proceeding relating to this Agreement, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the State of California, the courts of the United States of America for the Central District of California, and appellate courts from any thereof;

(ii) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient forum and agrees not to plead or claim the same; and

(iii) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail, postage prepaid, to any party at its address set forth in Section 12(b) (with, in the case of the Lender, a copy of such service of process to the following address: Office of the General Counsel, 400 California Street, San Francisco, California 94104).

(h) This Agreement sets forth the entire agreement between the Borrower and the Lender relating to the subject matter hereof. This Agreement may be executed by one or more of the parties hereto in any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement electronically shall be effective as delivery of a manually executed counterpart of this Agreement.

(i) (i) The Lender hereby notifies the Borrower that pursuant to the requirements of the Patriot Act it is required to obtain, verify and record information that identifies the Borrower and its affiliates, which information includes the name and address of the Borrower and its affiliates and other information that will allow the Lender to identify the Borrower and its affiliates in accordance with the Patriot Act. The Borrower hereby agree that it shall promptly provide such information upon request by the Lender.

(ii) The Borrower shall (a) ensure that no person who owns a controlling interest in or otherwise controls the Borrower or its affiliates is or shall be listed on the Specially Designated Nationals and Blocked Person List or other similar lists maintained by OFAC, the Department of the Treasury or included in any Executive Orders, that prohibits or limits the Lender from making any advance or extension of credit to the Borrower or its affiliates or from otherwise conducting business with the Borrower or its affiliates, and (b) ensure that the Loan proceeds shall not be used to violate any of the foreign asset control regulations of OFAC or any enabling statute or Executive Order relating thereto. Further, the Borrower shall comply, and cause each of its affiliates and any of their respective subsidiaries to comply, with all applicable Bank Secrecy Act (“BSA”) laws and regulations, as amended. The Borrower agrees to provide documentary and other evidence of the Borrower’s and the Borrower’s affiliates’ identities as may be requested by the Lender at any time to enable the Lender to verify the Borrower’s and the Borrower’s affiliates identity or to comply with any applicable law or regulation.

(j) (i) Upon the occurrence of an Event of Default, the Lender may, at any time and from time to time, without notice to the Borrower or any other person (any such notice being expressly waived), set off and appropriate and apply against and on account of any Obligations under this Agreement, without regard to whether or not the Lender shall have made any demand therefor, and although such Obligations may be contingent or unmatured, any and all deposits (general or special, including but not limited to deposits made pursuant to this Agreement and debt evidenced by certificates of deposit, whether matured or unmatured, but not including trust accounts, such as restricted donor accounts) and any other debt at any time held or owing by the Lender to or for the credit or the account of any or all of the Borrower.

(ii) The Lender agrees promptly to notify the Borrower after any such set-off and application referred to in subsection (i) above, *provided* that the failure to give such notice shall not affect the validity of such set-off and application. Subject to the provisions of subsection (i) above, the rights of the Lender under this Section 12(j) are in addition to other rights and remedies (including, without limitation, other rights of set-off) which the Lender may have.

(k) If any provision of this Agreement or the other Related Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining

provisions of this Agreement and the other Related Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

(l) From time to time upon the request of either party hereto, the other shall promptly and duly execute, acknowledge and deliver any and all such further instruments and documents as the requesting party may in its reasonable discretion deem necessary or desirable to confirm this Agreement, and the other Related Documents, to carry out the purpose and intent hereof and thereof or to enable the requesting party to enforce any of its rights hereunder or thereunder. At any time, and from time to time, upon request by the Lender, the Borrower will, at the Borrower's expense, (a) correct any defect, error or omission which may be discovered in the form or content of any of the Related Documents, and (b) make, execute, deliver and record, or cause to be made, executed, delivered and recorded, any and all further instruments, certificates, and other documents as may, in the opinion of the Lender, be necessary or desirable in order to complete, perfect or continue and preserve the Lien hereof. Upon any failure by the Borrower to do so, the Lender may make, execute and record any and all such instruments, certificates and other documents for and in the name of the Borrower, all at the sole expense of the Borrower, and the Borrower hereby appoints the Lender the agent and attorney-in-fact of the Borrower to do so, this appointment being coupled with an interest and being irrevocable. Without limitation of the foregoing, the Borrower irrevocably authorizes the Lender at any time and from time to time to file any initial financing statements, amendments thereto and continuation statements deemed necessary or desirable by the Lender to establish or maintain the validity, perfection and priority of the security interests granted herein, and the Borrower ratifies any such filings made by the Lender prior to the date hereof. In addition, at any time, and from time to time, upon request by the Lender, the Borrower will, at the Borrower's expense, provide any and all further instruments, certificates and other documents as may, in the opinion of the Lender, be necessary or desirable in order to verify the Borrower's identity and background in a manner satisfactory to the Lender.

(m) Nothing in this Agreement, whether express or implied, shall be construed to give to any Person other than the parties hereto any legal or equitable right, remedy or claim under or in respect of this Agreement, which is intended for the sole and exclusive benefit of the parties hereto.

(n) In connection with all aspects of the transactions contemplated by this Agreement and the Related Documents (including in connection with any amendment, waiver or other modification hereof or of any other Related Document), the Borrower, on behalf of itself, its affiliates, acknowledges and agrees, and acknowledges its affiliates' understanding, that: (a) (i) the services regarding this Agreement and the Related Documents provided by the Lender and any affiliate of the Lender are arm's-length commercial transactions between the Borrower and its affiliates on the one hand, and the Lender and its affiliates, on the other hand, (ii) each of the Borrower and its affiliates has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, (iii) the Borrower, on behalf of itself, and its affiliates is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Related Documents and (iv) the Lender has not

provided any advice or assumed any (and has no) advisory or fiduciary responsibility in favor of the Borrower with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (whether or not the Lender or any affiliate of the Lender has provided other services or advised or is currently providing other services or advising the Borrower on other matters); (b) (i) the Lender and its affiliates each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor (as a municipal advisor (as defined in Section 15B of the Securities and Exchange Act of 1934, as amended) or otherwise), agent or fiduciary, for the Borrower or its affiliates, or any other Person and (ii) neither the Lender nor any of its affiliates has any obligation to the Borrower or its affiliates with respect to the transactions contemplated by this Agreement and the Related Documents except those obligations expressly set forth herein; and (c) the Lender and its affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower and its affiliates and neither the Lender nor any of its affiliates has any obligation to disclose any of such interests to the Borrower or its affiliates. To the fullest extent permitted by Law, the Borrower, on behalf of itself and its affiliates, hereby waives and releases any claims that it may have against the Lender or any of its affiliates with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transactions contemplated by this Agreement or the other Related Documents.

(o) In the event the Borrower files with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system, or its successor ("*EMMA*"), this Agreement, any Related Documents or any description of the material terms thereof or notice of any agreement to covenants, events of default, remedies, priority rights or other similar terms, either voluntarily or as required pursuant a continuing disclosure agreement or Rule 15c2-12 promulgated pursuant to the Securities and Exchange Act of 1934, as amended (the "*Rule*") (each such posting, an "*EMMA Posting*"), the Borrower shall (i) provide the Lender with a copy of each EMMA Posting prior to submitting or posting on EMMA and (ii) shall not file or permit the filing of any EMMA Posting that includes Confidential Information. The Borrower acknowledges and agrees that although the Lender may request review, edits or redactions of such materials prior to filing, the Lender is not responsible for the Borrower's or any other entity's (including, but not limited to, any broker-dealer's) compliance or noncompliance (or any claims, losses or liabilities arising therefrom) with any continuing disclosure agreement or any applicable securities or other laws, including, but not limited to, those relating to the Rule.

(p) The words "execute," "execution," "signed," "signature," and words of like import in any Related Document (including waivers and consents) shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Lender, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused their respective representatives to execute this Agreement, as of the date first above written.

REGIONAL CENTER OF ORANGE COUNTY, INC., a
California non-profit corporation

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

U.S. BANK NATIONAL ASSOCIATION

By: _____

Name: Brian D. Richter

Title: Senior Vice President

EXHIBIT A

FORM OF BORROWING NOTICE AND CERTIFICATION

_____, 2025

U.S. Bank National Association
Cupertino De Anza
10381 S De Anza Blvd
Cupertino, CA 95014
Attention: Credit Support
Email: GBDCreditSupport@usbank.com

Attention: Diane Henry
Email: diane.henry1@usbank.com

Attention: Brian D. Richter
Telephone: (414) 588-7722
Email: brian.richter@usbank.com

Attention: Christy Chambless
Telephone: (931) 684-8043
Email: christy.chambless@usbank.com

Attention: Tiana Cabrera
Telephone: (669) 437-0709
Email: tiana.cabrera@usbank.com

Ladies and Gentlemen:

REGIONAL CENTER OF ORANGE COUNTY, INC., a nonprofit corporation organized under the laws of the State of California (the "*Borrower*"), refers to that certain Credit and Security Agreement (Revolving Loan Facility) dated as of June 13, 2025 (as it may be amended, restated, modified or supplemented from time to time, the "*Credit Agreement*") between the Borrower and U.S. Bank National Association (together with its successors and assigns, the "*Lender*"). Terms defined in the Credit Agreement and not otherwise defined herein have the same respective meanings when used herein.

Pursuant to Section 1 of the Credit Agreement, the undersigned hereby requests a Loan under the Credit Agreement and in that connection sets forth below the information relating to such Loan (the "*Requested Loan*"), as required by the Credit Agreement.

1. The date of the Requested Loan, which is the date the Borrower is requesting funds be credited to its account, is _____, 2025.
2. The aggregate amount of the Requested Loan is \$ _____.

3. Attached hereto is a copy of the Borrower's written request to DDS for reimbursement (the "*Reimbursement Request*") under the DDS Agreement in an amount at least equal to the principal amount of the Requested Loan.

In connection with the Requested Loan, the Borrower, by executing below, hereby certifies to the Lender as follows:

(a) The amount(s) referenced in the Reimbursement Request (1) are due and owing to the Borrower from DDS in full and (2) have been certified by DDS to the Borrower as payable to the Borrower under its DDS approved Budgets, and, in each case, no such amount is, to the best knowledge of the Borrower, subject to offset or defense by DDS. Such amount(s) represent compensation for services that have been rendered by the Borrower in accordance with the terms of the DDS Agreement. Such amounts relate solely to the Borrower's [20__-20__] fiscal year. No part of such amount(s) have been previously received by the Borrower from the DDS.

(b) Upon funding of the Requested Loan, the aggregate principal amount of Loans outstanding under the Credit Agreement on such date will be \$_____ (the "*Total Outstanding Loans*") and the total Reimbursable Amount due to the Borrower will be \$_____ (the "*Total Reimbursable Amount*"), such amount consisting of the following unpaid reimbursement requests sent by the Borrower to DDS:

DATE OF REQUEST TO DDS	AMOUNT
_____	\$ _____
_____	\$ _____
	[and so on]
TOTAL:	\$ _____

(c) As of the date hereof, (i) the total amount appropriated to the Borrower by DDS under the DDS Agreement for the Borrower's [20__-20__] fiscal year is \$_____ (the "*Appropriated Amount*") and (ii) the Borrower has received from DDS \$_____ of reimbursements for the [20__-20__] fiscal year, leaving a remaining available Appropriated Amount of \$_____ (the "*Available Appropriated Amount*"). As of the date hereof, there are no amounts due from the Borrower to DDS (whether as a result of disputed or rejected reimbursement claims or otherwise), other than \$_____ (such amounts, if any, the "*Amounts Owing*"). In summary: Appropriated Amount (\$_____) – Reimbursements received (\$_____) – Amounts owing (\$_____) – Available Appropriated Amount (\$_____).

(d) Upon the borrowing of the Requested Loan, the Total Outstanding Loans will not exceed the *lesser of* (i) the Total Reimbursable Amount due to the Borrower and (ii) the Available Appropriated Amount *less* any Amounts Owing.

The foregoing request and certification are hereby made as of _____, 2025, by the duly authorized officer executing below, for the benefit of the Lender, with knowledge that the Lender is relying thereon in making the requested Loan.

REGIONAL CENTER OF ORANGE COUNTY, INC., a
California non-profit corporation

By: _____
Name: _____
Title: _____

REGIONAL CENTER OF ORANGE COUNTY

BOARD OF DIRECTORS

AGENDA ITEM DETAIL SHEET

DATE: June 5, 2025
TO: Board of Directors
FROM: Jacqueline Nguyen
Chair, Budget & Finance Committee

ACTION	X
ACTION/CONSENT	
DISCUSSION	
INFO ONLY	

SUBJECT: Approval of CalPERS Requirement for a Publicly Available Pay Schedule Effective June 5, 2025

BACKGROUND:

Since August 10, 2011, The California Code of Regulations, Title 2, Section 570.5, has required California Public Employees' Retirement System's (CalPERS's) employers to have pay rates approved by the employer's governing body and pay schedules publicly available. Since February 2, 2011, RCOC has posted its pay schedule on its website and the Board last approved the pay schedule at its meeting on November 7, 2024.

REASON FOR CURRENT ITEM:

Over the past few years, there has been considerable growth in both caseload and staff. To address the growth in staff, compression, and the challenges in addressing the continuous increase in workload (i.e., standardized Individual Program Plan (IPP), Public Records Act, Self Determination Program, Employment, Provisional Eligibility, reinstatement of social recreational services, resource development, etc.), RCOC has developed a plan to sustain high quality service for those we serve. The attached salary schedule reflects the changes as a result of the plan.

The following titles were added: Associate Executive Director; Associate Director: Employment, Area, Early Start, Intake; Manager: Psychologist; Coordinator: Safety Net; Coordinator: Records; Specialist: Risk Management; and Coordinator: Risk Management.

The following changes were also made: the THERAPIST and ADMINISTRATOR ranges were combined, the BCBA and AREA and QA Supervisor ranges were combined, and the salary range for CONSULTING PHARMACIST, ASSOCIATE DIRECTOR and BCBA MASTERS ranges were adjusted to accommodate market adjustments for some titles. To address compression between ranges, an adjustment was made to the CLERK TO THE BOARD range.

The following titles were moved to new salary ranges: Manager: Area and Intake were moved down to THERAPIST, and Quality Assurance Coordinator was moved up to Service Coordinator.

The Coordinator titles for Operations and Payables were combined to Coordinator: Accounting

The Chief Counselor title is being replaced with Community Services Manager to better reflect the job description.

The new titles are promotional opportunities.

FISCAL IMPACT:

The annual impact will be.....approximately \$725,171 plus benefits

RECOMMENDATION:

That the Board approve the salary schedule for RCOC's employees effective June 5, 2025.

		Minimum	Midpoint	Maximum	Increase in Range	
					Minimum	Maximum
EXECUTIVE DIRECTOR	HR	113.80	132.75	151.69	0.0%	0.0%
	BW	9,104.17	10,619.89	12,135.60		
	MO	19,725.71	23,009.76	26,293.80		
	YR	236,708.54	276,117.07	315,525.60		
MEDICAL DIRECTOR PHYSICIAN ASSOCIATE EXECUTIVE DIRECTOR	HR	78.94	106.92	134.91	0.0%	0.0%
	BW	6,315.26	8,553.91	10,792.56		
	MO	13,683.07	18,533.47	23,383.88		
	YR	164,196.79	222,401.65	280,606.51		
CHIEF FINANCIAL OFFICER GENERAL COUNSEL	HR	78.94	96.69	114.44	0.0%	0.0%
	BW	6,315.26	7,735.04	9,154.82		
	MO	13,683.07	16,759.25	19,835.44		
	YR	164,196.79	201,111.06	238,025.33		
CONSULTING PHARMACIST DIRECTOR: Case Management, Community Services, Clinical, Finance, HR, IT Services and Supports	HR	67.10	83.59	100.08	0.0%	10.0%
	BW	5,367.81	6,687.11	8,006.40		
	MO	11,630.26	14,488.73	17,347.20		
	YR	139,563.08	173,864.74	208,166.40		
ASSOCIATE DIRECTOR: Finance, Housing, IT, Risk Management, Employment, Area, Early Start, Intake MANAGER: Psychologist	HR	50.31	63.57	76.82	0.0%	4.3%
	BW	4,024.88	5,085.24	6,145.60		
	MO	8,720.58	11,018.02	13,315.47		
	YR	104,646.90	132,216.25	159,785.60		
PSYCHOLOGIST MANAGER: Nursing	HR	46.84	57.71	68.59	0.0%	0.0%
	BW	3,746.88	4,616.84	5,486.81		
	MO	8,118.24	10,003.16	11,888.08		
	YR	97,418.88	120,037.93	142,656.97		
THERAPIST: Occupational, Physical, Speech NURSE CONSULTANT ADMINISTRATOR MANAGER: Custodian of Records, Employment Fair Hearings, HR, Network, Organizational Devt. Risk, Safety Net, Early Start, Area, Intake, Comm Serv	HR	42.79	53.15	63.50	0.0%	0.0%
	BW	3,423.20	4,251.60	5,080.00		
	MO	7,416.93	9,211.80	11,006.67		
	YR	89,003.20	110,541.60	132,080.00		
CLERK TO THE BOARD, MANAGER: Family Support/Comm. Outreach COORDINATOR: PCT, Self-Determination SPECIALIST: Federal Programs and Benefits	HR	42.41	50.76	59.10	0.0%	5.0%
	BW	3,392.93	4,060.46	4,728.00		
	MO	7,351.34	8,797.67	10,244.00		
	YR	88,216.08	105,572.04	122,928.00		
BCBA Masters AREA and QA SUPERVISOR, RESOURCE GROUP LEADER, TRAINING COORDINATOR PROGRAMMER ANALYST, MANAGER Accounting and IT, ASST. MAN. Fair Hearings	HR	35.98	46.68	57.38	0.0%	5.0%
	BW	2,878.70	3,734.55	4,590.40		
	MO	6,237.19	8,091.53	9,945.87		
	YR	74,846.33	97,098.36	119,350.40		
COORDINATOR: Lead Service Federal Programs and Benefits Deaf and Hard of Hearing Coordinator Foster System Care, Safety Net	HR	34.89	42.25	49.62	0.0%	0.0%
	BW	2,791.47	3,380.35	3,969.22		
	MO	6,048.19	7,324.09	8,599.99		
	YR	72,578.25	87,889.04	103,199.83		
SERVICE COORDINATOR, HCBS COOR., QA ACCOUNTANT, ACCOUNTING SUP. CULTURAL SPECIALIST/COMM. OUT. EXECUTIVE LIAISON; HR SPECIALIST	HR	33.80	39.25	44.71	0.0%	0.0%
	BW	2,704.13	3,140.37	3,576.62		
	MO	5,858.94	6,804.14	7,749.33		
	YR	70,307.33	81,649.67	92,992.01		
ASSOCIATE PROGRAMMER ANALYST COORDINATOR: Emergency, IT, Operations, Systems, Records	HR	28.20	33.98	39.76	0.0%	0.0%
	BW	2,255.64	2,718.27	3,180.90		
	MO	4,887.23	5,889.58	6,891.94		
	YR	58,646.72	70,675.01	82,703.31		
COORDINATOR: Fiscal, SIR, Vendor SPECIALIST: HRG, Intake, Risk Management Community Navigator, PEER ADVOCATE	HR	26.98	29.84	32.70	0.0%	0.0%
	BW	2,158.18	2,387.23	2,616.28		
	MO	4,676.05	5,172.33	5,668.61		
	YR	56,112.61	62,067.97	68,023.32		
COORDINATOR: Community Resources, Fair Hearing, Imaging, Support Services, Risk Management, Accounting SPECIALIST: IT	HR	25.10	27.21	29.33	0.0%	0.0%
	BW	2,007.99	2,177.01	2,346.04		
	MO	4,350.64	4,716.86	5,083.09		
	YR	52,207.70	56,602.36	60,997.02		
TECHNICIAN: Accounting, Area, IT, Intake Scanning, Technical Assistant, Receptionist Account Clerk	HR	20.66	23.63	26.60	0.0%	0.0%
	BW	1,652.71	1,890.55	2,128.39		
	MO	3,580.87	4,096.19	4,611.51		
	YR	42,970.42	49,154.24	55,338.07		
OFFICE AIDE	HR	16.90	17.50	18.11	0.0%	0.0%
	BW	1,352.06	1,400.34	1,448.61		
	MO	2,929.47	3,034.07	3,138.66		
	YR	35,153.66	36,408.81	37,663.95		

REGIONAL CENTER OF ORANGE COUNTY

BOARD OF DIRECTORS

AGENDA ITEM DETAIL SHEET

DATE: June 5, 2025
TO: Board of Directors
FROM: Jacqueline Nguyen
Chair, Budget & Finance Committee

ACTION	X
ACTION/CONSENT	
DISCUSSION	
INFO ONLY	

SUBJECT: Approval of Audited Financials for the Year Ended June 30, 2024

BACKGROUND:

Audited financial statements are required to be approved by the RCOC Board of Directors annually pursuant to Welfare and Institutions Code Section 4639, and Article III, section 8 of RCOC's contract with the Department of Developmental Services. The Board is required to annually contract with an independent accounting firm for an audited financial statement. The audit report and accompanying management letter must be reviewed and approved by the Board and submitted to the Department within 60 days of completion.

REASON FOR CURRENT ITEM:

Compliance with the requirements as stated above.

FISCAL IMPACT:

None.

DISCUSSION:

The audited statements were received on June 2, 2025. The statements reflect a finding for the State Plan Amendment (SPA), *Monitoring of Receivables from Intermediate Care Facility Vendors*.

The SPA allows the State of California to obtain federal funding for the day program and transportation services provided to persons served who reside in Intermediate Care Facilities (ICF). The cost of these services, which were already paid through Purchase of Services (POS), is recycled through the ICF vendors, which creates the receivables, and is then returned to the

State, which creates the payables. Except for the fees paid to ICF vendors and the allocations to regional centers to manage the SPA, the net of SPA receivables and payables is zero.

The responsibility for SPA processing was internally reassigned in April 2024 after the Administrator resigned. As a result, the SPA work was not submitted or reviewed in a timely manner during the period under review. This delayed the audit and resulted in an audit finding. The SPA deficiencies have been reconciled and records are now complete and accurate.

There are no findings for Purchase of Service or Operations.

RECOMMENDATION:

That the Board approve the independent audit firm's financial statements as presented.

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REGIONAL CENTER OF ORANGE COUNTY, INC.

FINANCIAL STATEMENTS
JUNE 30, 2024
(WITH COMPARATIVE TOTALS FOR 2023)

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Regional Center of Orange County, Inc.

Opinion

We have audited the accompanying financial statements of Regional Center of Orange County, Inc., which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Regional Center of Orange County, Inc. (the Center) as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Center and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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Report on Summarized Comparative Information

We have previously audited the Center's 2023 financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 2, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary Information

Our audit were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated [REPORT DATE], on our consideration of the Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control over financial reporting and compliance.

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Long Beach, California
[REPORT DATE]

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REGIONAL CENTER OF ORANGE COUNTY, INC.

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024
(WITH COMPARATIVE TOTALS FOR 2023)

ASSETS

	June 30,	
	2024	2023
ASSETS		
Cash and cash equivalents	\$ 57,161,104	\$ 43,736,121
Cash – client trust funds	66,305	144,074
Contracts receivable - state of California	14,668,653	-
Receivables from Intermediate Care Facility vendors	4,625,025	4,409,293
Deposits and prepaid expenses	26,585,829	37,783,831
Other assets	354,621	398,514
Unbilled reimbursable contract costs receivables - state of California	7,067,075	7,206,066
Operating lease right-of-use asset	16,326,485	18,762,094
TOTAL ASSETS	<u>\$ 126,855,097</u>	<u>\$ 112,439,993</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 77,133,724	\$ 37,531,272
Contract advances - state of California	-	9,652,838
Net assets held for clients	127,604	171,668
Accrued vacation and other leave benefits	2,913,679	4,449,315
Operating lease liability	20,479,881	23,235,450
Unfunded pension benefit obligations	25,992,161	37,183,632
	<u>126,647,049</u>	<u>112,224,175</u>

COMMITMENTS AND CONTINGENCIES (Note 8)

NET ASSETS

Unrestricted	<u>208,048</u>	<u>215,818</u>
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TOTAL LIABILITIES AND NET ASSETS	<u>\$ 126,855,097</u>	<u>\$ 112,439,993</u>
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The accompanying notes are an integral part of these financial statements.

PRELIMINARY DRAFT STAMP
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REGIONAL CENTER OF ORANGE COUNTY, INC.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE TOTALS FOR 2023)

	For the Year Ended June 30,	
	2024	2023
CHANGE IN UNRESTRICTED NET ASSETS		
SUPPORT AND REVENUE		
Contracts – state of California	\$ 713,514,474	\$ 549,255,235
Intermediate Care Facility supplemental services income	8,643,560	7,805,492
Interest income	2,224,156	1,086,645
Contributions	9,444	19,180
Total Support and Revenue	<u>724,391,634</u>	<u>558,166,552</u>
EXPENSES		
Program services	719,448,304	561,739,987
Management and general	<u>14,189,616</u>	<u>13,977,338</u>
Total Expenses	<u>733,637,920</u>	<u>575,717,325</u>
CHANGE IN NET ASSETS BEFORE CHANGES IN PENSION BENEFIT OBLIGATION	(9,246,286)	(17,550,773)
CHANGE IN PENSION BENEFIT OBLIGATION OTHER THAN PERIODIC BENEFIT COSTS	<u>9,238,516</u>	<u>17,563,072</u>
CHANGE IN NET ASSETS	(7,770)	12,299
NET ASSETS AT BEGINNING OF YEAR	<u>215,818</u>	<u>203,519</u>
NET ASSETS AT END OF YEAR	<u>\$ 208,048</u>	<u>\$ 215,818</u>

The accompanying notes are an integral part of these financial statements.

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REGIONAL CENTER OF ORANGE COUNTY, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE TOTALS FOR 2023)

	<u>Program Services</u>	<u>Management and General</u>	<u>2024 Total Expenses</u>	<u>2023 Total Expenses</u>
PURCHASE OF SERVICES				
Community and intermediate care facilities	\$ 221,102,288	\$ -	\$ 221,102,288	\$ 168,654,201
Day training and day program services	126,953,552	-	126,953,552	93,914,056
Transportation services	18,107,492	-	18,107,492	12,040,207
Respite care services	56,602,435	-	56,602,435	48,056,009
Medical care services	12,855,488	-	12,855,488	11,412,038
Nonmedical services	35,063,782	-	35,063,782	23,937,892
Other purchased services	<u>201,191,055</u>	<u>-</u>	<u>201,191,055</u>	<u>153,592,567</u>
Total Purchase of Services	<u>671,876,092</u>	<u>-</u>	<u>671,876,092</u>	<u>511,606,970</u>
OPERATING				
Salaries and related expenses	47,493,026	4,129,828	51,622,854	54,432,986
Office occupancy	-	3,199,063	3,199,063	3,197,929
Data processing	-	1,994,655	1,994,655	2,295,806
Office expenses	-	962,697	962,697	649,730
Communications	-	871,533	871,533	800,407
Other operating expenses	<u>79,186</u>	<u>3,031,840</u>	<u>3,111,026</u>	<u>2,733,497</u>
Total Operating	<u>47,572,212</u>	<u>14,189,616</u>	<u>61,761,828</u>	<u>64,110,355</u>
TOTAL EXPENSES	<u>\$ 719,448,304</u>	<u>\$ 14,189,616</u>	<u>\$ 733,637,920</u>	<u>\$ 575,717,325</u>

The accompanying notes are an integral part of these financial statements.

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REGIONAL CENTER OF ORANGE COUNTY, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED TOTALS FOR 2023)

	For the Year Ended June 30,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (7,770)	\$ 12,299
Adjustments to reconcile change in net assets to net cash from operating activities:		
Changes in operating assets and liabilities:		
Contracts receivable -state of California	(14,668,653)	17,391,305
Receivables from Intermediate Care Facility vendors	(215,732)	3,916,816
Deposits and prepaid expenses	11,198,002	(16,393)
Other assets	43,893	42,012
Unbilled reimbursable contract costs receivables - state of California	138,991	17,068,594
Accounts payable	39,602,452	(20,552,784)
Due from state of California	-	(52,523)
Contract advances - state of California	(9,652,838)	9,652,838
Net assets held for clients	(44,064)	-
Accrued vacation and other leave benefits	(1,535,636)	284,898
Operating lease right-of-use asset and lease liability	(319,960)	(221,378)
Unfunded pension benefit obligations	(11,191,471)	(16,970,051)
Net Cash Provided By Operating Activities	<u>13,347,214</u>	<u>10,555,633</u>
NET CHANGE IN CASH, CASH EQUIVALENTS, AND CASH HELD FOR CLIENTS	13,347,214	10,555,633
CASH, CASH EQUIVALENTS, AND CASH HELD FOR CLIENTS AT BEGINNING OF YEAR	<u>43,880,195</u>	<u>33,324,562</u>
CASH, CASH EQUIVALENTS, AND CASH HELD FOR CLIENTS AT END OF YEAR	<u>\$ 57,227,409</u>	<u>\$ 43,880,195</u>
STATEMENT OF FINANCIAL POSITION PRESENTATION		
Cash and cash equivalents	\$ 57,161,104	\$ 43,736,121
Cash held for clients	<u>66,305</u>	<u>144,074</u>
TOTAL CASH, CASH EQUIVALENTS, AND CASH HELD FOR CLIENTS	<u>\$ 57,227,409</u>	<u>\$ 43,880,195</u>

The accompanying notes are an integral part of these financial statements.

PRELIMINARY DRAFT STAMP
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For Management Review Only

REGIONAL CENTER OF ORANGE COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE TOTALS FOR 2023)

NOTE 1 – Summary of Significant Accounting Policies

Purpose and Organization

Regional Center of Orange County, Inc. (the Center), a California nonprofit public benefit corporation under contract with the State of California Department of Developmental Services (DDS), was formed in 1977 to administer programs for individuals with developmental disabilities and their families, which includes diagnosis, counseling, education services, and dissemination of information on developmental disabilities to the public. The Center is one of 21 regional centers within California and serves Orange County.

The Center was organized in accordance with the provision of the Lanterman Developmental Disabilities Services Act (the Lanterman Act) of the Welfare and Institutions Code of the State of California. The Lanterman Act includes governance provisions regarding the composition of the Center's Board of Directors (the Board). The Lanterman Act states that the Board shall be comprised of individuals with demonstrated interest in, or knowledge of, developmental disabilities, and other relevant characteristics, and requires that a minimum of 50 percent of the governing board be persons with developmental disabilities or their parents or legal guardians; and that no less than 25 percent of the members of the governing board shall be persons with developmental disabilities. In addition, a member of a required advisory committee composed of persons representing the various categories of providers from which the Center purchases client services, shall serve as a member of the Board. To comply with the Lanterman Act, the Board includes persons with developmental disabilities, or their parents or legal guardians, who receive services through the Center and a client service provider of the Center.

The Center contracts with DDS to operate a regional center for the developmentally disabled, and their families. Under the terms of these contracts, funded expenditures are not to exceed \$754,445,328 for the 2023-2024 contract year. Amounts received from DDS contracts are recognized as revenue when the Center has incurred qualifying expenditures per the DDS contracts. Amounts received prior to incurring qualifying operational expenditures are recorded as contract advances and are included with contracts receivable – state of California and the net receivable or advance amount is reported on the statement of financial position.

As of June 30, 2024, actual net expenditures for the 2023-2024 contract year were \$665,868,644. The remaining amounts on the 2023-2024 contract year where the Center can be reimbursed for qualifying expenditures is approximately \$88,577,000, subject to any future budget amendments.

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NOTE 1 – Summary of Significant Accounting Policies (Continued)

State of California Contract

The Center operates under an annual cost-reimbursement contract with DDS under the Lanterman Act. The maximum expenditures under the contract are limited to the contract amount plus interest earned. The Center is required to maintain accounting records in accordance with the Regional Center Fiscal Manual, issued by DDS, and is required to have DDS approval for certain expenses. In the event of termination or nonrenewal of the contract, the state of California maintains the right to assume control of the Center's operation and the obligation of its liabilities.

Basis of Accounting

The Center prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), which involves the application of the accrual method of accounting; consequently, revenue and gains are recognized when earned, and expenses and losses are recognized when incurred regardless of the timing of cash flows. Reimbursements from the state are considered earned when qualifying expenses are incurred.

Classification of Net Assets

U.S. GAAP requires that the Center report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Accordingly, the net assets of the Center are classified and reported as follows:

Without Donor Restrictions – Those net assets and activities which represent expendable funds for operations related to the DDS contract. These accounts also record the activities of a federally funded program.

With Donor Restrictions – Those net assets and activities which are donor-restricted for holdings of (a) support of specific operating activities; (b) investment for a specified term; (c) use in a specified future period; (d) the acquisition of long-lived assets; (e) assets donated with stipulations that they be used for a specified purpose, be preserved, and not be sold; or (f) assets donated with stipulations that they be invested to provide a permanent source of income.

As of June 30, 2024, and for the year then ended, the Center did not have any net assets with donor restrictions.

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NOTE 1 – Summary of Significant Accounting Policies (Continued)

Fair Value of Financial Instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The carrying amounts of receivables and accounts payable approximate fair value because of the short maturity of these instruments.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash is defined as cash in demand deposit accounts as well as cash on hand. The Center considers all financial instruments with a maturity of three months or less when purchased to be cash equivalents.

Contracts Receivable – State of California

Contracts receivable represent claims billed according to the terms of the contract for costs incurred through the end of the year. Management believes that these receivables are fully collectible and, therefore, has not provided an allowance for credit losses.

Receivables from Intermediate Care Facility Vendors

The Centers for Medicare and Medicaid Services (CMS) approved federal financial participation in the funding of day and related transportation services purchased by the Center for consumers who reside in Intermediate Care Facilities (ICFs). CMS agreed that the day and related transportation services are part of the ICF service; however, the federal rules allow for only one provider of the ICF service. Accordingly, all the Medicaid Waiver grant (Medicaid) funding for the ICF residents must go through the applicable ICF provider. The billings include a 5.5% Quality Assurance fee for the State of California Department of Health Care Services, a 1.5% administrative fee for the ICFs, and a 1.5% administration fee for the Center.

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NOTE 1 – Summary of Significant Accounting Policies (Continued)

Receivables from Intermediate Care Facility Vendors (Continued)

The DDS has directed the Center to prepare billings for these services on behalf of the ICFs and submit a separate state claim report for these services. The Center was directed to reduce the amount of their regular state claim to DDS by the dollar amount of these services. Reimbursement for these services will be received from the ICFs. DDS advances the amount according to the state claim to the ICFs. The ICFs are then required to pass on the payments received, as well as the Center's administrative fee to the Center within 30 days of receipt of funds from the State Controller's Office.

State Equipment

Pursuant to the terms of the contract with DDS, equipment purchases become the property of the state of California and, accordingly, are charged as expenses when incurred. The Center tracks items, which cost more than \$5,000 and have an estimated useful life of more than one year. The aggregate equipment costs for the year ended June 30, 2024, totaled \$1,997,647.

Leasehold Improvements

Leasehold improvements are capitalized and are amortized over the shorter of the asset's life or the term of the lease. As of June 30, 2024, leasehold improvements net of amortization were \$293,029 and are included in other assets on the statement of financial position.

Client Trust Assets and Liabilities

The Center serves as a representative payee for a portion of its clients. In this fiduciary capacity, it receives social security benefits and other sources of income and makes payments on behalf of certain developmentally disabled clients who are deemed unable to administer the funds themselves. Client trust transactions are not considered revenue or expenses of the Center. The cash that is received and outstanding receivables, net of inter-fund liabilities, are reported as a liability, net assets held for clients, until it is distributed to the respective clients.

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NOTE 1 – Summary of Significant Accounting Policies (Continued)

Accrued Vacation and Other Leave Benefits

The Center has accrued a liability for vacation and sick leave benefits earned which are reimbursable costs under the contract with DDS; however, such benefits are reimbursed only when actually paid, therefore, these deferred costs are recognized as unbilled reimbursable contract costs receivables - state of California on the statement of financial position. The Center accrues earned vacation up to 320 hours. When the employee separates from service, the employee will receive the unused vacation.

Revenue Recognition – State of California Grants

The Center has a five-year cost-reimbursement contract with DDS which will expire June 30, 2024. Within those five years, each fiscal year has separate contract(s), allocations, and budget amendments. The Center is obligated to provide direct consumer services to persons with developmental disabilities and is reimbursed by DDS for contract related costs based on predetermined rates and budgeted costs. Revenue and expenses are recognized equal to the costs incurred when the Center satisfies its performance obligation by delivering the contracted services to the eligible customers. All eligible contract costs that are incurred but not paid, therefore not billed yet, are recognized as revenue and expense on accrual basis. Such billable costs are recorded as receivables in the statement of financial position, as the contract with DDS will not be cancelled. The contract advance represents the funds received at the inception of each fiscal year and are yet to be exhausted against the costs of services expected to be performed and delivered. Total costs and revenue are reviewed and a final financial settlement is made with DDS 24 months after the close of each fiscal year. Depending on the date of the service, claims are classified and charged to the appropriate contract as follows: (1) current year, (2) prior year, (3) second prior year.

Contributions

The Center recognizes all contributions when they are received or unconditionally promised, regardless of compliance with restrictions. Contributions are recognized based on the existence or absence of donor-imposed restrictions. Contributions with donor-imposed restrictions may be expendable or are required to be held in perpetuity.

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NOTE 1 – Summary of Significant Accounting Policies (Continued)

Contributions (Continued)

The satisfaction of a donor-imposed restriction on a contribution is recognized in the period in which the restriction expires. This occurs by increasing one class of net assets and decreasing another in the statement of activities. These transactions are reported as net assets released from restrictions in the statement of activities and are reported separately from other transactions.

Income Taxes

The Center is a qualified organization from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and franchise taxes under Section 23701(d) of the California Revenue and Taxation Code. Accordingly, it is exempt from federal and California income taxes and is not liable for federal unemployment taxes.

Management evaluated the Center's tax positions and concluded that they maintained their tax-exempt status and had taken no uncertain tax positions that would require adjustment to the financial statements. Therefore, no provision or liability for income taxes has been included in the financial statements. The Center is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress or pending.

Defined Benefit Pension Plan

The Center records the unfunded liability of its defined benefit pension plan with California Public Employees' Retirement System (CalPERS) on the statement of financial position and recognizes the changes in the funded status on the statement of activities in the year in which the change occurs. The Center's share in the unfunded projected pension benefits obligations is determined in accordance with the provisions of Financial Accounting Standards Board (FASB) Standards Codification (ASC) 715, *Defined Benefit Plans – Pension*. The Center recognized the incurred but unpaid pension benefits costs as part of the unbilled reimbursable contract cost receivables – state of California on the statement of financial position. Pension benefits costs are billed to DDS when paid by the Center to CalPERS.

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NOTE 1 – Summary of Significant Accounting Policies (Continued)

Functional Expenses Allocation

The costs of providing the various programs and activities have been summarized on a functional basis in the statements of activities and functional expenses. Purchase of services, salaries, and related expenses are allocated to the program services or management and general on a direct-cost basis. All other operating expenses are allocated to management and general.

Concentrations of Credit Risk

Financial instruments, which potentially subject the Center to a concentration of credit risk, principally consist of cash, contracts receivable, and receivables from vendors. The Center places cash in deposit accounts, which may at times, exceed the federally insured limit. Through its contract with DDS, the Center is reimbursed for its expenses. The ability of DDS to honor its obligations and to continue funding is dependent upon the overall economic well-being of the state of California. The Center has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk.

Summarized Comparative Financial Information

The financial statements include certain prior year summarized comparative financial information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Center's financial statements as of June 30, 2023, and for the year then ended, from which the summarized information was derived.

Leasing Arrangements

The Center determines if an arrangement contains a lease at inception based on whether the Center has the right to control the asset during the contract period and other facts and circumstances. The Center elected the package of practical expedients permitted under the transition guidance within the new standard, which among other things, allowed it to carry forward the historical lease classification.

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NOTE 1 – Summary of Significant Accounting Policies (Continued)

Leasing Arrangements (Continued)

The Center's policy for determining its lease discount rate used for measuring lease liabilities is to use the rate implicit in the lease whenever that rate is readily determinable. If the rate implicit in the lease is not readily determinable, then the Center has elected to use the risk-free discount rate, as permitted by U.S. GAAP, determined using a period comparable with that of the lease term.

The Center has elected a policy to account for short-term leases, defined as any lease with a term less than 12 months, by recognizing all components of the lease payment in the statement of activities in the period in which the obligation for the payments is incurred.

Recently Adopted Accounting Pronouncements

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* (ASU 2016-13). ASU 2016-13 requires the measurement of all expected credit losses for financial assets, including trade receivables, held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. This ASU specifically excludes contributions receivable and all investments that are held by the Center. As a result, the Center adopted ASU 2016-13 and there was no material effect on the financial statements.

Subsequent Events

The Center's management has evaluated subsequent events from the statement of financial position date through [REPORT DATE], the date the financial statements were available to be issued for the year ended June 30, 2024, and determined there are no other items to disclose.

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NOTE 2 – Cash – Client Trust Funds

The Center acts as fiduciary for the client support funds received directly on behalf of clients from certain governmental agencies. At June 30, 2024, \$66,305 were held on behalf of clients by the Center for such purchase of services. These cash balances are segregated from the operating cash accounts of the Center and are restricted for consumer support. Since the Center is acting as an agent in processing these transactions, no revenue or expense is reflected on the accompanying statement of activities. The following is a summary of operating activity not reported in the statement of activities for the year ended June 30, 2024:

Support:

Social Security and other client support	\$ 393,574
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Disbursements:

Living out of home	184,969
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Other disbursements	<u>208,605</u>
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	<u>\$ 393,574</u>
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NOTE 3 – Contracts Receivable (Advances) – State of California

The Center's major source of revenue is from the state of California. Subject to renewal, the Center enters into a new contract with the state for a specified funding amount subject to budget amendments.

As of June 30, 2024, the DDS had advanced the Center \$171,793,306 under the regional center contracts. For financial statement presentation, to the extent there are claims receivable, these advances have been offset against the claims receivable from the DDS contracts as follows:

Contracts receivable	\$ 186,461,959
Contract advances	<u>(171,793,306)</u>
	<u>\$ 14,668,653</u>

The Center has renewed its contract with the state for the fiscal year ending June 30, 2024. This contract provides for initial funding of \$786,603,597.

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NOTE 3 – Contracts Receivable (Advances) – State of California (Continued)

In addition, the Center has accrued receivables from the state for expenses that will be settled in cash in future years. These expenses are required to be recognized as liabilities under U.S. GAAP; however such benefits are reimbursed by the state contract only when actually paid. Accrued benefits shall include vacation, sick leave, and any other benefits.

The Center's contract with DDS includes various fiscal provisions, which provide that the state of California retains all rights, title, and interest to the funds provided by DDS and that funds received from DDS may only be used for the purpose of satisfying claims against or expenses of the Center incurred pursuant to and in the performance of its contract with DDS.

Unbilled reimbursable contract costs receivables as of June 30, 2024, consist of the following:

Deferred costs for rent liability	\$ 4,153,396
Deferred costs for accrued vacation and other leave benefits	<u>2,913,679</u>
Total	<u>\$ 7,067,075</u>

NOTE 4 – Intermediate Care Facilities – State Plan Amendment

The receivable from ICFs in the amount of \$4,625,025 represents the amount owed to the Center based for day and related transportation services. Revenue from ICFs for the year ended June 30, 2024, was \$8,643,560.

NOTE 5 – Line of Credit

The Center established a revolving line of credit with a financial institution for \$65,000,000. The line of credit matured on September 30, 2024 and was secured by substantially all assets of the Center with interest due monthly at the bank's reference rate (8.50% at June 30, 2024). As of June 30, 2024, there was no outstanding borrowing on the line of credit. As of the issuance date of these financial statements, the line of credit is in the process of being renewed subject to the Board's approval.

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NOTE 6 – Defined Benefit Pension Plan

The Center contributes to CalPERS for retirement benefits. CalPERS is an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating public entities within California. Substantially all of the Center's employees participate in CalPERS.

FASB ASC 715-30, *Defined Benefit Plans – Pension*, requires the Center to recognize the funded status of a defined benefit retirement plan as an asset or liability in its statement of financial position and to recognize changes in that funded status in the change in net assets without donor-imposed restrictions in the year in which the change occurs.

The Center has two retirement plans with CalPERS. The first plan is at a 2%-at-age-55 formula, which closed as of December 31, 2012. All eligible employees hired prior to January 1, 2013, participate in this plan. The second plan is a 2%-at-age-62 formula, which was established by the Public Employee's Pension Reform Act of 2013; all eligible employees hired on or after January 1, 2013 participate in this plan. The total required employee contributions are 7% of earnings for the 2%-at-age-55 plan and 6.75% of earnings for the 2%-at-age-62 plan. The Center is required to contribute the remaining amounts necessary to fund the benefits for its employees, using the actuarial basis adopted by the CalPERS Board of Administration.

The CalPERS Board of Administration adopted changes to the demographic assumptions based on the most recent experience study report. The most significant of these is the improvement in post-retirement mortality acknowledging the greater life expectancies in membership and expected continued improvements. The actuarial assumptions and methods used in CalPERS public agency valuations are approved by the Board of Administration upon the recommendation of the Chief Actuary.

The excess of the total actuarial accrued liability over the market value of plan assets is called the unfunded actuarial accrued liability. Funding requirements are determined by adding the normal cost and an amortization of the unfunded liability as a level percentage of assumed future payoffs.

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NOTE 6 – Defined Benefit Pension Plan (Continued)

Net periodic benefit cost consists of the following components:

Service cost	\$ 8,555,266
Interest cost	9,023,257
Expected return on plan assets	(9,317,685)
Amortization of prior service cost	16,969
Recognized net actuarial gain	<u>(1,559,818)</u>
Net periodic benefit cost	<u>\$ 6,717,989</u>

Net periodic benefit cost is included in salaries and benefits expenses on the statement of activities.

Pension benefit changes other than net periodic benefit costs during the year ended June 30, 2024, are as follows:

Assumption gain	\$ (9,323,738)
Experience gain	2,346,238
Recognized net actuarial loss	(3,803,865)
Investment experience	<u>1,542,849</u>
Changes Other than Net Periodic Benefit Costs	<u>\$ (9,238,516)</u>

Benefit obligation and unfunded status as of June 30, 2024, are as follows:

Benefit obligation	\$ 178,288,671
Market value of assets	<u>(152,296,510)</u>
Unfunded Pension Benefit Obligation	<u>\$ 25,992,161</u>

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NOTE 6 – Defined Benefit Pension Plan (Continued)

The following table provides a reconciliation of the changes in the plan's benefit obligations:

Reconciliation of Benefit Obligations

Change in benefit obligations	
Obligations at beginning of year	\$ 172,058,237
Service cost	8,555,266
Interest cost	9,023,257
Experience gain	2,346,238
Assumptions gain	(9,323,738)
Benefits and expenses paid	<u>(4,370,589)</u>
Obligations at end of year	<u>\$ 178,288,671</u>

The following table provides a reconciliation of the changes in the plan's assets:

Fair value of plan assets at beginning of year	\$ 134,874,605
Actual return on plan assets	13,121,550
Total contributions	8,670,944
Benefits and expenses paid	<u>(4,370,589)</u>
Fair value of plan assets at end of year	<u>152,296,510</u>
Net amount recognized in the statements of financial position	<u>\$ (25,992,161)</u>

The discount rate was derived from the Above Median FTSE Pension Discount Curve as of June 30, 2024, using the expected payouts from the plan. The rate used as of the beginning of the fiscal year (used to calculate the expense for the year) was 5.53%. Below is a comparison of the effect on the benefit obligation with a 1% change in the discount rate:

Increase of 1% (6.53%)	\$ 61,488,143
Current discount rate (5.53%)	\$ 25,992,161
Decrease of 1% (4.53%)	\$ (1,264,602)

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NOTE 6 – Defined Benefit Pension Plan (Continued)

The assumptions used in the measurement of the benefit obligations at June 30, 2024, are as follows:

Discount Rate	5.53%
Long-term rate of return	6.80%
Salary Scale (annual increase)	4.00%
Maximum benefit and annual compensation limit increases	2.30%

CalPERS long-term rate of return on plan assets is 6.80% which is determined in consultation with CalPERS investment staff and advisors. The annual pension expense under ASC 715 is based on the expected return on plan assets during the fiscal year.

For the mortality rate, the actuary used the male and female, Pri-2012 Total Dataset Mortality Tables projected forward using Mortality Improvement Scale MP-2020 on a generation basis. This assumption is expected to be a best estimate of future mortality experience, being based on the latest published study by the Society of Actuaries, which was finalized in October 2020.

The plan is reported as a pension trust fund, and is accounted for using the accrual basis of accounting. Contributions to the plan are recognized in the period in which the contributions are due pursuant to legal requirements. Member contribution rates are defined by law and depend on the respective employers benefit formulas. Member and employer contribution rates are determined by periodic actuarial valuations. Actuarial valuations are based on the benefit provisions and employee groups of each employer. Benefits and refunds are recognized when currently due and payable in accordance with the terms of each rate plan.

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NOTE 6 – Defined Benefit Pension Plan (Continued)

The actual allocations for the pension assets and target allocations by asset class as of June 30, 2024, are as follows:

<u>Asset Class</u>	<u>Current Allocation</u>	<u>Target Allocation</u>
Global Equity	41.9 %	40.4 %
Private Equity	15.6	15.0
Global Fixed Income	29.6	29.1
Real Assets	12.9	15.0
Other	-	0.5
	<u>100.0 %</u>	<u>100.0 %</u>

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under Topic 820 are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 Inputs to the valuation methodology include

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability; and
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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NOTE 6 – Defined Benefit Pension Plan (Continued)

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Plan assets of \$152,296,510 are held in a pooled investment account managed by CalPERS and are considered level 3 investments.

Cash Flow Estimates for Future Benefit Payments

The following estimated benefit payments are expected to be paid on a fiscal year basis:

For the Year Ended June 30,	
2025	\$ 4,765,809
2026	5,254,994
2027	5,661,845
2028	6,264,469
2029	6,732,495
2030-2034	<u>42,930,396</u>
	<u>\$ 71,610,008</u>

NOTE 7 – Leasing Arrangements

The Center leases its office space under operating leases for initial terms of 12 years. Most leases include renewal options which can extend the lease term up to 5 years. The exercise of these renewal options is at the sole discretion of the Center, and only lease options that the Center believes are reasonably certain to exercise are included in the measurement of the lease assets and liabilities.

While all of the agreements provide for minimum lease payments, some include payments for variable non-lease components. Variable payments are not determinable at the lease commencement and are not included in the measurement of the lease assets and liabilities. The lease agreements do not include any material residual value guarantees or restrictive covenants.

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NOTE 7 – Leasing Arrangements (Continued)

The components of operating lease expenses that are included in "Management and general" expenses in the statement of activities were as follows:

	For the Year Ended June 30,	
	2024	2023
Operating lease costs	\$ 3,064,622	\$ 3,064,622
Variable lease costs	472,315	592,463
	<u>\$ 3,536,937</u>	<u>\$ 3,657,085</u>

The following table summarizes the supplemental cash flow information for the year ended June 30, 2024:

Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	\$ 3,384,578

The weighted-average remaining lease term and discount rate were at year-end:

Weighted-average remaining lease term - operating leases	6.21 years
Weighted-average discount rate - operating leases	2.90%

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(WITH COMPARATIVE TOTALS FOR 2023)

NOTE 7 – Leasing Arrangements (Continued)

The maturities of operating lease liabilities as of June 30, 2024 are as follows:

<u>Year Ending June 30,</u>	
2025	\$ 3,486,116
2026	3,590,699
2027	3,698,420
2028	3,238,846
2029	3,284,145
Thereafter	<u>5,116,246</u>
Total minimum lease payments	22,414,471
Less amount representing interest	<u>(1,934,590)</u>
Present value of minimum lease payments	<u>\$ 20,479,881</u>

NOTE 8 – Commitments and Contingencies

Commitments

In accordance with the terms of the contract with DDS, an audit may be performed by an authorized DDS representative. Should such audit disclose any unallowable costs, the Center may be liable to DDS for reimbursement of such costs. In the opinion of the Center's management, the effect of any disallowed costs would be immaterial to the financial statements at June 30, 2024, and for the year then ended.

The Center is dependent on continued funding provided by DDS to operate and provide services for its clients. The Center's contract with DDS provides funding for services under the Lanterman Act. In the event that the state determines that the Center has insufficient funds to meet its contractual obligations, the state shall make its best effort to secure additional funding and/or provide the Center with regulatory and statutory relief.

The Center has elected to self-insure its unemployment insurance using the prorated cost-of-benefits method. Under this method, the Center is required to reimburse DDS for benefits paid to certain former employees. The Center had \$839,915 in a reserve cash account to pay for any potential unemployment claims at June 30, 2024.

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REGIONAL CENTER OF ORANGE COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE TOTALS FOR 2023)

NOTE 8 – Commitments and Contingencies (Continued)

Legal Proceedings

The Center is subject to various legal proceedings and state claims arising in the ordinary course of its business. While the ultimate outcome of these matters is difficult to predict, management believes that the ultimate resolution of these matters will not have a material adverse effect on the Center's financial position or activities.

NOTE 9 – Financial Assets and Liquidity Resources

As of June 30, 2024, financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, were as follows:

Financial Assets:

Cash and cash equivalents	\$ 57,161,104
Contract receivable - state of California	14,668,653
Receivable from Intermediate Care Facility vendors	<u>4,409,293</u>

Total financial assets available within one year	<u>\$ 76,239,050</u>
--	----------------------

The Center's sources of liquidity include cash advances from DDS, which are available for general expenditures, liabilities, and other obligations as they come due. Management regularly reviews its cash flow needs and maintains sufficient liquidity throughout the year. To help manage unexpected liquidity needs at the end of the fiscal year and before receipt of the cash advances, the Center has a practice of obtaining a line of credit, which it is currently and actively pursuing since the expiration of its most recent agreement.

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REGIONAL CENTER OF ORANGE COUNTY, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Grant Identification Number</u>	<u>Federal Expenditures</u>
U.S. Department of Education Passed through State of California Department of Developmental Services			
Special Education – Grants for Infants and Families	84.181A	H181A220037	\$ <u>873,934</u>
Total federal expenditures			\$ <u>873,934</u>

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REGIONAL CENTER OF ORANGE COUNTY, INC.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE A - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Regional Center of Orange County, Inc. under programs of the federal government for the year ended June 30, 2024. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Regional Center of Orange County, Inc., it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of Regional Center of Orange County, Inc.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting and based on state contract budget allocations. Such expenditures are recognized following cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C - INDIRECT COST RATE

Regional Center of Orange County, Inc. has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS***

To the Board of Directors of
Regional Center of Orange County, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Regional Center of Orange County, Inc. (the Center), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated [REPORT DATE].

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Center's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 that we considered to be a significant deficiency.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Center's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Regional Center of Orange County, Inc.'s Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on Regional Center of Orange County, Inc.'s response to findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Regional Center of Orange County, Inc.'s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, according, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Center's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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Long Beach, California
[REPORT DATE]

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE**

To the Board of Directors of
Regional Center of Orange County, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Regional Center of Orange County, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Regional Center of Orange County, Inc.'s major federal program for the year ended June 30, 2024. Regional Center of Orange County, Inc.'s major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Regional Center of Orange County, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Regional Center of Orange County, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Regional Center of Orange County, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Regional Center of Orange County, Inc.'s federal programs.

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Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Regional Center of Orange County, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Regional Center of Orange County, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Regional Center of Orange County, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Regional Center of Orange County, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Regional Center of Orange County, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

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Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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Long Beach, California
[REPORT DATE]

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REGIONAL CENTER OF ORANGE COUNTY, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements

The auditors' report expresses an unmodified opinion on whether the financial statements of Regional Center of Orange County, Inc. were prepared in accordance with generally accepted accounting principles.

Internal control over financial reporting:

Material weakness(es) identified? – No

Significant deficiencies identified? – Yes

Noncompliance material to financial statements noted? – No

Federal awards

Internal control over major programs

Material weakness(es) identified? – No

Significant deficiencies identified? – None reported

Type of auditors' report issued on compliance for major programs? – Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? – No

Identification of major program: Special Education – Grants for Infants and Families, CFDA #84.181A

Dollar threshold used to distinguish between type A and type B programs was \$750,000.

Auditee qualified as low-risk auditee? – No

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REGIONAL CENTER OF ORANGE COUNTY, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

SECTION II – FINDINGS – FINANCIAL STATEMENTS AUDIT

2024-001 – Monitoring of Receivables from Intermediate Care Facility Vendors

Condition:	<p>During our review of receivables from Intermediate Care Facility (ICF) vendors, the following deficiencies were noted.</p> <ul style="list-style-type: none">- A detail reconciliation of the receivable documenting which vendor and what amount was due to the Center at year end was not readily available.- Checks payments for ICF receivables were not timely deposited leading management to find approximately \$3 million in an employee's work space when the employee resigned their position from the Center.- Approximately \$5 million, which includes the \$3 million noted above, was recorded as unapplied cash in the trial balance instead of being directly offset with the applicable receivable.
Criteria:	<p>Management is responsible for establishing and maintaining an effective system of internal control over financial statement reporting, including the review, reconciliation, and collections of receivables from ICF.</p>
Cause:	<p>The prior individual in-charge of ICF receivables was not effectively performing their assigned duty to oversee the ICF receivable process. Turnover in the position lead management to re-develop process and procedures to ensure details of the receivable were accurate and complete.</p>
Effect:	<p>Management needed additional time to review and reconcile the ICF receivable. Ultimately, management was able to reconstruct detail records of the receivable to match the accounting records. This lead to delays in the audit and additional audit procedures to review the reconstructed records to ensure it was materially complete and accurate.</p>

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REGIONAL CENTER OF ORANGE COUNTY, INC.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024**

SECTION II – FINDINGS – FINANCIAL STATEMENTS AUDIT (Continued)

**2024-001 – Monitoring of Receivables from Intermediate Care Facility Vendors
(Continued)**

Recommendation: We recommend management review their process and procedures over the ICF receivable process to ensure that the following:

- Detail records of ICF are maintained to account for claims filed and cash payments received. The records should be reconciled during month end close to ensure they match the trial balance.
- Checks received for ICF receivable should be deposited in a timely manner when material amounts have been received.
- Payments received should be recorded directly against the applicable vendor receivable. For checks that aren't able to be matched with a vendor receivable, research to investigate and match the payment up with the receivable should be done in a timely manner.

Management's

Response: {Pending Management's Response}

**SECTION III – FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD
PROGRAMS AUDIT**

None

REGIONAL CENTER OF ORANGE COUNTY

BOARD OF DIRECTORS

AGENDA ITEM DETAIL SHEET

DATE: June 5, 2025
TO: Board of Directors
FROM: Larry Landauer
Executive Director

ACTION	X
ACTION/CONSENT	
DISCUSSION	
INFO ONLY	

SUBJECT: Approval of Performance Contract for Fiscal Year 2025-26

BACKGROUND:

The Welfare and Institutions Code §4629, requires the development of an annual Performance Contract between the Department of Developmental Services (DDS) and regional centers.

REASON FOR CURRENT ITEM:

Each regional center's Performance Contract must be approved by the center's Board of Directors prior to submission to DDS (see attachment).

FISCAL IMPACT:

To the extent that a proposed contract objective requires additional Operations or Purchase of Service funds, RCOC must reallocate resources within its existing budget. The Department does not allocate additional funds when Performance Contract objectives are met.

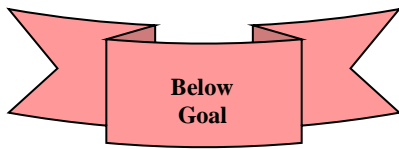
RECOMMENDATIONS:

That the Board approve the Performance Contract for Fiscal Year 2025-2026 as presented.

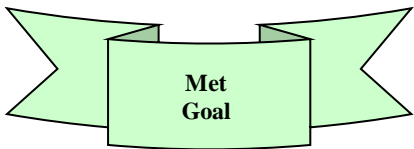
Performance Contract 2025-2026



= Better than Statewide Average



= Below Regional Center of Orange County Goal



= Met Regional Center of Orange County Goal



= Met or Exceeded Regional Center of Orange County Goal



= Exceeded Regional Center of Orange County Goal

There will be a variance between consumer data in the Operations Report and the Performance Contract. Consumer data for the Operations Report and the Performance Contract are produced on different dates and from different databases. The Operations Report numbers are based on RCOC's local database as of the end of the month. The Performance Contract numbers are based on RCOC's information as submitted to DDS on a different date.



Performance Contract 2025-2026

A. Regional Center of Orange County will maintain compliance in the following areas based upon criteria set forth in RCOC's contract with the Department of Developmental Services.

Compliance Measure	Outcome
Unqualified audit with no material findings	Yes
Substantial compliance with DDS fiscal audit	Yes
Operates within OPS budget	Yes
Certified to participate in Waiver	Yes
Compliance with vendor audit requirements per contract, Article III, sec. 10	Met
CDER/ESR current	96.23%
Intake/Assessment and IFSP (0-2)	99.52%
IPP development biennial	Annual, 99.46
IFSP development	69.28%



Performance Contract 2025-2026

I. Children Residing with Families (*Child is defined as under 18 years of age*)

Planned Activities

Statement: The Regional Center of Orange County (RCOC) ensures that children will reside with their families by providing the needed supports and services regardless of the severity of the child's disability.

- Continue to assess current supports and services.
- RCOC will work with the Orange County community in an effort to support programs, trainings, and services designed to provide equal access to child care for families of children with special needs (autism).
- Continue to develop innovative resources for children 0-3 years old (i.e. respite placements).
- RCOC will insure that persons served are provided opportunities for safety awareness training through schools and other similar programs available.
- Review and revise services, e.g. respite and family support.
- RCOC will insure that families receive full information about the developmental needs of the persons served and what types of services are available.
- RCOC will assure that persons served and their caregivers receive complete assessments and have the opportunity to ask questions, advocate, and access to services. To be evaluated and monitored by a National Core Indicators (NCI) survey of persons served and thier caregivers.



Progress: A. During public meetings, RCOC had 242, or 1.8%, of children in foster homes.

A. Number and % of regional center children in foster homes.

	Percentage	All Children	Children in FH			
Statewide Average	2.20%	252,861	5,676	Goal	%	# Attained
RCOC Public Hearing 4/23/25	1.80%	13,137	242			
RCOC 5/01/25	1.58%	13,429	212	220	1.58%	-8
Analysis as of Public Hearing	RCOC % of DD pop.		5.20%	RCOC % of FH pop.		4.26%

	Total Children Status 1&2	Goal	Children in Foster Homes	%	Number Attained
Jul-25		220			
Aug-25		220			
Sep-25		220			
Oct-25		220			
Nov-25		220			
Dec-25		220			
Jan-26		220			
Feb-26		220			
Mar-26		220			
Apr-26		220			
May-26		220			
Jun-26		220			

Below Goal

Progress: B. During public meetings, RCOC had 12,854 or 97.90%, of children in own-home-parent/guardian.

B. Number and % of regional center children in own home-parent/guardian.

	%	All Children	Children in own home Parent/Guardian			
Statewide Average	97.47%	252,861	246,467			
RCOC Public Hearing 4/23/25	97.85%	13,137	12,854	Goal	%	# Attained
RCOC 5/01/25	98.11%	13,429	13,175	13,720	98.11%	-545
Analysis as of Public Hearing	RCOC % of DD pop.	5.20%	RCOC % of Home	97.85%		



	Total Children	Goal	Children in Own Home Parent/Guardian	%	Number Attained
Jul-25		13,720			
Aug-25		13,720			
Sep-25		13,720			
Oct-25		13,720			
Nov-25		13,720			
Dec-25		13,720			
Jan-26		13,720			
Feb-26		13,720			
Mar-26		13,720			
Apr-26		13,720			
May-26		13,720			
Jun-26		13,720			





Progress: C. During public meetings, RCOC had 13,096, or 99.70%, of children in homes.

C. Total number and % of regional center children in homes (*this is a total of sections A and B above*).

	%	All Children	Total Number Children in Homes			
Statewide Average	99.70%	252,861	252,143			
RCOC Public Hearing 4/23/25	99.70%	13,137	13,096	Goal	%	# Attained
RCOC 5/01/25	99.69%	13,429	13,387	13,940	99.69%	-553
Analysis of Public Hearing	RCOC % of DD pop		5.20%	RCOC % Homes		97.83%

	Total Children Status 1&2	Goal	Total Number Children in Homes	%	Number Attained
Jul-25		13,940			
Aug-25		13,940			
Sep-25		13,940			
Oct-25		13,940			
Nov-25		13,940			
Dec-25		13,940			
Jan-26		13,940			
Feb-26		13,940			
Mar-26		13,940			
Apr-26		13,940			
May-26		13,940			
Jun-26		13,940			

Below Goal

Performance Contract 2025-2026

II. Adults Residing in Home Settings

Planned Activities

Statement: RCOC works with persons served and their caregivers and advocates to empower and enable them to assert the rights of persons served to determine and control the living arrangements of their choice. This may include owning, renting, or leasing the home where the persons served reside.

Objective: Using the Person Centered Thinking (PCT) Individual Program Planning process, Service Coordinators will continue to identify regional center adult persons served who have the hopes and desires to live in a new living arrangement. Cases are reviewed at least annually for the least restrictive environment.

- RCOC will provide service coordinator training to assist families in establishing maintenance plans in the event of temporary caregiver illness/incapacity and for eventual transition plans.
- RCOC will request vendors to include successionary maintenance and transitional plans in the event of temporary illness/incapacity and transfer of ownership in their program designs.
- RCOC will ensure that persons served are provided opportunities for safety awareness training on a regular and as needed basis.
- RCOC will review and revise services, e.g. respite and family support.
- RCOC will assure that persons served and their caregivers receive complete assessments and have opportunities to ask questions, advocate, and access services. To be evaluated and monitored by an NCI survey of persons served and their caregivers.



Progress: A. During public meetings, RCOC had 91, or 0.7%, of adults residing in Adult FHA.

A. Total number and % of regional center adult caseload residing in an Adult Family Home Agency (FHA).

	Percentage	Total Adults Status 2	Adults in FHA			
Statewide Average	0.70%	203,915	1,484			
RCOC Public Hearing 4/23/25	0.70%	13,898	91	Goal	%	# Attained
RCOC 5/01/25	0.54%	14,057	76	90	0.54%	-14
Analysis as of Public Hearing	RCOC % of DD pop		6.82%	RCOC % of FHA pop		6.13%

Below Goal

	Total Adults Status 2	Goal	Adults in FHA	%	Number Attained
Jul-25		90			
Aug-25		90			
Sep-25		90			
Oct-25		90			
Nov-25		90			
Dec-25		90			
Jan-26		90			
Feb-26		90			
Mar-26		90			
Apr-26		90			
May-26		90			
Jun-26		90			



Progress: B. During public meetings, RCOC had 976, or 7.0%, of adults residing in independent living.

B. Total number and % of regional center adults in independent living.

	Percentage	Total Adults Status 2	Adults in Independent Living			
Statewide Average	8.90%	203,915	18,216			
RCOC Public Hearing 4/23/25	7.00%	13,898	976	Goal	%	# Attained
RCOC 5/01/25	6.88%	14,057	967	982	6.88%	-15
Analysis of Public Hearing	RCOC % of DD pop		6.82%	RCOC % of IL pop		5.36%

Below Goal

	Total Adults Status 2	Goal	Adults in Independent Living	%	Number Attained
Jul-25		982			
Aug-25		982			
Sep-25		982			
Oct-25		982			
Nov-25		982			
Dec-25		982			
Jan-26		982			
Feb-26		982			
Mar-26		982			
Apr-26		982			
May-26		982			
Jun-26		982			

Progress: C. During public meetings, RCOC had 9,890, or 71.2%, of adults residing in own home-parent.

C. Total number and % of regional center adults residing in own home-parent.

	Percentage	Total Adults Status 2	Adults Residing Own Home - Parent			
Statewide Average	69.90%	203,915	142,439			
RCOC Public Hearing 4/23/25	71.20%	13,898	9,890	Goal	%	# Attained
RCOC 5/01/25	71.54%	14,057	10,056	10,510	71.54%	-454
Analysis of Public Hearing	RCOC % of DD pop		6.82%	RCOC % of own home		6.94%



	Total Adults Status 2	Goal	Adults Residing Own Home - Parent	%	Number Attained
Jul-25		10,510			
Aug-25		10,510			
Sep-25		10,510			
Oct-25		10,510			
Nov-25		10,510			
Dec-25		10,510			
Jan-26		10,510			
Feb-26		10,510			
Mar-26		10,510			
Apr-26		10,510			
May-26		10,510			
Jun-26		10,510			

Below Goal



Progress: D. During public meetings, RCOC had 489, or 3.5%, of adults residing in supported living.

D. Total number and % of regional center adults residing in supported living.

	Percentage	Total Adults Status 2	Adults Residing in Supported Living			
Statewide Average	4.70%	203,915	9,477			
RCOC Public Hearing 4/23/25	3.50%	13,898	489	Goal	%	# Attained
RCOC 5/01/25	3.46%	14,057	487	505	3.46%	-18
Analysis of Public Hearing	RCOC % of DD pop		6.82%	RCOC % of SL pop		5.16%

	Total Adults Status 2	Goal	Adults Residing Supported Living	%	Number Attained
Jul-25		505			
Aug-25		505			
Sep-25		505			
Oct-25		505			
Nov-25		505			
Dec-25		505			
Jan-26		505			
Feb-26		505			
Mar-26		505			
Apr-26		505			
May-26		505			
Jun-26		505			

Below Goal



Progress: E. During public meetings, RCOC had 11,446, or 82.4%, of adults residing in home settings.

E. Total number and % of regional center adults in home settings (*this is a total of sections A, B, C, and D above*).

	Percentage	Total Adults Status 2	Total Number Adults in Home Settings			
Statewide Average	84.20%	203,915	171,616			
RCOC Public Hearing 4/23/25	82.40%	13,898	11,446	Goal	%	# Attained
RCOC 5/01/25	82.42%	14,057	11,586	12,087	82.42%	-501
Analysis of Public Hearing	RCOC % of DD pop		6.82%	RCOC % of Home		6.67%

	Total Adults Status 2	Goal	Total Number Adults in Home Settings	%	Number Attained
Jul-25		12,087			
Aug-25		12,087			
Sep-25		12,087			
Oct-25		12,087			
Nov-25		12,087			
Dec-25		12,087			
Jan-26		12,087			
Feb-26		12,087			
Mar-26		12,087			
Apr-26		12,087			
May-26		12,087			
Jun-26		12,087			

Below Goal

Performance Contract 2025-2026

III. Children Residing in Facilities with Seven or More Beds (Excluding Developmental Centers)

Planned Activities

Statement: RCOC provides for the needs of children with medical issues or challenging behaviors in seven or greater bed facilities for limited time periods when smaller facilities cannot meet needs.

Objective: RCOC will place only those children with medical issues or challenging behaviors in seven or greater facilities.

- RCOC will continue seeking appropriate placement in smaller facilities for these children and to support creative services and supports which would allow placement in existing small facilities, as well as development of new small facilities as needed, utilizing appropriate services and supports to ensure success for these persons served.
- RCOC will adhere to Trailer Bill Language relating to the use of larger facilities to ensure the least restrictive environment is supported.

Progress: A. During public meetings, RCOC had 0, or 0.00%, of children residing in a Community Care Facility (CCF) 7+ beds. Placements to 7+ bed CCF facilities are at family request and/or due to specialized services.

A. Total number and % of regional center children residing in a CCF 7+ beds.

	Percentage	Total Children Status 1&2	Children Residing in CCF 7+ Beds			
Statewide Average	0.01%	252,861	14			
RCOC Public Hearing 4/23/25	0.00%	13,137	0	Goal	%	# Attained
RCOC 5/01/25	0.01%	13,429	1	0	0.01%	-1
Analysis of Public Hearing	RCOC % of DD pop		5.20%	RCOC % of CCF 7+		0.00%



	Total Children Status 1&2	Goal	Children Residing CCF 7+ Beds	%	Number Attained
Jul-25		0			
Aug-25		0			
Sep-25		0			
Oct-25		0			
Nov-25		0			
Dec-25		0			
Jan-26		0			
Feb-26		0			
Mar-26		0			
Apr-26		0			
May-26		0			
Jun-26		0			

Below Goal

Progress: B. During public meetings, RCOC had 0, or 0.00%, of children residing in an Intermediate Care Facility (ICF) 7+ beds.

B. Total number and % of regional center children residing in an ICF 7+ beds.

	Percentage	Total Children Status 1&2	Children Residing in an ICF 7+ beds			
Statewide Average	0.02%	252,861	32			
RCOC Public Hearing 4/23/25	0.00%	13,137	0	Goal	%	# Attained
RCOC 5/01/25	0.00%	13,429	0	0	0.00%	0
Analysis of Public Hearing	RCOC % of DD pop		5.20%	RCOC % of ICF 7+		0.00%



	Total Children Status 1&2	Goal	Children Residing ICF 7+ Beds	%	Number Attained
Jul-25		0			
Aug-25		0			
Sep-25		0			
Oct-25		0			
Nov-25		0			
Dec-25		0			
Jan-26		0			
Feb-26		0			
Mar-26		0			
Apr-26		0			
May-26		0			
Jun-26		0			



Progress: C. During public meetings, RCOC had no children residing in a nursing facility. Placements to nursing facilities are at family request and/or due to specialized services.

C. Total number and % of regional center children residing in a nursing facility.

	Percentage	Total Children Status 1&2	Children Residing in a Nursing Facility			
Statewide Average	*	252,861	*			
RCOC Public Hearing 4/23/25	0.00%	13,137	0	Goal	%	# Attained
RCOC 5/01/25	0.00%	13,429	0	0	0.00%	0
Analysis of Public Hearing	RCOC % of DD pop		5.20%	RCOC % of NF		0.00%

**in accordance with CA Health and Human Services de-identification guidelines, counts of 1-10 have been suppressed*



	Total Children Status 1&2	Goal	Children Residing in a Nursing Facility (NF)	%	Met Goal Number Attained
Jul-25		0			
Aug-25		0			
Sep-25		0			
Oct-25		0			
Nov-25		0			
Dec-25		0			
Jan-26		0			
Feb-26		0			
Mar-26		0			
Apr-26		0			
May-26		0			
Jun-26		0			

Progress: D. During public meetings, RCOC had 0, or 0.00%, of children residing in a facility with 7+ beds. Placements to 7+ bed facilities are at family request and/or due to specialized services.

D.Total number and % of regional center children residing in a facility with 7+ beds (*this is a total of sections A, B, and C above*).

	Percentage	Total Children Status 1&2	Total Children Residing in a 7+ Bed Facility			
Statewide Average	0.03%	252,861	49			
RCOC Public Hearing 4/23/25	0.00%	13,137	0	Goal	%	# Attained
RCOC 5/01/25	0.01%	13,429	1	0	0.01%	-1
Analysis of Public Hearing	RCOC % of DD pop		5.20%	RCOC % 7+ Bed		0.00%



	Total Children Status 1&2	Goal	Total Children Residing in 7+ Bed	%	Number Attained
Jul-25		0			
Aug-25		0			
Sep-25		0			
Oct-25		0			
Nov-25		0			
Dec-25		0			
Jan-26		0			
Feb-26		0			
Mar-26		0			
Apr-26		0			
May-26		0			
Jun-26		0			

Below Goal



Performance Contract 2025-2026

IV. Adults Residing in Facilities with Seven or More Beds (Excluding Developmental Centers)

Planned Activities

Statement: RCOC continues to ensure that individuals with developmental disabilities have more choices in living options regardless of the severity of their disabilities.

Objective: RCOC will place only those adults with medical issues or challenging behaviors in seven bed or greater facilities.

- RCOC will continue seeking appropriate placement in smaller facilities for these persons served and to support creative services and supports which would allow placement in existing small facilities, as well development of new small facilities as needed, utilizing appropriate services and supports to ensure success for these persons served.
- RCOC will adhere to Trailer Bill Language relating to the use of larger residential facilities to ensure the least restrictive environment is supported.



Progress: A. During public meetings, RCOC had 112, or 0.80%, of adults residing in a CCF 7+ bed. Placements to 7+ CCF are at family request and/or due to specialized services. RCOC has several long term vendors with 7+ bed homes, and will continue to work together to implement Trailer Bill Language regarding the use of these homes.

A. Total number and % of regional center adults residing in a Community Care Facility (CCF) 7+ beds.

	Percentage	Total Adults Status 2	Adults in CCF 7+ Beds			
Statewide Average	0.67%	203,915	1,284			
RCOC Public Hearing 4/23/25	0.80%	13,898	112	Goal	%	# Attained
RCOC 5/01/25	0.78%	14,057	109	106	0.78%	-3
Analysis of Public Hearing	RCOC % of DD pop		6.82%	RCOC % Adult 7+ CCF		8.72%

	Total Adults Status 2	Goal	Adults Residing in CCF 7+ Beds	%	Number Attained
Jul-25		106			
Aug-25		106			
Sep-25		106			
Oct-25		106			
Nov-25		106			
Dec-25		106			
Jan-26		106			
Feb-26		106			
Mar-26		106			
Apr-26		106			
May-26		106			
Jun-26		106			

Below Goal

Progress: B. During public meetings, RCOC had 15, or 0.10%, of adults residing in an Intermediate Care Facility (ICF) 7+ beds. Placements to 7+ bed facilities are at family request and/or due to specialized services.

B. Total number and % of regional center adults residing in an ICF 7+ beds.

	Percentage	Total Adults Status 2	Adults Residing ICF 7+ Beds			
Statewide Average	0.41%	203,915	705			
RCOC Public Hearing 4/23/25	0.10%	13,898	15	Goal	%	# Attained
RCOC 5/01/25	0.12%	14,057	17	13	0.12%	-4
Analysis of Public Hearing	RCOC % of DD pop		6.82%	RCOC % ICF 7+		2.13%



	Total Adults Status 2	Goal	Adults Residing ICF 7+ Beds	%	Number Attained
Jul-25		13			
Aug-25		13			
Sep-25		13			
Oct-25		13			
Nov-25		13			
Dec-25		13			
Jan-26		13			
Feb-26		13			
Mar-26		13			
Apr-26		13			
May-26		13			
Jun-26		13			

Below Goal



Progress: C. During public meetings, RCOC had 77, or 0.60%, of adults residing in a nursing facility (NF). Placements to nursing facilities are at family request and/or due to medical or specialized services.

C. Total number and % of regional center adults residing in a nursing facility.

	Percentage	Total Adults Status 2	Adults Residing in NF			
Statewide Average	0.40%	203,915	874			
RCOC Public Hearing 4/23/25	0.60%	13,898	77	Goal	%	# Attained
RCOC 5/01/25	0.53%	14,057	75	72	0.53%	-3
Analysis of Public Hearing	RCOC % DD pop		6.82%	RCOC % NF		8.81%

	Total Adults Status 2	Goal	Adults Residing in NF	%	Number Attained
Jul-25		72			
Aug-25		72			
Sep-25		72			
Oct-25		72			
Nov-25		72			
Dec-25		72			
Jan-26		72			
Feb-26		72			
Mar-26		72			
Apr-26		72			
May-26		72			
Jun-26		72			

Below Goal

Progress: D. During public meetings, RCOC had 204, or 1.5%, of adults residing in a facility with 7+ beds. Placements to 7+ bed facilities are at family request and/or due to specialized services.

D. Total number and % of adults residing in a facility with 7+ beds (*this is a total of sections A, B, and C above*).

	Percentage	Total Adults Status 2	Total Adults Residing in 7+ Bed			
Statewide Average	1.40%	203,915	2,863			
RCOC Public Hearing 4/23/25	1.50%	13,898	205	Goal	%	# Attained
RCOC 5/01/25	1.43%	14,057	201	191	1.43%	-10
Analysis of Public Meeting	RCOC % of DD pop	6.82%	RCOC % 7+ Bed			7.16%

	Total Adults Status 2	Goal	Total Adults Residing in 7+ Beds	%	Number Attained
Jul-25		191			
Aug-25		191			
Sep-25		191			
Oct-25		191			
Nov-25		191			
Dec-25		191			
Jan-26		191			
Feb-26		191			
Mar-26		191			
Apr-26		191			
May-26		191			
Jun-26		191			

Below Goal



Performance Contract 2025-2026

V. Intake Duration

Planned Activities

Statement: Management and Service Coordinator staff receive a monthly report on the duration of individuals age 3 and over who are in the intake process.

Objective: RCOC will continue to ensure that the duration of individuals ages 3 and over in the Intake process is within mandated timeline.

- RCOC will provide persons served and their caregivers/advocates with initial information about developmental needs, and about the services and supports available, inside and outside of RCOC.

Progress: A. During public meetings, RCOC had 330, or 100%, of regional center individuals over age 3 with <=120 days.

A. Total number and % of regional center individuals over age 3 with <=120 days.

	Percentage	Total # Age 3 or Over	Total # Over Age 3 with <=120 Days	Goal	% Attained
RCOC Public Hearing 4/23/25	100%	330	300		
RCOC 5/01/25	99.58%	480	478	100%	99.58%



	Total Number Individuals Age 3 or Over	Goal	Total Number Individuals Over Age 3 with <=120 Days	% Attained
Jul-25		100%		
Aug-25		100%		
Sep-25		100%		
Oct-25		100%		
Nov-25		100%		
Dec-25		100%		
Jan-26		100%		
Feb-26		100%		
Mar-26		100%		
Apr-26		100%		
May-26		100%		
Jun-26		100%		

**Below
Goal**

Progress: B. During public meetings, RCOC had 0, or 0.00%, of regional center individuals over age 3 with 121-240 days.

B. Total number and % of regional center individuals over age 3 with 121-240 days.

	Percentage	Total Number of Individuals Age 3 and Over	Total Number of Individuals Over Age 3 With 121-240 Days	Goal	% Attained
RCOC Public Hearing 4/23/25	0.00%	330	0		
RCOC 5/01/25	0.00%	480	0	0%	0.00%



	Total Number of Individuals Age 3 or Over	Goal	Total Number of Individuals Over Age 3 With 121-240 Days	%
Jul-25		0%		
Aug-25		0%		
Sep-25		0%		
Oct-25		0%		
Nov-25		0%		
Dec-25		0%		
Jan-26		0%		
Feb-26		0%		
Mar-26		0%		
Apr-26		0%		
May-26		0%		
Jun-26		0%		



Progress: C. During public meetings, RCOC had 0, or 0.00%, of regional center individuals over age 3 with over 240 days.

C. Total number and % of regional center individuals over age 3 with over 240 days.

	Percentage	Total Number Individuals Age 3 or Over	Total Number Individuals Over Age 3 Over 240 Days	Goal	% Attained
RCOC Public Hearing 4/23/25	0%	330	0		
RCOC 5/01/25	0.42%	480	2	0%	0.42%



	Total Number Individuals Age 3 or Over	Goal	Total Number Individuals Over Age 3 Over 240 Days	% Attained
Jul-25		0%		
Aug-25		0%		
Sep-25		0%		
Oct-25		0%		
Nov-25		0%		
Dec-25		0%		
Jan-26		0%		
Feb-26		0%		
Mar-26		0%		
Apr-26		0%		
May-26		0%		
Jun-26		0%		





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VI. National Core Indicators (NCI) Employment

Planned Activities

Statement: RCOC has adopted an Employment First Policy making competitive integrated employment (CIE) the first option considered by planning teams for every working adult served by RCOC.

Objective: RCOC will implement its Employment First Policy by providing persons served and family members with information regarding the opportunity and support to work in employment settings that are meaningful to them and by annually reviewing those opportunities with individuals to ensure they are engaged in activities of their choosing. RCOC will make incentive payments to vendors who assist individuals obtain CIE and maintain those positions over time.

Progress: A. Results from the National Core Indicator surveys conducted in FY 2014-15, 47% of those interviewed indicated a desire for work in the community. For FY 2017-18, 43% of those interviewed also expressed a desire for employment in their community.

A. Percentage of adults who reported having integrated employment as a goal in their IPP.

	Percentage	
RCOC FY 2011-12	30%	Goal
RCOC FY 2014-15	33%	50%
RCOC FY 2017-18	43%	65%



Progress: B. RCOC will authorize incentive payments to service providers who assist individuals obtaining competitive integrated employment. RCOC will make initial payments based upon hire date, and additional payments will be made upon subsequent milestones related to length of employment.

B. Total number of \$2,000, \$2,500, and \$3,000 incentive payments made within the fiscal year.

Fiscal Year	\$2,000	\$2,500	\$3,000
2017-18	155	97	78
2018-19	151	128	83
2019-20	131	115	90
2020-21	84	63	60
2022-2023	124	113	105

Progress: C. RCOC will work with local employment agencies and businesses to assist individuals obtain desired hours of employment on a weekly/monthly basis. Individuals will review this during the initial hiring phase when incentive payments are being sought.

C. Average wages and hours worked for adults engaged in CIE when incentive payments have been made on their behalf.

Fiscal Year	Hours Week	Wage
2017-18	23.5	\$11.31
2018-19	21	\$12.06
2019-20	22	\$13.06
2020-21	20	\$14.40
2022-2023	16.9	\$16.11

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VII. Employment Development Department (EDD) Employment

Planned Activities

Statement: RCOC service coordinators and vendors are implementing RCOC's Employment First Policy of competitive integrated employment (CIE) as the first option for persons served.

Objective: RCOC service coordinators will implement Employment First Policy by providing persons served and families information on job preparation and procurement at annual Individual Transition Meetings (ITP) through the school and Individual Program Planning (IPP) meetings through RCOC. RCOC will continue to work on development of new programs that will emphasize a focus on CIE as a primary outcome. RCOC will work with service providers and employers to move individuals participating in Paid Internship Program (PIP) into CIE.

Progress: A. Results from the Employment Development Department (EDD) conducted in 2022 indicate that 1,964 persons served ages 16-64 had earned income. In 2023, 2,269 persons served ages 16-64 had earned income.

A. Number of persons served ages 16-64 with earned income.



	RCOC	Statewide Avg.
2018	2,588	1,477
2019	2,607	1,520
2020	2,503	1,417
2021	1,839	1,414
2022	1,964	1,423
2023	2,269	1,583

Progress: B. Results from the EDD in 2022 indicate that 14.8% of persons served ages 16-64 reported having earned income. In 2023, the percentage of persons served ages 16-64 reporting earned income was 15.5%.

B. Percentage of persons served ages 16-64 reporting earned income.



	RCOC	Statewide Avg.
2019	20%	16.6%
2020	18.8%	15.2%
2021	13.6%	13.9%
2022	14.8%	15.4%
2023	15.5%	15.2%

Progress: C. Results from the EDD in 2022 indicate that average annual wages for persons served ages 16-64 was \$12,900. In 2023, the average annual wage for persons served ages 16-64 was \$13,920. This measure will also compare average annual wages of all people with disabilities

C. Annual earnings of age group 16-64 of people with intellectual disabilities, compared with all persons with disabilities in California.

	RCOC	Statewide Avg.
2019	\$7,956	\$8,820
2020	\$6,936	\$8,952
2021	\$11,076	\$11,892
2022	\$12,900	\$13,200
2023	\$13,920	\$14,256



Progress: D. In FY 2016-17, RCOC began working with service providers to place individuals into Paid Internship Program (PIP) opportunities to help develop employment interests and lead into CIE opportunities. In 2022-23 RCOC had 8 individuals within a PIP that resulted in employment.

D. Number of adults placed in CIE following participation in a PIP.

	Total
2018-19	7
2019-20	11
2020-21	0
2022-23	8

Progress: E. RCOC will obtain data related to the overall percentage of adults participating in a paid internship who transition into a competitive employment setting. This program began in FY 2016-17. In FY 2022-23, 9% of adults transitioned from an Internship to Competitive Employment.

E. Percentage of adults who transitioned from internship to competitive employment.

	% Adults
2019-20	14%
2020-21	0%
2022-23	9%

Progress: F. RCOC will monitor the hourly/salaried wages and hours worked per week for persons served who participate in a paid internship. Hours and wages will be competitively based on the job type and market rate for each setting.

F. Average hourly wage and weekly hours worked in PIP during the previous fiscal year.

	Hours Week	Wage
2019-20	13	\$13.43
2020-21	13	\$13.98
2022-23	11.7	\$15.91

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VIII. Reducing Disparities and Improving Equity in Purchase of Service Expenditures.

Statement: RCOC works to ensure that the support services are flexible and innovative in meeting the family's needs as they evolve over time, are tailored to the preferences of the individual family, and are consistent with their cultural norms and customs.

Objective: RCOC service coordinators will work with persons served and families to develop IPP goals and objectives to address their choices of living situations. RCOC will work to develop services in the community that meet the cultural and background preferences of persons served and family members to ensure the availability of resources. RCOC will continue outreach efforts within our community to overcome potential cultural barriers when identifying appropriate services. RCOC is working to expand family outreach and support options by developing new resources within our community. RCOC will continue to develop community programs that allow for a range of options for persons served when selecting those services. RCOC service coordinators will receive initial and ongoing training related to IPP development that ensures meaningful participation of persons served and their families and will focus on Person Centered Thinking skills and outcomes. RCOC will be working to simplify and translate important documents. RCOC continues to outreach with outside agencies such as parent support groups leaders, family support groups, social services agencies, faith-based organizations and educational agencies, as well as providing information via e-mail in the primary language of the family.



Progress: A. Review of fiscal year 2017-18 purchase of service data and client master file (CMF) for initial data source. Fiscal year 2024-2025 data reflects either an increase or decrease in services and expenditures related to disparity criteria.

A. Percent of total annual purchase of service (POS) expenditures by individuals ethnicity and age: Birth to age 2; Age 3-21; 22 and older.

Fiscal Year 2023-2024 Birth to 2 Years Ethnicity	Total Persons	Total Authorized Services	Per Capita Expenditures	Utilized
American Indian or Alaska Native	6	\$38,621	\$3,582	55.7%
Asian	931	\$11,417,518	\$7,681	62.6%
Black/African American	94	\$1,298,775	\$6,920	50.1%
Hispanic	2,254	\$23,935,532	\$6,255	58.9%
Native Hawaiian or Other Pacific Islander	7	\$72,402	\$6,973	67.4%
White	1,229	\$11,144,260	\$5,159	56.9%
Other Ethnicity or Race/Multi-Cultural	1,130	\$12,180,816	\$6,487	60.2%
Totals	5,651	\$60,087,924	\$6,307	59.3%

Fiscal Year 2023-2024 3 Years to 21 Years Ethnicity	Total Persons	Total Authorized Services	Per Capita Expenditures	Utilized
American Indian or Alaska Native	16	\$521,799	\$4,618	14.2%
Asian	2,469	\$27,579,138	\$5,252	47.0%
Black/African American	261	\$4,375,491	\$7,853	46.8%
Hispanic	4,817	\$45,908,919	\$4,137	43.4%
Native Hawaiian or Other Pacific Islander	30	\$329,453	\$4,028	36.7%
White	2,370	\$36,737,651	\$8,549	55.1%
Other Ethnicity or Race/Multi-Cultural	2,370	\$31,014,006	\$6,457	49.2%
Totals	12,324	\$146,466,457	\$5,732	48.2%



Fiscal Year 2023-2024 22 Years and Older Ethnicity	Total Persons	Total Authorized Services	Per Capita Expenditures	Utilized
American Indian or Alaska Native	22	\$1,752,140	\$54,697	70.9%
Asian	1721	\$95,857,290	\$37,522	67.4%
Black/African American	285	\$21,133,070	\$51,204	69.1%
Hispanic	3251	\$142,949,249	\$29,417	66.9%
Native Hawaiian or Other Pacific Islander	14	\$627,684	\$32,812	73.2%
White	4877	\$392,461,532	\$58,681	72.9%
Other Ethnicity or Race/Multi-Cultural	1051	\$61,370,970	\$40,106	68.7%
Totals	1122	\$7,161,515,936	\$44,991	70.5%



Progress: B. Review of fiscal year 2023-24 POS date and regional center caseload data. Initial data generation will be compared to subsequent FY information.

B. Number of individuals receiving only case management services by age and ethnicity: Birth to age 2; Age 3-21; Age 22 and older.

Fiscal Year 2023-2024 Birth to 2 Years Ethnicity	Total Persons	Case Management	Percent No Services
American Indian or Alaska Native	6	2	33.3%
Asian	931	44	4.7%
Black/African American	94	4	4.3%
Hispanic	2,254	127	5.6%
Native Hawaiian or Other Pacific Islander	7	1	14.3%
White	1,229	82	6.7%
Other Race/Ethnicity or Multi-Cultural	1,130	68	6%
Totals	5,651	328	5.8%

Fiscal Year 2023-2024 3 Years to 21 Years Ethnicity	Total Persons	Case Management	Percent No Services
American Indian or Alaska Native	16	3	18.8%
Asian	2,469	696	28.2%
Black/African American	261	89	34.1%
Hispanic	4,817	1,975	41%
Native Hawaiian or Other Pacific Islander	30	9	30%
White	2,370	690	29.1%
Other Race/Ethnicity or Multi-Cultural	2,361	730	30.9%
Totals	12,234	4,192	34%



Fiscal Year 2023-2024 22 Years and Older Ethnicity	Total Persons	Case Management	Percent No Services
American Indian or Alaska Native	22	4	18.2%
Asian	1,721	414	24.1%
Black/African American	285	57	20%
Hispanic	3,251	861	26.5%
Native Hawaiian or Other Pacific Islander	14	4	28.6%
White	4,877	793	16.3%
Other Race/Ethnicity or Multi-Cultural	1,051	262	24.9%
Totals	11,221	2395	21.3%



Progress: C. Review of fiscal year 2023-24 POS and CMF data. Initial data generation will be compared to subsequent FY information.

C. Per capita purchase of service (POS) expenditures by individual's primary language for all ages (30 or more people with identified language).

Fiscal Year 2023-2024 Primary Language All Ages	Total Persons	Total Authorized Services	Per Capita Expenditures	Utilized
Chinese	89	\$1,871,887	\$14,234	67.7%
English	22,915	\$789,858,234	\$23,259	67.5%
Spanish	4,861	\$91,768,371	\$10,930	55.8%
Vietnamese	1,078	\$20,887,583	\$11,974	61.8%
All Other Languages	433	\$18,320,241	\$29,607	70.0%
Totals	29,196	\$922,706,316	\$20,932	66.2%

REGIONAL CENTER OF ORANGE COUNTY

BOARD OF DIRECTORS

AGENDA ITEM DETAIL SHEET

DATE: June 5, 2025

TO: RCOC Board of Directors

FROM: Larry Landauer, Executive Director

ACTION	X
ACTION/CONSENT	
DISCUSSION	
INFO ONLY	

SUBJECT: **Approval of Amendment to Property Acquisition Agreement with Non-Profit Housing Corporation, Brilliant Corners, for the Development of an Enhanced Behavioral Supports Home (CRDP Project No. 2324-11/2425-3)(Westvale)**

BACKGROUND:

The Department of Developmental Services (DDS) made a special allocation to RCOC's Community Resource Development Plan (CRDP) for the development of an Enhanced Behavioral Supports Home (EBSH). This facility will serve individuals who currently reside in a restrictive setting, such as a psychiatric hospital, crisis facility, or locked facility, or who are at risk of being placed in a restrictive setting. The Board previously approved a property acquisition agreement with non-profit housing corporation Brilliant Corners on June 6, 2024 in the amount of \$350,000.

REASON FOR CURRENT ITEM:

RCOC and Brilliant Corners identified a property in Anaheim with a purchase price of \$1.2 million, and escrow is scheduled to close on June 10, 2025. When reviewing the property for approval, DDS decided to allocate an additional \$68,500 in CRDP start-up funding to go toward the down payment on the property. This additional funding will reduce Brilliant Corners' monthly mortgage payments, and in turn reduce the monthly rent for the service provider who leases the home. This additional funding requires an amendment to the original agreement approved by the Board.

FISCAL IMPACT:

DDS will allocate an additional \$68,500 in RCOC's CRDP for acquisition costs.

RECOMMENDATION:

That the Board approve the Amendment to the Property Acquisition Agreement as presented.

AMENDMENT NO. 1 TO AGREEMENT BY AND BETWEEN
REGIONAL CENTER OF ORANGE COUNTY
AND BRILLIANT CORNERS
FOR ACQUISITION OF HOUSING
RCOC CRDP PROJECT NO. 2324-11

This Amendment No. 1 to Agreement (Amendment) is entered into and effective this ____ day of _____, 2025, by and between the Regional Center of Orange County, a California nonprofit corporation, hereinafter referred to as “RCOC,” and Brilliant Corners, a California nonprofit corporation, hereinafter referred to as “NPO.”

RECITALS

A. WHEREAS, RCOC and NPO previously entered into an agreement (Agreement) for Community Resource Development Plan Start-Up funds (CRDP funds) for the acquisition of property to be used for the development of an Enhanced Behavioral Supports Home (EBSH) to serve regional center persons served; and

B. WHEREAS, the Department of Developmental Services (DDS) subsequently approved an increase in the CRDP funds allocated for acquisition costs from \$350,000 to \$418,500; and

C. WHEREAS, Section 3 of the Agreement provides that the Agreement may be amended by written agreement of RCOC and NPO;

NOW, THEREFORE, RCOC and NPO hereby agree as follows:

1. Section 9.a. of the Agreement is hereby amended to read as follows:

“9. **MAXIMUM PAYMENT OBLIGATION.** The “Maximum Payment Obligation” of RCOC to NPO under this Agreement shall be Four Hundred Eighteen Thousand Five Hundred Dollars (\$418,500) (“CRDP Funds”).

- a. The Maximum Payment Obligation shall apply to all Work. It is anticipated that the costs associated with completion of the Work will exceed \$418,500, and NPO shall be solely responsible for the payment of said additional costs. If it is determined that the costs associated with the Work is less than \$418,500, the Maximum Payment Obligation shall be deemed to be that lower amount. In the event that the Maximum Payment Obligation is less than \$418,500, RCOC shall retain the remaining CRDP Funds to be returned to DDS.

- i. Renovation Funding. RCOC and NPO anticipate some renovation to the Property may be necessary in order for the Property to be used for an EBSH. Renovation funding, if any, provided by RCOC for renovation costs will be negotiated as part of a separate agreement and is not provided for under this Agreement nor guaranteed. In the event that RCOC and NPO are unable to reach an agreement regarding funding for renovation costs, NPO shall be solely responsible for any and all costs associated with any and all renovations necessary in order for the Property to be used for a EBSH.
 - ii. Financing. Subject to DDS approval, NPO shall be permitted to obtain funding for additional costs associated with acquisition of the Property above the Maximum Payment Obligation through a lender ("Senior Lender").
 - 1. Under no circumstances shall CRDP Funds and the Senior Lender loan be utilized for the same cost or expense.
 - 2. NPO shall obtain and provide to RCOC an executed Agreement to Provide Notice and Cure Rights from the Senior Lender in the form attached hereto as Appendix "G" to Exhibit "B" no later than the close of escrow.
 - 3. Any Senior Lender loan on the Property shall not exceed a 25-year term, and shall not include adjustable rate or balloon payment loan options.
 - 4. NPO shall provide a minimum down payment amount of 20% of the purchase price of the Property.”
2. Except as set forth above, all provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, RCOC and NPO have executed this Amendment as of the date first set forth above.

REGIONAL CENTER OF ORANGE COUNTY

Larry Landauer, M.S.W., Executive Director

BRILLIANT CORNERS

Name/Title: _____

REGIONAL CENTER OF ORANGE COUNTY

BOARD OF DIRECTORS

AGENDA ITEM DETAIL SHEET

DATE: June 5, 2025

TO: RCOC Board of Directors

FROM: Larry Landauer, Executive Director

ACTION	X
ACTION/CONSENT	
DISCUSSION	
INFO ONLY	

SUBJECT: **Approval of Amendment No. 1 to Property Renovation Agreement with Non-Profit Housing Corporation, Brilliant Corners, for the Development of an Enhanced Behavioral Supports Home (CRDP Project No. 2324-11/2425-3)(Westvale)**

BACKGROUND:

The Department of Developmental Services (DDS) made a special allocation to RCOC's Community Resource Development Plan (CRDP) for the development of an Enhanced Behavioral Supports Home (EBSH) to serve individuals who currently reside in a restrictive setting, such as a psychiatric hospital, crisis facility, or locked facility, or who are at risk of being placed in a restrictive setting. The Board previously approved a property renovation agreement for \$400,000 with non-profit housing corporation Brilliant Corners on January 9, 2025. Brilliant Corners has acquired the property where the facility will be located, and DDS has approved additional funding to complete the renovations that the home requires.

REASON FOR CURRENT ITEM:

DDS has approved an additional \$299,892 in RCOC's CRDP funding for fiscal year 2023-2024 for renovation costs. The request for additional renovation funding was due to a need to address the following: (1) reframe the interior to create a layout that will allow accessibility and line of sight; (2) install new insulation, reinforced walls, and double pane windows; (3) add 525 square feet to the home to allow for a fourth bedroom; (4) create a concrete parking area and path of travel for access to the side yard and backyard; (5) replace all flooring with tile; (6) complete plumbing work for the bathrooms and laundry area; (7) upgrade electrical to bring wiring up to code; (8) install a new water heater; and (9) install a sprinkler system.

FISCAL IMPACT:

DDS will allocate an additional \$299,892 in RCOC's CRDP funding, for a total of \$699,892 in renovation funds for fiscal year 2023-2024.

RECOMMENDATION:

That the Board approve the Amendment to the Property Renovation Agreement as presented.

AMENDMENT NO. 1 TO AGREEMENT BY AND BETWEEN
REGIONAL CENTER OF ORANGE COUNTY
AND BRILLIANT CORNERS
FOR DEVELOPMENT OF HOUSING
RCOC CRDP PROJECT NO. 2324-11/2425-3

This Amendment No. 1 to Agreement (Amendment) is entered into and effective this ____ day of _____, 2025, by and between the Regional Center of Orange County, a California nonprofit corporation, hereinafter referred to as “RCOC,” and Brilliant Corners, a California nonprofit corporation, hereinafter referred to as “NPO.”

RECITALS

A. WHEREAS, RCOC and NPO previously entered into an agreement (Agreement) for Community Resource Development Plan Start-Up funds (CRDP funds) for the development of property to be used for an Enhanced Behavioral Supports Home (EBSH) to serve regional center persons served; and

B. WHEREAS, the Department of Developmental Services (DDS) subsequently approved an increase in the CRDP funds allocated for renovation costs from \$400,000 to \$699,892; and

C. WHEREAS, DDS deallocated funds originally awarded for fiscal year 2024-2025 and allocated \$699,892 in CRDP funds for fiscal year 2023-2024; and

D. WHEREAS, Section 3 of the Agreement provides that the Agreement may be amended by written agreement of RCOC and NPO;

NOW, THEREFORE, RCOC and NPO hereby agree as follows:

1. Section 9.a. of the Agreement is hereby amended to read as follows:

“9. **MAXIMUM PAYMENT OBLIGATION.** The “Maximum Payment Obligation” of RCOC to NPO under this Agreement shall be Six Hundred Ninety Nine Thousand Eight Hundred Ninety Two Dollars (\$699,892) (“CRDP Funds”).

a. The Maximum Payment Obligation shall apply to all Work. It is anticipated that the costs associated with completion of the Work may exceed the Maximum Payment Obligation, and NPO shall be solely responsible for the payment of said additional costs. If it is determined that the costs associated with the Work is less than \$699,892, the Maximum Payment Obligation shall be deemed to be that

lower amount. In the event that the Maximum Payment Obligation is less than \$699,892, RCOC shall retain the remaining CRDP Funds to be returned to DDS.”

2. Section 11.e. of the Agreement is hereby amended to read as follows:

“e. Deadline to Expend Funds. Notwithstanding anything in this Agreement to the contrary, the deadline for RCOC to disburse renovation funds to NPO is June 30, 2026, and NPO must submit invoices no later than March 5, 2026; NPO must therefore complete all renovations prior to March 5, 2026, unless directed otherwise in writing by RCOC. All of RCOC’s disbursements are conditioned upon NPO’s compliance with the project milestones for the Property by such deadline; provided, however, the deadline for NPO to satisfy the Second Milestone for the Property shall be the earlier of the above deadline date or the 90th day after NPO purchases the Property.”

3. Except as set forth above, all provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, RCOC and NPO have executed this Amendment as of the date first set forth above.

REGIONAL CENTER OF ORANGE COUNTY

Larry Landauer, M.S.W., Executive Director

BRILLIANT CORNERS

Name/Title: _____

REGIONAL CENTER OF ORANGE COUNTY

BOARD OF DIRECTORS

AGENDA ITEM DETAIL SHEET

DATE: June 5, 2025

TO: RCOC Board of Directors

FROM: Larry Landauer, Executive Director

ACTION	
ACTION/CONSENT	
DISCUSSION	
INFO ONLY	X

SUBJECT: **Information Regarding Amendment to Property Acquisition Agreement with Non-Profit Housing Corporation, Brilliant Corners, for the Development of an Adult Residential Facility for Persons with Special Healthcare Needs - Behavioral (CRDP Project No. 2324-9)(Lizbeth)**

BACKGROUND:

The Department of Developmental Services (DDS) made a special allocation to RCOC's Community Resource Development Plan (CRDP) for the development of an Adult Residential Facility for Persons with Special Healthcare Needs – Behavioral (ARFPSHN-B). This facility will serve individuals with both medical and behavioral needs who currently reside in a restrictive setting, such as a psychiatric hospital, crisis facility, or locked facility, or who are at risk of being placed in a restrictive setting. The Board previously approved a property acquisition agreement with non-profit housing corporation Brilliant Corners on June 6, 2024 in the amount of \$300,000.

REASON FOR CURRENT ITEM:

RCOC and Brilliant Corners identified a property in Anaheim with a purchase price of \$1.2 million. When reviewing the property for approval, DDS decided to allocate an additional \$329,885 in CRDP start-up funding to go toward the down payment on the property. This additional funding will reduce Brilliant Corners' monthly mortgage payments, and in turn reduce the monthly rent for the service provider who leases the home. This additional funding required an amendment to the original agreement approved by the Board. The Board was notified of the amendment to the acquisition agreement in accordance with RCOC's Contract Policy on May 9, 2025, and the amendment was subsequently executed by the Executive Director.

FISCAL IMPACT:

DDS will allocate an additional \$329,885 in RCOC's CRDP for acquisition costs.

RECOMMENDATION:

This is an information item; no action is required.

AMENDMENT NO. 1 TO AGREEMENT BY AND BETWEEN
REGIONAL CENTER OF ORANGE COUNTY
AND BRILLIANT CORNERS
FOR ACQUISITION OF HOUSING
RCOC CRDP PROJECT NO. 2324-9

This Amendment No. 1 to Agreement (Amendment) is entered into and effective this 13th day of May, 2025, by and between the Regional Center of Orange County, a California nonprofit corporation, hereinafter referred to as “RCOC,” and Brilliant Corners, a California nonprofit corporation, hereinafter referred to as “NPO.”

RECITALS

A. WHEREAS, RCOC and NPO previously entered into an agreement (Agreement) for Community Resource Development Plan Start-Up funds (CRDP funds) for the acquisition of property to be used for the development of an Adult Residential Facility for Persons with Special Healthcare Needs – Behavioral (ARFPSHN-B) to serve regional center persons served; and

B. WHEREAS, the Department of Developmental Services (DDS) subsequently approved an increase in the CRDP funds allocated for acquisition costs from \$300,000 to \$629,885; and

C. WHEREAS, Section 3 of the Agreement provides that the Agreement may be amended by written agreement of RCOC and NPO;

NOW, THEREFORE, RCOC and NPO hereby agree as follows:

1. Section 9.a. of the Agreement is hereby amended to read as follows:

“9. **MAXIMUM PAYMENT OBLIGATION.** The “Maximum Payment Obligation” of RCOC to NPO under this Agreement shall be Six Hundred Twenty Nine Thousand Eight Hundred Eighty Five Dollars (\$629,885) (“CRDP Funds”).

- a. The Maximum Payment Obligation shall apply to all Work. It is anticipated that the costs associated with completion of the Work will exceed \$629,885, and NPO shall be solely responsible for the payment of said additional costs. If it is determined that the costs associated with the Work is less than \$629,885, the Maximum Payment Obligation shall be deemed to be that lower amount. In the event that the Maximum Payment Obligation is less than \$629,885, RCOC shall retain the remaining CRDP Funds to be returned to DDS.

- i. Renovation Funding. RCOC and NPO anticipate some renovation to the Property may be necessary in order for the Property to be used for an EBSH. Renovation funding, if any, provided by RCOC for renovation costs will be negotiated as part of a separate agreement and is not provided for under this Agreement nor guaranteed. In the event that RCOC and NPO are unable to reach an agreement regarding funding for renovation costs, NPO shall be solely responsible for any and all costs associated with any and all renovations necessary in order for the Property to be used for a EBSH.
 - ii. Financing. Subject to DDS approval, NPO shall be permitted to obtain funding for additional costs associated with acquisition of the Property above the Maximum Payment Obligation through a lender ("Senior Lender").
 1. Under no circumstances shall CRDP Funds and the Senior Lender loan be utilized for the same cost or expense.
 2. NPO shall obtain and provide to RCOC an executed Agreement to Provide Notice and Cure Rights from the Senior Lender in the form attached hereto as Appendix "G" to Exhibit "B" no later than the close of escrow.
 3. Any Senior Lender loan on the Property shall not exceed a 25-year term, and shall not include adjustable rate or balloon payment loan options.
 4. NPO shall provide a minimum down payment amount of 20% of the purchase price of the Property.”
2. Except as set forth above, all provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, RCOC and NPO have executed this Amendment as of the date first set forth above.

REGIONAL CENTER OF ORANGE COUNTY

DocuSigned by:
Larry Landauer
E3981964CF7A43C...

Larry Landauer, M.S.W., Executive Director

BRILLIANT CORNERS

DocuSigned by:
Serena Fields
AAAAEB9551BE486...

Serena Fields, Director of Housing Development & Management

REGIONAL CENTER OF ORANGE COUNTY

BOARD OF DIRECTORS

AGENDA ITEM DETAIL SHEET

DATE: June 5, 2025

TO: RCOC Board of Directors

FROM: Larry Landauer, Executive Director

ACTION	X
ACTION/CONSENT	
DISCUSSION	
INFO ONLY	

SUBJECT: **Approval of Amendment No. 1 to Property Renovation Agreement with Non-Profit Housing Corporation, Brilliant Corners, for the Development of an Adult Residential Facility for Persons with Special Healthcare Needs - Behavioral (CRDP No. 2324-9)(Lizbeth)**

BACKGROUND:

The Department of Developmental Services (DDS) has made an allocation to RCOC's Community Resource Development Plan (CRDP) for the development of an Adult Residential Facility for Persons with Special Healthcare Needs – Behavioral (ARFPSHN-B). This facility will serve individuals with both medical and behavioral needs who currently reside in a restrictive setting, such as a psychiatric hospital, crisis facility, or locked facility, or who are at risk of being placed in a restrictive setting. The Board previously approved a property renovation agreement for \$400,000 with non-profit housing corporation Brilliant Corners on June 6, 2024. Brilliant Corners has acquired the property where the facility will be located, and DDS has approved additional funding to complete the renovations that the home requires.

REASON FOR CURRENT ITEM:

DDS has approved an additional \$229,301 in RCOC's CRDP funding for fiscal year 2023-2024 for renovation costs. The request for additional renovation funding was due to a need to address the following: (1) install a fire sprinkler system; (2) complete concrete work for ramping around the home to meet ADA regulations; (3) install new tile flooring throughout the home; (4) reframe the layout to create a fifth bedroom and widen the doorways and fire corridor; (5) complete plumbing work for two non-ambulatory bathrooms; (6) upgrade the electrical panel and bring wiring up to code; (7) install a back-up generator; and (8) install a new HVAC system and water heater with recirculation pump.

FISCAL IMPACT:

DDS will allocate an additional \$229,301 in RCOC's CRDP funding, for a total of \$629,301 in renovation funds for fiscal year 2023-2024.

RECOMMENDATION:

That the Board approve the Amendment to the Property Renovation Agreement as presented.

AMENDMENT NO. 1 TO AGREEMENT BY AND BETWEEN
REGIONAL CENTER OF ORANGE COUNTY
AND BRILLIANT CORNERS
FOR DEVELOPMENT OF HOUSING
RCOC CRDP PROJECT NO. 2324-9

This Amendment No. 1 to Agreement (Amendment) is entered into and effective this ____ day of _____, 2025, by and between the Regional Center of Orange County, a California nonprofit corporation, hereinafter referred to as “RCOC,” and Brilliant Corners, a California nonprofit corporation, hereinafter referred to as “NPO.”

RECITALS

A. WHEREAS, RCOC and NPO previously entered into an agreement (Agreement) for Community Resource Development Plan Start-Up funds (CRDP funds) for the development of property to be used for an Adult Residential Facility for Persons with Special Healthcare Needs – Behavioral (ARFPSHN-B) to serve regional center persons served; and

B. WHEREAS, the Department of Developmental Services (DDS) subsequently approved an increase in the CRDP funds allocated for renovation costs from \$400,000 to \$629,301; and

C. WHEREAS, Section 3 of the Agreement provides that the Agreement may be amended by written agreement of RCOC and NPO;

NOW, THEREFORE, RCOC and NPO hereby agree as follows:

1. Section 9.a. of the Agreement is hereby amended to read as follows:

“9. **MAXIMUM PAYMENT OBLIGATION.** The “Maximum Payment Obligation” of RCOC to NPO under this Agreement shall be Six Hundred Twenty Nine Thousand Three Hundred One Dollars (\$629,301) (“CRDP Funds”).

a. The Maximum Payment Obligation shall apply to all Work. It is anticipated that the costs associated with completion of the Work may exceed the Maximum Payment Obligation, and NPO shall be solely responsible for the payment of said additional costs. If it is determined that the costs associated with the Work is less than \$629,301, the Maximum Payment Obligation shall be deemed to be that lower amount. In the event that the Maximum Payment Obligation is less than \$629,301, RCOC shall retain the remaining CRDP Funds to be returned to DDS.”

2. Except as set forth above, all provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, RCOC and NPO have executed this Amendment as of the date first set forth above.

REGIONAL CENTER OF ORANGE COUNTY

Larry Landauer, M.S.W., Executive Director

BRILLIANT CORNERS

Name/Title: _____

REGIONAL CENTER OF ORANGE COUNTY

BOARD OF DIRECTORS

AGENDA ITEM DETAIL SHEET

DATE: June 5, 2025

TO: RCOC Board of Directors

FROM: Larry Landauer, Executive Director

ACTION	X
ACTION/CONSENT	
DISCUSSION	
INFO ONLY	

SUBJECT: **Approval of Start-Up Funding Agreement with Service Provider
California Enhanced Behavioral Support Services for Development of an
Enhanced Behavioral Supports Home (CRDP Project No. 2425-1)
(Russell)**

BACKGROUND:

The Department of Developmental Services (DDS) has made an allocation to RCOC's Community Resource Development Plan (CRDP) for the development of an Enhanced Behavioral Supports Home (EBSH). This facility will serve individuals who currently reside in a restrictive setting, such as a psychiatric hospital, crisis facility, or locked facility, or who are at risk of being placed in a restrictive setting.

The "buy it once" model will be used for development of the home, which separates ownership of the home from service delivery, so that a service provider can be changed without moving the residents. The Board previously approved agreements with non-profit housing corporation Brilliant Corners for acquisition and renovation of the home on September 1, 2022 (CRDP Project No. 2223-1). Brilliant Corners will lease the home to the service provider.

REASON FOR CURRENT ITEM:

DDS has allocated \$250,000 in CRDP start-up funding for the service provider that will operate the EBSH. On January 8, 2025, RCOC posted a Request for Proposals (RFP) for a service provider. Four responses were received. The RFP Review Committee evaluated the proposals and interviewed the applicants. Enhanced Behavioral Support Services received the highest score and is recommended by the RFP Review Committee for the Start-Up Funding Agreement for Development of an EBSH.

FISCAL IMPACT:

DDS has allocated \$250,000 in CRDP start-up funds for the restricted use as defined above.

RECOMMENDATION:

That the Board approve the Start-Up Funding Agreement as presented.

**AGREEMENT FOR START- UP FUNDS FOR
ENHANCED BEHAVIORAL SUPPORTS HOME (EBSH)
BETWEEN REGIONAL CENTER OF ORANGE COUNTY
AND
CALIFORNIA ENHANCED BEHAVIORAL SUPPORT SERVICES LLC**

RCOC CRDP PROJECT NO. 2425-1

This agreement ("Agreement") is made and entered into this 9th day of June, 2025, by and between the Regional Center of Orange County, a California nonprofit corporation ("RCOC") and California Enhanced Behavioral Support Services, a California Limited Liability Company ("Contractor"). RCOC and Contractor shall be jointly referred to as the "Parties".

RECITALS

WHEREAS, pursuant to a contract with the California Department of Developmental Services ("DDS") RCOC provides services to individuals with developmental disabilities ("RCOC Persons Served"); and

WHEREAS, DDS has allocated Community Resource Development Plan ("CRDP") Start-Up Funds ("Start-Up Funds") to RCOC to develop a new Enhanced Behavioral Supports Home ("EBSH") to meet the long-term needs of adult RCOC Persons Served; and

WHEREAS, Contractor submitted a proposal ("Contractor's Proposal") to develop an EBSH to serve RCOC Persons Served in response to RCOC's Request for Proposals dated January 8, 2025 ("RFP"); and

WHEREAS, Contractor will lease a suitable residence that will be owned by Brilliant Corners housing development organization (the "Residential Facility"), and developed pursuant to specifications in Title 17 of the California Code of Regulations and of RCOC; and

WHEREAS, Contractor shall operate the Residential Facility and be responsible for furnishing the Residential Facility to create a home-like setting and the provision of long-term care for RCOC Persons Served placed in the Residential Facility in accordance with Title 22 of the California Code of Regulations; and

WHEREAS, after the Start-Up phase has been completed, the Parties will enter into a service agreement for the provision of long-term care for each RCOC Person Served placed at the Residential Facility; and

WHEREAS, Contractor agrees and understands that RCOC will provide the client referrals for placement at the Residential Facility and that the Contractor may not refuse to accept otherwise appropriate placements;

NOW THEREFORE, on the basis of the foregoing Recitals and in consideration of the covenants, conditions and representations contained in this Agreement, it is mutually agreed between the Parties as follows:

1. ENTIRE AGREEMENT

This Agreement constitutes the entire Agreement between the Parties, pertaining to the subject matter contained herein and supersedes all prior agreements, representations, and understandings of the Parties, either oral or written. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both Parties. The recitals set forth above are fully incorporated herein.

2. TERM OF THE AGREEMENT

Subject to the provisions for earlier termination provided herein, the term of this Agreement shall be from June 9, 2025 to the earlier of the date this Agreement is terminated by RCOC or Contractor no longer provides services to RCOC Persons Served at the Residential Facility. Upon completion of the final Milestone, the Parties will subsequently enter into a service agreement for the provision of on-going services for each RCOC Client referred to the Residential Facility.

3. CONTRACTOR COMPENSATION

The total not to exceed compensation payable by RCOC to Contractor is Two-Hundred Fifty Thousand Dollars (\$250,000.00). It is understood and agreed that the Start-Up Funds provided under this Agreement may not cover the complete cost of Contractor's obligations under this Agreement. Any additional funds that Contractor may need to fulfill its obligations to meet the requirements of this Contract shall be contributed by Contractor as set forth in Paragraph 4 of this Agreement. To the extent that any Start-Up funds are paid, but not used by Contractor as authorized by this Agreement, they shall be returned to RCOC within 10 business days of demand, which funds will then be returned to DDS.

4. SERVICES TO BE PERFORMED BY CONTRACTOR

- a. Contractor agrees to provide services as specified in this Agreement, which Agreement includes the RFP, and Contractor's Proposal. The RFP is attached hereto as Exhibit A and incorporated herein by reference. Contractor's Proposal is attached to this Agreement as Exhibit B, and incorporated herein by reference. These Agreement documents are to be interpreted as complementary, but in the event of any conflict among the Agreement documents, the order of precedence shall be this Agreement, the RFP and Contractor's Proposal.
- b. To the extent provided in this Agreement, Contractor agrees to develop an EBSH located at a site designated by RCOC in RCOC's service area. The Residential Facility will contain a minimum of four (4) bedrooms and sufficient space to allow the resident(s) to perform all activities of daily living. A minimum of one (1) of the bedrooms shall be designated as non-ambulatory and this designation shall be reflected on the Residential Facility license issued by DSS-CCLD. The Residential Facility shall not be licensed for more than four (4) residents. Contractor shall

enter into a lease with Brilliant Corners for use of the Residential Facility in accordance with this Agreement.

- c. The Residential Facility is to be licensed in accordance with the DSS-CCLD regulations, Title 22 of the California Code of Regulations, serving persons with developmental disabilities.
- d. Contractor agrees and understands that there will likely be a delay between the effective date of the Residential Facility license and the move-in date of RCOC Persons Served. A transition plan will be developed for each RCOC Client, which may require, among other things, face-to-face meetings, meetings at the Residential Facility, and overnight visits.
- e. Contractor shall develop a program design/plan to operate the Residential Facility that meets the requirements of operation set forth in Title 17 and Title 22 of the California Code of Regulations and the specifications contained within the RFP and Contractor Proposal. Contractor agrees to provide services in accordance with this program design/plan once RCOC Persons Served begin residing at the Residential Facility.
- g. Contractor shall provide services only to RCOC Persons Served. The RCOC Persons Served referred to the Residential Facility will have one or more of the following developmental disabilities—mild to severe intellectual disability, cerebral palsy, epilepsy, autism, an Axis I mental health diagnosis as defined in the DSM-V, severe self-care deficits, deficits in speech and hearing, and/or health related conditions that require restricted or non-restricted health care plans. RCOC and Contractor will negotiate a rate for ongoing services provided by Contractor to RCOC Persons Served, which rate shall be subject to DDS approval.
- h. Prior to the admission of the first resident, Contractor shall hire and train all staff necessary to meet regulatory requirements, the home's program design, and the needs of the resident as identified in their Individual Program Plan.
- i. The Residential Facility shall be fully operational and ready to provide services to RCOC Persons Served no later than December 31, 2026. The Parties agree that having the Residential Facility operational by the above date is dependent in part on it being developed by Brilliant Corners and execution of a lease as between Brilliant Corners and Contractor. Contractor shall exercise all due diligence on its part to meet the operational date set forth above

5. NOTICES

All correspondence, notices, requests and demands shall be deemed received and effective five (5) days from mailing. All notices and demands shall be served by registered or certified mail. All correspondence, notices, requests and demands are to be delivered to the respective Agreement managers at the following addresses:

If to RCOC:

Jack Stanton
Associate Director, Housing
Regional Center of Orange County
1525 North Tustin Avenue
Santa Ana, CA 92705
Phone: (714) 796-5100
E-mail: jstanton@rcocdd.com

With a Copy to:

Christina Petteruto
General Counsel
Regional Center of Orange County
1525 North Tustin Avenue
Santa Ana, CA 92705
Phone: (714) 796-5100
E-Mail: cpetteruto@rcocdd.com

If to the Contractor:

Jesse Garcia and Adalberto Ortiz
P.O. Box 2051
Indio, CA 92202
E-Mail: jesse@cali4all.com
Phone: (760) 601-7307

6. CONTRACTOR INVOICE

- a. Contractor shall submit electronic invoices and reports in a form required by RCOC, as described in this paragraph, to RCOC, at the time of completion of any of the milestones described in Exhibit D ("Milestones"), which is attached hereto and incorporated by reference. Each report shall contain the following information: date, amount claimed, with supporting documentation for each of the milestones completed, any difficulties encountered in the completion of one (1) or more the milestones, remedial action taken, and any additional time needed to accomplish the subsequent milestones as a result of the difficulties.
- b. All final documentation supporting all of the Milestones shall be submitted by the Contractor within thirty (30) days after the placement/admission of the first RCOC Person Served, except as may be otherwise approved by RCOC. Final payment shall be withheld until after receipts are reconciled by RCOC and all required documentation has been submitted.

7. MONITORING BY RCOC

RCOC has the authority to monitor Contractor's performance under this Agreement. Contractor shall extend its full cooperation to RCOC in performance of monitoring activities.

8. AUDIT AND INSPECTION OF RECORDS

- a. Contractor agrees to maintain and make available to RCOC and to DDS accurate books, invoices, receipts and accounting records relative to its costs and expenses (hereinafter collectively referred to as the "records") to the extent and in such detail as will properly reflect all net costs, direct and indirect, of labor, materials, equipment, supplies and services or other costs and expenses of whatever nature for which reimbursement is claimed under the provisions of this Agreement.

- b. Contractor will permit RCOC, DDS, and any authorized agency representative with oversight responsibilities to audit, examine and make excerpts, reproductions and transcripts from such records related to all matters covered by this Agreement. Contractor shall maintain such data and records in an accessible location and condition for a period of not less than five (5) years after final payment under this Agreement, or until after a final audit has been resolved, whichever is later. The records shall be available during RCOC's regular business hours.
- c. All audits shall be conducted in accordance with the provisions of Section 50606 of Title 17. Contractor shall be bound by Section 50700, *et seq.*, of Title 17 should Contractor elect to appeal any audit finding or recommendation.
- d. The State of California and any federal agency having an interest in the subject of this Agreement shall have the same rights conferred upon RCOC by this section.
- e. Contractor shall accept financial liability for any and all audit findings and/or recommendations disclosed by audit and promptly repay amounts owed unless such findings and/or recommendations are appealed and liquidation is stayed pursuant to Section 50705 of Title 17.

9. MANNER OF PAYMENT OF FUNDS

- a. RCOC will make the first payment to Contractor upon satisfaction of the terms and conditions outlined in Exhibit C of this Agreement, Guidelines for Using Start-Up Funding, (the "Guidelines") for disbursement of payment for Milestone #1 and upon receipt of a fully executed copy of this Agreement. Thereafter, Contractor will be reimbursed for costs in the manner described in the Guidelines upon completion of the remaining Milestones.
- c. The payments hereunder shall be made in accordance with the Guidelines and approval of the invoices and reports by RCOC. RCOC will pay such invoices within 30 days of approval thereof.

10. EQUIPMENT AND MATERIALS ARE PROPERTY OF THE STATE

- a. All equipment, material, supplies, or property (collectively, "Property") of any kind purchased from Start-Up Funds and not fully consumed shall be the property of the State. Contractor shall submit a list of any Property with a unit cost of \$2,000 using a form approved by RCOC. Within 30 days after the first RCOC Person Served has been placed into the Residential Facility, the Contractor shall provide a final inventory to RCOC. Final determination of the destination of such equipment shall be in accordance with instructions from the State.
- b. In the event that this Agreement terminates prior to the expiration of its term or thereafter, if instructed by DDS, RCOC may repossess any Property.
- c. Contractor agrees that all reports and documents produced as part of this Agreement shall remain the property of DDS and/or RCOC.

11. CONTRACTOR'S USE of START-UP FUNDS

- a. The Guidelines shall be followed in determining Contractor expenditures which are allowable for reimbursement.
- b. Prior written authorization from RCOC will be required for expenditures not previously approved through the Contractor's Proposal, this Agreement or Exhibit C, before any reimbursement will be made. In seeking such authorization, the

Contractor must submit a request for authorization which includes sufficient information for RCOC to evaluate the desirability of incurring such costs and its reasonableness. This may include, but is not limited to, copies of receipts, licenses, permits, bank statements, work orders, etc.

12. VENDOR STATUS NEEDED

Contractor will comply with all applicable RCOC vendor requirements to obtain and preserve a current vendor status.

13. OFFICIALS NOT TO BENEFIT

No member of or delegate to Congress or the State Legislature shall share in or receive any financial benefit of this Agreement.

14. NONDISCRIMINATION IN SERVICES, BENEFITS, AND FACILITIES/PROGRAMS

- a. During the performance of this Agreement, Contractor and its subcontractor(s) shall not discriminate against any person on the basis of religion, color, ethnic group identification, sex, sexual orientation, age, physical or mental disability, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical handicap, mental disability, medical condition, marital status, age (over 40), sex or sexual orientation. Contractor shall insure that the evaluation and treatment of employees and applicants for employment are free of such discrimination.
- b. Contractor and its subcontractor(s) shall give written notice of their obligations, where applicable, under this paragraph to labor organizations with which they have a collective bargaining or other agreement.
- c. Contractor shall include the nondiscrimination and compliance provisions of this paragraph in all subcontracts to perform work under this Agreement.
- d. In the event of the Contractor's noncompliance with the discrimination provisions of this Agreement or with any applicable Federal rules, regulations, or orders, this Agreement may be canceled, terminated, or suspended in whole or in part and Contractor may be declared ineligible for further State contracts as provided by law.
- e. RCOC may take such action with respect to this Agreement as the State of California may direct as a means of enforcing provisions pertaining to discrimination, including sanctions for noncompliance.

15. TERMINATION

- a. It is expressly understood and agreed that in the event that Contractor fails to perform its obligations under this Agreement, this Agreement may be terminated by RCOC for cause and all of Contractor's rights hereunder shall be terminated. Such termination for cause shall be effective immediately upon delivery of written notice thereof by RCOC. Immediately upon receipt of such written notice, Contractor shall, unless otherwise directed by RCOC, commence no new work and shall cease all work already begun under this Agreement. Within 14 calendar days after receipt of such written notice, Contractor shall provide RCOC with a list of all Property purchased with Start-Up Funds and shall surrender same as requested by RCOC.

- b. In the event Contractor fails to operate the Residential Facility for a period of five years, Contractor shall surrender the Property and return 1/5th of the Start-Up Funds received by Contractor for each year or portion thereof rounded to the nearest month, that the Residential Facility is not operated for the five-year period. By way of example, if the Residential Facility is operated for only three years the Contractor shall return 40% of the Start-Up Funds received. The formula for calculating the amount to be returned is: $[(60 \text{ months} - \text{months of Contractor operation}) \div 60 \text{ months}] \times \text{the amount of Start-Up Funds received}$. In the above example the Contractor would return \$100,000. $60 - 36 = 24$; $24 \div 60 = 40\%$; $40\% \times \$250,000 = \$100,000$. The provisions of this subsection b. shall not apply to circumstances entirely beyond Contractor's control that do not allow Contractor to continue to operate the Residential Facility. As required by DDS, Contractor shall issue a trust deed to RCOC on the Property on a form reasonably satisfactory to RCOC and meeting DDS requirements.
- c. RCOC shall have the right to suspend or terminate this Agreement for cause upon the occurrence of a number of factors which include, but are not limited to, the following:
- (1) Failure or refusal of the Contractor to perform or do any act herein required.
 - (2) Conduct or conditions which are detrimental to the safety and well-being of a RCOC Client.
 - (3) Contractor's loss of any license(s), accreditation(s), or certification(s) required for this Agreement.
 - (4) Failure to maintain practices consistent with good management, such as, but no limited to:
 - (A) Failure to maintain any required insurance, pay payroll taxes or other payments required by law.
 - (B) Failure to adhere to established accounting and fiscal practices for the work provided under this Agreement.

16. FUNDING CONTINGENCY

a. Notwithstanding anything in this Agreement to the contrary, the validity of this Agreement (including RCOC's obligation to remit payments to Contractor) is conditioned on RCOC's receipt of adequate funds from DDS to pay for the services described in this Agreement (the "Funding Contingency"). The Funding Contingency is a part of this Agreement because RCOC's annual funding agreement with DDS provides that such funding agreement is subject to the appropriation of funds by the Legislature, and that if such funds are not appropriated for any fiscal year into which such funding agreement extends, the funding agreement is of no force and effect. Further, in the annual funding agreement DDS will specifically allocate a specific amount of funding for each EBSH covered by this Agreement. RCOC shall therefore have the right and option to terminate this Agreement without liability, and such termination shall be deemed a failure of the Funding Contingency, if (1) DDS for any reason fails to allocate funds to RCOC for any period covered by this Agreement for an EBSH; or (2) DDS allocate funds to RCOC for a period covered by this Agreement which RCOC reasonably determines are inadequate to pay for all of the Contractor services and other expenses which RCOC expects to incur in such fiscal year as to any EBSH. In such an event, RCOC has the absolute discretion to elect to fund other services rather than the services identified in this Agreement. When insufficient funds exist for RCOC to pay for all potential services to its Persons Served, RCOC shall have the right, under clause (2) above, in its sole and absolute discretion to fund services other than the services identified in this Agreement, based on which services RCOC believes are in

the best interests of its Persons Served. If there is a failure of the Funding Contingency, then (1) RCOC shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and (2) neither party shall be obligated to further perform any provisions of this Agreement.

b. In addition to the above, if there are insufficient funds available from DDS to pay for all of the Contractor services and other CRDP expenses which RCOC expects to incur in any fiscal year, as determined by RCOC in its sole and absolute discretion, RCOC shall have the option at any time, on 30 days' notice to Contractor, to reduce the amount of services being provided under this Agreement. In such event, the parties will in good faith negotiate to attempt to agree on Contractor's new amount of compensation under the modified agreement. If the parties are unable to agree on Contractor's new compensation for its reduced services within such 30 day period, RCOC shall then either (1) terminate this Agreement because of the failure of a Funding Contingency or (2) rescind its reduction of Contractor's services, in which event this Agreement shall continue in full force and effect without such reduction in services or compensation.

17. APPLICABLE LAWS

Contractor shall render services in accordance with the applicable provisions of federal and California laws, including Welfare and Institutions Code § 4500 et seq., and regulations promulgated there under including Title 17 and Title 22 of the California Code of Regulations.

18. INDEPENDENT CONTRACTOR

- a. Contractor and its agents and employees, in performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of RCOC or DDS.
- b. Contractor shall be wholly responsible for the manner in which Contractor and its employees perform the services required of Contractor by the terms of this Agreement.
- c. Contractor agrees to be solely responsible for all matters relating to payment of its employees, including compliance with Social Security and income tax withholdings and all other regulations governing such matters.
- d. Contractor shall not be, or in any manner represent, imply or hold itself out to be an agent, partner or representative of RCOC. Contractor has no right or authority to bind or represent RCOC. The only relationship between Contractor and RCOC is that of independent contractors and neither shall be responsible for any obligations, liabilities or expenses of the other, or any act or omission of the other, except as expressly set forth herein.

19. ASSIGNMENT, TRANSFER AND SUBCONTRACTING

- a. Contractor shall not assign any part of this Agreement or an interest therein, without the prior written approval of the Director of RCOC. The experience, skill, knowledge, good judgment, discretion, capability and reputation of Contractor, its principles, officers, directors, owners and employees were a substantial inducement for RCOC to enter into this Agreement.
- b. RCOC shall not be responsible for any payments of any kind directly to any subcontractors under any circumstance and shall not have any liability for any actions of any subcontractors.

20. AMENDMENT BY LAW

Any provision of this Agreement in conflict with statutes or regulations is hereby amended to conform to the provisions of those statutes and regulations. Such amendment of the Agreement shall be binding on the parties even though such amendment may not have been reduced to writing and formally agreed upon and executed by the Parties. RCOC must in good faith notify Contractor upon its gaining notice of any amendment or new law which would affect this Agreement. If the amendment or any portion of this Agreement is held to be unenforceable and would substantially defeat the reasonable expectations of the Parties in entering into this Agreement then this Agreement may be terminated by either Party.

21. CONFIDENTIALITY OF RECORDS

The Contractor shall maintain confidentiality of records in accordance with the provisions of Welfare and Institutions Code §§ 4514, 5328, and 14100.2. The Contractor and all employees shall respect the confidentiality of all RCOC Client information they receive.

22. TIME OF THE ESSENCE

Time is of the essence of this Agreement.

23. FUTURE COOPERATION

Contractor agrees to cooperate with RCOC and will return as soon as possible all documents submitted by RCOC which may be required by state or federal laws or regulations, including but not limited to the IRS W-9 form.

24. INDEMNITY AND HOLD HARMLESS AGREEMENT

Contractor shall indemnify, defend and hold harmless the DDS, RCOC, and their officers, agents and employees (collectively, "Indemnified Parties") from and against all alleged claims, causes of action, suits, judgments, investigations and losses (collectively, "Indemnified Claims") arising out of or related to the following:

- a. Any alleged culpable act, error, omission, negligence, fraud, recklessness or willful misconduct of Contractor or by any person, firm, corporation or other entity rendering any services under this Agreement on behalf of the Contractor, either directly or indirectly.
- b. Any failure by Contractor to perform services under this Agreement.
- c. To the extent permitted by law, any claim that RCOC failed to sufficiently monitor Contractor's care and supervision of an RCOC Person Served.
- d. Contractor at its own expense and risk shall defend any Indemnified Claim brought against the Indemnified Parties with attorneys that are reasonably satisfactory to the Indemnified Parties. A Indemnified Party may assume its own defense by delivering written notice to Contractor of such election and Contractor shall pay therefore if a conflict exists in the litigation as between the Indemnified Party and the Contractor, the Contractor is not providing an effective defense, or the Contractor lacks the financial capability to satisfy potential liability and/or an effective defense. Contractor shall pay and satisfy any settlement or any judgment which may be rendered against the Indemnified Parties from an Indemnified Claim; provided that this indemnity section shall not apply to claims arising out of the active negligence or willful misconduct of the Indemnified Parties.

25. WAIVER

No waiver of a breach of any provision of this Agreement by either Party shall constitute a waiver of any other breach of this Agreement. Failure of either Party to enforce at any time, or from time to time, any provisions of this Agreement shall not be construed as a waiver thereof. The remedies herein reserved shall be cumulative and additional to any other remedies in law or equity.

26. DISPUTE AND ATTORNEYS' FEES

26.1. The parties agree that any dispute arising out of this Agreement shall be subject to the following:

26.1.1. If the dispute is of a type governed by the vendor appeal process, then the dispute shall be resolved in accordance with Title 17 regulations.

26.1.2. In the event of any dispute or litigation, including arbitration, arising out of, or relating to this Agreement, the prevailing party shall be entitled to recover reasonable attorney's fees and costs.

27. INSURANCE

Without limiting Contractor's liability for indemnification of RCOC as set forth in Section 24 above, Contractor shall obtain and maintain in effect, during the term of this Agreement, the following insurance coverage and provisions:

a. Evidence of Coverage. Prior to commencement of any work under this Agreement, Contractor shall provide on an insurance industry approved form a Certificate of Insurance certifying that coverage as required in this Paragraph 27 has been obtained and remains in force for the period required by this Agreement. In addition, Contractor shall produce a certified copy of the policy or policies to RCOC upon request. Each policy shall meet the following requirements:

i. Additional Insured Endorsement. Except for Workers' Compensation insurance, each policy shall include an endorsement evidencing that the policy also applies to RCOC and DDS, their officers, directors, agents, employees and volunteers, as additional insureds against loss or liability caused by or connected with Contractor's performance or non-performance under this Agreement.

(1) Primary Insurance Endorsement. Each policy shall include an endorsement evidencing that the policy afforded by the additional insured endorsement shall apply as primary insurance, and other insurance maintained by DDS or RCOC, their officers, directors, agents, and employees shall be excess

only and not contributing with insurance provided under this policy.

- ii. Notice of Cancellation or Change of Coverage Endorsement. Each policy shall include an endorsement evidencing that the policy shall not be canceled or changed so as to no longer meet the specified RCOC insurance requirements without thirty (30) days prior written notice of the cancellation or change being delivered to RCOC at the address shown on the Certificate of Insurance.
- iii. Separation Clause Endorsement. Each policy shall include an endorsement evidencing that the policy provides coverage separately to each insured who is seeking coverage or against whom a claim is made or a suit is brought, except with respect to the company's limit of liability.
- iv. Termination of Insurance. If insurance is terminated for any reason, Contractor agrees to purchase an extended reporting provision of at least two (2) years to report claims arising from work performed, or any action or any inaction in connection with this Agreement.
- v. Qualifying Insurers. All coverages shall be issued by insurance companies that must be:
 - (1) Rated A-:VII or better according to the current Best's Key Rating Guide/Property-Casualty/United States; or
 - (2) A company of equal financial stability that is approved by Project Manager or his/her designee; and
 - (3) Admitted in the State of California.
- vi. Deductible Amounts in Standard Policy. Any policy deductible or self-insured retention on any insurance policy (except auto) which exceeds \$10,000 requires prior written approval of Project Manager or his/her designee. Any policy deductible or self-insured retention on automobile liability over \$5,000 requires prior written approval of RCOC. No approved deductible shall in any way limit liabilities assumed by Contractor under this Agreement.
- vii. Subcontractor Insurance Requirements. Should any of the Services under this Agreement be provided by a subcontractor, Contractor shall require each subcontractor (of any tier) to provide the coverages specified in this Section 27, or Contractor may insure any subcontractor under its own policies.

- viii. Occurrence vs. Claims Based Insurance. All policies are required to be written on an occurrence basis.
- b. Types of Insurance Policies/Coverage Required. Contractor shall provide insurance through a policy or policies with the following types and coverage, subject to the requirements above.
- i. Comprehensive General Liability Insurance. Comprehensive General Liability Insurance for bodily injury (including death) and property damage which provides not less than One Million Dollars (\$1,000,000) combined single limit (CSL) per occurrence and not less than Two Million Dollars (\$2,000,000) annual aggregate.
- (1) The coverage shall include:
- (a) Premises and Operations
- (b) Contractual Liability expressly including liability assumed under this agreement, excepting the requirement does not apply for service contracts.
- (c) Personal Injury Liability.
- (d) Property damage.
- ii. Comprehensive Automobile Liability Insurance. Comprehensive Automobile Liability Insurance for bodily injury (including death) and property damage which provides total limits of not less than One Million Dollars (\$1,000,000) combined single limit per occurrence applicable to all owned, non-owned and hired vehicles/watercraft, One Million Dollars (\$1,000,000) annual aggregate.
- iii. Workers' Compensation Insurance. Workers' Compensation Insurance shall be maintained. Statutory California Workers' Compensation coverage shall include a broad form all-states endorsement and waiver of subrogation.
- iv. Employers' Liability Coverage. Employers' Liability Coverage of not less than One Million Dollars (\$1,000,000) per occurrence for all employees engaged in work or operations under this Agreement.
- v. Professional Liability. Professional liability/errors and omissions is required in an amount not less than One Million Dollars (\$1,000,000) per occurrence made and One Million Dollars (\$1,000,000) aggregate.
- vi. Sexual Misconduct Liability. Sexual misconduct liability insurance in an amount equal to One Million Dollars (\$1,000,000) per occurrence and One Million Dollars (\$1,000,000) aggregate.

- c. Duration of Insurance. Contractor shall maintain all coverage and insurance for the entire term and for any extended period agreed upon within this Agreement.
- d. Maintain Records re Insurance Coverage. Contractor shall maintain records regarding all coverage and insurance for the term of this Agreement and for any extended period agreed upon within this Agreement.
- e. Withhold Payment for Lack of Required Coverage. RCOC reserves the right to withhold payment of CRDP Funds in the event of material noncompliance with the applicable insurance requirements outlined in this Section 27.
- f. Remedies for Failure to Provide or Maintain Required Insurance or Endorsements. In addition to any other remedies RCOC may have if Contractor (or any subcontractor) fails to provide or maintain any insurance required by this Section 27 to the extent and within the time required by this Agreement, RCOC may, at its sole option:
 - i. Obtain the insurance and deduct and retain the amount of the premiums for the insurance from any monies due under this Agreement.
 - ii. Order Contractor (and any subcontractor) to cease performance of the work and/or withhold funding until Contractor (or subcontractor) demonstrates compliance with the insurance requirements of this Agreement.
 - iii. Immediately and without further cause terminate this Agreement. Exercise of any of the above remedies are in addition to any other remedies RCOC may have and are not the exclusive remedies for Contractor's (or subcontractor's) failure to maintain or secure appropriate policies or endorsements. Nothing in this Agreement shall be construed as limiting in any way the extent to which Contractor (or any subcontractor) may be held responsible for payments of damages to persons or property resulting from Contractor's (or any subcontractor's) performance under this Agreement.
- g. Modification of Insurance Requirements. RCOC may modify the insurance requirements set forth above if at any time during the term of this Agreement RCOC determines, in its sole discretion, that additional coverage is necessary to protect RCOC's interests.

28. AUTHORITY TO SIGN

All Parties executing this Agreement acknowledge and warrant that they possess the authority to enter into this Agreement on behalf of their respective companies/organizations.

29. INTEGRATION CLAUSE/AMENDMENT

This Agreement, including its attachments and references, is intended as a final expression of the agreement among the Parties. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing by all the Parties. The execution of any amendment or modification to this Agreement shall comply with the requirements of applicable statutes, regulations and provisions of RCOC's contract with DDS. Provided that an amendment or modification does not alter the overall goals and basic purpose of this Agreement or increase the not to exceed amount set forth in Section 3, RCOC's Associate Director of Housing has the authority to make modification(s) to this Agreement. Any such modifications shall be approved as to form by RCOC's General Counsel.

30. THIRD-PARTY BENEFICIARIES

Except as specifically provided herein, the Parties do not intend this Agreement to create a third party beneficiary or define duties, obligations, or rights in parties not signatory to this Agreement.

31. HEADINGS

The headings at each paragraph are for reference purposes only and may not accurately describe all requirements in the paragraph. The headings are not an integral part of this Agreement.

Signature of Authorized Representatives of Contracting Parties:

“RCOC” – Regional Center of Orange County

By: _____

Larry Landauer, Executive Director

“CONTRACTOR”

By: _____

Name/Title: _____

Exhibit A

REQUEST FOR PROPOSALS

Exhibit B

**CONTRACTOR PROPOSAL
(Not including financial information)**

Exhibit C

GUIDELINES FOR USING START-UP FUNDING

I. General Budget Provisions

- A. Payment provisions in Start-Up Funds (SUF) contracts are on a cost-reimbursement or a fixed unit rate basis, with a ceiling specified on the maximum dollar amount payable by the regional center for each milestone identified in this Agreement.
- B. The SUF contract sets forth the type of facility, service, or program to be developed and may indicate, as well, additional provisions or limitations on reimbursable items specific to that type of service. The SUF contract takes precedence over this guideline.
- C. Reimbursement on SUF contracts commence by submitting verification of paid expenditure to:

Name: Jack Stanton
Title: Associate Director, Housing
Regional Center of Orange County
1525 North Tustin Avenue
Santa Ana, CA 92705
Phone: (714) 796-5100
E-mail: jstanton@rcocdd.com

Verification of expenditures requires copies of receipts indicating payment in full by cash or credit card purchase. Lay-a-way items may only be reimbursed for the amount of the deposit or payments made. In the case of personnel costs, a copy of the payroll record or check for salary paid will be acceptable. For lease or rent payments, copies of the signed lease/rental agreement will also be needed.

- D. Milestone contracts are occasionally completed for specific projects. The contract specifies the tasks to be completed for each milestone. Requests for payment may be made after each milestone is completed. Expenditures need to follow the SUF guideline and contract specifications.

II. Personnel Services

- A. A maximum of nine (9) months of identified and reasonable direct personnel and overhead costs, including employee fringe benefits, may be reimbursed. Where salaries and wages are a reimbursable item, the following information should be included: monthly, weekly, or hourly rate, as appropriate personnel classification number of hours worked period worked (example: August 1 - 15, 2017). - If the employee has other duties with the organization, a percentage of personnel time to be charged to the contract needs to be specified.

III. Administrative Overhead

- A. Administrative overhead is an allowable cost only if there is a parent/corporate organizational staff involved with the project who will be expending staff time and resources not covered elsewhere in the project budget.
- B. If administrative overhead is claimed, the administrative overhead shall not exceed fifteen (15%) percent of the total SUF amount as outlined by California Welfare and Institutions Code Section 4629.7.

IV. Consultants

- A. Proposals submitted and accepted must state the rate of compensation to be paid to consultants. The rate shall be an hourly rate with a ceiling on the total amount. Consultants must be qualified to perform the stated service and services must be applicable to the development of the project.
- B. Consultants' rates must conform to either:
 - (1) Schedule of Maximum Allowances (Medi-Cal rate) for positions covered by that schedule; or
 - (2) Comparable State Civil Service positions; or
 - (3) The going (usual and customary) rate for similar work outside state service.
- C. If Option 3 is applicable, the amounts to be paid consultants depend upon the complexity and difficulty of the projects, the ongoing rate for similar work, and the qualifications and reputation of the individual(s) or firm being awarded the contract. The rates paid to consultants under Option 3 must have prior written approval of the RCOC.

V. Real Property

- A. Payments are not permitted for purchase or for construction, renovation, alteration, improvement, or repair of privately owned property which would enhance the value to such property to the benefit of the owner. SUF monies cannot be used for modifications that are solely aesthetic in nature or are not necessary to meet fire and life safety requirements.

VI. Equipment

- A. Examples of equipment which may or may not be purchased or purchased only with prior written approval from the regional center, or leased include:

<u>ITEM/EQUIPMENT</u>	<u>PURCHASE MAY BE ACCEPTABLE</u>	<u>THREE (3) MONTH LEASE</u>	<u>COMMENTS/EXCEPTIONS</u>
<u>Motor vehicles</u>	<u>NO</u>	<u>YES</u>	<u>May be leased for three (3) months during development of project</u>
<u>Computers</u>	<u>NO</u>	<u>YES</u>	<u>May be purchased only if part of a training program for clients, the approved proposal and the approved program design.</u>
<u>Camcorders cameras, fax machines, slide projectors, copy machines</u>	<u>NO</u>	<u>YES</u>	<u>May be purchased only if part of a training program for clients, the approved proposal, and the approved program design.</u>

<u>ITEM/EQUIPMENT</u>	<u>PURCHASE MAY BE ACCEPTABLE</u>	<u>THREE (3) MONTH LEASE</u>	<u>COMMENTS/EXCEPTIONS</u>
Wall-to-wall carpeting	<u>NO</u>	<u>N/A</u>	
Area rugs	<u>YES</u>	<u>N/A</u>	
Shipping of furniture or truck rental*	<u>YES</u>	<u>N/A</u>	*Prior approval required
*Furniture, household appliances, linens, household supplies	<u>*YES</u>	<u>YES</u>	*Furniture needs to be new, sturdy, well-built, and appropriate for residential facility.
Recreational equipment (games, TV, VCR, exercise equipment, mats)	<u> YES</u>	<u>N/A</u>	*If for use in the facility/program and if appropriate for the type of service and clients served.
Warranties on appliances	<u>NO</u>	<u>N/A</u>	

- B. All approved equipment of any kind purchased from funds reimbursed under the terms of the SUF contract is the property of the State of California. For the purpose of any SUF contract, "equipment" is considered any item purchased with SUF which has a unit acquisition cost of at least five thousand dollars \$5000 or a normal useful life of at least three (3) years. The Contractor must submit to the regional center a detailed inventory, including serial numbers, of any equipment that meets the above criteria. This inventory ("Items Acquired Under Start -Up Fund Contracts") is due within thirty (30) days of the end of the project's completion. The final SUP reimbursement will not be distributed until the regional center's receipt of the inventory.
- C. As a general rule, it can be assumed that equipment with a value under live thousand dollars \$5000 will be amortized and no longer be regional center property after three (3) years. For purposes of the SUF contract, equipment/item costs must be considered the sum of the costs of the items functioning together; e.g., mattress, box springs and frame. For questions concerning specific items over five thousand dollars \$5000, please contact the regional center's SUF

Liaison:

Name: Jack Stanton
Title: Associate Director, Housing
Regional Center of Orange County
1525 North Tustin Avenue
Santa Ana, CA 92705
Phone: (714) 796-5100
Email: jstanton@rcocdd.com

- D. Written pre-approval from the regional center is required for reimbursement of any article, supplies, or equipment exceeding one thousand dollars \$1,000 in cost (per unit). A justification, including the reasonableness of the cost, should be submitted prior to purchasing any such article.

- E. Equipment that is approved for lease may not be leased with an option to purchase. The provider shall provide the regional center with copies of signed leases for any equipment using SUF.
- F. All furniture, mattresses sets, and appliances purchased with SUF shall be new, sturdy and well-built. Written pre-approval from the regional center shall be obtained before purchasing previously owned furniture. Household supplies such as linens must be high quality. Comforters and bedspreads must cover the entire bed and coordinate with the room decor (e.g., no partial or non-matching sets).

Exhibit D

MILESTONES

Milestone #1

RCOC will make the first (1st) payment to Contractor based upon receipt of a fully executed copy of this Agreement. This payment will serve as the advance to initiate the performance of work described in Paragraph 4. The amount of this payment shall not exceed the sum of \$50,000.00, representing 20% of the total Agreement amount.

Milestone #2

The second (2nd) milestone claim may be submitted by the Contractor after completion of the Community Care Licensing Application for the Residential Facility and proof of submission to the applicable Community Care Licensing office. The amount of this claim shall not exceed the sum of \$50,000.00, representing 20% of the total Agreement amount.

Milestone #3

The third (3rd) milestone claim may be submitted by the Contractor after successful approval by RCOC and DDS of the contractor's Program Design for the Residential Facility that meets all applicable Title 17 regulations. The amount of this claim shall not exceed the sum of \$50,000.00 representing 20% of the total Agreement amount.

Milestone #4

The fourth (4th) milestone may be submitted in one or more claims with an invoice and receipts for RCOC approved expended start-up costs associated with facility development, including but not limited to, furnishings, appliances, equipment, and household supplies. These items must be included in the most currently approved Start-Up Budget. The amount of this claim shall not exceed the sum of \$50,000.00, representing 20% of the total Agreement amount.

Milestone #5

The fifth (5th) milestone may be submitted by the Contractor after successful completion of the Community Care Licensing process for the identified project and proof of Community Care License issued for an EBSH to accommodate four (4) adult Persons Served. The total amount claimable under this milestone shall not exceed the sum of \$25,000.00, representing 10% of the total Agreement amount.

Milestone #6

The sixth (6th) milestone may be submitted in one or more claims with the approval of Contractor's monthly operational budget by RCOC and DDS. This operational budget will detail the rate to be paid to Contractor on a monthly reimbursement schedule for each person served in the EBSH. DDS approval of this rate is dependent on Contractor submitting all necessary documentation supporting the monthly rate. The total amount claimable under this milestone (in one or more claims) shall not exceed the sum of \$25,000.00, representing 10% of the total Agreement amount.



Summary of Information About Persons Served - April 2025

NUMBER OF PERSONS SERVED	27,508	100%
Children - Birth to Age Three Receiving Early Start Services	3,427	12%
Children - Ages Three to Five Receiving Provisional Services	460	2%
Children - Ages Three to 17 Receiving Lanterman Services	9,549	35%
Adults - Ages 18 and Older Receiving Lanterman Services	14,072	51%

Children - Birth to Age Three Receiving Prevention Resource and Referral Services	398
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Children and Adults - Ages Three and Older Receiving Lanterman Services with the Following Diagnoses:

Intellectual Disability	11,486	51%
Epilepsy	2,878	13%
Cerebral Palsy	2,531	11%
Autism	11,843	50%
Fifth Category*	2,116	9%

* condition closely related to intellectual disability and requiring similar treatment

Note: Many persons served have more than one diagnosis so the percentage equals more than 100%.

NUMBER OF PERSONS REQUESTING ELIGIBILITY DETERMINATION	458
Early Start / Under Age Three / 45 days to complete determination	288
Lanterman / Over Age Three / 120 days to complete determination	162
Provisional / Up to Age Five / 90 days to complete determination	8

NUMBER OF PERSONS DETERMINED ELIGIBLE	183
Children - Birth to Age Three Eligible for Early Start Services	0
Children and Adults - Ages Three and Older Eligible for Lanterman Services	104
<ul style="list-style-type: none"> Number of children who received Early Start services 	41
<ul style="list-style-type: none"> Number of children who received Early Start services and had a diagnosis of autism 	30
Children - Birth to Age Three Eligible for Prevention Resource and Referral Services	8

NUMBER OF CHILDREN NO LONGER ELIGIBLE FOR EARLY START OR PREVENTION RESOURCE AND REFERRAL SERVICES	129
Children - Age Three No Longer Eligible for Early Start Services	129
Children - Age Three No Longer Eligible for Prevention Resource and Referral Services	0

REGIONAL CENTER OF ORANGE COUNTY



OPERATIONS REPORT

APRIL 2025 ACTIVITY

Mission Statement

The Regional Center of Orange County (RCOC) is a private non-profit organization that, as mandated by the Lanterman Developmental Disabilities Services Act, collaborates with persons with developmental disabilities, their families and the community to secure individualized services and supports that enhance the quality of life for the people we serve and assist them in realizing their full potential.

COMMUNITY LIFE

Related Guiding Principles

- *Persons served are in safe and supportive settings that promote a life of independence, acknowledge diverse cultural perspectives and that respect the inherent risks and valuable learning experiences that come from living in the community.*

Provider Monitoring, Technical Support and Special Incident Investigation Activities Fiscal Year 2024-25

Type and Number of Reviews	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
Annual Review	46	48	33	40	45	40
Unannounced	74	86	55	63	55	51
Total Number of Reviews	120	134	88	103	100	91

Provider Trainings	0	0	0	0	0	0
Technical Support	303	251	298	319	348	308
Corrective Action Plans	0	12	2	3	5	2
Special Incident Investigations*	88	51	47	57	45	31
COVID-19 Checklist	0	0	0	0	0	0

Type and Number of Reviews	Jan.	Feb.	Mar.	Apr.	May	June	Total
Annual Review	42	40	30	35			399
Unannounced	189	104	76	93			846
Total Number of Reviews	231	144	106	128			1,011

Provider Trainings	0	0	0	0			0
Technical Support	319	295	243	258			2,942
Corrective Action Plans	3	2	2	9			40
Special Incident Investigations*	46	35	108	35			543

* California Code of Regulations, Title 17, Division 2, Chapter 3 - Community Services SubChapter 2 - Vendorization Article 2 - Vendorization Process, Section 54327 requires all vendors, excluding parents and consumers, to report the following special incidents.

Type of Special Incidents (from California Code of Regulations, Title 17)

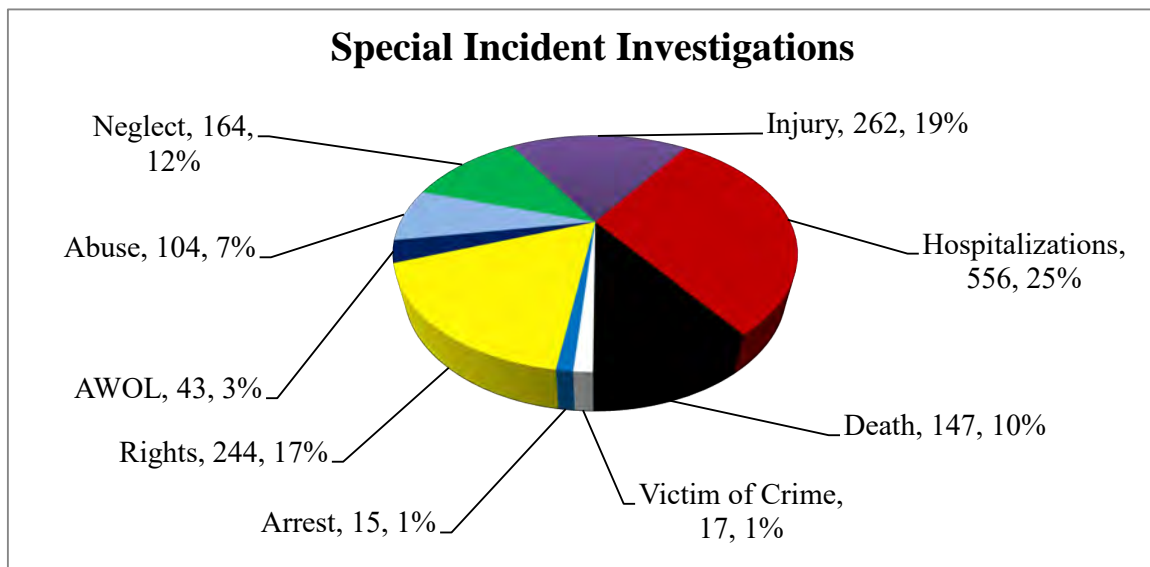
- (A) The consumer is missing and the vendor or long-term health care facility has filed a missing persons report with a law enforcement agency;
- (B) Reasonably suspected abuse/exploitation including:
 - 1. Physical;
 - 2. Sexual;
 - 3. Fiduciary;
 - 4. Emotional/mental; or
 - 5. Physical and/or chemical restraint.
- (C) Reasonably suspected neglect including failure to:
 - 1. Provide medical care for physical and mental health needs;
 - 2. Prevent malnutrition or dehydration;
 - 3. Protect from health and safety hazards;
 - 4. Assist in personal hygiene or the provision of food, clothing or shelter or
 - 5. Exercise the degree of care that a reasonable person would exercise in the position of having the care and custody of an elder or a dependent adult.
- (D) A serious injury/accident including:
 - 1. Lacerations requiring sutures or staples;
 - 2. Puncture wounds requiring medical treatment beyond first aid;
 - 3. Fractures;
 - 4. Dislocations;
 - 5. Bites that break the skin and require medical treatment beyond first aid;
 - 6. Internal bleeding requiring medical treatment beyond first aid;
 - 7. Any medication errors;
 - 8. Medication reactions that require medical treatment beyond first aid; or
 - 9. Burns that require medical treatment beyond first aid.
- (E) Any unplanned or unscheduled hospitalization due to the following conditions:
 - 1. Respiratory illness, including but not limited, to asthma; tuberculosis; and chronic obstructive pulmonary disease;
 - 2. Seizure-related;
 - 3. Cardiac-related, including but not limited to, congestive heart failure; hypertension; and angina;
 - 4. Internal infections, including but not limited to, ear, nose and throat; gastrointestinal; kidney; dental; pelvic; or urinary tract;
 - 5. Diabetes, including diabetes-related complications;
 - 6. Wound/skin care, including but not limited to, cellulitis and decubitus;
 - 7. Nutritional deficiencies, including but not limited to, anemia and dehydration; or
 - 8. Involuntary psychiatric admission;
- (2) The following special incidents regardless of when or where they occurred:
 - (A) The death of any consumer, regardless of cause;
 - (B) The consumer is the victim of a crime including the following:
 - 1. Robbery, including theft using a firearm, knife, or cutting instrument or other dangerous weapons or methods which force or threaten a victim;
 - 2. Aggravated assault, including a physical attack on a victim using hands, fist, feet or a firearm, knife or cutting instrument or other dangerous weapon;
 - 3. Larceny, including the unlawful taking, carrying, leading, or riding away of property, except for motor vehicles, from the possession or constructive possession of another person;
 - 4. Burglary, including forcible entry; unlawful non-forcible entry; and, attempted forcible entry of a structure to commit a felony or theft therein;
 - 5. Rape, including rape and attempts to commit rape.

Title 17 does not require reporting on arrest or consumer rights violations; however, RCOC includes arrest and rights violations as reportable incidents.

Type and Number of Special Incident Investigations
Fiscal Year 2024-25

Type of Incident	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
AWOL	4	11	3	1	1	3
Abuse	9	12	5	15	5	6
Neglect	44	7	18	17	9	12
Injury	16	35	36	1	29	34
Hospitalizations - Total	28	50	36	47	35	50
<i>Psychiatric</i>	7	8	6	10	6	9
<i>Medical</i>	21	42	30	37	29	41
Death	17	11	8	9	14	21
Victim of crime	1	1	2	2	5	1
Arrest	1	3	1	2	4	1
Rights	69	13	14	49	16	9
Total	189	143	123	143	118	137

Type of Incident	Jan.	Feb.	Mar.	Apr.	May	June	Total
AWOL	10	3	4	3			43
Abuse	19	16	8	9			104
Neglect	22	12	3	20			164
Injury	33	27	18	33			262
Hospitalizations - Total	53	48	34	52			433
<i>Psychiatric</i>	10	9	4	15			84
<i>Medical</i>	43	39	30	37			349
Death	27	10	19	11			147
Victim of Crime	1	2	2	0			17
Arrest	0	2	1	0			15
Rights	28	20	13	13			244
Total	193	140	102	141	0	0	1,429



COMMUNITY LIFE continued

Provider Audits

Fiscal Year 2024-25

Number of Audits / Appeals / Recoveries

Type of Audit	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
Service Billing	0	0	0	0	0	0
Staffing	0	0	0	0	0	0
Level 4I Consultant	0	0	0	0	0	0
P&I (consumer funds)	0	0	0	0	0	2
Total Number of Audits	0	0	0	0	0	2

Number of Appeals / Recoveries (Vendors may appeal after monthly data is reported)

State Appeal	0	0	0	0	0	0
Recovery	0	0	0	0	0	2

Audit Findings (Dollar Amount)

<i>Amount of Recovery</i>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,265.19
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Type of Audit	Jan.	Feb.	Mar.	Apr.	May	June	Total
Service Billing	0	0	1	2			3
Staffing	0	0	0	0			0
Level 4I Consultant	0	0	1	0			0
P&I (consumer funds)	0	0	0	1			0
Total Number of Audits	0	0	2	3			7

Number of Appeals / Recoveries

State Appeal	0	0	0	0			0
Recovery	0	0	1	2			5

Audit Findings (Dollar Amount)

<i>Amount of Recovery</i>	\$0.00	\$0.00	\$1,200.00	\$4,012.36	\$0.00	\$0.00	\$10,477.55
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FAMILY SUPPORTS

Related Guiding Principles

- *Families are informed advocates for their loved ones with developmental disabilities.*
- *Families are the decision makers for their minor children.*
- *Family support services are flexible and innovative in meeting the family's needs as they evolve over time, are tailored to the preferences of the individual family, and are consistent with their cultural norms and customs.*
- *Services and supports for families recognize, facilitate and build on family strengths, natural supports and existing community resources.*

Fiscal Year 2024-25

Number of Authorizations for Voucher Services

Type of Service	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
Day Care - Family Member	93	81	83	71	80	79
Diapers - Family Member	3	3	3	3	3	3
Nursing Service - Family Member	55	42	47	39	45	40
Respite Service - Family Member	697	693	697	608	708	706
Transportation - Family Member	222	251	238	184	271	276
Total Number of Voucher Authorizations	1,070	1,070	1,068	905	1,107	1,104

Number of Authorizations for Voucher Services

Type of Service	Jan.	Feb.	Mar.	Apr.	May	June
Day Care - Family Member	81	88	79	80		
Diapers - Family Member	3	3	3	3		
Nursing Service - Family Member	42	48	45	40		
Respite Service - Family Member	710	693	722	734		
Transportation - Family Member	276	254	286	300		
Total Number of Voucher Authorizations	1,112	1,086	1,135	1,157	0	0

FAMILY SUPPORTS

Related Guiding Principles

- Family support services are flexible and innovative in meeting the family's needs as they evolve over time, are tailored to the preferences of the individual family, and are consistent with their cultural norms and customs.
- Services and supports for families recognize, facilitate and build on family strengths, natural supports and existing community resources.

Notifications of Community Events and Activities

Fiscal Year 2024-25

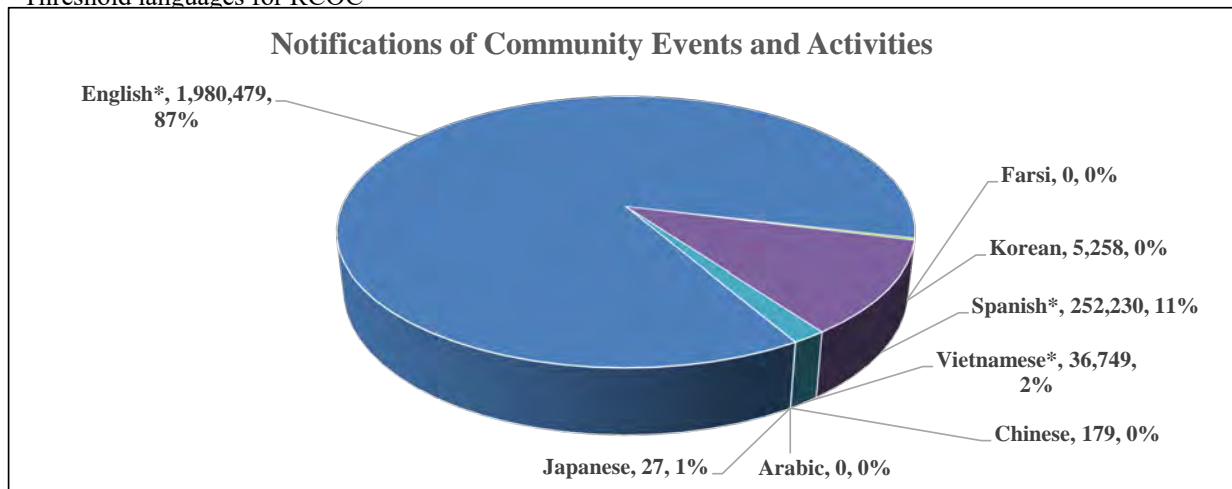
Number of Notifications

Language	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
English*	221,726	234,714	219,993	151,100	151,373	109,293
Farsi	0	0	0	0	0	0
Korean	165	1,027	672	861	290	0
Spanish*	39,805	38,663	26,432	18,594	23,398	6,688
Vietnamese*	4,559	3,220	3,423	1,842	1,123	2,688
Chinese	0	0	0	0	0	0
Japanese	0	0	0	0	0	0
Arabic	0	0	0	0	0	0
Total Number of Notifications	266,255	277,624	250,520	172,397	176,184	118,669

Number of Notifications

Language	Jan.	Feb.	Mar.	Apr.	May	June	Total
English*	206,217	223,597	312,823	149,643			1,980,479
Farsi	0	0	0	0			0
Korean	184	456	1,457	146			5,258
Spanish*	11,049	32,524	32,549	22,528			252,230
Vietnamese*	3,509	11,082	4,128	1,175			36,749
Chinese	0	0	179	0			179
Japanese	0	0	0	0			0
Arabic	0	0	0	0			0
Total Number of Notifications	220,959	267,659	351,136	173,492	0	0	2,274,895

* Threshold languages for RCOC



FAMILY SUPPORTS

Related Guiding Principles

- Family support services are flexible and innovative in meeting the family's needs as they evolve over time, are tailored to the preferences of the individual family, and are consistent with their cultural norms and customs.
- Services and supports for families recognize, facilitate and build on family strengths, natural supports and existing community resources.

Community Outreach

Fiscal Year 2024-25

Number of Outreach Events

Type of Outreach / Language	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
In Person/Zoom						
English	9	13	7	10	6	5
Spanish			3	3	2	
Vietnamese	1		1	3	2	
Other Languages**		1				1
In Print						
English	1	1	2			
Spanish						
Vietnamese						
Other Languages						
TV / Radio						
English		1				
Spanish						
Vietnamese	4	4	5	4	4	5
Other Languages						
Total Number of Outreach Events	15	20	18	20	14	11

**

Number of Outreach Events

Language	Jan.	Feb.	Mar.	Apr.*	May*	June*	Total
In Person							
English	5	5	8	13			81
Spanish		2	2	5			17
Vietnamese		2	3	5			17
Other Languages							2
In Print							
English	1	1	2	1			9
Spanish							0
Vietnamese							0
Other Languages							0
TV / Radio							
English							1
Spanish							0
Vietnamese		4	5	5			40
Other Languages							0
Total Number of Outreach Events	6	14	20	29	0	0	167

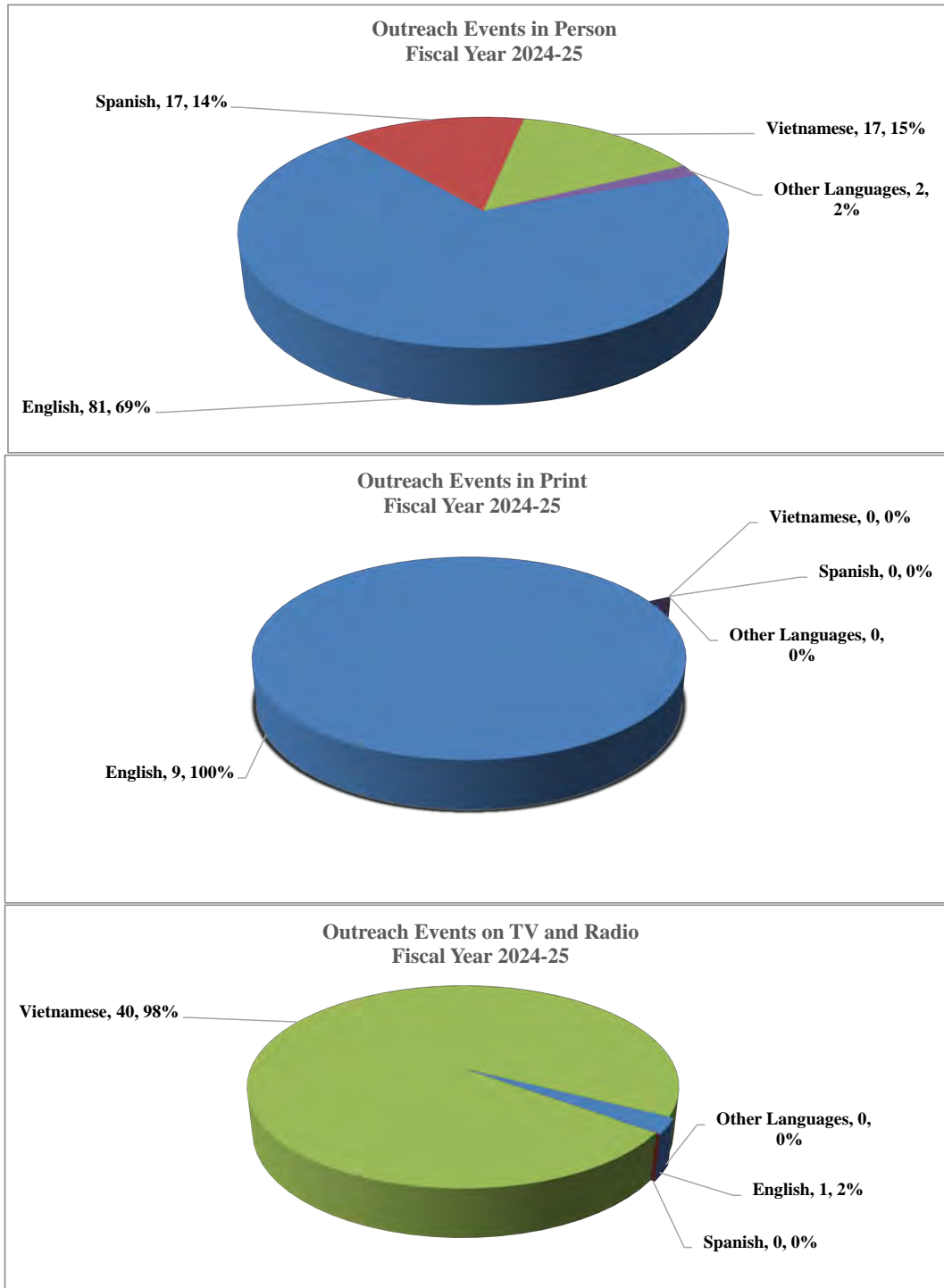
* Virtual Meetings

FAMILY SUPPORTS

Related Guiding Principles

- Family support services are flexible and innovative in meeting the family's needs as they evolve over time, are tailored to the preferences of the individual family, and are consistent with their cultural norms and customs.
- Services and supports for families recognize, facilitate and build on family strengths, natural supports and existing community resources.

Community Outreach Events in Person, in Print, on TV and Radio Fiscal Year 2024-25



EARLY INTERVENTION / PREVENTION

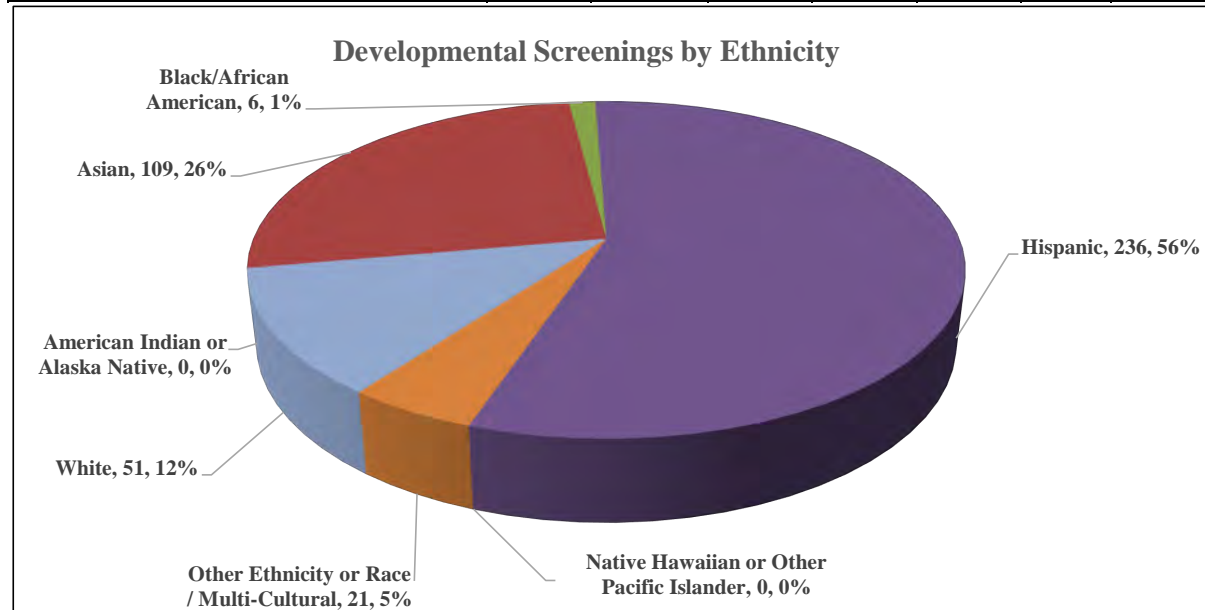
Related Guiding Principles

- Prevention and early intervention services, supports and public awareness activities are designed and implemented to prevent the onset of a disability and/or to improve developmental outcomes.
- Persons served are provided with needed services and supports in a family-focused and collaborative fashion.

Fiscal Year 2024-25

Developmental Screenings by Ethnicity	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
American Indian or Alaska Native	0	0	0	0	0	No Data Available
Asian	0	8	6	9	6	
Black/African American	0	1	1	0	0	
Hispanic	0	40	45	19	29	
Native Hawaiian or Other Pacific Islander	0	0	0	0	0	
Other Ethnicity or Race / Multi-Cultural	0	5	7	1	2	
White	0	7	11	4	4	
Total Number Screened	0	61	70	33	41	
Total Number Referred to RCOC	0	31	19	8	11	

Developmental Screenings by Ethnicity	Jan.	Feb.	Mar.	Apr.	May	June	Total
American Indian or Alaska Native	0	0	0	0			0
Asian	35	5	30	10			109
Black/African American	2	1	1	0			6
Hispanic	21	41	32	9			236
Native Hawaiian or Other Pacific Islander			0	0			0
Other Ethnicity or Race / Multi-Cultural	2	1	1	2			21
White	6	2	4	13			51
Total Number Screened	66	50	68	34			423
Total Number Referred to RCOC	18	13	31	9			140



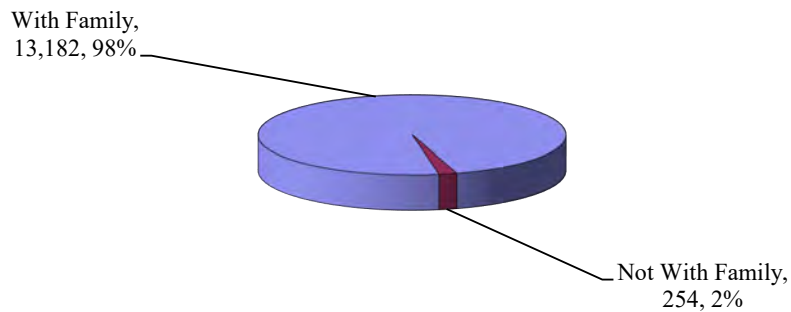
LIVING OPTIONS

Related Guiding Principles

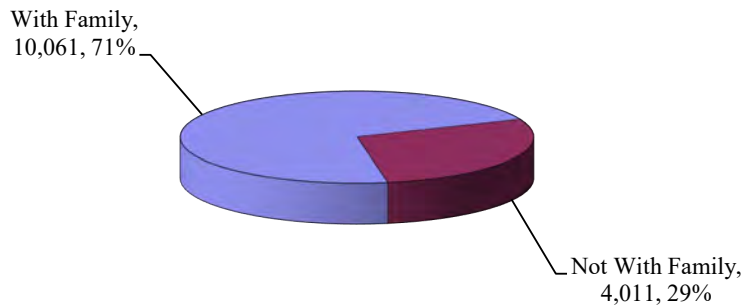
- *Culturally-sensitive services and supports are provided so that persons served can make informed choices on where and with whom they live, including owning or renting their own homes.*
- *Families whose minor or adult children choose to remain in the family home are supported through available resources.*
- *Persons served live in homes where they receive quality care and can form relationships.*

Where Persons Served Live	Persons Served All	Persons Served Under 18	Persons Served Over 18
With Family	23,243	13,182	10,061
Not With Family	4,265	254	4,011
Totals	27,508	13,436	14,072

Where Persons Served Under 18 Live



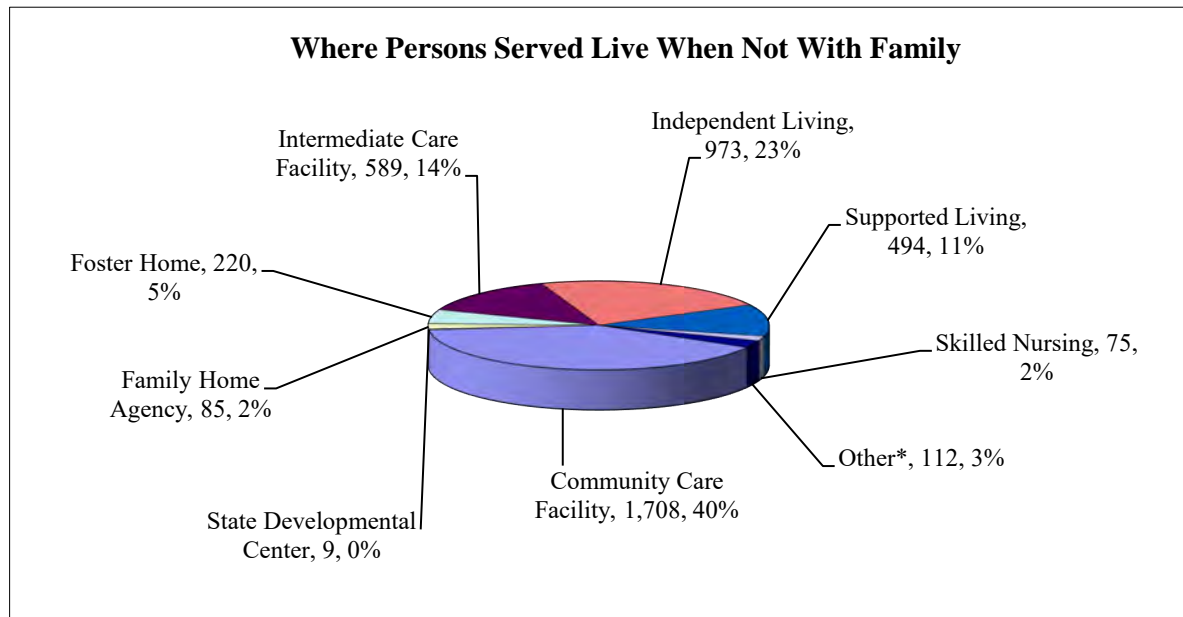
Where Persons Served Over 18 Live



LIVING OPTIONS, continued

Where Persons Served Live	All Persons Served	Persons Served Under 18	Persons Served Over 18
Family Home	23,243	13,182	10,061
Community Care Facility	1,708	19	1,689
State Developmental Center	9	0	9
Family Home Agency	85	1	84
Foster Home	220	213	7
Intermediate Care Facility	589	0	589
Independent Living	973	0	973
Supported Living	494	0	494
Skilled Nursing	75	0	75
Other*	112	21	91
Total	27,508	13,436	14,072

Other*			
Acute General Hospital	3	0	3
California Youth Authority	1	0	1
Community Treatment	1	1	0
Correctional Institution	1	0	1
County Jail	2	0	2
Other	0	0	0
Out of State	1	0	1
Psychiatric Treatment	30	2	28
Rehabilitation Center	5	0	5
SDC / State Hospital	5	0	5
Sub-Acute	39	12	27
Transient / Homeless	21	6	15
Total, Other*	109	21	88



LIVING OPTIONS, continued

Other Living Options

Family Home Agency

A Family Home Agency (FHA) is a private, not-for-profit agency that is vendored to recruit, approve, train, and monitor family home providers, provide services and supports to family home providers, and assist persons served with moving into or relocating from family homes.

Foster Family Agency

Under the California Department of Social Services, county placement agencies use licensed, private Foster Family Agencies (FFAs) for the placement of children. By statute, FFAs are organized and operated on a non-profit basis and are engaged in the following activities: recruiting, certifying, and training foster parents, providing professional support to foster parents, and finding homes or other temporary or permanent placements for children who require more intensive care.

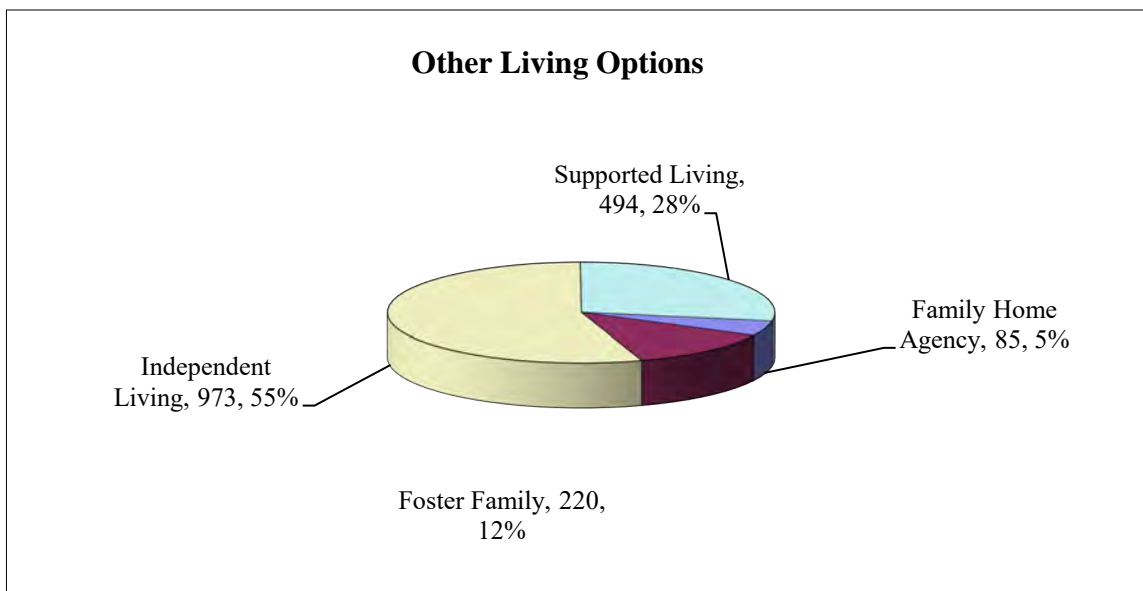
Independent Living

Independent Living services help persons served over 18 with the functional skills necessary to secure a self-sustaining, independent living situation in the community and/or may provide the support necessary to maintain those skills.

Supported Living

Supported Living Services (SLS) support efforts for persons served to live in their own home.

Other Living Options	Total	Under 18	Over 18
Family Home Agency	85	1	84
Foster Family	220	213	7
Independent Living	973	0	973
Supported Living	494	0	494
Total	1,772	214	1,558



LIVING OPTIONS, continued

Living Options, facilities licensed by the State of California, Departments of Community Care Licensing, or Department of Health Care Services

Health Licensed Facilities

Health facilities are licensed by the State of California, Department of Health Services to provide 24-hour medical residential care. Health facilities are funded by Medi-Cal. Health licensed facilities

General Acute Care Hospitals,
Acute Psychiatric Hospitals,
Skilled Nursing Facilities,
Intermediate Care Facilities,
Intermediate Care Facility – Developmentally Disabled,
Intermediate Care Facility – Developmentally Disabled, – Habilitative,
Intermediate Care Facility – Developmentally Disabled, – Nursing,
Home Health Agencies and
Congregate Living Health Facilities.

Community Care Licensed Facilities

Community Care Facilities (CCFs) are licensed by the State of California, Department of Social Services, Community Care Licensing Division to provide 24-hour non-medical residential care to children and adults with developmental disabilities who are in need of personal services, supervision, and/or assistance essential for self-protection or sustaining the activities of daily living. CCFs are funded by regional centers. Based upon the types of services provided and the persons served, each CCF vendored by a regional center is designated one of the following service levels:

SERVICE LEVEL 1: Limited care and supervision for persons with self-care skills and no behavior problems.

SERVICE LEVEL 2: Care, supervision, and incidental training for persons with some self-care skills and no major behavior problems.

SERVICE LEVEL 3: Care, supervision, and ongoing training for persons with significant deficits in self-help skills, and/or some limitations in physical coordination and mobility, and/or disruptive or self-injurious behavior.

SERVICE LEVEL 4: Care, supervision, and professionally supervised training for persons with deficits in self-help skills, and/or severe impairment in physical coordination and mobility, and/or severely disruptive or self-injurious behavior. Service Level 4 is subdivided into Levels 4A through 4I, in which staffing levels are increased to correspond to the escalating severity of disability levels.

LIVING OPTIONS, continued

Persons Served Who Reside in Licensed Facilities Funded by RCOC *Fiscal Year 2024-25*

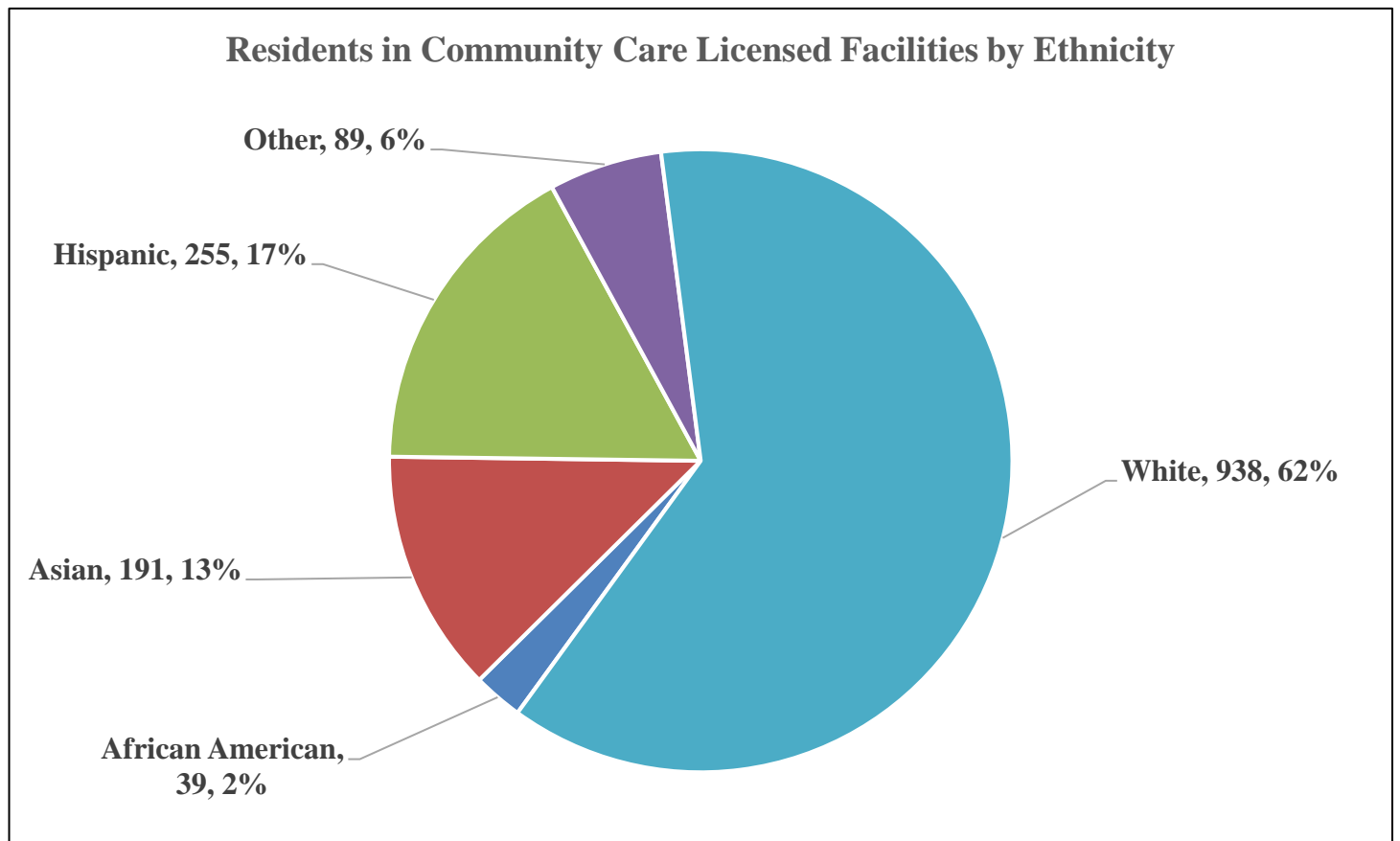
Licensed Facilities	Total	Over 18	Under 18
Level 2	139	139	0
Level 3	216	216	0
Level 4A	25	25	0
Level 4B	5	5	0
Level 4C	47	47	0
Level 4D	36	36	0
Level 4E	13	13	0
Level 4F	42	42	0
Level 4G	31	31	0
Level 4H	1	1	0
Level 4I	296	296	0
Elderly	13	13	0
ICF/DD-H	2	2	0
ICF/DD-N	4	4	0
ICF/DD	0	0	0
Skilled Nursing	0	0	0
Total	870	870	0

Licensed Facilities Summary	Total	Over 18	Under 18
Level 2	139	139	0
Level 3	216	216	0
Level 4	496	496	0
ICF/DD-H	2	2	0
ICF/DD-N	4	4	0
Elderly	13	13	0
Skilled Nursing	0	0	0
Total	870	870	0

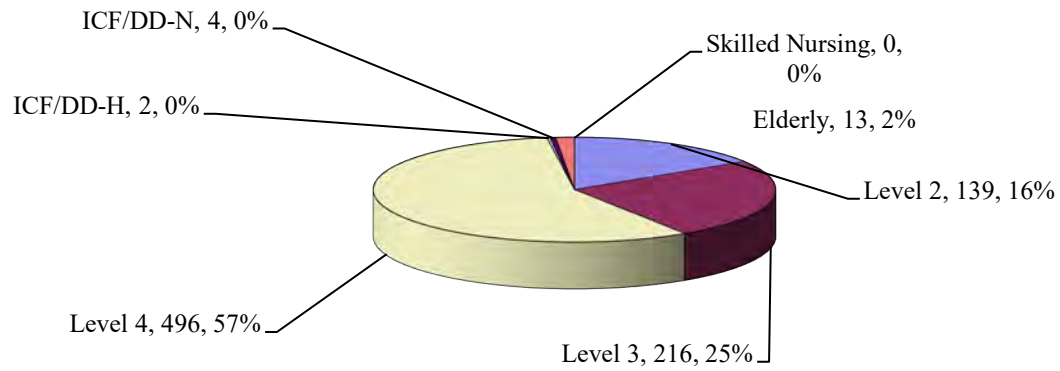
LIVING OPTIONS, continued

Persons Served Who Reside in Licensed Facilities Funded by RCOC by Ethnicity Fiscal Year 2024-25

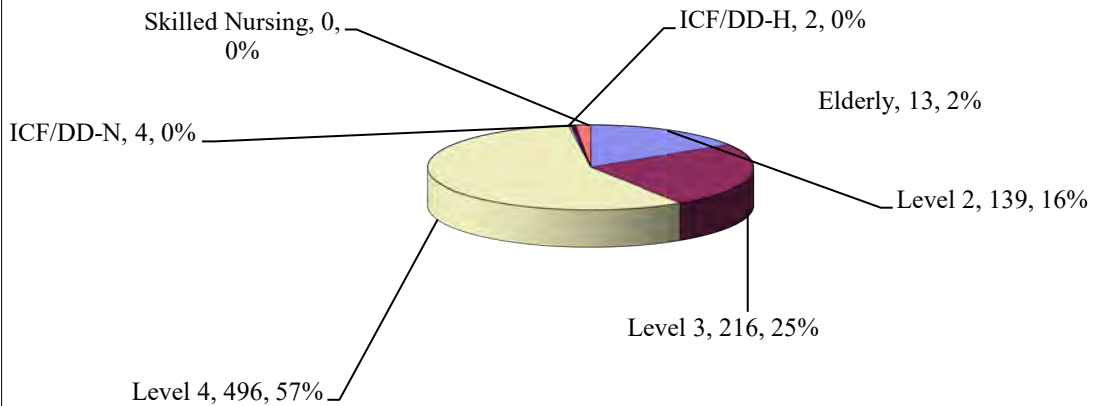
Licensed Facilities	African American	Asian	Hispanic	Other	White	Total
Level 2	6	21	57	11	183	278
Level 3	13	36	65	24	197	335
Level 4A	0	5	5	2	17	29
Level 4B	0	1	0	0	5	6
Level 4C	5	14	11	0	66	96
Level 4D	2	9	6	1	25	43
Level 4E	0	3	6	2	18	29
Level 4F	1	10	9	4	30	54
Level 4G	0	9	2	3	45	59
Level 4H	0	0	2	0	1	3
Level 4I	12	83	92	42	351	580
Total	39	191	255	89	938	1,512



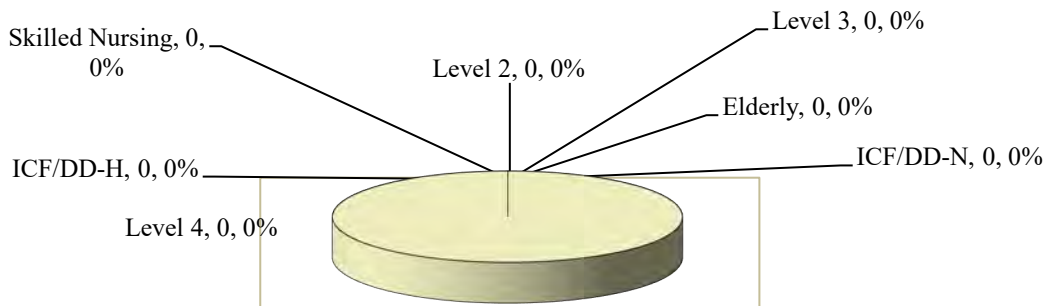
**Persons Served Who Reside in Licensed Facilities
Services Funded by RCOC**



**Persons Served Over Age 18 Who Reside in Licensed Facilities
Services Funded by RCOC**



**Persons Served Under Age 18 Who Reside in Licensed Facilities
Services Funded by RCOC**

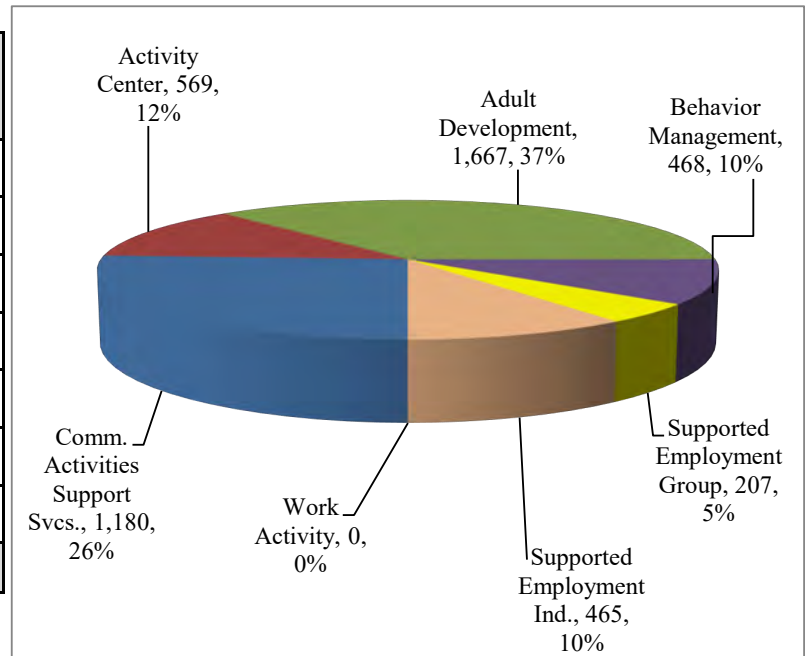


WORK

Related Guiding Principle

- *Persons served have the opportunity and support to work in integrated employment settings that are meaningful, valued by the community, and in which they are appropriately compensated and respected.*

Adult Day & Employment Services	Persons Served Over 18
Comm. Activities Support Svcs.	1,180
Activity Center	569
Adult Development	1,667
Behavior Management	468
Supported Employment Group	207
Supported Employment Ind.	465
Work Activity	0
Total	4,556



Definitions:

Community Activities Support Services similar to a Behavior Management Program, this is a behavior management program with an enhanced ration of 1:1 or 1:2 due to severe behavioral challenges.

Activity Center means a day program that serves adults who generally have acquired most basic self-care skills, have some ability to interact with others, are able to make their needs known, and respond to instructions. Activity center programs focus on the development and maintenance of the functional skills required for self-advocacy, community integration and employment. Staff ratio ranges from 1:6 to 1:8.

Adult Development Center means a day program that serves adults who are in the process of acquiring self-help skills. Individuals who attend adult development centers generally need sustained support and direction in developing the ability to interact with others, to make their needs known, and to respond to instructions. Adult development center programs focus on the development and maintenance of the functional skills required for self-advocacy, community integration, employment, and self-care. Staff ratio ranges from 1:3 to 1:4.

Behavior Management Program means a day program that serves adults with severe behavior disorders and/or dual diagnosis who, because of their behavior problems, are not eligible for or acceptable in any other community-based day program. Staff ratio is 1:3.

Supported Employment Program means a program that meets the requirements of the term supported employment, i.e. services that are provided by a job coach in order to support and maintain an individual with developmental disabilities in employment, and of the terms, integrated work, supported employment placement, allowable supported employment services, group and individualized services. Staff ratio ranges from 1:1 to 1:4.

Work Activity Program includes, but is not limited to, Work Activity centers or settings that provide support to persons served engaged in paid work and have demonstrated that the program is in compliance with Department of Rehabilitation certification standards or are accredited by CARF. Staff ratio ranges from 1:12 to 1:20.

SERVICE PLANNING AND COORDINATION

Related Guiding Principles

- *Service coordinators are caring, knowledgeable and competent in service planning, coordination and resources.*
- *Service coordinators inform families of their rights and the services and supports available to them.*
- *Service planning and coordination is a collaborative effort between RCOC, persons served and their families to identify needed services and supports.*
- *Person-centered planning is based upon the choices and preferences of the persons served and their families, and the identification of generic services and natural supports.*
- *Services and supports assist person served and their families to develop support networks leading to reduced dependence on paid supports.*
- *Services and supports are sensitive to the diverse religious, cultural, language, socioeconomic and ethnic characteristics of persons' served and their families' communities.*

Service Coordination

Fiscal Year 2024-25

Service Coordination:	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
Number of Service Coordinators (SC)	400.3	399.3	415.3	424.4	423.4	417.6
Number of Case-Carrying SCs	367.1	366.2	382.2	390.9	387.9	380.5
Number of Intake SCs	33.3	33.3	33.3	33.7	35.7	34.3
Number of Active Persons Served	26,489	26,579	26,604	26,788	26,945	27,070
Caseload Ratio, # of Active Persons Served/SCs	72.1	72.6	69.6	68.5	69.5	71.0

Service Coordination:	Jan.	Feb.	Mar.	Apr.	May	June
Number of Service Coordinators (SC)	415.0	445.6	424.2	464.2		
Number of Case-Carrying SCs	378.9	408.2	401.2	413.2		
Number of Intake SCs	34.3	37.7	35.7	41.0		
Number of Active Persons Served	27,135	27,233	27,255	27,497		
Caseload Ratio, # of Active Persons Served/SCs	72.0	71.0	71.0	66.5		

SERVICE PLANNING AND COORDINATION continued

Fair Hearings

Fiscal Year 2024-25

	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
Number of Unsettled Hearing Requests*	23	20	21	14	11	17	11	12	16	22		
Eligibility - Lanterman	9	7	6	5	3	3	1	1	2	5		
Behavioral services	2		1	2	2	3	1	1	1	1		
Respite	1			1		2		2	2			
Day Care												
Self Determination Budget			1	2	2	4	4	2	1	4		
Personal Assistance	2	2	2	1		1		1	2	2		
Other**	15	18	18	6	6	6	8	6	8	9		

* Hearing Requests may list more than one issue; so, the number of issues may equal more than the number of hearing requests.

** Other issues include but are not limited to living options.

Number of New Hearing Requests Filed*	30	9	6	17	5	11	7	4	6	19		
Eligibility - Lanterman	6	3	3	3	1	2	1		2	4		
Eligibility - Early Start												
Behavioral services	1		1	1	1							
Respite				1		2		2				
Day Care												
Social/Recreational	2						2	1		2		
Social Skills Training												
SDP			1	2		4	1		1	2		
Personal Assistance	1	1	1					1	1	1		
Other**	10	4		4	2	1	1		1	9		

* Hearing Requests may list more than one issue; so, the number of issues may equal more than the number of hearing requests.

** Other issues include but are not limited to living options.

Number of All Meetings Held	9	12	7	9	3	8	5	5	9	6		
Number of Informal Meetings Held	9	5	5	9	3	7	4	3	4	6		
Number of Mediations Held		6	1			1	1	1	3			
Number of SLFHs Held		1	1					1	2			

Number of Requests in Scheduling*	5	3	1	0	5	0	4	7	7	13		
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* Meetings in process of being scheduled; meetings on schedule but not yet held; meetings scheduled but not held due to continuances.

Number of Requests Pending*	0	0	0	0	0	0	0	0	0	0		
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* State Level Fair Hearing (SLFH) held but awaiting decision.

Number of Requests Settled	9	5	13	8	3	11	2	1	6	3		
Withdrawn by Person Served/Family	1					5	1		2			
Settled in Informal	8	5	4	8	3	6	1	1	3	3		
Settled after further follow-up by RCOC												
Settled in Mediation			7						1			
SLFH Decision			2									

State Level Fair Hearing Decisions

Prevailing Party												
Person Served/Family												
RCOC			2									
Split												

ADMINISTRATION AND GOVERNANCE

Guiding Principle

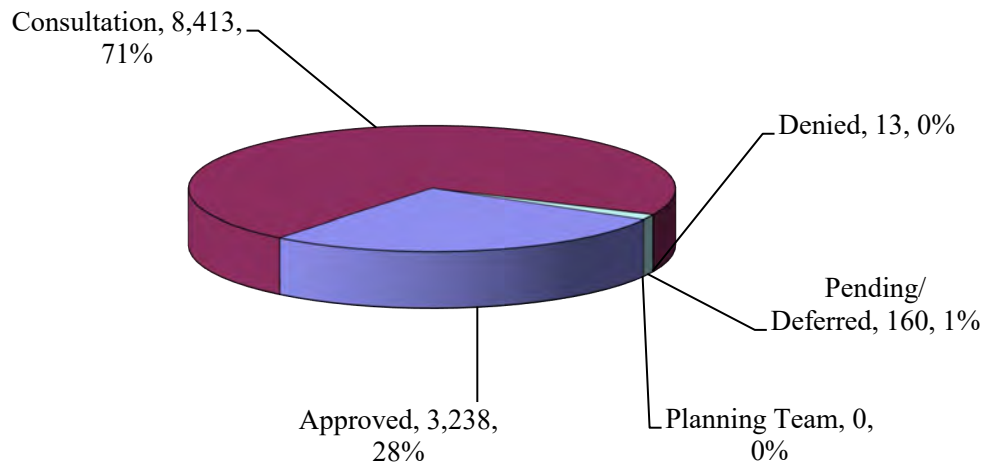
- *RCOC will maximize all alternative sources of funding for necessary services and supports including federal and generic funding.*
- *The public funds that support the service system are expended in a fashion that is cost-effective, consumer-directed, consistent with good business practices, and that reflect RCOC's Guiding Principles and diligent stewardship.*

Resource Group Activity for April 2025 and Fiscal Year to Date

Disposition	Approved	Consultation	Denied	Pending/Deferred	Planning Team	Total
Adult Day	842	304	0	70	0	1,216
Behavioral	113	65	0	8	0	186
Education	0	0	0	0	0	0
Eligibility/Health	108	0	8	6	0	122
Early Start	560	212	5	20	0	797
Living Options	297	168	0	6	0	471
Supported/Ind.	336	160	0	18	0	514
All Others	982	338	0	32	0	1,352
Monthly Total	3,238	8,413	13	160	0	4,658

FY 2024-25 Total to Date	37,212	2,309	0	2,934	0	42,455
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Resource Group Activity For Current Month



Operations Report Summary - April 2025

About Persons Served	Early Start	Medicaid Waiver	All Other	SDC	Total	Under 18	Over 18
Number of Persons Served	3,427	8,603	11,949	9	23,988	13,436	14,072
<i>Percentage of Total</i>	<i>14%</i>	<i>36%</i>	<i>50%</i>	<i>0%</i>	<i>100%</i>	<i>56%</i>	<i>59%</i>

Children served in Prevention Resource and Referral Services	458
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Persons Served by Residence Status	All	Under 18	Over 18
Family Home	23,243	13,182	10,061
Community Care Facility	1,708	19	1,689
State Developmental Center	9	0	9
Family Home Agency	85	1	84
Foster Home	220	213	7
Intermediate Care Facility	589	0	589
Independent Living	973	0	973
Supported Living	494	0	494
Skilled Nursing	75	0	75
Other	112	21	91
Total	27,508	13,436	14,072

Special Incident Investigations	Year to Date
AWOL	43
Abuse	104
Neglect	164
Injury	262
Hospitalizations - Total	433
Death	147
Victim of crime	17
Arrest	15
Rights	244
Total	1,429

Number of Licensed Facilities

Community Care Facilities	Total	Under 18	Over 18
Level 2	70	0	70
Level 3	87	0	88
Level 4	211	9	211
Total Community Care Facilities	368	9	369

Licensed Facility Monitoring	Year to Date
Annual Review	399
Unannounced	846
Total Number of Reviews	1,011
Provider Trainings	0
Technical Support	2,942
Corrective Action Plans	40

Intermediate Care Facilities (ICF)	
ICF-DD	0
ICF-DD/Habilitation	68
ICF-DD/Nursing	40
Total ICF Facilities	108

Number of Audits	7
Amount of Recovery from Audits	\$10,478

Total Licensed Facilities	476
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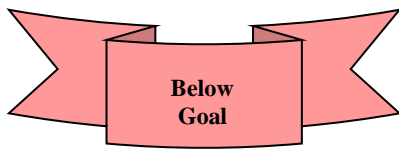
Performance Contract Summary

RCOC as of 5/01/2025	All	RCOC #	Goal	Percentage	# Attained
Developmental Center (DC)	27,495	9	0	0.03%	-9
Children in Foster Homes (FH)	13,429	212	318	1.58%	-106
Children Own Home Parent/Guardian	13,429	13,175	12,530	98.11%	645
Total # Children (FH,Parent/Guardian)	13,429	13,387	11,615	99.69%	539
Adult FHA	14,057	76	98	0.54%	-22
Independent Living (IL)	14,057	967	937	6.88%	30
Adults Residing Own Home - Parent	14,057	10,056	9,872	71.54%	184
Supported Living (SL)	14,057	487	510	3.46%	-23
Total # Adults (FHA, IL,Parent/Guardian, SL)	14,057	11,586	11,417	82.42%	169
Children Residing in a CCF (7+ beds)	13,429	1	0	0.33%	-1
Children Residing in a ICF (7+ beds)	13,429	0	0	0%	0
Children Residing in a Nursing Facility (7+ beds)	13,429	0	0	0%	0
Total Children Residing in 7+ bed facilities	13,429	1	0	99.67%	-1
Adults Residing in a CCF (7+ beds)	14,057	109	112	0.78%	3
Adults Residing in a ICF (7+ beds)	14,057	17	7	0.12%	-10
Adults Residing in a Nursing Facility (7+ beds)	14,057	75	75	0.53%	0
Total Adults Residing in 7+ bed facilities	14,057	201	194	1.43%	-7
Total Individuals Over Age 3 with <=120 days	480	478	100%	99.58%	99.58%
Total Individuals Over Age 3 with 121-240 days	480	0	0%	0%	0.00%
Total Individuals Over Age 3 Over 240 days	480	2	0%	0.42%	0.42%
Adults with Integrated Employment Goal	14,004	43%	65%		
Total Number of Incentive Payments Made	14,004	342			
Avg. Wage per Hour After Incentive Payment	14,004	\$16.11			
Number of Persons Served with Earned Income	14,004	2,269			
Percentage of 16-64 Earned Income	14,004	15.5%			
Annual Earnings of 16-64	14,004	\$13,920			
Number of Adults in CIE After Paid Intern	14,004	8			
Percentage Adults Transitioned Internship to CIE	14,004	9%			
Total Annual Expenditures Race/Ethnicity	27,495				

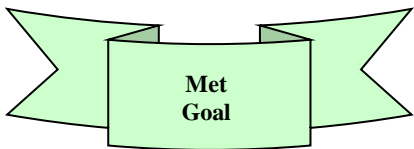
Performance Contract 2024-2025



= Better than Statewide Average



= Below Regional Center of Orange County Goal



= Met Regional Center of Orange County Goal



= Met or Exceeded Regional Center of Orange County Goal



= Exceeded Regional Center of Orange County Goal

There will be a variance between consumer data in the Operations Report and the Performance Contract. Consumer data for the Operations Report and the Performance Contract are produced on different dates and from different databases. The Operations Report numbers are based on RCOC's local database as of the end of the month. The Performance Contract numbers are based on RCOC's information as submitted to DDS on a different date.



Performance Contract 2024-2025

A. Regional Center of Orange County will maintain compliance in the following areas based upon criteria set forth in RCOC's contract with the Department of Developmental Services.

Compliance Measure	Outcome
Unqualified audit with no material findings	Yes
Substantial compliance with DDS fiscal audit	Yes
Operates within OPS budget	Yes
Certified to participate in Waiver	Yes
Compliance with vendor audit requirements per contract, Article III, sec. 10	Met
CDER/ESR current	96.23%
Intake/Assessment and IFSP (0-2)	99.52%
IPP development biennial	Annual, 99.46
IFSP development	69.28%



Performance Contract 2024-2025

I. Developmental Center

Planned Activities

Statement: The Regional Center of Orange County (RCOC) is committed to providing assistance to individuals and their families who choose to move from a State Developmental Center (SDC) into a less restrictive environment within their home communities.

Objective: RCOC will continue to seek new and innovative methods of utilizing available resources, developing non-existing resources, and creating and implementing transition plans that will allow individuals to establish themselves and participate successfully in their home community living arrangements.

- Implementation of Community Placement Plan/Resource Development Plan for FYs 2022-2023 and 2023-2024.

Progress: In FY 2019-2020, RCOC moved the last persons served from Fairview Developmental Center into the community. The remaining individuals are served at Porterville Developmental Center where they remain for competency issues. During Public Meetings in April 2024, RCOC had 8 persons served, or 0.03%, in Developmental Centers.

A. Total number and % of regional center caseload in developmental centers.

	Percentage	All Consumers	Consumers in DC			
Statewide Average	0.05%	423,241	224			
RCOC Public Hearing 4/24/24	0.03%	24,845	8	Goal	%	# Attained
RCOC 5/01/25	0.03%	27,495	9	0	0.03%	-9
Analysis as of Public Hearing	RCOC % of DD pop	5.87%	RCOC % of DC pop			3.57%

Number of Persons Served Residing DC's



	Total Active Caseload	Goal	DC	%	Number Attained
Jul-24	26,460	0	9	0.03%	-9
Aug-24	26,547	0	9	0.03%	-9
Sep-24	26,250	0	9	0.03%	-9
Oct-24	26,808	0	9	0.03%	-9
Nov-24	26,906	0	9	0.03%	-9
Dec-24	27,059	0	9	0.03%	-9
Jan-25	27,108	0	9	0.03%	-9
Feb-25	27,134	0	9	0.03%	-9
Mar-25	27,301	0	9	0.03%	-9
Apr-25	27,495	0	9	0.03%	-9
May-25		0			
Jun-25		0			



Performance Contract 2024-2025

II. Children Residing with Families (*Child is defined as under 18 years of age*)

Planned Activities

Statement: The Regional Center of Orange County (RCOC) ensures that children will reside with their families by providing the needed supports and services regardless of the severity of the child's disability.

- Continue to assess current supports and services.
- RCOC will work with the Orange County community in an effort to support programs, trainings, and services designed to provide equal access to child care for families of children with special needs (autism).
- Continue to develop innovative resources for children 0-3 years old (i.e. respite placements).
- RCOC will insure that persons served are provided opportunities for safety awareness training through schools and other similar programs available.
- Review and revise services, e.g. respite and family support.
- RCOC will insure that families receive full information about the developmental needs of the persons served and what types of services are available.
- RCOC will assure that persons served and their caregivers receive complete assessments and have the opportunity to ask questions, advocate, and access to services. To be evaluated and monitored by a National Core Indicators (NCI) survey of persons served and thier caregivers.

Progress: A. During public meetings, RCOC had 296, or 2.59%, of children in foster homes.

A. Number and % of regional center children in foster homes.

	Percentage	All Children	Children in FH	Goal	%	# Attained
Statewide Average	2.56%	226,163	5,780			
RCOC Public Hearing 4/24/24	2.59%	11,421	296			
RCOC 5/01/25	1.58%	13,429	212	318	1.58%	-106
Analysis as of Public Hearing	RCOC % of DD pop.		5.05%	RCOC % of FH pop.		5.12%



	Total Children Status 1&2	Goal	Children in Foster Homes	%	Number Attained
Jul-24	12,779	318	270	2.11%	-48
Aug-24	12,828	318	265	2.07%	-53
Sep-24	12,893	318	263	2.04%	-55
Oct-24	12,995	318	252	1.94%	-66
Nov-24	13,044	318	245	1.88%	-73
Dec-24	13,157	318	242	1.84%	-76
Jan-25	13,179	318	232	1.76%	-86
Feb-25	13,179	318	226	1.71%	-92
Mar-25	13,297	318	226	1.70%	-92
Apr-25	13,429	318	212	1.58%	-106
May-25		318			
Jun-25		318			

Below Goal

Progress: B. During public meetings, RCOC had 11,086, or 97.07%, of children in own-home-parent/guardian.

B. Number and % of regional center children in own home-parent/guardian.

	%	All Children	Children in own home Parent/Guardian			
Statewide Average	97.11%	226,163	219,630			
RCOC Public Hearing 4/24/24	97.07%	11,421	11,086	Goal	%	# Attained
RCOC 5/01/25	98.11%	13,429	13,175	12,530	98.11%	645
Analysis as of Public Hearing	RCOC % of DD pop.	5.05%		RCOC % of Home		97.07%



	Total Children	Goal	Children in Own Home Parent/Guardian	%	Number Attained
Jul-24	12,779	12,530	12,473	97.61%	-57
Aug-24	12,828	12,530	12,528	97.66%	-2
Sep-24	12,893	12,530	12,593	97.67%	63
Oct-24	12,995	12,530	12,704	97.76%	174
Nov-24	13,044	12,530	12,759	97.82%	229
Dec-24	13,157	12,530	12,874	97.85%	334
Jan-25	13,179	12,530	12,908	97.94%	378
Feb-25	13,179	12,530	12,912	97.97%	382
Mar-25	13,297	12,530	13,028	97.98%	498
Apr-25	13,429	12,530	13,175	98.11%	645
May-25		12,530			
Jun-25		12,530			

Exceeded Goal

Progress: C. During public meetings, RCOC had 10,079, or 99.46%, of children in homes.

C. Total number and % of regional center children in homes (*this is a total of sections A and B above*).

	%	All Children	Total Number Children in Homes			
Statewide Average	99.67%	226,163	225,410			
RCOC Public Hearing 4/24/24	99.66%	11,421	11,382	Goal	%	# Attained
RCOC 5/01/25	99.69%	13,429	13,387	12,848	99.69%	539
Analysis of Public Hearing	RCOC % of DD pop		5.05%	RCOC % Homes		85.02%



	Total Children Status 1&2	Goal	Total Number Children in Homes	%	Number Attained
Jul-24	12,779	12,848	12,743	99.72%	-105
Aug-24	12,828	12,848	12,793	99.73%	-55
Sep-24	12,893	12,848	12,856	99.71%	8
Oct-24	12,995	12,848	12,956	99.70%	108
Nov-24	13,044	12,848	13,004	99.69%	156
Dec-24	13,157	12,848	13,116	99.69%	268
Jan-25	13,179	12,848	13,140	99.70%	292
Feb-25	13,179	12,848	13,138	99.69%	290
Mar-25	13,297	12,848	13,254	99.68%	406
Apr-25	13,429	12,848	13,387	99.69%	539
May-25		12,848			
Jun-25		12,848			

Exceeded Goal

Performance Contract 2024-2025

III. Adults Residing in Home Settings

Planned Activities

Statement: RCOC works with persons served and their caregivers and advocates to empower and enable them to assert the rights of persons served to determine and control the living arrangements of their choice. This may include owning, renting, or leasing the home where the persons served reside.

Objective: Using the Person Centered Thinking (PCT) Individual Program Planning process, Service Coordinators will continue to identify regional center adult persons served who have the hopes and desires to live in a new living arrangement. Cases are reviewed at least annually for the least restrictive environment.

- RCOC will provide service coordinator training to assist families in establishing maintenance plans in the event of temporary caregiver illness/incapacity and for eventual transition plans.
- RCOC will request vendors to include successionary maintenance and transitional plans in the event of temporary illness/incapacity and transfer of ownership in their program designs.
- RCOC will ensure that persons served are provided opportunities for safety awareness training on a regular and as needed basis.
- RCOC will review and revise services, e.g. respite and family support.
- RCOC will assure that persons served and their caregivers receive complete assessments and have opportunities to ask questions, advocate, and access services. To be evaluated and monitored by an NCI survey of persons served and their caregivers.



Progress: A. During public meetings, RCOC had 87, or 0.65%, of adults residing in Adult FHA.

A. Total number and % of regional center adult caseload residing in an Adult Family Home Agency (FHA).

	Percentage	Total Adults Status 2	Adults in FHA			
Statewide Average	0.74%	196,854	1,452			
RCOC Public Hearing 4/24/24	0.65%	13,416	87	Goal	%	# Attained
RCOC 5/01/25	0.54%	14,057	76	99	0.54%	-23
Analysis as of Public Hearing	RCOC % of DD pop		6.82%	RCOC % of FHA pop		5.99%

Below Goal

	Total Adults Status 2	Goal	Adults in FHA	%	Number Attained
Jul-24	13,672	99	89	0.65%	-10
Aug-24	13,710	99	91	0.66%	-8
Sep-24	13,748	99	90	0.64%	-9
Oct-24	13,804	99	91	0.66%	-8
Nov-24	13,853	99	91	0.66%	-8
Dec-24	13,893	99	91	0.66%	-8
Jan-25	13,920	99	89	0.64%	-10
Feb-25	13,946	99	84	0.60%	-15
Mar-25	14,004	99	81	0.58%	-18
Apr-25	14,057	99	76	0.54%	-23
May-25		99			
Jun-25		99			



Progress: B. During public meetings, RCOC had 924, or 6.89%, of adults residing in independent living.

B. Total number and % of regional center adults in independent living.

	Percentage	Total Adults Status 2	Adults in Independent Living			
Statewide Average	9.09%	196,854	17,896			
RCOC Public Hearing 4/24/24	6.89%	13,416	924	Goal	%	# Attained
RCOC 5/01/25	6.88%	14,057	967	937	6.88%	30
Analysis of Public Hearing	RCOC % of DD pop		6.82%	RCOC % of IL pop		5.16%



	Total Adults Status 2	Goal	Adults in Independent Living	%	Number Attained
Jul-24	13,672	937	934	6.83%	-3
Aug-24	13,710	937	936	6.83%	-1
Sep-24	13,748	937	937	6.82%	0
Oct-24	13,804	937	941	6.82%	4
Nov-24	13,853	937	945	6.82%	8
Dec-24	13,893	937	942	6.77%	4
Jan-25	13,920	937	942	6.77%	6
Feb-25	13,946	937	945	6.78%	8
Mar-25	14,004	937	957	6.83%	20
Apr-25	14,057	937	967	6.87%	30
May-25		937			
Jun-25		937			

Progress: C. During public meetings, RCOC had 9,477, or 70.64%, of adults residing in own home-parent.

C. Total number and % of regional center adults residing in own home-parent.

	Percentage	Total Adults Status 2	Adults Residing Own Home - Parent			
Statewide Average	69.02%	196,854	135,873			
RCOC Public Hearing 4/24/24	70.64%	13,416	9,477	Goal	%	# Attained
RCOC 5/01/25	71.54%	14,057	10,056	9,872	71.54%	184
Analysis of Public Hearing	RCOC % of DD pop		6.82%	RCOC % of own home		6.97%



	Total Adults Status 2	Goal	Adults Residing Own Home - Parent	%	Number Attained
Jul-24	13,672	9,872	9,708	71.01%	-164
Aug-24	13,710	9,872	9,743	71.06%	-129
Sep-24	13,748	9,872	9,775	71.01%	-97
Oct-24	13,804	9,872	9,822	71.15%	-50
Nov-24	13,853	9,872	9,859	71.17%	-13
Dec-24	13,893	9,872	9,912	71.35%	40
Jan-25	13,920	9,872	9,941	71.42%	69
Feb-25	13,946	9,872	9,961	71.43%	89
Mar-25	14,004	9,872	10,010	71.48%	138
Apr-25	14,057	9,872	10,056	71.54%	184
May-25		9,872			
Jun-25		9,872			

Exceeded Goal



Progress: D. During public meetings, RCOC had 491, or 3.66%, of adults residing in supported living.

D. Total number and % of regional center adults residing in supported living.

	Percentage	Total Adults Status 2	Adults Residing in Supported Living			
Statewide Average	5.02%	196,854	9,359			
RCOC Public Hearing 4/24/24	3.66%	13,416	491	Goal	%	# Attained
RCOC 5/01/25	3.46%	14,057	487	510	3.46%	-23
Analysis of Public Hearing	RCOC % of DD pop		6.82%	RCOC % of SL pop		5.25%

	Total Adults Status 2	Goal	Adults Residing Supported Living	%	Number Attained
Jul-24	13,672	510	492	3.60%	-18
Aug-24	13,710	510	492	3.59%	-18
Sep-24	13,748	510	488	3.55%	-22
Oct-24	13,804	510	491	3.56%	-19
Nov-24	13,853	510	493	3.56%	-17
Dec-24	13,893	510	491	3.53%	-19
Jan-25	13,920	510	491	3.53%	-19
Feb-25	13,946	510	496	3.56%	-14
Mar-25	14,004	510	492	3.51%	-18
Apr-25	14,057	510	487	3.46%	-23
May-25		510			
Jun-25		510			

Below Goal



Progress: E. During public meetings, RCOC had 10,217, or 80.97%, of adults residing in home settings.

E. Total number and % of regional center adults in home settings (*this is a total of sections A, B, C, and D above*).

	Percentage	Total Adults Status 2	Total Number Adults in Home Settings			
Statewide Average	83.63%	196,854	164,624			
RCOC Public Hearing 4/24/24	81.84%	13,416	10,979	Goal	%	# Attained
RCOC 5/01/25	82.42%	14,057	11,586	11,418	82.42%	168
Analysis of Public Hearing	RCOC % of DD pop		6.82%	RCOC % of Home		6.67%

	Total Adults Status 2	Goal	Total Number Adults in Home Settings	%	Number Attained
Jul-24	13,672	11,418	11,223	82.09%	-195
Aug-24	13,710	11,418	11,262	82.14%	-156
Sep-24	13,748	11,418	11,290	82.12%	-128
Oct-24	13,808	11,418	11,345	82.19%	-128
Nov-24	13,853	11,418	11,388	82.21%	-30
Dec-24	13,893	11,418	11,435	82.31%	17
Jan-25	13,920	11,418	11,464	83.26%	46
Feb-25	13,946	11,418	11,486	83.26%	68
Mar-25	14,004	11,418	11,540	82.41%	122
Apr-25	14,057	11,418	11,586	82.42%	168
May-25		11,418			
Jun-25		11,418			

Exceeded Goal

Performance Contract 2024-2025

IV. Children Residing in Facilities with Seven or More Beds (*Excluding Developmental Centers*)

Planned Activities

Statement: RCOC provides for the needs of children with medical issues or challenging behaviors in seven or greater bed facilities for limited time periods when smaller facilities cannot meet needs.

Objective: RCOC will place only those children with medical issues or challenging behaviors in seven or greater facilities.

- RCOC will continue seeking appropriate placement in smaller facilities for these children and to support creative services and supports which would allow placement in existing small facilities, as well as development of new small facilities as needed, utilizing appropriate services and supports to ensure success for these persons served.
- RCOC will adhere to Trailer Bill Language relating to the use of larger facilities to ensure the least restrictive environment is supported.

Progress: A. During public meetings, RCOC had 0, or 0.00%, of children residing in a Community Care Facility (CCF) 7+ beds. Placements to 7+ bed CCF facilities are at family request and/or due to specialized services.

A. Total number and % of regional center children residing in a CCF 7+ beds.

	Percentage	Total Children Status 1&2	Children Residing in CCF 7+ Beds			
Statewide Average	0.01%	226,163	14			
RCOC Public Hearing 4/24/24	0.00%	11,421	0	Goal	%	# Attained
RCOC 5/01/25	0.01%	13,429	1	0	0.01%	-1
Analysis of Public Hearing	RCOC % of DD pop		5.05%	RCOC % of CCF 7+		0.00%



	Total Children Status 1&2	Goal	Children Residing CCF 7+ Beds	%	Number Attained
Jul-24	12,779	0	0	0.00%	0
Aug-24	12,828	0	0	0.00%	0
Sep-24	12,893	0	0	0.00%	0
Oct-24	12,995	0	0	0.00%	0
Nov-24	13,044	0	0	0.00%	0
Dec-24	13,157	0	0	0.00%	0
Jan-25	13,179	0	0	0.00%	0
Feb-25	13,179	0	0	0.00%	0
Mar-25	13,297	0	1	0.01%	-1
Apr-25	13,429	0	1	0.01%	-1
May-25		0			
Jun-25		0			

Below Goal

Progress: B. During public meetings, RCOC had 0, or 0.00%, of children residing in an Intermediate Care Facility (ICF) 7+ beds.

B. Total number and % of regional center children residing in an ICF 7+ beds.

	Percentage	Total Children Status 1&2	Children Residing in an ICF 7+ beds			
Statewide Average	0.02%	226,163	42			
RCOC Public Hearing 4/24/24	0.00%	11,421	0	Goal	%	# Attained
RCOC 5/01/25	0.00%	13,429	0	0	0.00%	0
Analysis of Public Hearing	RCOC % of DD pop		5.05%	RCOC % of ICF 7+		0.00%



	Total Children Status 1&2	Goal	Children Residing ICF 7+ Beds	%	Number Attained
Jul-24	12,779	0	0	0.00%	0
Aug-24	12,828	0	0	0.00%	0
Sep-24	12,893	0	0	0.00%	0
Oct-24	12,995	0	0	0.00%	0
Nov-24	13,044	0	0	0.00%	0
Dec-24	13,157	0	1	0.01%	-1
Jan-25	13,179	0	0	0.00%	0
Feb-25	13,179	0	0	0.00%	0
Mar-25	13,297	0	0	0.00%	0
Apr-25	13,429	0	0	0.00%	0
May-25		0			
Jun-25		0			

Met Goal

Progress: C. During public meetings, RCOC had no children residing in a nursing facility. Placements to nursing facilities are at family request and/or due to specialized services.

C. Total number and % of regional center children residing in a nursing facility.

	Percentage	Total Children Status 1&2	Children Residing in a Nursing Facility			
Statewide Average	0.00%	226,163	4			
RCOC Public Hearing 4/24/24	0.00%	11,421	0	Goal	%	# Attained
RCOC 5/01/25	0.00%	13,429	0	0	0.00%	0
Analysis of Public Hearing	RCOC % of DD pop		5.05%	RCOC % of NF		0.00%



	Total Children Status 1&2	Goal	Children Residing in a Nursing Facility (NF)	%	Met Goal Number Attained
Jul-24	12,779	0	0	0.00%	0
Aug-24	12,828	0	0	0.00%	0
Sep-24	12,893	0	0	0.00%	0
Oct-24	12,995	0	0	0.00%	0
Nov-24	13,044	0	0	0.00%	0
Dec-24	13,157	0	0	0.00%	0
Jan-25	13,179	0	0	0.00%	0
Feb-25	13,179	0	0	0.00%	0
Mar-25	13,297	0	0	0.00%	0
Apr-25	13,429	0	0	0.00%	0
May-25		0			
Jun-25		0			

Progress: D. During public meetings, RCOC had 0, or 0.00%, of children residing in a facility with 7+ beds. Placements to 7+ bed facilities are at family request and/or due to specialized services.

D.Total number and % of regional center children residing in a facility with 7+ beds (*this is a total of sections A, B, and C above*).

	Percentage	Total Children Status 1&2	Total Children Residing in a 7+ Bed Facility			
Statewide Average	0.03%	226,163	60			
RCOC Public Hearing 4/24/24	0.00%	11,421	0	Goal	%	# Attained
RCOC 5/01/25	0.00%	13,429	1	0	0.01%	-1
Analysis of Public Hearing	RCOC % of DD pop		5.05%	RCOC % 7+ Bed		0.00%



	Total Children Status 1&2	Goal	Total Children Residing in 7+ Bed	%	Number Attained
Jul-24	12,779	0	0	0.00%	0
Aug-24	12,828	0	0	0.00%	0
Sep-24	12,893	0	0	0.00%	0
Oct-24	12,995	0	0	0.00%	0
Nov-24	13,044	0	0	0.00%	0
Dec-24	13,157	0	0	0.01%	-1
Jan-25	13,179	0	0	0.00%	0
Feb-25	13,179	0	0	0.00%	0
Mar-25	13,297	0	1	0.01%	-1
Apr-25	13,429	0	1	0.01%	-1
May-25		0			
Jun-25		0			

Below Goal

Performance Contract 2024-2025

V. Adults Residing in Facilities with Seven or More Beds (Excluding Developmental Centers)

Planned Activities

Statement: RCOC continues to ensure that individuals with developmental disabilities have more choices in living options regardless of the severity of their disabilities.

Objective: RCOC will place only those adults with medical issues or challenging behaviors in seven bed or greater facilities.

- RCOC will continue seeking appropriate placement in smaller facilities for these persons served and to support creative services and supports which would allow placement in existing small facilities, as well development of new small facilities as needed, utilizing appropriate services and supports to ensure success for these persons served.
- RCOC will adhere to Trailer Bill Language relating to the use of larger residential facilities to ensure the least restrictive environment is supported.

Progress: A. During public meetings, RCOC had 119, or 0.89%, of adults residing in a CCF 7+ bed. Placements to 7+ CCF are at family request and/or due to specialized services. RCOC has several long term vendors with 7+ bed homes, and will continue to work together to implement Trailer Bill Language regarding the use of these homes.

A. Total number and % of regional center adults residing in a Community Care Facility (CCF) 7+ beds.

	Percentage	Total Adults Status 2	Adults in CCF 7+ Beds			
Statewide Average	0.67%	196,854	1,324			
RCOC Public Hearing 4/24/24	0.89%	13,416	119	Goal	%	# Attained
RCOC 5/01/25	0.78%	14,057	109	112	0.78%	3
Analysis of Public Hearing	RCOC % of DD pop		6.82%	RCOC % Adult 7+ CCF		8.99%

	Total Adults Status 2	Goal	Adults Residing in CCF 7+ Beds	%	Number Attained
Jul-24	13,672	112	111	0.81%	1
Aug-24	13,710	112	113	0.82%	-1
Sep-24	13,748	112	114	0.83%	-2
Oct-24	13,804	112	113	0.82%	-1
Nov-24	13,853	112	112	0.81%	0
Dec-24	13,893	112	112	0.81%	0
Jan-25	13,920	112	112	0.80%	0
Feb-25	13,946	112	112	0.80%	0
Mar-25	14,004	112	112	0.80%	0
Apr-25	14,057	112	109	0.77%	3
May-25		112			
Jun-25		112			

Met or Exceeded Goal

Progress: B. During public meetings, RCOC had 15, or 0.11%, of adults residing in an Intermediate Care Facility (ICF) 7+ beds. Placements to 7+ bed facilities are at family request and/or due to specialized services.

B. Total number and % of regional center adults residing in an ICF 7+ beds.

	Percentage	Total Adults Status 2	Adults Residing ICF 7+ Beds			
Statewide Average	0.41%	196,854	755			
RCOC Public Hearing 4/24/24	0.11%	13,416	15	Goal	%	# Attained
RCOC 5/01/25	0.12%	14,057	17	7	0.12%	-10
Analysis of Public Hearing	RCOC % of DD pop		6.82%	RCOC % ICF 7+		1.99%



	Total Adults Status 2	Goal	Adults Residing ICF 7+ Beds	%	Number Attained
Jul-24	13,672	7	14	0.10%	-7
Aug-24	13,710	7	14	0.10%	-7
Sep-24	13,748	7	15	0.11%	-8
Oct-24	13,804	7	15	0.11%	-8
Nov-24	13,853	7	14	0.10%	-7
Dec-24	13,893	7	15	0.10%	-8
Jan-25	13,920	7	15	0.11%	-8
Feb-25	13,946	7	15	0.11%	-8
Mar-25	14,004	7	115	0.11%	-8
Apr-25	14,057	7	117	0.12%	-10
May-25		7			
Jun-25		7			

Below Goal

Progress: C. During public meetings, RCOC had 75, or 0.56%, of adults residing in a nursing facility (NF). Placements to nursing facilities are at family request and/or due to medical or specialized services.

C. Total number and % of regional center adults residing in a nursing facility.

	Percentage	Total Adults Status 2	Adults Residing in NF			
Statewide Average	0.52%	196,854	967			
RCOC Public Hearing 4/24/24	0.56%	13,416	75	Goal	%	# Attained
RCOC 5/01/25	0.53%	14,057	75	75	0.53%	0
Analysis of Public Hearing	RCOC % DD pop		6.82%	RCOC % NF		7.76%

	Total Adults Status 2	Goal	Adults Residing in NF	%	Number Attained
Jul-24	13,672	75	78	0.57%	-3
Aug-24	13,710	75	76	0.55%	-1
Sep-24	13,748	75	80	0.58%	-5
Oct-24	13,804	75	78	0.58%	-3
Nov-24	13,853	75	82	0.59%	-7
Dec-24	13,893	75	78	0.56%	-3
Jan-25	13,920	75	79	0.57%	-4
Feb-25	13,946	75	78	0.56%	-3
Mar-25	14,004	75	77	0.55%	-2
Apr-25	14,057	75	75	0.53%	0
May-25		75			
Jun-25		75			

Met Goal

Progress: D. During public meetings, RCOC had 209, or 1.56%, of adults residing in a facility with 7+ beds. Placements to 7+ bed facilities are at family request and/or due to specialized services.

D. Total number and % of adults residing in a facility with 7+ beds (*this is a total of sections A, B, and C above*).

	Percentage	Total Adults Status 2	Total Adults Residing in 7+ Bed			
Statewide Average	1.71%	196,854	3,188			
RCOC Public Hearing 4/24/24	1.56%	13,416	209	Goal	%	# Attained
RCOC 5/01/25	1.43%	14,057	201	194	1.43%	-7
Analysis of Public Meeting	RCOC % of DD pop	6.82%	RCOC % 7+ Bed	6.56%		



	Total Adults Status 2	Goal	Total Adults Residing in 7+ Beds	%	Number Attained
Jul-24	13,672	194	203	1.45%	-11
Aug-24	13,710	194	203	1.48%	-9
Sep-24	13,748	194	209	1.52%	-15
Oct-24	13,808	194	206	1.49%	-12
Nov-24	13,853	194	208	1.94%	-14
Dec-24	13,893	194	205	1.48%	-11
Jan-25	13,920	194	206	1.48%	-12
Feb-25	13,946	194	205	1.47%	-11
Mar-25	14,004	194	204	1.46%	-10
Apr-25	14,057	194	201	1.43%	-7
May-25		194			
Jun-25		194			

Below Goal

Performance Contract 2024-2025

VI. Intake Duration

Planned Activities

Statement: Management and Service Coordinator staff receive a monthly report on the duration of individuals age 3 and over who are in the intake process.

Objective: RCOC will continue to ensure that the duration of individuals ages 3 and over in the Intake process is within mandated timeline.

- RCOC will provide persons served and their caregivers/advocates with initial information about developmental needs, and about the services and supports available, inside and outside of RCOC.

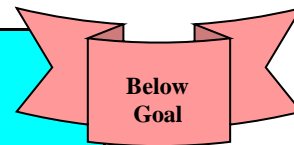
Progress: A. During public meetings, RCOC had 257, or 100%, of regional center individuals over age 3 with <=120 days.

A. Total number and % of regional center individuals over age 3 with <=120 days.

	Percentage	Total # Age 3 or Over	Total # Over Age 3 with <=120 Days		
Statewide Average	78.33%	14,874	11,651		
RCOC Public Hearing 4/24/24	100%	257	257	Goal	% Attained
RCOC 5/01/25	99.58%	480	478	100%	99.58%



	Total Number Individuals Age 3 or Over	Goal	Total Number Individuals Over Age 3 with <=120 Days	% Attained
Jul-24	319	100%	319	100%
Aug-24	326	100%	326	100%
Sep-24	321	100%	321	100%
Oct-24	305	100%	305	100%
Nov-24	328	100%	328	100%
Dec-24	330	100%	330	100%
Jan-25	354	100%	354	100%
Feb-25	426	100%	422	99%
Mar-25	444	100%	444	100%
Apr-25	480	100%	478	99.58%
May-25		100%		
Jun-25		100%		



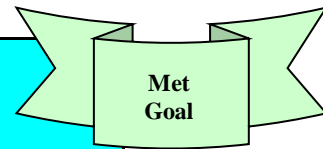
Progress: B. During public meetings, RCOC had 0, or 0.00%, of regional center individuals over age 3 with 121-240 days.

B. Total number and % of regional center individuals over age 3 with 121-240 days.

	Percentage	Total Number Individual s Age 3 and Over	Total Number of Individuals Over Age 3 With 121- 240 Days		
Statewide Average	14.62%	14,874	2,175		
RCOC Public Hearing 4/24/24	0.00%	257	0	Goal	% Attained
RCOC 5/01/25	0.00%	480	0	0%	0.00%



	Total Number of Individuals Age 3 or Over	Goal	Total Number Individuals Over Age 3 With 121- 240 Days	%
Jul-24	319	0%	0	0%
Aug-24	326	0%	0	0%
Sep-24	321	0%	0	0%
Oct-24	305	0%	0	0%
Nov-24	328	0%	0	0%
Dec-24	330	0%	0	0%
Jan-25	354	0%	0	0%
Feb-25	426	0%	1	0.23%
Mar-25	444	0%	0	0%
Apr-25	480	0%	0	0%
May-25		0%		
Jun-25		0%		



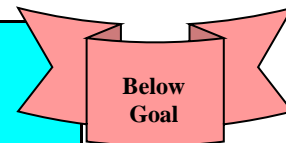
Progress: C. During public meetings, RCOC had 0, or 0.00%, of regional center individuals over age 3 with over 240 days.

C. Total number and % of regional center individuals over age 3 with over 240 days.

	Percentage	Total Number Individuals Age 3 or Over	Total Number Individuals Over Age 3 Over 240 Days		
Statewide Average	7.05%	14,874	1048		
RCOC Public Hearing 4/24/24	0%	257	0	Goal	% Attained
RCOC 5/01/25	0.42%	480	2	0%	0.42%



	Total Number Individuals Age 3 or Over	Goal	Total Number Individuals Over Age 3 Over 240 Days	% Attained
Jul-24	319	0%	0	0%
Aug-24	326	0%	0	0%
Sep-24	321	0%	0	0%
Oct-24	305	0%	0	0%
Nov-24	328	0%	0	0%
Dec-24	330	0%	0	0.00%
Jan-25	354	0%	0	0.00%
Feb-25	426	0%	3	0.70%
Mar-25	444	0%	0	0.00%
Apr-25	480	0%	2	0.42%
May-25		0%		
Jun-25		0%		



Performance Contract 2024-2025

VII. National Core Indicators (NCI) Employment

Planned Activities

Statement: RCOC has adopted an Employment First Policy making competitive integrated employment (CIE) the first option considered by planning teams for every working adult served by RCOC.

Objective: RCOC will implement its Employment First Policy by providing persons served and family members with information regarding the opportunity and support to work in employment settings that are meaningful to them and by annually reviewing those opportunities with individuals to ensure they are engaged in activities of their choosing. RCOC will make incentive payments to vendors who assist individuals obtain CIE and maintain those positions over time.

Progress: A. Results from the National Core Indicator surveys conducted in FY 2014-15, 47% of those interviewed indicated a desire for work in the community. For FY 2021-22, 48% of those interviewed also expressed a desire for employment in their community.

A. Percentage of adults who reported having integrated employment as a goal in their IPP.

	Percentage	
RCOC FY 2011-12	46%	Goal
RCOC FY 2014-15	47%	50%
RCOC FY 2018-19	57%	65%
RCOC FY 2020-21	43%	60%



Progress: B. RCOC will authorize incentive payments to service providers who assist individuals obtaining competitive integrated employment. RCOC will make initial payments based upon hire date, and additional payments will be made upon subsequent milestones related to length of employment.

B. Total number of 30 day, 6 month, and 12 month incentive payments made within the fiscal year.

Fiscal Year	\$2,000	\$2,500	\$3,000
2017-18	155	97	78
2018-19	151	128	83
2019-20	131	115	90
2020-21	84	63	60
2022-2023	124	113	105

Progress: C. RCOC will work with local employment agencies and businesses to assist individuals obtain desired hours of employment on a weekly/monthly basis. Individuals will review this during the initial hiring phase when incentive payments are being sought.

C. Average wages and hours worked for adults engaged in CIE when incentive payments have been made on their behalf.

Fiscal Year	Hours Week	Wage
2017-18	23.5	\$11.31
2018-19	21	\$12.06
2019-20	22	\$13.06
2020-21	20	\$14.40
2022-2023	20.6	\$16.11

Performance Contract 2024-2025

VIII. Employment Development Department (EDD) Employment

Planned Activities

Statement: RCOC service coordinators and vendors are implementing RCOC's Employment First Policy of competitive integrated employment (CIE) as the first option for persons served.

Objective: RCOC service coordinators will implement Employment First Policy by providing persons served and families information on job preparation and procurement at annual Individual Transition Meetings (ITP) through the school and Individual Program Planning (IPP) meetings through RCOC. RCOC will continue to work on development of new programs that will emphasize a focus on CIE as a primary outcome. RCOC will work with service providers and employers to move individuals participating in Paid Internship Program (PIP) into CIE.

Progress: A. Results from the Employment Development Department (EDD) conducted in 2022 indicate that 1,965 persons served ages 16-64 had earned income. In 2023 2,269 persons served ages 16-64 had earned income.

A. Number of persons served ages 16-64 with earned income.



	RCOC	Statewide Avg.
2018	3,346	1,311
2019	2,335	1,341
2020	1,726	1,082
2021	1,839	1,317
2022	1,965	1,428
2023	2,269	1,583



Progress: B. Results from the EDD in 2022 indicate that 14.5% of persons served ages 16-64 reported having earned income. In 2023, the percentage of persons served ages 16-64 reporting earned income increased to 15.5%.

B. Percentage of persons served ages 16-64 reporting earned income.

	RCOC	Statewide Avg.
2019	21%	17.3%
2020	19.5%	15.7%
2021	13.9%	14.2%
2022	14.5%	15.0%
2023	15.5%	15.2%

Progress: C. Results from the EDD in 2022 indicate that average annual wages for persons served ages 16-64 was \$12,900. In 2023, the average annual wage for persons served ages 16-64 increased to \$13,920. This measure will also compare average annual wages of all people with disabilities

C. Annual earnings of age group 16-64 of people with intellectual disabilities, compared with all persons with disabilities in California.

	RCOC	Statewide Avg.
2019	\$7,596	\$8,820
2020	\$6,936	\$8,952
2021	\$11,076	\$11,892
2022	\$12,900	\$13,200
2023	\$13,920	\$14,256



Progress: D. In FY 2016-17, RCOC began working with service providers to place individuals into Paid Internship Program (PIP) opportunities to help develop employment interests and lead into CIE opportunities. In 2020-21 RCOC had 0 individuals within a PIP that resulted in employment, and for 2022-23 that number increased to 8 individuals.

D. Number of adults placed in CIE following participation in a PIP.

	Total
2018-19	7
2019-20	11
2020-21	0
2022-23	8

Progress: E. RCOC will obtain data related to the overall percentage of adults participating in a paid internship who transition into a competitive employment setting. This program began in FY 2016-17. In FY 2020-21, 0% of adults transitioned from an Internship to Competitive Employment. In 2022-23 9% of adults transitioned into CIE.

E. Percentage of adults who transitioned from internship to competitive employment.

	% Adults
2019-20	14%
2020-21	0%
2022-23	9%

Progress: F. RCOC will monitor the hourly/salaried wages and hours worked per week for persons served who participate in a paid internship. Hours and wages will be competitively based on the job type and market rate for each setting.

F. Average hourly wage and weekly hours worked in PIP during the previous fiscal year.

	Hours Week	Wage
2019-20	13	\$13.43
2020-21	13	\$13.98
2022-23	11.7	\$15.91

Performance Contract 2024-2025

IX. Reducing Disparities and Improving Equity in Purchase of Service Expenditures.

Statement: RCOC works to ensure that the support services are flexible and innovative in meeting the family's needs as they evolve over time, are tailored to the preferences of the individual family, and are consistent with their cultural norms and customs.

Objective: RCOC service coordinators will work with persons served and families to develop IPP goals and objectives to address their choices of living situations. RCOC will work to develop services in the community that meet the cultural and background preferences of persons served and family members to ensure the availability of resources. RCOC will continue outreach efforts within our community to overcome potential cultural barriers when identifying appropriate services. RCOC is working to expand family outreach and support options by developing new resources within our community. RCOC will continue to develop community programs that allow for a range of options for persons served when selecting those services. RCOC service coordinators will receive initial and ongoing training related to IPP development that ensures meaningful participation of persons served and their families and will focus on Person Centered Thinking skills and outcomes. RCOC will be working to simplify and translate important documents. RCOC continues to outreach with outside agencies such as parent support groups leaders, family support groups, social services agencies, faith-based organizations and educational agencies, as well as providing information via e-mail in the primary language of the family.

Progress: A. Review of fiscal year 2017-18 purchase of service data and client master file (CMF) for initial data source. Fiscal year 2023-2024 data reflects either an increase or decrease in services and expenditures related to disparity criteria.

A. Percent of total annual purchase of service (POS) expenditures by individuals ethnicity and age: Birth to age 2; Age 3-21; 22 and older.

Fiscal Year 2023-2024 Birth to 2 Years Ethnicity	Total Persons	Total Authorized Services	Percentage of Total	Utilized
American Indian or Alaska Native	6	\$38,621	\$3,582	55.7%
Asian	931	\$11,417,518	\$7,681	62.6%
Black/African American	94	\$1,298,775	\$6,920	50.1%
Hispanic	2,254	\$23,935,532	\$6,255	58.9%
Native Hawaiian or Other Pacific Islander	7	\$72,402	\$6,973	67.4%
White	1,229	\$11,144,260	\$5,159	56.9%
Race/Multi-Cultural	1,130	\$12,180,816	\$6,487	60.2%
Totals	5,651	\$60,087,924	\$6,307	59.3%

Fiscal Year 2023-2024 3 Years to 21 Years Ethnicity	Total Persons	Total Authorized Services	Per Capita Expenditures	Utilized
American Indian or Alaska Native	16	\$521,799	\$4,618	14.2%
Asian	2,469	\$27,579,138	\$5,252	47.0%
Black/African American	261	\$4,375,491	\$7,853	46.8%
Hispanic	4,817	\$45,908,919	\$4,137	43.4%
Native Hawaiian or Other Pacific Islander	30	\$329,453	\$4,028	36.7%
White	2,370	\$36,737,651	\$8,549	55.1%
Race/Multi-Cultural	2,370	\$31,014,006	\$6,457	49.2%
Totals	12,324	\$146,466,457	\$5,732	48.2%



Fiscal Year 2023-2024 22 Years and Older Ethnicity	Total Persons	Total Authorized Services	Per Capita Expenditures	Utilized
American Indian or Alaska Native	22	\$1,752,140	\$54,697	70.9%
Asian	1721	\$95,857,290	\$37,522	67.4%
Black/African American	285	\$21,133,070	\$51,204	69.1%
Hispanic	3251	\$142,949,249	\$29,417	66.9%
Native Hawaiian or Other Pacific Islander	14	\$627,684	\$32,812	73.2%
White	4877	\$392,461,532	\$58,681	72.9%
Other Ethnicity or Race/Multi-Cultural	1051	\$61,370,970	\$40,106	68.7%
Totals	1122	\$7,161,515,936	\$44,991	70.5%

Progress: B. Review of fiscal year 2023-24 POS date and regional center caseload data. Initial data generation will be compared to subsequent FY information.

B. Number of individuals receiving only case management services by age and ethnicity: Birth to age 2; Age 3-21; Age 22 and older.

Fiscal Year 2023-2024 Birth to 2 Years Ethnicity	Total Persons	Case Management	Percent No Services
American Indian or Alaska Native	6	2	33.3%
Asian	931	44	4.7%
Black/African American	94	4	4.3%
Hispanic	2,254	127	5.6%
Native Hawaiian or Other Pacific Islander	7	1	14.3%
White	1,229	82	6.7%
Other Race/Ethnicity or Multi-Cultural	1,130	68	6%
Totals	5,651	328	5.8%

Fiscal Year 2023-2024 3 Years to 21 Years Ethnicity	Total Persons	Case Management	Percent No Services
American Indian or Alaska Native	16	3	18.8%
Asian	2,469	696	28.2%
Black/African American	261	89	34.1%
Hispanic	4,817	1,975	41%
Native Hawaiian or Other Pacific Islander	30	9	30%
White	2,370	690	29.1%
Other Race/Ethnicity or Multi-Cultural	2,361	730	30.9%
Totals	12,234	4,192	34%

Fiscal Year 2023-2024 22 Years and Older Ethnicity	Total Persons	Case Management	Percent No Services
American Indian or Alaska Native	22	4	18.2%
Asian	1,721	414	24.1%
Black/African American	285	57	20%
Hispanic	3,251	861	26.5%
Native Hawaiian or Other Pacific Islander	14	4	28.6%
White	4,877	793	16.3%
Other Race/Ethnicity or Multi-Cultural	1,051	262	24.9%
Totals	11,221	2395	21.3%





Progress: C. Review of fiscal year 2023-24 POS and CMF data. Initial data generation will be compared to subsequent FY information.

C. Per capita purchase of service (POS) expenditures by individual's primary language for all ages (30 or more people with identified language).

Fiscal Year 2023-2024 Primary Language All Ages	Total Persons	Total Authorized Services	Per Capita Expenditures	Utilized
Chinese	89	\$1,871,887	\$14,234	67.7%
English	22,915	\$789,858,234	\$23,259	67.5%
Spanish	4,861	\$91,768,371	\$10,930	55.8%
Vietnamese	1,078	\$20,887,583	\$11,974	61.8%
All Other Languages	433	\$18,320,241	\$29,607	70.0%
Totals	29,196	\$922,706,316	\$20,932	66.2%

REGIONAL CENTER OF ORANGE COUNTY

BOARD OF DIRECTORS

AGENDA ITEM DETAIL SHEET

DATE: June 5, 2025
TO: Board of Directors
FROM: Sandy Martin
Chair, Executive Committee

ACTION	X
ACTION/CONSENT	
DISCUSSION	
INFO ONLY	

SUBJECT: Approval of Board of Directors' Meeting Schedule for Fiscal Year 2025-26

BACKGROUND:

The Board of Directors approves its meeting schedule annually.

REASON FOR CURRENT ITEM:

The proposed meeting schedule is attached.

FISCAL IMPACT:

None.

RECOMMENDATIONS:

That the Board approve Board its meeting schedule for Fiscal Year 2025-26 as presented.

FY 2025-26 Meeting Schedule for RCOC's Board of Directors

As of July 1, 2025

Board of Directors Meeting 5-8 p.m.	Board of Directors Training 5:30-7 p.m.	Board Packet Review 3-4 p.m.	Budget & Finance 4-5 p.m.	Peer Advisory 3-4 p.m.	Executive 5-6 p.m.	Legislative & Community Awareness 5-6 p.m.	Policies & Outcomes 6-7 p.m.	Board Recruitment & Training 5-6 p.m.	Vendor Advisory 2-3 p.m.
<i>Board Rooms</i>	<i>Videoconference</i>	<i>Board Rooms</i>	<i>Board Rooms</i>	<i>Videoconference</i>	<i>Videoconference</i>	<i>Videoconference</i>	<i>Videoconference</i>	<i>Videoconference</i>	<i>Videoconference</i>
<i>Minimum of Six 1st Thursdays</i>	<i>1st Thursday</i>	<i>1st Thursday</i>	<i>1st Thursday</i>	<i>3rd Wednesday</i>	<i>3rd Monday</i>	<i>2nd Tuesday</i>	<i>3rd Monday</i>	<i>2nd Monday</i>	<i>2nd Tuesday</i>
Dark	7/10/2025*	Dark	Dark	Dark	7/21/2025	7/8/2025	7/21/2025	7/14/2025	7/8/2025
Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark
9/4/2025	Dark	9/4/2025	9/4/2025	9/17/2025	9/15/2025	Dark	Dark	9/8/2025	9/9/2025
Dark	10/2/2025	Dark	Dark	10/15/2025	10/20/2025	10/14/2025	10/20/2025	Dark	10/14/2025
11/6/25	Dark	11/6/2025	11/6/2025	Dark	11/17/2025	Dark	Dark	11/10/2025	11/18/2025***
Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark	Dark
1/8/2026*	Dark	1/8/2026*	1/8/2026*	1/21/2026	1/20/2026**	1/13/2026	Dark	1/12/2026	1/13/2026
Dark	2/5/2026	Dark	Dark	2/18/2026	2/17/2026**	Dark	2/17/2026**	2/9/2026	2/10/2026
3/5/2026	Dark	3/5/2026	3/5/2026	Dark	3/16/2026	Dark	Dark	Dark	3/10/2026
Dark	4/2/2026	Dark	Dark	Dark	4/20/2026	4/14/2026	4/20/2026	4/13/2026	4/14/2026
5/7/2026	Dark	5/7/2026	5/7/2026	5/20/2026	5/18/2026	Dark	5/18/2026	5/11/2026	5/12/2026
6/4/2026	Dark	6/4/2026	6/4/2026	6/17/2026	6/15/2026	Dark	Dark	Dark	6/9/2026

* Scheduled on second Thursday due to holiday

** Scheduled for Tuesday due to Monday holiday

*** Scheduled for the 3rd Tuesday due to holiday

**Regional Center of Orange County
Board Recruitment and Training Committee
May 12, 2025
Videoconference Minutes**

Committee Members Present: Sandy Martin, Chair
Bruce Hall
Frances Hernandez (*joined at 5:03 p.m.*)
Hilda Mendez
Chinh Nguyen

Committee Member Absent: Fernando Peña

RCOC Staff Present: Larry Landauer, Executive Director
Jerrold Bonner, Director of Information Technology
Arturo Cazares, Director of Community Services
Bonnie Ivers, Director of Clinical Services (*joined at 5:05 p.m.*)
Jennifer Montanez, Director of Case Management
Marta Vasquez, Chief Financial Officer

Ms. Sandy Martin called the videoconference meeting to order at 5:02 p.m.

I. Board Recruitment

A. Review Board Members' Terms of Office and Upcoming Turnover

Ms. Martin reviewed the current Terms of Office and the Committee discussed upcoming term end dates.

B. Discuss Recruitment Needs – Review of Board Member Application

The Committee discussed recruitment efforts and the need to recruit new members to ensure compliance with the composition requirements of the Lanterman Act.

II. Board Development and Training

A. Discuss Board Training Schedule and Topics

Ms. Martin reported that the next Board of Directors' training will be held on July 10, 2025. The training will consist of annual training topics required by the Department of Developmental Services (DDS) including a Review of Board Governance, Conflict of Interest, Whistleblower Policies and Linguistic and Cultural Competency.

Board Recruitment and Training Committee Minutes
May 12, 2025

Ms. Martin requested that the Committee consider potential training topics for the upcoming calendar year 2026.

III. Community Forum

No community members were present at the meeting.

Ms. Martin adjourned the meeting at 5:15 p.m.

Recorder: Sandra Lomelí

**Regional Center of Orange County
Policies and Outcomes Committee
May 27, 2025
Videoconference Minutes**

Committee Members Present: Bruce Hall
Liza Krassner
Sandy Martin
Jacqueline Nguyen

Committee Members Absent: Meena Chockalingam, Chairperson

Board Member Present: Yvonne Kluttz

RCOC Staff Members Present: Larry Landauer, Executive Director
Jerrold Bonner, Director of Information Technology
Arturo Cazares, Director of Community Services
Jennifer Montanez, Director of Case Management
Christy Petteruto, General Counsel
Jack Stanton, Associate Director of Housing
Marta Vasquez, Chief Financial Officer
Stacy Wong, Director of Human Resources

Corporate Counsel Absent: Greg Simonian, Esq.

In Ms. Meena Chockalingam's absence, Ms. Sandy Martin called the videoconference meeting to order at 6:33 p.m.

I. Governance Policies

A. Review of the Transparency and Public Information Policy

The Committee reviewed and did not propose any revisions to the policy.

B. Review of the Whistleblower Policy

The Committee reviewed and proposed revisions to the policy.

M/S/C to recommend that the Board approve the Whistleblower Policy as proposed

II. Outcomes

A. Person Centered Thinking (PCT) Update

Ms. Jennifer Montanez reported that there were no updates.

B. Health and Wellness Project Update

Dr. Bonnie Ivers reported that there were no updates and more information will be provided at the Board meeting on June 5, 2025.

C. Employment Update

Mr. Arturo Cazares reported that there were no updates.

D. Housing Update

Mr. Jack Stanton reported that there were no updates and more information will be provided at the Board meeting on June 5, 2025.

E. National Core Indicators (NCI) Update

Mr. Landauer reported that there were no updates.

III. Community Forum

No community members were present.

Ms. Martin adjourned the meeting at 6:42 p.m.

Recorder: Sandra Lomelí

REGIONAL CENTER OF ORANGE COUNTY

BOARD OF DIRECTORS

AGENDA ITEM DETAIL SHEET

DATE: June 5, 2025
TO: Board of Directors
FROM: Meena Chockalingam
Chair, Policies and Outcomes Committee

ACTION	X
ACTION/CONSENT	
DISCUSSION	
INFO ONLY	

SUBJECT: Approval of the Whistleblower Policy

BACKGROUND:

The Policies and Outcomes Committee is charged with reviewing and/or drafting policies that are necessary to meet the organization's Mission. The Committee is also charged with annually or biennially reviewing policies for their continued usefulness and clarity. At its meeting on May 27, 2025, the Policies and Outcomes Committee reviewed the Whistleblower Policy.

REASON FOR CURRENT ITEM:

After review, the Policies and Outcomes Committee recommends revisions to the Whistleblower Policy, as indicated in the attachment.

FISCAL IMPACT:

None.

RECOMMENDATIONS:

That the Board approve the revisions to the Whistleblower Policy, as presented.

XIV. WHISTLEBLOWER POLICY

POLICY

It is the policy of the Regional Center of Orange County (RCOC) that employees, Board members, persons served, their families, and the vendor community have notice of and the opportunity to report alleged improper RCOC and alleged improper vendor/contractor activity through a whistleblower complaint process.

RCOC is required to have a Board-approved Whistleblower Policy pursuant to RCOC's contract with the Department of Developmental Services (DDS). Improper regional center activity and improper vendor/contractor activity is defined in the contract as:

- *An “improper regional center activity” means an activity by a regional center, or an employee, officer, or board member of a regional center, in the conduct of regional center business, that is a violation of a state or federal law or regulation; violation of contract provisions; fraud or fiscal malfeasance; misuse of government property; or constitutes gross misconduct, incompetency, or inefficiency.*
- *An “improper vendor/contractor activity” means an activity by a vendor/contractor, or an employee, officer, or board member of a vendor/contractor, in the provision of State funded services, that is a violation of a state or federal law or regulation; violation of contract provisions; fraud or fiscal malfeasance; misuse of government property; or constitutes gross misconduct, incompetency, or inefficiency.*

RCOC and DDS have a variety of complaint and appeal processes available to vendors/contractors, agencies, facilities, parents, and persons served. These include: Consumer Rights Complaints, Early Start Complaints, Due Process Requests, Mediation Conference Requests, Lanterman Act Appeals Requests, Title 17 Complaints, Citizen Complaints and Comments, and Vendor Appeals. Each of these complaint and appeal processes has separate and distinct procedures for resolution. This separate policy relates only to RCOC and Vendor/Contractor Whistleblower Complaints as described above.

Nothing in this policy shall dissuade or prohibit complaints of alleged improper activity to be made using the foregoing complaint or appeal processes or other less formal means to make such complaints known.

Confidentiality

The investigating party will make every effort to maintain the confidentiality of a complainant making a whistleblower complaint if the complainant requests confidentiality. However, in the rare circumstances where the investigating party is unable to maintain confidentiality due to its statutory responsibilities (including ensuring the health and safety of persons served and RCOC contract compliance and legally required disclosures), the investigating party will attempt to inform the complainant of its need to disclose certain information prior to releasing identifying

information. Additionally, the identity of the complainant may be revealed to appropriate law enforcement agencies conducting a criminal investigation.

No Retaliation

This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns about alleged improper RCOC and/or vendor/contractor activities and to permit an investigating party the opportunity to investigate and take appropriate action.

No person who in good faith reports a violation of this policy shall suffer harassment, retaliation or adverse employment consequences from RCOC. RCOC's Executive Committee or its designee will investigate complaints of retaliation following an established process. An RCOC employee who harasses or retaliates against someone who has reported a violation in good faith is subject to discipline up to and including immediate termination of employment.

Notification Requirements

RCOC's Whistleblower Policy, along with the DDS Whistleblower Complaint Process are posted on RCOC's website. Notification of both RCOC's policy and DDS' Whistleblower Complaint Process will be provided annually to employees, Board members, persons served, their families and the vendor community.

PROCEDURE

A Whistleblower Complaint about alleged improper RCOC and/or vendor/contractor activity may be filed by contacting any of the following:

- RCOC's Senior Management which includes: Executive Director; Case Management Director; Chief Financial Officer; Clinical Director; Community Services Director; General Counsel; Human Resources Director and Information Technology Director.
- RCOC's Board of Directors Executive Committee which includes: RCOC Board Chairperson, Vice Chair, Secretary and Treasurer. Counsel to the Board may also be contacted.
- Members of RCOC's Board of Directors may be contacted by phone or e-mail through the RCOC executive assistants Clerk to the Board, or attendance at a Board meeting.
- Department of Developmental Services Community Operations Division or the Community Services and Supports Division (for Early Start program services).

However, to ensure proper and timely logging and investigation, it is recommended that whistleblower complaints be submitted to RCOC's Custodian of Records.

RCOC will utilize an established process to investigate and take appropriate action on complaints, including complaints of retaliation. An initial review process will determine the appropriate venue for the complaint which could result in referral to another entity or process as described in the “Policy” section.

A Whistleblower Complaint shall contain a clear and concise statement of the alleged improper activity and any evidence to support the allegation. If a name, or other information (e.g., witness or document), is not provided that clearly identifies the person alleged to have acted improperly, and where that person works, the investigating party may not have sufficient information to investigate. Original documents should be provided when submitting written information. The submitting party should keep copies of all submitted documents for their records.

Although complaints may be filed anonymously, if insufficient information is provided and the investigating party has no means to contact the complainant, it may not be possible to investigate the allegation.

RCOC employees with questions about this policy should contact the Human Resources Director or a member of the Executive Committee.

GUIDING PRINCIPLES

- The public funds that support the service system are expended in a fashion that is cost-effective, consumer-directed, consistent with good business practices, and that reflect careful stewardship.
- The RCOC Board of Directors is representative of, and accountable to its stakeholders and the community it serves.
- The RCOC Board of Directors will be actively involved in the organization (e.g., attendance and participation). The Board will provide appropriate support to maximize effective participation by all its members.
- RCOC aspires to the highest standards of ethical conduct: doing what we say; reporting information with accuracy and transparency; and maintaining full compliance with the laws, rules and regulations that govern RCOC’s business.

REGIONAL CENTER OF ORANGE COUNTY

BOARD OF DIRECTORS

AGENDA ITEM DETAIL SHEET

DATE: June 5, 2025
TO: Board of Directors
FROM: Meena Chockalingam
Chair, Policies and Outcomes Committee

ACTION	
ACTION/CONSENT	
DISCUSSION	
INFO ONLY	X

SUBJECT: Transparency and Public Information Policy

BACKGROUND:

The Policies and Outcomes Committee is charged with reviewing and/or drafting policies that are necessary to meet the organization's Mission. The Committee is also charged with annually or biennially reviewing policies for their continued usefulness and clarity. At its meeting on May 27, 2025, the Policies and Outcomes Committee reviewed the Transparency and Public Information Policy.

REASON FOR CURRENT ITEM:

The Policies and Outcomes Committee did not recommend any revisions to the Transparency and Public Information Policy.

FISCAL IMPACT:

None.

RECOMMENDATIONS:

This is an information item; no action is required.

XVIII. TRANSPARENCY AND PUBLIC INFORMATION POLICY

BACKGROUND

The Regional Center of Orange County (RCOC) recognizes the importance of transparency and accountability to the community it serves. As established in the Lanterman Developmental Disabilities Services Act, RCOC is committed to reporting information with accuracy and transparency and maintaining full compliance with the laws, rules and regulations that govern RCOC's business. This includes Board composition and other public information posting requirements.

POLICY

Reporting on RCOC Board Composition

By August 15th of each year, RCOC will provide the Department of Developmental Services (DDS) detailed documentation, as determined by DDS, demonstrating that the composition of the RCOC Board of Directors is in compliance or not in compliance with the statutory requirements identified in Welfare and Institutions Code (WIC) Section 4622 (WIC §4622.5).

Posting of Public Information

RCOC shall comply with the provisions of the Lanterman Developmental Disabilities Services Act and RCOC's contract with DDS regarding transparency and access to public information.

Information regarding requests for proposals and contract awards, service provider rates, documentation related to establishment of negotiated rates, audits, and IRS Form 990 will be posted to RCOC's website and available upon request from RCOC's Custodian of Records.

In accordance with RCOC's contract with DDS, RCOC will also post to its website all of the following:

- (1) Regional center annual independent audits.
- (2) Biennial fiscal audits conducted by DDS.
- (3) Regional center annual reports pursuant to WIC Section 4639.5.
- (4) Contract awards, including the organization or entity awarded the contract, and the amount and purpose of the award.
- (5) Purchase of service policies.
- (6) The names, types of service, and contact information of all vendors, except persons served or family members of persons served.
- (7) Board meeting agendas and approved minutes of open meetings of the board and all committees of the board.
- (8) Bylaws of the regional center governing board.

- (9) The annual performance contract and year-end performance contract entered into with DDS.
- (10) The biennial Home and Community-based Services Waiver program review conducted by DDS and the State Department of Health Care Services.
- (11) The board-approved transparency and public information policy.
- (12) The board-approved conflict-of-interest policy.
- (13) The board-approved Zero Tolerance Policy.
- (14) Regional center data relating to purchase of service authorization, utilization, and expenditure in accordance with WIC Section 4519.5 and RCOC's contract with DDS.
- (15) A link to the DDS website.
- (16) The salaries, wages and employee benefits for all managerial positions for which the primary purpose is the administrative management of the regional center, including, but not limited to, directors and chief executive officers.
- (17) Regional center-specific reports generated pursuant to WIC Section 4571(h).

Under no circumstances shall this policy be construed to require production of confidential information regarding persons served which is protected by law from disclosure.

GUIDING PRINCIPLES

- The governing Board of the Regional Center of Orange County is representative of and accountable to the community served by RCOC.
- RCOC aspires to the highest standards of ethical conduct: doing what we say; reporting information with accuracy and transparency; and maintaining full compliance with the laws, rules and regulations that govern RCOC's business.
- The RCOC Board of Directors will possess the highest personal and professional ethics, integrity and values, and be committed to representing the long-term interests of the Orange County community it serves.

**Regional Center of Orange County
Vendor Advisory Committee
May 13, 2025
Videoconference Minutes**

Members:

Adult Behavior Management Programs

Chair, Atrem Behmanesh, absent
Co-Chair, Ryan Perez, present

Adult Day Programs

Chair, Rick Perez, absent
Co-Chair, *Member Pending*

Adult Family Home/Foster Family Agency

Chair, Shari Panganiban, absent
Co-Chair, *Member Pending*

Behavior Services

Chair, Cindy Hebert, present
Co-Chair, Junie Lazo-Pearson, present

Community Care Facilities

Chair, *Member Pending*
Co-Chair, *Member Pending*

Early Intervention

Chair, Junie Lazo-Pearson, present
Co-Chair, Pam Alexander, present

Habilitation

Chair, Marina Margaryan, present
Co-Chair, Jodean Hudson, absent

Independent/Supported Living

Chair, Christine Molina, present
Co-Chair, Ana Sandoval, present

Intermediate Care Facilities

Chair, Rich Mraule, absent
Co-Chair, *Member Pending*

Support Services/Allied Health

Chair, Kelly Araujo, present
Co-Chair, Michael Toliver, present

Liaisons:

CalOptima

Hannah Kim, absent

Orange County Transit Authority

Melissa Mungia, present

RCOC Staff Present:

Larry Landauer, Executive Director
Liliana Castillo, Accounting Manager - Vendorization
Arturo Cazares, Director of Community Service
Valeria De Los Angeles, Accounting Supervisor - Payables

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Nancy Franco, Accounting Manager - Operations
Wayed Kabir, Peer Advocate
Bonnie Ivers, Clinical Director
Araceli Mendez, Early Start Manager
Julie Rodriguez, Accounting Supervisor – Systems
Christy Petteruto, General Counsel
Marta Vasquez, Chief Financial Officer
Laurel Warren, Quality Assurance Coordinator
Sean Watson, Associate Director of Risk Management

Call to Order

In Mr. Rick Perez's absence, Ms. Junie Lazo-Person welcomed all attendees and called the videoconference meeting to order at 2:02 p.m.

I. RCOC Update

Mr. Landauer reported that the Governor's budget for Fiscal Year 2025-26 includes \$19 billion for the Department of Developmental Services (DDS), a net increase of \$3.2 billion over the FY 2024-25 budget. The majority of DDS' budget \$18.56 billion consists of the Community Services Program and regional centers budget, which includes payments to service providers for Purchase of Services (POS). The remaining components of the DDS budget include \$324.64 million for state-operated facilities and \$156.6 million for DDS headquarters. The state of California will also utilize the Home and Community-Based Services (HCBS) Waiver to receive \$6.5 billion in federal reimbursements for most regional center services in FY 2025-26.

Mr. Landauer also stated that the primary reason for DDS' 20 percent total budget increase from FY 2024-25 to 2025-26, is due to caseload growth and the full implementation of services provider rate reform. The FY 2025-26 proposed budget estimates over 500,000 individuals will be served by the developmental services systems for both Early Start and Lanterman Act caseloads. DDS anticipates a caseload increase of 39,740 individuals for the incoming fiscal year.

A. Vendorization Update

Ms. Liliana Castillo reported that notice of the Independent Audit/Review for the current fiscal year 2024-25, including March 2024, was sent to service providers on May 1, 2025.

Ms. Castillo also reported that RCOC is required to ensure that service providers remain in compliance with all policies and regulations, including liability insurance. For expiring liability insurance certificates, RCOC mails a reminder to service providers during the month of expiration. It is the responsibility of providers to

follow up with insurance brokers. The renewed Certificate of Insurance (COI) should be sent via email to COI@rcocdd.com.

B. Rate Reform Update

Mr. Cazares reported that RCOC continues to work with vendors to complete service acknowledgment forms required by DDS. The deadline to complete the service acknowledgment forms is May 30, 2025.

C. DDS' Provider Directory

Mr. Cazares reported that the deadline for service providers to register for DDS' Provider Directory is May 30, 2025. DDS has notified regional centers that service providers not registered by this deadline will not be able to bill for services rendered starting July 2025. For more information, please contact DDS directly at providerdirectory@dds.ca.gov.

II. Board Report

Mr. Landauer reported that the Board of Directors held a Board training on May 1, 2025.

III. Subcommittee Chair and Co-Chair Selections

In Mr. Jack Stanton's absence, Mr. Cazares reminded the Committee that new chairs and co-chairs must be identified by the end of May 2025 for the following subcommittees: Adult Behavior Programs, Adult Family Home Agency (AFHA)/Foster Family Agency (FFA), Community Care Facilities (CCF), Habilitation and Independent/Supported Living (ILS/SLS). Once selected, the VAC Chair will present nominees to the Board of Directors for approval; if approved, the terms will commence June 5, 2025, in accordance with the VAC Commission.

Mr. Cazares also reminded the Committee that elections for the VAC Chairperson and Co-Chair will take place at the next meeting on June 10, 2025. Members, who would like information about the roles and responsibilities of these positions, may contact Mr. Stanton or Mr. Perez.

IV. Peer Advisory Committee (PAC) Report

Mr. Wayed Kabir, RCOC's Peer Advocate, reported that the next PAC meeting is scheduled for May 21, 2025.

V. Liaison Reports

A. CalOptima – Hannah Kim (absent)

No representative from CalOptima was present and no report was provided.

B. Orange County Transportation Authority (OCTA) – Melissa Mungia (present)

Ms. Melissa Mungia reported that there were no new OCTA updates.

VI. Member Reports

A. Adult Behavior Management – Atrem Behmanesh (absent)

B. Adult Day Programs – Rick Perez (absent)

In Ms. Atrem Behmanesh and Mr. Rick Perez's absence, Mr. Ryan Perez reported that the two subcommittees met today and reviewed the new service codes under the rate model. The subcommittees also viewed a presentation by Goodwill regarding California's Assembly Bill 815 (AB 815). The bill prohibits auto insurance companies from misclassifying social service workers as commercial drivers for performing job duties.

C. Adult Family Home Agency (AFHA)/Foster Family Agency (FFA) – Shari Panganiban (absent)

In Ms. Shari Panganiban's absence, Mr. Cazares reported that the subcommittee met on April 24, 2025 and discussed the rate reform concerns and pending changes to the rate model. The subcommittee also elected Ms. Janeth McDonough as Chair and Ms. Alexandra Rasey-Smith as Co-Chair.

The next subcommittee meeting is scheduled for May 22, 2025.

D. Behavior Services – Cindy Hebert (present)

Ms. Cindy Hebert reported that the subcommittee met on April 11, 2025 and discussed concerns regarding the new rate reform requirements.

E. Community Care Facilities (CCF) – Member Pending

Mr. Cazares reported that the subcommittee met on May 7, 2025 and discussed the rate models, changes to service codes and program support contracts, which will be implemented within the next several months. The subcommittee also elected Mr. Jorge Lozano as Chair and Mr. Omar Tawfik as Co-Chair.

The next subcommittee meeting is scheduled for June 4, 2025.

F. Early Intervention – Junie Lazo-Pearson (present)

Ms. Lazo-Pearson reported that the subcommittee met with Behavior Services subcommittee and discussed the rate reform and its effects on early start and behavior services.

The next subcommittee meeting is scheduled for May 31, 2025.

G. Habilitation – Marina Margaryan (present)

Ms. Marina Margaryan reported that the subcommittee did not meet.

H. Independent Living/Supported Living (IL/SL) – Christine Molina (present)

Ms. Christine Molina reported that the subcommittee met today and discussed high insurance premium rates on Worker's Compensation and automobile insurances. The subcommittee also discussed the possible Medicare cuts and its impact on service providers and persons served.

I. Intermediate Care Facilities (ICF) – Rich Mraule (absent)

In Mr. Rich Mraule's absence, Mr. Cazares reported that the subcommittee did not meet.

J. Support Services/Allied Health – Kelly Araujo (present)

Ms. Kelly Araujo reported that the subcommittee met earlier today and discussed the rate reform. Ms. Araujo also reported that respite care providers will be hosting a Vendor Fair for RCOC's staff at the West office on May 14, 2025.

VII. Community Forum

There were no speakers for community forum.

VIII. Adjournment

Ms. Lazo-Pearson adjourned the meeting at 2:27 p.m.

The next VAC meeting is scheduled for June 10, 2025.

Recorder: Sandra Lomeli

REGIONAL CENTER OF ORANGE COUNTY

BOARD OF DIRECTORS

AGENDA ITEM DETAIL SHEET

DATE: June 5, 2025

TO: Board of Directors

FROM: Rick Perez
Chair, Vendor Advisory Committee

ACTION	X
ACTION/CONSENT	
DISCUSSION	
INFO ONLY	

SUBJECT: Approval of Vendor Advisory Committee Members

BACKGROUND:

RCOC's Board of Directors appoints the members of the Vendor Advisory Committee, pursuant to Welfare and Institutions Code §4622(i), which states:

"The governing board shall appoint an advisory committee composed of a wide variety of persons representing the various categories of providers from which the regional center purchases client services. The advisory committee shall provide advice, guidance, recommendations, and technical assistance to the regional center board in order to assist the regional center in carrying out its mandated functions. The advisory committee shall designate one of its members to serve as a member of the regional center board."

REASON FOR CURRENT ITEM:

The following subcommittees of RCOC's Vendor Advisory Committee have met and submitted their nominations for committee membership (see attachment). Terms of membership are for two years as follows:

Membership Category	Term of Membership
Adult Behavior Management Programs Ryan Perez Chair; Katie Bruellet, Co-Chair	June 6, 2025 to May 31, 2027
Adult Family Home Agency (AFHA)/Foster Family Agency (FFA) Janeth McDonough, Chair; Alexandra Rasey-Smith, Co-Chair	June 6, 2025 to May 31, 2027
Community Care Facilities (CCF) Jorge Lozano, Chair; Omar Tawfik, Co-Chair	June 6, 2025 to May 31, 2027
Habilitations Marina Margaryan, Chair; Jodean Hudson, Co-Chair	June 6, 2025 to May 31, 2027
Independent/Supported Living Services (ILS/SLS) Christine Molina, Chair; Ana Sandoval, Co-Chair	June 6, 2025 to May 31, 2027

FISCAL IMPACT:

None.

RECOMMENDATIONS:

That the Board approve the Vendor Advisory Committee members as presented.

AGENDA ITEM: III.I.1.

VENDOR ADVISORY COMMITTEE (VAC)

NOMINATIONS FOR SUBCOMMITTEE MEMBERSHIPS

<u>ADULT BEHAVIOR MANAGEMENT PROGRAMS</u>	
Ryan Perez, Chair OC Bridges Adult Day Program	Mr. Ryan Perez is the Program Director for OC Bridges Day Program serving adults. His first experience with serving others came at an early age, as his family home was also a licensed group home. Mr. Perez started out working in group-home settings, but soon joined his brother in a newly developed behavioral day program. He gained valuable experience with behavioral intervention skills, implementation of ISP goals, as well as case management and program operational skills. After 10 years, he successfully launched his own program. Mr. Perez has integrated BCBA support directly into the program, Registered Behavior Therapists manage direct staffing responsibilities, and the program overall is culturally driven to provide advocacy and support ensuring that an inclusive and person-centered focus guides everyday interactions.
Katie Bruellet, Co-Chair ABEDI	Ms. Katie Bruellet has spent the past 14 years of her career with ABEDI, and is currently the Director of Behavior Services. She spent several years working with youth through the YMCA and has been a BCBA for the past 10 years. This is where she developed her passion for supporting individuals with intellectual disabilities. Ms. Bruellet shared that her philosophy is rooted in the belief that every person deserves the opportunity to live a life filled with purpose, dignity, and joy. She is committed to building systems of support to honor individual strengths, promote independence, foster meaningful relationships in the community, and develop a strong yet compassionate workforce.

<u>ADULT FAMILY HOME AGENCY (AFHA) /FOSTER FAMILY AGENCY (FFA)</u>	
Janeth McDonough, Chair Community Support Solutions	Mrs. Janeth McDonough is the Program Director and co-founder of Community Support Solutions, a Family Home Agency established in 2015. With 17 years of experience at the Regional Center, Janeth witnessed the need for more compassionate and consistent care, which inspired her to create a person-centered agency grounded in dignity, trust, and genuine connection. In 2024, she became a certified Person-Centered Trainer, further reinforcing her commitment to individualized, human-centered support. For Janeth, this work is not only a profession, but also a calling, made possible by the dedicated team that shares her vision of helping individuals live fuller, more independent lives.
Alexandra Rasey-Smith, Co-Chair Community Support Solutions	Mrs. Alexandra Rasey-Smith, BCBA, has served as the Clinical Director for Community Support Solutions Family Home Agency since 2022 and brings with her more than 20 years of experience in the field of human service delivery systems. She is committed to a person-centered approach, emphasizing individualized and person-centered care that promotes autonomy and dignity. Her professional dedication is deeply influenced by personal experience, having grown up supporting a family member with autism. This lifelong connection fuels her passion for empowering individuals with developmental disabilities to lead meaningful, enriched lives.

COMMUNITY CARE FACILITIES (CCF)

<p>Jorge Lozano, Chair Casa Amorosa</p>	<p>Mr. Lozano is the Owner Administrator for Casa Amorosa Homes in Anaheim. He has been active in this field for 5 years, and previously worked as a Financial Statement Auditor. Mr. Lozano's wife introduced him to Adult Residential Facilities over a decade ago, and have since opened a home together. Jorge believes that all individuals should have equal opportunities for success, growth, and progress toward a quality of life in every aspect.</p>
<p>Omar Tawfik, Co-Chair Oasis/CalmHaven</p>	<p>Mr. Tawfik serves as Administrator of two licensed Adult Residential Facilities. He has worked in this field for the past five years, he is a certified instructor in CPR/First Aid, Crisis Prevention Intervention (CPI) and Person-Centered Thinking, which allows him the opportunity to train and empower staff to provide safe, high quality care. Omar was drawn to this field in part because of relatives diagnosed with down syndrome. This drives his deep belief in supporting and advocating for individuals with developmental disabilities to live with dignity and purpose.</p>

INDEPENDENT/SUPPORTED LIVING SERVICES (ILS/SLS)

<p>Christine Molina, Chair Living Independent Fair and Equal (L.I.F.E.)</p>	<p>Currently serving as the Executive Program Administrator, Ms. Molina has been an integral part of the L.I.F.E. family agency program since 2007. She began her work in this field at a very young age, caring for family members diagnosed with Intellectual Disabilities. This background experience helps her to relate and connect with families and individuals the program serves, helping them thrive and achieve their chosen goals. Ms. Molina stands behind the meaning of L.I.F.E. – Living Independent Fair and Equal. She does not consider herself an employee; rather she is a person who loves what she does every day in serving this community.</p>
<p>Ana Sandoval, Co-Chair Living Independent Fair and Equal (L.I.F.E.)</p>	<p>Ms. Sandoval is the Accounting Manager for L.I.F.E., a supported and independent living services agency, where she began working at 18 years old, and part of the family legacy of L.I.F.E. She grew up caring for family members diagnosed with Intellectual Disabilities. She is motivated every day as witness to the dedicated staff and care providers, tirelessly working to ensure needs are met and goals are achieved for each individual served by the agency.</p>

HABILITATION

Marina Margaryan, Chair
Westview Services

Ms. Margaryn has been with Westview Services for over 24 years, and currently serves as the Chief Operating Officer. She has held other positions including direct care staff, job coach, job developer, Manager of day and employment programs, and as Operations Director overseeing multiple counties. Prior to Westview, Ms. Margaryn graduated from the Medical University in Moscow, Russia, and worked as a doctor-surgeon in Moscow before relocating and settling in California. No matter what the role in her professional life, she has always assisted individuals with disabilities who were in need of service and supports. Ms. Margaryan has strived to provide the best care and quality in her services to others and credits their success, wellbeing, and ability to lead more fulfilling lives as a privilege and honor for herself to serve others.

Jodean Hudson, Co-Chair
Goodwill OC

Ms. Hudson has been with Goodwill of Orange County for the past 29 years, currently serving as the Director of Job Placement Services. As part of her responsibilities, she oversees the Supported Employment, Direct Placement, Deaf Services, and Employment programs. A seasoned professional in Social Work, specializing in program development, management, administration, staff development, and human resources. Ms. Hudson has placed emphasis on mentoring both the people she serves and her staff with respect, value, and appreciation, increasing the quality of life for all. She is proud that her team has helped thousands of individuals secure and retain jobs in the community, in turn giving them hope, purpose, pride, and dignity.

**Regional Center of Orange County
Peer Advisory Committee
May 21, 2025
Videoconference Minutes**

Committee Members Present: Yvonne Kluttz, Chairperson
Amy Jessee, Co-Chair
Stephen Gersten
Wayed Kabir
Peter Kuo
Fernando Peña

Committee Members Absent: Kerri Adamic
Marcell Bassett
Cheryl Day

RCOC Staff Members Present: Arturo Cazares, Director of Community Services
Jennifer Montanez, Director of Case Management

Guest(s): Mark Hemry
Nina Lover

Ms. Amy Jessee called the meeting to order at 3:05 p.m.

I. Welcome and Introductions

Ms. Jessee welcomed everyone to the Peer Advisory Committee (PAC) meeting.

II. RCOC's Peer Advocate Report

Mr. Wayed Kabir, RCOC's Peer Advocate, reported that there were no updates.

III. How to Start a Podcast

Mr. Kabir provided the Committee with a presentation on *How to Start a Podcast*.

IV. Community Forum

There were no speakers for community forum.

V. Other

Committee members discussed potential topics for upcoming PAC meetings. Topics of interest included information about organizations such as Autism Society and United Cerebral Palsy of Orange County. Another topic suggested was a presentation about Artificial Intelligence (AI).

VI. Next Scheduled Meeting

The next PAC meeting is scheduled for June 18, 2025.

Ms. Jessee adjourned the meeting at 3:36 p.m.

Recorder: Sandra Lomelí