



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

**Date: Thursday, March 5, 2026  
Time: 6:00 p.m.**

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

<b>I.</b>	<b>Closed Session (Board Members Only)</b>		
	A.	W&I Code §4663 and §4664	Greg Simonian, Esq.
		1. Pending Litigation, Welfare & Institutions Code Sections 4663(a)(5) and 4664(a)	
<b>II.</b>	<b>Recess</b>		
<b>III.</b>	<b>General Session</b>		
	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 January 8, 2026** 2. Budget and Finance Committee** a. Approval of Monthly Sufficiency of Allocation Report, December 2025** b. Approval of Monthly Sufficiency of Allocation Report, January 2026** c. Approval of Budget Amendment B-4 for Fiscal Year 2025-26** d. Information Regarding Third Amendment to Property Lease for Santa Ana Office** e. Approval of Line of Credit for Fiscal Year 2025-26** f. Approval of Audited Financials for the Year Ended June 30, 2025** g. Approval of Budget Amendment	
	E.	Executive Director's Report	Larry Landauer
		1. Recognition of Persons' Served Employment Longevity 2. Approval of Start-Up Funding Agreement with Service Provider Fortis Place Inc, for the Development of an Adult Residential Facility for Persons with Special Healthcare Needs - Behavioral (CRDP No. 2324-9/2526-1)(Lizbeth)** 3. Approval of Property Acquisition Agreements with Non-Profit Housing Corporation, Brilliant Corners, for Development of One (1) Specialized Residential Facility for Children, and One (1) Specialized Residential Facility for Adults (CRDP Project Nos. 2526-5 and 2526-6)** 4. Approval of Property Renovation Agreements with Non-Profit Housing Corporation, Brilliant Corners, for Development of One (1) Specialized Residential Facility for Children, and One (1) Specialized Residential Facility for Adults (CRDP Project Nos. 2526-5 and 2526-6)** 5. Approval of Amendment No. 2 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/ 2425-10)(Faye)** 6. Operations Report – December 2025**	

	7. Operations Report – January 2026** 8. Performance Contract Report – December 2025** 9. Performance Contract Report – January 2026** 10. Strategic Plan Update	
F.	Executive Committee	Sandy Martin
G.	Board Recruitment and Training Committee**	Sandy Martin
	1. Approval of Board Membership for Pankaj Bedekar for a One-Year Term Commencing March 6, 2026 and Ending February 28, 2026**	
H.	Policies and Outcomes Committee**	Chip Wright
	1. Policies on the Contract Policy** 2. Policy on Notification to Persons Served as Families of Significant Service Deficits**	
I.	Vendor Advisory Committee**	Rick Perez
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
<b>IV.</b>	<b>Adjournment</b>	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  
January 8, 2026**

**Board Members Present:** Sandy Martin, Chairperson  
(Members in-person, unless otherwise noted) Marcell Bassett  
Amy Jessee  
Bruce Hall  
Liza Krassner  
Lorena Medina  
Chinh Nguyen  
Jacqueline Nguyen  
Chip Wright

**Board Members Absent:** Frances Hernandez  
Yvonne Kluttz  
Hilda Mendez  
Rick Perez

**Corporate Counsel Present:** Greg Simonian, Esq.

Ms. Sandy Martin called the meeting to order at 6:01 p.m.

**I. General Session**

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

Ms. Amy Jessee led attendees in a recitation of the Pledge of Allegiance.  
Mr. Marcell Bassett 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 November 6, 2025
2. Approval of Amended and Restated Contract of Employment with Executive Director
3. Budget and Finance Committee
  - a. Approval of Monthly Sufficiency of Allocation Report, October 2025
  - b. Approval of Monthly Sufficiency of Allocation Report, November 2025
  - c. Approval of Budget Amendment B-3 for Fiscal Year 2025-26

*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 six persons served who graduated from the Project Search Program at Kaiser Permanente in Irvine and presented each with a Certificate of Recognition.

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

- *ARCA Academy.* Mr. Landauer reported that the Association of Regional Center Agencies (ARCA) held its Board Academy Training November 14-15, 2025 in Sacramento, on *Leadership Development: Building Professional and Inspired Regional Center Boards.*
- *California's State Budget.* Mr. Landauer reported that the government shutdown, due to Congress's failure to pass appropriations legislation for the 2026 fiscal year, ended November 13, 2025. Funding for certain programs, including the Supplemental Nutrition Assistance Program (SNAP, known as CalFresh in California), Food and Drug Administration (FDA), the Department of Veteran Affairs, military construction, and congressional operations are secured through September 30, 2026. All other federal programs, including Medicaid, and Supplemental Security Income (SSI) are expected to continue until the end of January 2026.

Mr. Landauer also reported that Governor Newsom delivered his final State of the State Address earlier today in Sacramento, along with the proposed 2026-27 state budget. The Governor's proposal includes \$58.6 billion (\$25 billion General Fund) for the Department of Developmental Services (DDS) program for the 2026-2027 fiscal year.

Mr. Landauer stated that the Legislative Analyst Office (LAO), released its fiscal outlook for the 2026-2027 budget year. The LAO is scheduled to release its initial analysis and overview of the Governor's proposed 2026-2027 budget on January 12, 2026. Both reports will be available on LAO's website at [www.lao.ca.gov](http://www.lao.ca.gov).

- *Purchase of Service (POS) Expenditures for Fiscal Year 2025-26.* Mr. Landauer reported that there is a projected surplus statewide.
- *Person Centered Thinking (PCT).* Ms. Jennifer Montanez, Director of Case Management, reported that in addition to continuing the PCT activities implemented in 2025, RCOC will introduce the following new events for 2026:
  - *"Quarterly Connection"* meetings via Zoom for vendors, which will include a review of PCT fundamentals and advanced concepts.

**RCOC Board of Directors' Meeting Minutes**  
**January 8, 2026**

- *Parent Training Webinars on Person-Centered Planning and PCT*, including guidance on incorporating elements required by DDS performance measures and applying PCT principals during the Individual Program Plan (IPP) planning process.

Ms. Montanez also recognized Ms. Leah Saitz, PCT Coordinator, for her leadership of the PCT training team over the past two years. Ms. Montanez commended Ms. Saitz for her dedication, strong work ethic, and ongoing efforts to support RCOC's commitment to person-centered practices. Ms. Saitz has also successfully completed the requirements through The Learning Community for Person Centered Practices (TLCPCP), to become a PCT Mentor Trainer, an advanced credential beyond trainer status that reflects a higher level of expertise and consistent performance. In this role, Ms. Saitz will be able to mentor trainer candidates through the credentialing process and support the development of additional certified trainers.

- *Employment.* Mr. Arturo Cazares, Associate Executive Director, reported that the new Project SEARCH programs at Kaiser Permanente in Irvine and CHOC are scheduled to begin in late January 2026.

Mr. Cazares also reported that RCOC will host a Transition Planning Workshop on the *Life Care Portfolio* on January 14, 2026 via Zoom. Additionally, RCOC will present an *OC Ask the Experts* Workshop focused on the Department of Rehabilitation (DOR) Student Services on January 15, 2026 via Zoom. To register and view the event flyers, visit RCOC's website at [www.rcocdd.com](http://www.rcocdd.com).

- *Housing.* Ms. Theresa Ta, Manager of Safety Net and Resource Development, reported that RCOC has opened its newest Enhanced Behavioral Support Home (EBSH). Two additional EBSHs are expected to open later this year, one as early as February 2026. Each of these homes will serve four adult males.

Another three homes, two EBSHs and one Adult Residential Facility for Persons with Special Health Care Needs-Behavioral (ARFPSHN-B), are currently in the renovation and permitting phases of development, with completion anticipated before the end of this year. Efforts will continue to expand housing resources to meet the growing number of individuals served and the increasing need for placement options in higher-level care settings.

Mr. Jack Stanton, Associate Director of Housing, reported on the resources developed under his oversight in 2025, including the following:

- *Personal Assistance Programs* – Eleven programs have been developed.
- *Home Health Agencies* – Two agencies have been established to provide direct support to individuals with complex health needs.
- *In-Home Respite* – Seventeen programs have been developed to support families with respite services.
- *Independent Living Services (ILS)* – Seven programs have been developed.
- *Supported Living Services (SLS)* – Eleven programs have been developed.
- *Enhanced Behavioral Support Home (EBSH)* – One new EBSH has opened,

**RCOC Board of Directors' Meeting Minutes**  
**January 8, 2026**

bringing the total to 4.5 homes, as referenced earlier by Ms. Ta. The 0.5 reflects one individual served in an EBSH operated by another regional center.

- *Geriatric Facility* – A new program designed to serve individuals age 40 and older requiring Alzheimer or dementia care.
- *Adult Residential Facility for Persons with Special Health Care Needs (ARFPSHN)* – RCOC currently has nine new ARFPSHN programs and one recently reopened program. The reopened ARFPSHN had previously been vacant; RCOC secured a new provider and services have resumed.

Mr. Stanton also reported that RCOC has developed twenty-nine new licensed residential group homes for adults requiring varying levels of care. Of these, twenty-eight homes are staff-operated, and one is owner-operated. Included among the twenty-nine homes, there are three Intermediate Care Facilities (ICFs), two of which provide nursing-level care and one that provides habilitative services.

Mr. Stanton noted that these residential programs fall under the Safety Net Program, which provides intensive and specialized services designed to support individuals with complex behavioral or medical needs and to prevent crises. The program ensures residents receive tailored supports, including enhanced staffing ratios and specialized training. Under the Safety Net Program, RCOC currently operates:

- *ARFPSHN* – Nine programs serving individuals with special health care needs.
- *Specialized Residential Facility (SRF)* – Thirteen higher-level residential programs.
- *EBSH* – 4.5 programs currently in operation, with additional homes in development. The 0.5 reflects one individual served in an EBSH operated by another regional center.

Mr. Stanton stated that RCOC utilizes a range of additional residential options, including Congregate Living Health Facilities that serve as temporary placements for individuals requiring acute rehabilitation, as well as substance abuse recovery settings and specialized care settings for individuals requiring Alzheimer's and dementia care.

- *Legislative and Community Awareness (LCA)*. Mr. Landauer reported that the Irvine Barclay Theatre held its annual sensory-friendly performance of *The Nutcracker Ballet* on December 5, 2025. Attendees enjoyed interactive musical activities, therapy dogs and photo opportunities with performers. Mr. Landauer noted that Dr. Bonnie Ivers and her team provided awareness training for theatre staff to support families, if needed, with persons served who may exhibit challenging behaviors on the day of the event.

Mr. Landauer reported that donors to RCOC's 2025 Wish Tree donors fulfilled 752 gift wishes for adults and children served. In addition, ABC7's Spark of Love program donated over 200 toys.

***RCOC Board of Directors' Meeting Minutes***  
***January 8, 2026***

Mr. Landauer also reported that RCOC hosted a two-day tour in December 2025 for Mr. Yang Lee, DDS's Chief of Community Assistance and Development, highlighting regional center services including the infant program, employment services, living options, the Self-Determination Program (SDP) and data analysis.

- *Health and Wellness.* Dr. Bonnie Ivers, Clinical Director, reported on the health and wellness satisfaction data collected during IPP meetings. This data will help RCOC determine what resources it can provide to help persons served improve their health and achieve their health and wellness goals.

Dr. Sam Ho, Clinical Pharmacist, presented on the *Healthy Life, Happy Life Program*, which was launched in 2018 and is now in its seventh year, with a total of 656 program graduates to date. The program was developed as a 17-week session designed to inform, empower and support persons served in making healthier choices related to nutrition and exercise. In 2026, the program has expanded to a 19-week session and includes additional components focused on dental and vision health. The program is also fully available in Spanish and Vietnamese, with plans to offer additional languages in the near future.

- *RCOC News.* Mr. Landauer reported that Cultural, Linguistic and Disparity efforts are ongoing and presented data by ethnicity for Purchase of Services (POS) day programs, personal assistance, social recreation and independent living services. Mr. Landauer noted that this data helps RCOC better support persons served and their families. Additionally, RCOC Service Coordinators are 72% bilingual and receive extensive ongoing training across all service areas.

Mr. Landauer then reported that RCOC is planning a community-based Diversity & Inclusion Task Force, targeted to launch in late spring, to identify needed changes in services and supports. A Steering Committee will first be established to define the Task Force's mission, structure and member selection criteria, ensuring representation from individuals served, parents, community agencies and RCOC.

- *Self-Determination Program (SDP).* Mr. Landauer reported that the SDP Local Volunteer Advisory Committee last met on November 17, 2025. The next meeting is scheduled for January 26, 2026 at 6:30 p.m.
2. Approval of Start-Up Funding Agreement for START Crisis Support Team Services with Easter Seals Southern California, Inc. (CRDP Project No. 2526-4)  
(out of agenda item order)

Ms. Ta reported that DDS has made an allocation to RCOC's Community Resource Development Plan (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. The Board previously approved a start-up funding agreement with the University of New Hampshire for development of the START program on May 1, 2025.

Ms. Ta stated that DDS has allocated \$300,000 in CRDP start-up funding for the direct service provider that will develop and implement the START Crisis Support Team under the guidance of the University of New Hampshire's National Center for START Services (NCSS). On August 6, 2025, RCOC posted a Request for Proposals (RFP) for a service provider. Four of the seven responses received met the initial criteria for consideration. The RFP Review Committee evaluated the proposals, interviewed the four qualifying applicants, and gathered information from other regional centers regarding any quality assurance concerns. After consideration of all available information, the RFP Review Committee recommends that Easter Seals Southern California, Inc. be awarded the Start-Up Funding Agreement for START Crisis Support Team Services.

***M/S/C to Approve the Start-Up Funding Agreement for START Crisis Support Team Services with Easter Seals Southern California, Inc. (CRDP Project No. 2526-4), as presented***

3. Approval of Start-Up Funding Agreement with Service Provider Viento Real, Inc. for Development of an Adult Residential Facility for Persons with Special Healthcare Needs – Behavioral (CRDP No. 2324-9/2526-1)(Lizbeth)

This agenda item was requested to be pulled from tonight's agenda and will be deferred to a future meeting.

4. Information Regarding Amendment No. 3 to Property Renovation Agreement with Non-Profit Housing Corporation, Brilliant Corners, for the Development of an Enhanced Behavioral Supports Home (CRDP No. 2223-1/2324-14)(Russell)

Ms. Ta reported that this is an information item only and no action is required from the Board. Ms. Ta stated that 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 Board previously approved a property renovation agreement for \$500,000 with non-profit housing corporation Brilliant Corners on September 1, 2022. The Board subsequently approved Amendment No. 1 to the property renovation agreement on September 5, 2024, to increase the renovation funding to \$768,000. Amendment No. 2 was executed August 18, 2025, to transfer funds from fiscal year 2022-2023 to fiscal year 2023-2024 but did not change the overall funding amount.

Ms. Ta also stated that DDS has approved an additional \$24,770 in RCOC's CRDP funding for fiscal year 2023-2024 for renovation costs. The request for

increased renovation funding was due to a need to install an additional air conditioning unit and complete repairs to the home's exterior stucco. This funding increase requires an additional amendment to the property renovation agreement approved by the Board. The Executive Director has authority to execute Amendment No. 3 to the renovation agreement in accordance with RCOC's Contract Policy.

**F. Executive Committee**

Ms. Martin reported that the Committee met on October 20, 2025, and the next meeting is scheduled for January 20, 2026.

Ms. Martin presented the following agenda items from the Executive Committee for approval:

1. Approval of Renewal of Board Membership for Lorena Medina for a Three-Year Term Commencing February 1, 2026 and Ending January 31, 2029

***M/S/C to approve the Renewal of Board Membership for Lorena Medina for a Three-Year Term Commencing February 1, 2026 and Ending January 31, 2029, as presented***

2. Approval of Renewal of Board Membership for Liza Krassner for a Three-Year Term Commencing March 1, 2026 and Ending February 28, 2029

***M/S/C to approve the Renewal of Board Membership for Liza Krassner for a Three-Year Term Commencing March 1, 2026 and Ending February 28, 2029, as presented***

3. Approval of Renewal of Board Membership for Amy Jessee for a Three-Year Term Commencing March 1, 2026 and Ending February 28, 2029

***M/S/C to approve the Renewal of Board Membership for Amy Jessee for a Three-Year Term Commencing March 1, 2026 and Ending February 28, 2029, as presented***

**G. Board Recruitment and Training Committee**

Ms. Martin reported that the Committee met on November 10, 2025 and reviewed the Board composition and upcoming training topics.

Ms. Martin also reported that the next Board training is scheduled for February 5, 2026 on *Living Options*.

The next Committee meeting is scheduled for January 12, 2026.

**H. Policies and Outcomes Committee**

Mr. Chip Wright reported that the Committee last met on October 20, 2025 and is scheduled meet on February 17, 2026.

**I. Vendor Advisory Committee**

In Mr. Rick Perez's absence, Mr. Landauer reported that the Committee is scheduled to meet on January 13, 2026.

**J. Peer Advisory Committee**

In Ms. Yvonne Kluttz's absence, Mr. Landauer reported that the Committee is scheduled to meet on January 21, 2026.

**K. Legislative and Community Awareness Report**

Mr. Bruce Hall reported that the Committee is scheduled to meet on January 13, 2026.

**L. ARCA Report**

Ms. Martin reported that the ARCA Board of Directors is scheduled to meet on January 15, 2026.

**M. Community Forum**

Ms. Claudia Rivera, parent of a person served by RCOC, stated that RCOC has paused the bi-monthly meetings with Hispanic families. Families expressed disappointment and requested that the Board reinstate these meetings to continue raising awareness of service needs. Parents also requested the opportunity to continue these meetings with Board members directly should the Executive Director decide not to resume these meetings.

**N. Chairperson's Report**

Ms. Martin again recognized the six honorees who graduated from the Project Search Program at Kaiser Permanente in Irvine and thanked Mr. Landauer and his team for all the informative presentations shared at tonight's meeting.

**II. Adjournment**

Ms. Martin adjourned the meeting at 7:45 p.m.

———Yvonne Kluttz, Secretary———

*Recorder: Sandra Lomeli*

**Regional Center of Orange County  
Budget & Finance Committee  
Meeting Minutes  
January 8, 2026**

**Committee Members Present:** Jacqueline Nguyen, Chair (joined via zoom)  
Marcell Bassett (*arrived at 4:21 p.m.*)  
Bruce Hall  
Amy Jessee  
Liza Krassner  
Sandy Martin

**Committee Members Absent:** Yvonne Kluttz

**Other Board Members Present:** John “Chip” Wright

**Board Counsel Present:** Greg E. Simonian

**RCOC Staff Present:** Larry Landauer, Executive Director  
Jerrod Bonner, Chief Information Officer  
Bianca Borja, Accounting Supervisor  
Lilian Castillo, Accounting Manager – Vendorization  
Arturo Cazares, Associate Executive Director  
Valeria de los Angeles, Accounting Supervisor  
Nancy Franco, Accounting Manager - Operations  
Bonnie Ivers, Clinical Director  
Jennifer Montanez, Director, Case Management  
Christina Petteruto, General Counsel  
Linda Pham, Accounting Manager - Operations  
Julie Rodriguez Accounting Supervisor  
Marta Vasquez, Chief Financial Officer  
Stacy Wong, HR Director

The meeting was called to order at 4:13 p.m.

1. Approval of Monthly Sufficiency of Allocation Report (SOAR), October and November 2025

Ms. Vasquez reported that RCOC received the planning allocation for fiscal year 2025-26. However, due to the continued increase in workload resulting from the implementation of the Rate Models, submission of the Sufficiency of Allocation Report (SOAR) typically due to the Department of Developmental Services (DDS) on December 10, 2025, has been postponed until further notice.

Ms. Vasquez also reported that factors affecting expenditures in fiscal year 2025-26 include:

- Continuation costs for higher provider rates
- Impact of rates for providers transitioning to new service codes/subcodes as a result of the full Rate Model implementation

*RCOC Budget & Finance Committee*  
*January 8, 2026*

- Impact of the end of the held harmless period on February 28, 2026, as a result of the full Rate Model implementation
- Impact of the new minimum wage increase effective January 1, 2026
- Impact of the 572 persons who will graduate from school to regional center-funded adult day programs

*M/S/C to approve the monthly SOARs*

2. Approval of Budget Amendment B-3 for Fiscal Year 2025-26

Ms. Vasquez reported that DDS plans to release the B-3 allocation numbers in January and requested Board approval to execute the contract upon receipt.

*M/S/C to approve Budget Amendment.*

The meeting adjourned at 4:41 p.m.

REGIONAL CENTER OF ORANGE COUNTY

BOARD OF DIRECTORS

AGENDA ITEM DETAIL SHEET

DATE: March 5, 2026  
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, December 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: March 5, 2026  
To: Board of Directors  
From: Budget and Finance Committee  
Subject: Highlights – December 2025 Sufficiency of Allocation Report (SOAR)

---

Purchase of Services (POS)

As previously reported, RCOC received the planning allocation used to determine the sufficiency or deficiency of the allocation. However, due to the continued increase in workload resulting from the full implementation of the Rate Model increases and the transition to new service codes and subcodes, submission of the Sufficiency of Allocation Report (SOAR) typically due on December 10, 2025, has been postponed until further notice.

The projections will include the fiscal impact of prior years' and current year's rate increases.

Factors that will affect expenditures in this fiscal year:

- Continuation costs for higher provider rates
- Impact of rates for providers transitioning to new service codes/subcodes as a result of the full Rate Model implementation
- Impact of the end of the held harmless period on February 28, 2026, as a result of the full Rate Model implementation
- Impact of the new minimum wage increase effective January 1, 2026
- Impact of the 572 persons who will graduate from school to regional center-funded adult day programs

Year to date, RCOC's caseload increased by 1,009 for an annualized caseload growth of 6.3%; the regional center system increased 16,838 persons for an annualized caseload growth of 6.1%.

Operations

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

**Monthly Sufficiency of Allocation Report  
As of December 31, 2025**

	A	B	C	D	E	F	G	H
		ACTUAL	PROJECTED	SOAR	VARIANCE		CHANGE	
	B-2	SPENT	EXPENDITURES	PROJECTED	(column A-D)/A	(column A-D)	FROM PRIOR	SPENT
PURCHASE OF SERVICE	ALLOCATION	YEAR TO DATE	AT "RUN RATE"	EXPENDITURES	%	AMOUNT	MO. REPORTED	PRIOR YEAR
				n/a	YEAR TO DATE			
(1) Licensed Residential Care	236,062,353	\$ 129,787,583	\$ 259,575,166	\$0	n/a	n/a	n/a	\$235,482,353
(2) Day Care	1,912,492	571,503	1,853,523	0	n/a	n/a	n/a	1,384,204
(3) Day Training	71,952,139	38,980,007	79,281,370	0	n/a	n/a	n/a	99,482,232
(4) Habilitation	9,859,276	4,772,348	9,808,066	0	n/a	n/a	n/a	8,766,557
(5) Transportation	29,370,862	11,355,311	30,280,829	0	n/a	n/a	n/a	19,400,986
(6) Respite	89,057,334	42,681,017	98,494,655	0	n/a	n/a	n/a	82,978,677
(7) Personal Assistance	79,544,608	40,489,698	84,797,342	0	n/a	n/a	n/a	71,848,009
(8) Supported Living	86,205,351	46,392,428	92,784,856	0	n/a	n/a	n/a	78,144,108
(9) Non-medical	81,984,936	44,256,963	90,014,162	0	n/a	n/a	n/a	41,587,868
(10) Medical	77,303,972	40,774,869	94,095,852	0	n/a	n/a	n/a	19,646,741
(11) Other	71,033,420	31,766,459	63,532,918	0	n/a	n/a	n/a	89,116,152
(12) Early Start (Age 0-3)	42,163,144	18,998,940	39,985,356	0	n/a	n/a	n/a	40,117,726
(13) Community Placement Plan	110,000	0	0	0	n/a	n/a	n/a	80,000
(14) Purchase of Service Total	876,559,887	450,827,126	944,504,095	0	0%	0	0	788,035,613
<u>OPERATIONS</u>						\$0 If all SPA receivables are paid.		
(15) Operating Expense (Gross)	14,029,590	5,481,069	10,962,138	14,029,590	0%	0	0	8,936,479
(16) Less Interest Income and SPA Fees	-600,000	-1,169,509	-2,339,018	-600,000	0%	0	0	-2,841,035
(17) Operating Expense (Net)	13,429,590	4,311,560	8,623,120	13,429,590	0%	0	0	6,095,443
(18) Personal Services	71,394,439	32,433,289	64,866,579	71,394,439	0%	0	0	58,081,996
(19) Family Resource Center/Services	295,515	105,591	211,181	295,515	0%	0	0	219,900
(20) Operations Total	85,119,544	36,850,440	73,700,880	85,119,544	0%	0	0	64,397,339
(21) Total	\$961,679,431	\$487,677,566	\$1,018,204,975	\$85,119,544	0%	\$0	\$0	\$852,432,952

\* 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.

\*\*\*Decrease in Day Training and Other due to Rate Reform. Day program codes 063/505/510/515 were eliminated, new codes issued in new categories.

Increase in Non-Medical and Medical due to Rate Reform. Day Program codes 531/532/533 were added .

STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES  
AS OF DECEMBER 31, 2025

ASSETS	GENERAL FUND	CUSTODIAL FUND
<b>CURRENT ASSETS</b>		
Petty cash	\$300.00	
Checking	87,028,856.06	\$26,167.75
Savings	37,309.79	
Money market	-	
Payroll	435,804.97	
Donations	220,161.33	
Unemployment	775,118.75	
Certificate of deposit	-	
	-----	-----
Total current assets	88,497,550.90	26,167.75
	-----	-----
<b>RECEIVABLES</b>		
State claim	166,478,855.71	
Client support revenue	3,985.91	291.00
Due from State - prior years	44,544,077.09	
Due from ICF - ICF Supplemental Services	4,893,241.99	
	-----	-----
Total receivables	215,920,160.70	291.00
	-----	-----
<b>PREPAID ITEMS</b>		
Deposits	343,582.86	
Prepaid expense		
	-----	-----
Total prepaid items	343,582.86	0.00
	-----	-----
<b>OTHER ASSETS</b>		
Tenant improvements	81,917.99	
Building acquisition	63,613.98	
	-----	-----
Total other assets	145,531.97	0.00
	-----	-----
<b>TOTAL ASSETS</b>	<b>\$304,906,826.43</b>	<b>\$26,458.75</b>
	=====	=====
<b>LIABILITIES AND FUND BALANCES</b>		
<b>LIABILITIES</b>		
Accounts payable	\$51,658,939.46	\$3,985.91
Due to State - ICF Supplemental Services	-	
Loans payable	-	
Cash advance	252,316,689.84	
Unemployment insurance	711,035.80	
	-----	-----
Total liabilities	304,686,665.10	3,985.91
	-----	-----
<b>FUND BALANCES</b>		
General	0.00	
Donations	220,161.33	
Custodial	0.00	22,472.84
	-----	-----
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$304,906,826.43</b>	<b>\$26,458.75</b>
	=====	=====

REGIONAL CENTER OF ORANGE COUNTY  
BRIAN'S FUND  
DECEMBER 31, 2025

Beginning Balance		\$219,076.91
Donations:		
Mansour & Arefeh Heidari	\$1,000.00	
Loan Payments	75.00	
Interest	9.42	
Disbursements	<u>0.00</u>	
Net Increase (Decrease)		<u>1,084.42</u>
Ending Balance		<u><u>\$220,161.33</u></u>

REGIONAL CENTER OF ORANGE COUNTY

BOARD OF DIRECTORS

AGENDA ITEM DETAIL SHEET

DATE: March 5, 2026  
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, January 2026**

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: March 5, 2026  
To: Board of Directors  
From: Budget and Finance Committee  
Subject: Highlights – January 2026 Sufficiency of Allocation Report (SOAR)

---

Purchase of Services (POS)

As previously reported, RCOC received the planning allocation used to determine the sufficiency or deficiency of the allocation. However, due to the continued increase in workload resulting from the full implementation of the Rate Model increases and the transition to new service codes and subcodes, submission of the Sufficiency of Allocation Report (SOAR) typically due on December 10, 2025, has been postponed until further notice.

The projections will include the fiscal impact of prior years' and current year's rate increases.

Factors that will affect expenditures in this fiscal year:

- Continuation costs for higher provider rates
- Impact of rates for providers transitioning to new service codes/subcodes as a result of the full Rate Model implementation
- Impact of the end of the held harmless period on February 28, 2026, as a result of the full Rate Model implementation
- Impact of the new minimum wage increase effective January 1, 2026
- Impact of the 572 persons who will graduate from school to regional center-funded adult day programs

Year to date, RCOC's caseload increased by 1,009 for an annualized caseload growth of 6.3%; the regional center system increased 16,838 persons for an annualized caseload growth of 6.1%.

Operations

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

**Monthly Sufficiency of Allocation Report  
As of January 31, 2026**

	A	B	C	D	E	F	G	H
		ACTUAL	PROJECTED	SOAR	VARIANCE		CHANGE	
	B-2	SPENT	EXPENDITURES	PROJECTED	(column A-D)/A	(column A-D)	FROM PRIOR	SPENT
PURCHASE OF SERVICE	ALLOCATION	YEAR TO DATE	AT "RUN RATE"	EXPENDITURES	%	AMOUNT	MO. REPORTED	PRIOR YEAR
				n/a	YEAR TO DATE			
(1) Licensed Residential Care	236,062,353	\$ 147,708,431	\$ 260,051,302	\$0	n/a	n/a	n/a	\$235,482,353
(2) Day Care	1,912,492	621,903	1,865,709	0	n/a	n/a	n/a	1,384,204
(3) Day Training	71,952,139	43,271,984	78,950,822	0	n/a	n/a	n/a	99,482,232
(4) Habilitation	9,859,276	4,921,884	9,557,109	0	n/a	n/a	n/a	8,766,557
(5) Transportation	29,370,862	11,572,425	30,859,800	0	n/a	n/a	n/a	19,400,986
(6) Respite	89,057,334	42,745,650	98,643,808	0	n/a	n/a	n/a	82,978,677
(7) Personal Assistance	79,544,608	40,489,698	84,797,342	0	n/a	n/a	n/a	71,848,009
(8) Supported Living	86,205,351	53,955,746	93,161,000	0	n/a	n/a	n/a	78,144,108
(9) Non-medical	81,984,936	49,629,968	90,236,305	0	n/a	n/a	n/a	41,587,868
(10) Medical	77,303,972	47,654,607	94,678,027	0	n/a	n/a	n/a	19,646,741
(11) Other	71,033,420	32,454,652	63,433,415	0	n/a	n/a	n/a	89,116,152
(12) Early Start (Age 0-3)	42,163,144	19,454,450	40,944,027	0	n/a	n/a	n/a	40,117,726
(13) Community Placement Plan	110,000	100,000	0	0	n/a	n/a	n/a	80,000
(14) Purchase of Service Total	876,559,887	494,581,398	947,178,666	0	0%	0	0	788,035,613
<u>OPERATIONS</u>						\$0 If all SPA receivables are paid.		
(15) Operating Expense (Gross)	14,029,590	6,140,966	10,527,371	14,029,590	0%	0	0	8,936,479
(16) Less Interest Income and SPA Fees	-600,000	-1,337,439	-2,292,753	-600,000	0%	0	0	-2,841,035
(17) Operating Expense (Net)	13,429,590	4,803,527	8,234,618	13,429,590	0%	0	0	6,095,443
(18) Personal Services	71,394,439	39,779,474	68,193,384	71,394,439	0%	0	0	58,081,996
(19) Family Resource Center/Services	295,515	127,193	218,044	295,515	0%	0	0	219,900
(20) Operations Total	85,119,544	44,710,194	76,646,047	85,119,544	0%	0	0	64,397,339
(21) Total	\$961,679,431	\$539,291,592	\$1,023,824,712	\$85,119,544	0%	\$0	\$0	\$852,432,952

\* 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.

\*\*\*Decrease in Day Training and Other due to Rate Reform. Day program codes 063/505/510/515 were eliminated, new codes issued in new categories.

Increase in Non-Medical and Medical due to Rate Reform. Day Program codes 531/532/533 were added .

STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES  
AS OF JANUARY 31, 2026

ASSETS	GENERAL FUND	CUSTODIAL FUND
<b>CURRENT ASSETS</b>		
Petty cash	\$300.00	
Checking	\$85,436,993.45	\$26,207.37
Savings	\$44,535.48	
Money market	\$0.00	
Payroll	\$436,950.00	
Donations	\$221,585.71	
Unemployment	\$775,013.61	
Certificate of deposit	\$0.00	
	-----	-----
Total current assets	86,915,378.25	26,207.37
	-----	-----
<b>RECEIVABLES</b>		
State claim	172,256,972.13	
Client support revenue	679.54	2,758.33
Due from State - prior years	41,067,826.24	
Due from ICF - ICF Supplemental Services	5,224,634.98	
	-----	-----
Total receivables	218,550,112.89	2,758.33
	-----	-----
<b>PREPAID ITEMS</b>		
Deposits	343,582.86	
Prepaid expense		
	-----	-----
Total prepaid items	343,582.86	0.00
	-----	-----
<b>OTHER ASSETS</b>		
Tenant improvements	81,917.99	
Building acquisition	63,613.98	
	-----	-----
Total other assets	145,531.97	0.00
	-----	-----
<b>TOTAL ASSETS</b>	<b>\$305,954,605.97</b>	<b>\$28,965.70</b>
	=====	=====
<b>LIABILITIES AND FUND BALANCES</b>		
<b>LIABILITIES</b>		
Accounts payable	\$52,705,130.06	\$679.54
Due to State - ICF Supplemental Services	-	
Loans payable	-	
Cash advance	252,316,689.84	
Unemployment insurance	711,200.36	
	-----	-----
Total liabilities	305,733,020.26	679.54
	-----	-----
<b>FUND BALANCES</b>		
General	0.00	
Donations	221,585.71	
Custodial	0.00	28,286.16
	-----	-----
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$305,954,605.97</b>	<b>\$28,965.70</b>
	=====	=====

REGIONAL CENTER OF ORANGE COUNTY  
BRIAN'S FUND  
JANUARY 31, 2026

Beginning Balance		\$220,161.33
Donations:		
David N Summers, Nadejda C Summers	\$1,000.00	
Loan Payments	115.00	
Interest	9.38	
Disbursements:		
Voided Check	<u>300.00</u>	
Net Increase (Decrease)		<u>1,424.38</u>
Ending Balance		<u><u>\$221,585.71</u></u>

REGIONAL CENTER OF ORANGE COUNTY

BOARD OF DIRECTORS

AGENDA ITEM DETAIL SHEET

DATE: March 5, 2026  
TO: Board of Directors  
FROM: Jacqueline Nguyen  
Chair, Budget & Finance Committee

ACTION	X
ACTION/CONSENT	
DISCUSSION	
INFO ONLY	

**SUBJECT: Approval of Budget Amendment B-4 for Fiscal Year 2025-26**

BACKGROUND:

Periodically, budget amendments are required to distribute and reallocate funds among regional centers or to change contract language. These amendments are numbered successively, e.g., B-1, B-2, etc.

REASON FOR CURRENT ITEM:

The Department of Developmental Services will allocate additional Purchase of Service funds.

FISCAL IMPACT:

Purchase of Service Total ..... \$88,648,990

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: March 5, 2026  
TO: Board of Directors  
FROM: Jacqueline Nguyen  
Chair, Budget & Finance Committee

ACTION	
ACTION/CONSENT	
DISCUSSION	
INFO ONLY	X

**SUBJECT: Information Regarding Third Amendment to Property Lease for Santa Ana Office**

BACKGROUND:

RCOC initially entered into a 20-year property lease for its Santa Ana office in 2010. RCOC has been in its current location since December 2010, and the original lease was due to expire December 31, 2030. At the May 1, 2025 Board meeting, the Board approved the Second Amendment to the Property Lease, which extended the lease from December 31, 2030 to December 31, 2037, and incorporated the additional office space in the neighboring building at 1551 N. Tustin Avenue.

REASON FOR CURRENT ITEM:

Due to a delay in construction, RCOC was unable to utilize the additional space at 1551 N. Tustin Avenue on January 1, 2026, as initially projected. As a result; the move-in date was delayed by one month, to February 1, 2026, and the termination of the lease for the existing and expansion space was extended from December 31, 2037 to January 31, 2038. The delay required a Third Amendment to the Property Lease, which was executed by the Executive Director and effective February 10, 2026.

FISCAL IMPACT:

The Third Amendment includes an additional expense of \$266,457.83 in January 2038 for the one-month added to the lease on the 1525 N. Tustin Ave. building. There are no additional expenses associated with the one-month extension for the expansion space at 1551 N. Tustin Ave.

RECOMMENDATION:

This is an information item; no action is required.

### **THIRD AMENDMENT TO OFFICE LEASE**

This Third Amendment to Office Lease (this "Third Amendment") is made and entered into by and between **TUSTIN CENTRE PROPERTY OWNER LLC**, a Delaware limited liability company ("Landlord"), as successor-in-interest to Tustin Centre Tower, LLC, a Delaware limited liability company ("Original Landlord") and **REGIONAL CENTER OF ORANGE COUNTY, INC.**, a California nonprofit corporation ("Tenant"), effective on and as of the date on which the Landlord executes this Third Amendment, as set forth on the signature page hereto (the "Effective Date").

### **WITNESSETH:**

WHEREAS, Landlord and Tenant are parties to that certain Lease Agreement dated as of April 2010 (the "Original Lease"), as confirmed by the specification of lease terms in the Notice of Lease Term Dates dated December 16, 2010 (the "Commencement Notice"), as amended by that certain First Amendment to Office Lease dated March 5, 2018 (the "First Amendment"), and as amended by that certain Second Amendment to Office Lease dated May 5, 2025 (the "Second Amendment"); the Original Lease, as so amended, being hereinafter referred to as the "Lease"), pursuant to which Landlord leases to Tenant, and Tenant leases from Landlord, certain premises comprising the entire **82,042** square feet of Rentable Area (the "Existing Premises") in the building located at 1525 N. Tustin Avenue, Santa Ana, California 92705 (the "1525 Building"), and pursuant to which Tenant will lease **20,589** square feet of Rentable Area designated as Suite 200 of the building in the Project located at 1551 N. Tustin Avenue, Santa Ana, California 92705 (the "Second Amendment Expansion Premises") all in the commercial development known as Tustin Centre (the "Project"), all as more particularly described in the Lease; and

WHEREAS, Landlord has succeeded to all of the right, title, and interest of Original Landlord in and to the Lease;

WHEREAS, Landlord and Tenant desire to amend the Lease to, among other things, extend the Term, adjust the Second Amendment Expansion Date (as such term is defined in the Lease), and to otherwise modify the Lease, all as more particularly provided hereinbelow; and

NOW, THEREFORE, for and in consideration of the premises contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree that the Lease is hereby ratified and amended as follows:

1. Defined Terms. All capitalized terms used herein shall have the same meaning as defined in the Lease, unless otherwise defined in this Third Amendment.
2. Extension of Term. Landlord and Tenant hereby agree that the Second Amendment Extension Term (specified in the Second Amendment to expire January 1, 2031), is hereby extended for one (1) additional month, such that the Second Amendment Extension Term shall be eighty-five (85) months, commencing January 1, 2031, and expiring January 31, 2038, upon and subject to all of the existing terms of the Lease, as amended by this Third Amendment. For clarity, all terms of the Lease applicable to the Second Amendment Extension Term shall apply to the one-month extension thereof provided for in this Paragraph 2 unless otherwise specified in this Third Amendment.

3. Second Amendment Expansion Date. The parties hereby stipulate and agree that the Second Amendment Expansion Date shall be February 1, 2026 for all purposes under the Lease. Landlord further acknowledges and agrees, in addition to the uses permitted under Paragraph 3(b) of the Second Amendment, that Tenant's use of the Second Amendment Expansion Premises during the Pre-Term Access Period may include any use permitted under the Lease.
  
4. Confirmation of Premises. The parties acknowledge and confirm that, upon the Second Amendment Expansion Date (being February 1, 2026), the Premises shall include both (i) the Existing Premises (being 82,042 square feet of Rentable Area in the 1525 Building), and (ii) the Second Amendment Expansion Premises (being 20,589 square feet of Rentable Area in the 1551 Building), and accordingly the Premises shall consist of a total of **102,631** square feet of Rentable Area in the Project.
  
5. Base Rent.
  - (a) Existing Premises. The Base Tenant chart set forth in Paragraph 5(a) of the Second Amendment is amended and restated in its entirety to be the below:

<b>Base Rent Schedule for Existing Premises</b>		
<b>Period</b>	<b>Base Rent per Square Foot per Month (approximate)</b>	<b>Monthly Installment of Base Rent</b>
01/01/2031 – 12/31/2031	\$2.72	\$223,154.24
01/01/2032 – 12/31/2032	\$2.80	\$229,848.87
01/01/2033 – 12/31/2033	\$2.89	\$236,744.33
01/01/2034 – 12/31/2034	\$2.97	\$243,846.66
01/01/2035 – 12/31/2035	\$3.06	\$251,162.06
01/01/2036 – 12/31/2036	\$3.15	\$258,696.93
01/01/2037 – 01/31/2038	\$3.25	\$266,457.83

- (b) Second Amendment Expansion Premises. The Base Tenant chart set forth in Paragraph 5(b) of the Second Amendment is amended and restated in its entirety to be the below:

<b>Base Rent Schedule for Second Amendment Expansion Premises</b>		
<b>Period</b>	<b>Base Rent per Square Foot per Month (approximate)</b>	<b>Monthly Installment of Base Rent</b>
02/01/2026 – 01/31/2027	\$2.40	\$49,413.60
02/01/2027 – 01/31/2028	\$2.47	\$50,896.01
02/01/2028 – 01/31/2029	\$2.55	\$52,422.89
02/01/2029 – 01/31/2030	\$2.62	\$53,995.57
02/01/2030 – 01/31/2031	\$2.70	\$55,615.44
02/01/2031 – 01/31/2032	\$2.78	\$57,283.91
02/01/2032 – 01/31/2033	\$2.87	\$59,002.42
02/01/2033 – 01/31/2034	\$2.95	\$60,772.50
02/01/2034 – 01/31/2035	\$3.04	\$62,595.67

02/01/2035 – 01/31/2036	\$3.13	\$64,473.54
02/01/2036 – 01/31/2037	\$3.23	\$66,407.75
02/01/2037 – 01/31/2038	\$3.32	\$68,399.98

6. Brokers. Tenant represents and warrants to Landlord that it has not had any dealings with any broker or agent other than Greenlaw and HRS Commercial, including Rick Sherburne, Matt Sherburne, and Kyle Sherburne (collectively, the “Brokers”) in connection with the negotiation or execution of this Third Amendment. Tenant agrees to indemnify Landlord and hold Landlord harmless from and against any and all costs, expenses or liability for commissions or other compensations or charges claimed by any broker or agent in connection with the representation of Tenant regarding this Third Amendment or the transactions evidenced hereby, other than the Brokers.
  
7. Miscellaneous. With the exception of those terms and conditions specifically modified and amended herein, the herein referenced Lease shall remain in full force and effect in accordance with all its terms and conditions. In the event of any conflict between the terms and provisions of this Third Amendment and the terms and provisions of the Lease, the terms and provisions of this Third Amendment shall supersede and control.
  
8. Counterparts/Electronic Signatures. This Third Amendment may be executed in any number of counterparts (including via electronic signature software such as DocuSign), each of which shall be deemed an original, and all of such counterparts shall constitute one agreement. To facilitate execution and delivery of this Third Amendment, the parties may execute and exchange electronic counterparts of the signature pages (including emailed .pdf copies of such signatures), and such electronic counterparts shall serve as originals.

***[SIGNATURE PAGE TO FOLLOW]***

IN WITNESS WHEREOF, the parties hereto have executed this Third Amendment to Office Lease on the respective dates set forth below, to be effective for all purposes, however, as of the Effective Date.

**LANDLORD:**

**TUSTIN CENTRE PROPERTY OWNER, LLC,**  
a Delaware limited liability company

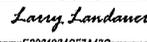
**By: GREENLAW MANAGEMENT, INC.,**  
a California corporation, its authorized signatory

By:   
\_\_\_\_\_  
Wilbur H. Smith, III  
President

Date: 2/10, 2026

**TENANT:**

**REGIONAL CENTER OF ORANGE COUNTY,**  
INC., a California nonprofit corporation

By: DocuSigned by:   
\_\_\_\_\_  
Name: Larry Landauer  
Title: Executive Director

Date: 2/2/2026, 2026

REGIONAL CENTER OF ORANGE COUNTY

BOARD OF DIRECTORS

AGENDA ITEM DETAIL SHEET

DATE: March 5, 2026  
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 2025-26**

BACKGROUND:

Last year's line of credit commitment from U.S. Bank was for \$70,000,000, which was available for drawing from June 13, 2025 to September 30, 2025.

REASON FOR CURRENT ITEM:

The new commitment from U.S. Bank is for \$85,000,000 at the reference rate (currently at 6.75%); and the term is from May 1, 2026 to September 30, 2026.

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 2025-26 as soon as the enacted state budget is in place. However, if DDS delays these payments, RCO may need to draw from the line of credit 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 \$42,188 at the current interest rate of 6.75%. 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 May 1, 2026 (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 \$85,000,000.00 (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 May 1, 2026, through September 30, 2026 (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, 2025, 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  
100 N Side Square

Shelbyville, TN 37160  
Attention: Christy Chambless  
Email: christy.chambless@usbank.com and  
GBDCreditSupport@usbank.com

Attention: Nicole Treider  
Email: nicole.treider@usbank.com

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

If to the Lender for all other matters: U.S. Bank National Association  
Attention: Nicole Treider  
Email: nicole.treider@usbank.com

U.S. Bank National Association  
U.S. Bank Center Milwaukee  
777 E Wisconsin Avenue  
Milwaukee, WI 53202  
MK-WI-T5IC  
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 "*Indemnitee*") 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 Indemnitee, 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 Indemnitee 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 Indemnitee 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: Nicole A. Treider

Title: Credit Analyst

**EXHIBIT A**

**FORM OF BORROWING NOTICE AND CERTIFICATION**

\_\_\_\_\_, 2026

U.S. Bank National Association  
100 N Side Square  
Shelbyville, TN 37160  
Attention: Christy Chambless  
Email: christy.chambless@usbank.com and GBDCreditSupport@usbank.com

Attention: Nicole Treider  
Email: nicole.treider@usbank.com

Attention: Brian D. Richter  
Telephone: (414) 588-7722  
Email: brian.richter@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 May 1, 2026 (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 \_\_\_\_\_, 2026.
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 \_\_\_\_\_, 2026, 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: March 5, 2026  
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, 2025**

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 (DDS). 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 DDS within 60 days of completion.

REASON FOR CURRENT ITEM:

Compliance with the requirements as stated above.

FISCAL IMPACT:

None.

RECOMMENDATION:

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

**REGIONAL CENTER OF ORANGE COUNTY, INC.**

**FINANCIAL STATEMENTS  
JUNE 30, 2025  
(WITH COMPARATIVE TOTALS FOR 2024)**

**CONTENTS**

Independent Auditors' Report .....	1-3
Statement of Financial Position .....	4
Statement of Activities .....	5
Statement of Functional Expenses.....	6
Statement of Cash Flows.....	7
Notes to the Financial Statements .....	8-25
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 <i>Government Auditing Standards</i> .....	26-27
Independent Auditors' Report on Compliance for Each Major Program and Report on Internal Control Over Compliance Required by the Uniform Guidance ....	28-30
Schedule of Expenditures of Federal Awards.....	31
Notes to the Schedule of Expenditures of Federal Awards.....	32
Schedule of Findings and Questioned Costs .....	33
Schedule of Prior Finding.....	34

## **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. (a California nonprofit corporation), which comprise the statement of financial position as of June 30, 2025, 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, 2025, 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 *Government 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 audit. 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.

***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 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.

***Report on Summarized Comparative Information***

We have previously audited the Center’s 2024 financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 2, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

***Supplementary Information***

Our audit was 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 audit 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.

**PRELIMINARY DRAFT  
Subject to Change  
For Management Review Only**

Long Beach, California  
[REPORT DATE]

**PRELIMINARY DRAFT**  
**Subject to Change**  
**For Management Review Only**

**REGIONAL CENTER OF ORANGE COUNTY, INC.**

**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2025**  
**(WITH COMPARATIVE TOTALS FOR 2024)**

**ASSETS**

	<b>June 30,</b>	
	<b>2025</b>	<b>2024</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 61,931,240	\$ 57,161,104
Cash – client trust funds	57,660	66,305
Contracts receivable - state of California	43,884,337	14,668,653
Receivables from Intermediate Care Facility vendors	5,401,912	4,625,025
Deposits and prepaid expenses	7,068,860	26,585,829
Other assets	228,155	354,621
Unbilled reimbursable contract costs receivables - state of California	7,030,673	7,067,075
Operating lease right-of-use asset	13,808,393	16,326,485
<b>TOTAL ASSETS</b>	<b>\$ 139,411,230</b>	<b>\$ 126,855,097</b>

**LIABILITIES AND NET ASSETS**

<b>LIABILITIES</b>		
Accounts payable	\$ 111,844,595	\$ 77,133,724
Net assets held for clients	66,014	127,604
Accrued vacation and sick leave benefits	3,298,775	2,913,679
Operating lease liability	17,540,292	20,479,881
Unfunded pension benefit obligations	6,450,794	25,992,161
	<u>139,200,470</u>	<u>126,647,049</u>

**COMMITMENTS AND CONTINGENCIES (Note 8)**

<b>NET ASSETS</b>		
Without donor restrictions	<u>210,760</u>	<u>208,048</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 139,411,230</b>	<b>\$ 126,855,097</b>

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

**PRELIMINARY DRAFT**  
**Subject to Change**  
**For Management Review Only**

**REGIONAL CENTER OF ORANGE COUNTY, INC.**

**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**(WITH COMPARATIVE TOTALS FOR 2024)**

	For the Year Ended June 30,	
	2025	2024
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
<b>SUPPORT AND REVENUE</b>		
Contracts – state of California	\$ 853,941,918	\$ 713,514,474
Intermediate Care Facility supplemental services income	9,772,677	8,643,560
Interest income	2,888,452	2,224,156
Contributions	10,231	9,444
Total Support and Revenue	866,613,278	724,391,634
<b>EXPENSES</b>		
Program services	861,062,413	719,448,304
Management and general	17,342,477	14,189,616
Total Expenses	878,404,890	733,637,920
<b>CHANGE IN NET ASSETS BEFORE CHANGE IN PENSION BENEFIT OBLIGATION OTHER THAN PERIODIC BENEFIT COSTS</b>	(11,791,612)	(9,246,286)
<b>CHANGE IN PENSION BENEFIT OBLIGATION OTHER THAN PERIODIC BENEFIT COSTS</b>	11,794,324	9,238,516
<b>CHANGE IN NET ASSETS</b>	2,712	(7,770)
<b>NET ASSETS AT BEGINNING OF YEAR</b>	208,048	215,818
<b>NET ASSETS AT END OF YEAR</b>	\$ 210,760	\$ 208,048

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

**PRELIMINARY DRAFT**  
**Subject to Change**  
**For Management Review Only**

**REGIONAL CENTER OF ORANGE COUNTY, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**(WITH COMPARATIVE TOTALS FOR 2024)**

	<b>Program Services</b>	<b>Management and General</b>	<b>2025 Total Expenses</b>	<b>2024 Total Expenses</b>
<b>PURCHASE OF SERVICES</b>				
Community and Intermediate Care Facilities	\$ 238,946,863	\$ -	\$ 238,946,863	\$ 221,102,288
Day training and day program services	142,440,078	-	142,440,078	126,953,552
Transportation services	21,154,864	-	21,154,864	18,107,492
Respite care services	86,014,280	-	86,014,280	56,602,435
Medical care services	20,119,725	-	20,119,725	12,855,488
Nonmedical services	44,203,246	-	44,203,246	35,063,782
Other purchased services	254,341,482	-	254,341,482	201,191,055
Total Purchase of Services	807,220,538	-	807,220,538	671,876,092
<b>OPERATING EXPENSES</b>				
Salaries and related expenses	53,778,316	4,742,415	58,520,731	51,622,854
Office occupancy	-	3,214,372	3,214,372	3,199,063
Data processing	-	4,963,420	4,963,420	1,994,655
Office expenses	-	920,484	920,484	962,697
Communications	-	760,989	760,989	871,533
Other operating expenses	63,559	2,740,797	2,804,356	3,111,026
Total Operating Expenses	53,841,875	17,342,477	71,184,352	61,761,828
<b>TOTAL EXPENSES</b>	<b>\$ 861,062,413</b>	<b>\$ 17,342,477</b>	<b>\$ 878,404,890</b>	<b>\$ 733,637,920</b>

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

**PRELIMINARY DRAFT**  
**Subject to Change**  
**For Management Review Only**

**REGIONAL CENTER OF ORANGE COUNTY, INC.**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**(WITH COMPARATIVE TOTALS FOR 2024)**

	<b>For the Year Ended</b>	
	<b>June 30,</b>	
	<b>2025</b>	<b>2024</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 2,712	\$ (7,770)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Changes in operating assets and liabilities:		
Contracts receivable -state of California	(29,215,684)	(14,668,653)
Receivables from Intermediate Care Facility vendors	(776,887)	(215,732)
Deposits and prepaid expenses	19,516,969	11,198,002
Other assets	126,466	43,893
Unbilled reimbursable contract costs receivables - state of California	36,402	138,991
Accounts payable	34,710,871	39,602,452
Contract advances - state of California	-	(9,652,838)
Net assets held for clients	(61,590)	(44,064)
Accrued vacation and sick leave benefits	385,096	(1,535,636)
Operating lease right-of-use asset and lease liability	(421,497)	(319,960)
Unfunded pension benefit obligations	(19,541,367)	(11,191,471)
Net Cash Provided By Operating Activities	4,761,491	13,347,214
<b>NET CHANGE IN CASH, CASH EQUIVALENTS, AND CASH - CLIENT TRUST FUNDS</b>	4,761,491	13,347,214
<b>CASH, CASH EQUIVALENTS, AND CASH - CLIENT TRUST FUNDS AT BEGINNING OF YEAR</b>	57,227,409	43,880,195
<b>CASH, CASH EQUIVALENTS, AND CASH - CLIENT TRUST FUNDS AT END OF YEAR</b>	\$ 61,988,900	\$ 57,227,409
<b>STATEMENT OF FINANCIAL POSITION PRESENTATION</b>		
Cash and cash equivalents	\$ 61,931,240	\$ 57,161,104
Cash - client trust funds	57,660	66,305
<b>TOTAL CASH, CASH EQUIVALENTS, AND CASH - CLIENT TRUST FUNDS</b>	\$ 61,988,900	\$ 57,227,409

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

**REGIONAL CENTER OF ORANGE COUNTY, INC.**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025  
(WITH COMPARATIVE TOTALS FOR 2024)**

**NOTE 1 – Summary of Significant Accounting Policies**

***Purpose and Organization***

Regional Center of Orange County, Inc. (the Center), a California nonprofit 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 was organized in accordance with the provisions of the Lanterman Developmental Disabilities Services Act (the Act) of the Welfare and Institutions Code of the State of California (the state). The Center is one of 21 regional centers within California and serves Orange County.

The Act includes governance provisions regarding the composition of the Center's Board of Directors (the Board). The 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 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 \$837,221,261 for the 2024-2025 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 in contracts receivable – state of California on the statement of financial position.

As of June 30, 2025, actual net expenditures for the 2024-2025 contract year were \$791,222,655. The remaining amounts on the 2024-2025 contract year in which the Center can be reimbursed for qualifying expenditures is approximately \$45,999,000, subject to any future budget amendments.

**REGIONAL CENTER OF ORANGE COUNTY, INC.**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025  
(WITH COMPARATIVE TOTALS FOR 2024)**

**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 Act. The maximum expenditure under the contract is 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's approval for certain expenses. In the event of termination or nonrenewal of the contract, the state maintains the right to assume control of the Center's operations and the obligation of its liabilities.

***Basis of Accounting***

The Center prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP); accordingly, 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.

***Financial Statement Presentation***

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*** – Net assets and activities that represent expendable funds for operations related to the DDS contract and a federally funded program.

***With Donor Restrictions*** – Net assets and activities that 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, 2025, and for the year then ended, the Center did not have any net assets with donor restrictions.

**REGIONAL CENTER OF ORANGE COUNTY, INC.**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025  
(WITH COMPARATIVE TOTALS FOR 2024)**

**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, the disclosure of contingent assets and liabilities, and the reported amounts of revenue and expenses. Actual results could differ from those estimates.

***Cash and Cash Equivalents***

The Center defines cash 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.

***Concentrations of Credit Risk***

Financial instruments, which potentially subject the Center to a concentration of credit risk, principally consist of cash and cash equivalents, contracts receivable, and receivables from ICF vendors. The Center places cash and cash equivalents 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 the Center is dependent upon the overall economic well-being of the state. The Center has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk.

***Cash – Client Trust Funds and Net Assets Held for Clients***

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.

**REGIONAL CENTER OF ORANGE COUNTY, INC.**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025  
(WITH COMPARATIVE TOTALS FOR 2024)**

**NOTE 1 – Summary of Significant Accounting Policies (Continued)**

***Contracts Receivable – State of California***

Contracts receivable represent claims billed according to the terms of the DDS 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 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 ICF services; however, the federal rules allow for only one provider of ICF services. Accordingly, all the Medicaid Waiver grant (Medicaid) funding for ICF residents must go through the applicable ICF provider. The Center receives a 1.5% administrative fee based on the invoices submitted to the DDS for the administrative work to implement the state plan amendment (SPA 07-004).

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 its 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 property of the state and, accordingly, are expensed as incurred. The Center tracks items that 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, 2025, totaled approximately \$2,500,000.

***Leasehold Improvements***

Leasehold improvements are capitalized and are amortized over the shorter of the asset's estimated useful life or the term of the lease. As of June 30, 2025, leasehold improvements, net of amortization totaled \$219,281 and are included in other assets on the statement of financial position.

**REGIONAL CENTER OF ORANGE COUNTY, INC.**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025  
(WITH COMPARATIVE TOTALS FOR 2024)**

**NOTE 1 – Summary of Significant Accounting Policies (Continued)**

***Accrued Vacation and Sick 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. Employees accrue earned vacation up to 320 hours. When an employee separates from service, the employee will receive payment for any unused vacation hours.

***Revenue Recognition – State of California Grants***

The Center has a five-year cost-reimbursement contract with DDS. 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 eligible customers. All eligible contract costs that are incurred but not paid, therefore not billed yet, are recognized as revenue and expense on an accrual basis. Such billable costs are recorded as receivables in the statement of financial position, as the Center does not intend to cancel its contract with DDS. Contract advances represent 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.

**REGIONAL CENTER OF ORANGE COUNTY, INC.**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025  
(WITH COMPARATIVE TOTALS FOR 2024)**

**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. These transactions are reported as net assets released from restrictions in the statement of activities.

***Income Taxes***

The Center has received tax-exempt status 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 the Center has maintained its 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 benefit obligations is determined in accordance with the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 715-30, *Defined Benefit Plans – Pension* (FASB ASC 715-30). The Center recognized the incurred but unpaid pension benefits costs as part of unbilled reimbursable contract costs receivables – state of California on the statement of financial position. Pension benefit costs are billed to DDS when paid by the Center to CalPERS.

**REGIONAL CENTER OF ORANGE COUNTY, INC.**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025  
(WITH COMPARATIVE TOTALS FOR 2024)**

**NOTE 1 – Summary of Significant Accounting Policies (Continued)**

***Functional Expenses Allocation***

The costs of providing 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 program services or management and general on a direct-cost basis. All other operating expenses are allocated to management and general.

***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, 2024, and for the year then ended, from which the summarized comparative 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'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.

***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, 2025, and determined there are no other items to disclose.

**REGIONAL CENTER OF ORANGE COUNTY, INC.**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2025**  
**(WITH COMPARATIVE TOTALS FOR 2024)**

**NOTE 2 – Cash - Client Trust Funds**

The Center acts as fiduciary for client support funds received directly on behalf of clients from certain governmental agencies. At June 30, 2025, the Center held \$57,660 on behalf of clients 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 acts 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, 2025:

Support:	
Social Security and other client support	<u>\$ 205,893</u>
Disbursements:	
Living out of home	\$ 83,165
Other disbursements	<u>122,728</u>
	<u>\$ 205,893</u>

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

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

As of June 30, 2025, DDS advanced the Center \$217,448,701 under regional center contracts. For the financial statement presentation, to the extent there are claims receivable, these advances have been offset against the claims receivable from the DDS contract as follows:

	<b>June 30,</b>	
	<b>2025</b>	<b>2024</b>
Contracts receivable	\$ 261,333,038	\$ 186,461,959
Contract advances	<u>(217,448,701)</u>	<u>(171,793,306)</u>
	<u>\$ 43,884,337</u>	<u>\$ 14,668,653</u>

**REGIONAL CENTER OF ORANGE COUNTY, INC.**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025  
(WITH COMPARATIVE TOTALS FOR 2024)**

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

The Center has renewed its contract with the state for the fiscal year ending June 30, 2026. The contract and amendments provide for funding of \$961,679,431.

In addition, the Center has accrued contracts receivable 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 include vacation, sick leave, and any other benefits.

The Center’s contract with DDS includes various fiscal provisions, which provide that the state 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 incurred by the Center pursuant to and in the performance of its contract with DDS.

Unbilled reimbursable contract costs receivables as of June 30, 2025, consist of the following:

Deferred costs for rent liability	\$ 3,731,898
Deferred costs for accrued vacation and sick leave benefits	<u>3,298,775</u>
Total	<u>\$ 7,030,673</u>

**NOTE 4 – Receivables from Intermediate Care Facilities**

Receivables from ICFs in the amount of \$5,401,912 represents the amount owed to the Center for day and related transportation services. Revenue from ICFs for the year ended June 30, 2025, totaled \$9,772,677.

**REGIONAL CENTER OF ORANGE COUNTY, INC.**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025  
(WITH COMPARATIVE TOTALS FOR 2024)**

**NOTE 5 – Line of Credit**

The Center established a revolving line of credit with a financial institution for a maximum borrowing amount of \$70,000,000. The line of credit matured on September 30, 2025 and was secured by substantially all assets of the Center with interest due monthly at the bank's reference rate (7.50% at June 30, 2025). As of June 30, 2025, 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.

**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 the state. Substantially all of the Center's employees participate in CalPERS.

FASB ASC 715-30 requires the Center to recognize the funded status of a defined benefit retirement plan as an asset or liability in the 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 to new entrants 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, which reflects greater life expectancies among members and expected continued improvements. The actuarial assumptions and methods used in public agency valuations are approved by the CalPERS Board of Administration upon the recommendation of the Chief Actuary.

**REGIONAL CENTER OF ORANGE COUNTY, INC.**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2025**  
**(WITH COMPARATIVE TOTALS FOR 2024)**

**NOTE 6 – Defined Benefit Pension Plan (Continued)**

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

Net periodic benefit cost consists of the following components:

Service cost	\$ 8,851,136
Interest cost	9,819,870
Expected return on plan assets	(10,647,729)
Amortization of prior service cost	16,969
Recognized net actuarial gain	<u>(2,260,541)</u>
 Net periodic benefit cost	 \$ <u>5,779,705</u>

Net periodic benefit cost is included in salaries and related expenses on the statement of functional expenses.

Pension benefit changes other than net periodic benefit costs during the year ended June 30, 2025, are as follows:

Assumption loss	\$ (7,477,837)
Experience gain	1,770,307
Recognized net actuarial loss	(8,330,366)
Investment experience	<u>2,243,572</u>
 Changes other than net periodic benefit costs	 \$ <u>(11,794,324)</u>

Benefit obligation and unfunded status as of June 30, 2025, are as follows:

Benefit obligation	\$ 186,300,869
Market value of assets	<u>(179,850,075)</u>
 Unfunded pension benefit obligation	 \$ <u>6,450,794</u>

**REGIONAL CENTER OF ORANGE COUNTY, INC.**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025  
(WITH COMPARATIVE TOTALS FOR 2024)**

**NOTE 6 – Defined Benefit Pension Plan (Continued)**

***Reconciliation of Benefit Obligations***

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

Obligations at beginning of year	\$ 178,288,671
Service cost	8,851,136
Interest cost	9,819,870
Experience gain	1,770,307
Assumptions loss	(7,477,837)
Benefits and expenses paid	<u>(4,951,278)</u>
 Obligations at end of year	 <u>\$ 186,300,869</u>

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

Fair value of plan assets at beginning of year	\$ 152,296,510
Actual return on plan assets	18,978,095
Total contributions	13,526,748
Benefits and expenses paid	<u>(4,951,278)</u>
 Fair value of plan assets at end of year	 <u>179,850,075</u>
 Net amount recognized in the statements of financial position	  <u>\$ (6,450,794)</u>

**REGIONAL CENTER OF ORANGE COUNTY, INC.**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025  
(WITH COMPARATIVE TOTALS FOR 2024)**

**NOTE 6 – Defined Benefit Pension Plan (Continued)**

The discount rate was derived from the Above Median FTSE Pension Discount Curve as of June 30, 2025, 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 5.76%. Below is a comparison of the effect on the benefit obligation with a 1% change in the discount rate:

Increase of 1% (6.76%)	\$ (21,389,427)
Current discount rate (5.76%)	\$ 6,450,794
Decrease of 1% (4.76%)	\$ 42,585,388

The assumptions used in the measurement of the benefit obligations at June 30, 2025, are as follows:

Discount rate	5.76%
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 FASB ASC 715-30 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 employer's 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 the plan.

**REGIONAL CENTER OF ORANGE COUNTY, INC.**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2025**  
**(WITH COMPARATIVE TOTALS FOR 2024)**

**NOTE 6 – Defined Benefit Pension Plan (Continued)**

The actual allocations for pension assets and target allocations by asset class as of June 30, 2025, are as follows:

Asset Class	Current Allocation	Target Allocation
Global Equity	38.9 %	40.4 %
Private Equity	17.7	15.0
Global Fixed Income	30.3	29.1
Real Assets	13.1	15.0
Other	-	0.5
	100.0 %	100.0 %

***Fair Value Measurements***

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 Center 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.

**REGIONAL CENTER OF ORANGE COUNTY, INC.**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025  
(WITH COMPARATIVE TOTALS FOR 2024)**

**NOTE 6 – Defined Benefit Pension Plan (Continued)**

***Fair Value Measurements (Continued)***

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

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 \$179,850,075 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:

<u>Year Ending June 30,</u>	
2026	\$ 5,406,194
2027	5,808,411
2028	6,339,613
2029	6,783,330
2030	7,285,117
2031-2035	<u>46,832,445</u>
	<u>\$ 78,455,110</u>

**REGIONAL CENTER OF ORANGE COUNTY, INC.**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2025**  
**(WITH COMPARATIVE TOTALS FOR 2024)**

**NOTE 7 – Leasing Arrangement**

The Center leases its office space under an operating lease for an initial term of 12 years. The lease includes 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 right-of-use assets and liabilities.

The agreement provides for minimum lease payments and includes 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 right-of-use assets and liabilities. The lease agreement does not include any material residual value guarantees or restrictive covenants.

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

Operating lease costs	\$ 3,064,622
Variable lease costs	<u>509,143</u>
	<u>\$ 3,573,765</u>

The following table summarizes the supplemental cash flow information for the year ended June 30, 2025:

Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating lease	<u>\$ 3,486,116</u>

The weighted-average remaining lease term and discount rate for the operating lease were as follows at June 30, 2025:

Weighted-average remaining lease term	5.27 years
Weighted-average discount rate	2.90%

**REGIONAL CENTER OF ORANGE COUNTY, INC.**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025  
(WITH COMPARATIVE TOTALS FOR 2024)**

**NOTE 7 – Leasing Arrangements (Continued)**

The maturities of operating lease liabilities as of June 30, 2025 are as follows:

Year Ending June 30,		
2026	\$	3,590,699
2027		3,698,420
2028		3,238,846
2029		3,284,145
2030		3,382,669
Thereafter		1,733,577
Total minimum lease payments		18,928,356
Less amount representing interest		(1,388,064)
Present value of minimum lease payments	\$	17,540,292

**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.

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 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.

**REGIONAL CENTER OF ORANGE COUNTY, INC.**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025  
(WITH COMPARATIVE TOTALS FOR 2024)**

**NOTE 8 – Commitments and Contingencies (Continued)**

*Commitments (Continued)*

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 \$803,953 in a reserve cash account to pay for any potential unemployment claims at June 30, 2025.

*Legal Proceedings*

The Center may be 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, 2025, financial assets and liquidity resources available within one year of the statement of financial position date for general expenditure, such as operating expenses, were as follows:

Cash and cash equivalents	\$ 61,931,240
Contracts receivable - state of California	43,884,337
Receivables from Intermediate Care Facility vendors	<u>5,401,912</u>
 Total financial assets available within one year	 <u>\$ 111,217,489</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. (See Note 5.)

**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, 2025, 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. Given these limitations, during our audits, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified

## **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*.

## **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.

**PRELIMINARY DRAFT  
Subject to Change  
For Management Review Only**

Long Beach, California

[REPORT DATE]

**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 (the Center) 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 the Center's major federal program for the year ended June 30, 2025. The Center'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, the Center 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, 2025.

***Basis for Opinion on 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 the Center 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 the Center's major federal program. Our audit does not provide a legal determination of the Center'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 the Center's federal program.

***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 the Center'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 the Center's compliance with the requirements of its major federal program.

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 the Center'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 the Center'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 the Center'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.

## **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.

**PRELIMINARY DRAFT  
Subject to Change  
For Management Review Only**

Long Beach, California

[REPORT DATE]

**PRELIMINARY DRAFT  
Subject to Change  
For Management Review Only**

**REGIONAL CENTER OF ORANGE COUNTY, INC.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2025**

<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>2,113,509</u>
Total federal expenditures			\$ <u>2,113,509</u>

**REGIONAL CENTER OF ORANGE COUNTY, INC.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2025**

**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. (the Center) under programs of the federal government for the year ended June 30, 2025. 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 the Center, Inc., it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of the Center.

**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**

The Center has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**REGIONAL CENTER OF ORANGE COUNTY, INC.**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2025**

**SECTION I – SUMMARY OF AUDITORS’ RESULTS**

**Financial Statements**

The independent 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? – No
- 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

**SECTION II – FINDINGS - FINANCIAL STATEMENTS AUDIT**

None

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

None

**REGIONAL CENTER OF ORANGE COUNTY, INC.**

**SCHEDULE OF PRIOR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2025**

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

- Condition:** During our review of receivables from Intermediate Care Facility (ICF) vendors, the following deficiencies were noted:
- A detail reconciliation of ICF receivables 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:** 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.
- Status:** Management implemented changes for the fiscal year ended June 30, 2025 and provided a detailed reconciliation of ICF receivables with payments timely applied. There were no unapplied cash noted during the review of the detailed reconciliation. No similar findings over ICF receivables were noted in fiscal year ended June 30, 2025.

REGIONAL CENTER OF ORANGE COUNTY

BOARD OF DIRECTORS

AGENDA ITEM DETAIL SHEET

DATE: March 5, 2026  
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 Fortis Place Inc, for the Development of an Adult Residential Facility for Persons with Special Healthcare Needs - Behavioral (CRDP No. 2324-9/2526-1)(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 “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 nonprofit housing corporation Brilliant Corners for property acquisition and renovation on June 6, 2024. 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 ARFPSHN-B. On August 5, 2025, RCOC posted a Request for Proposals (RFP) for a service provider. Four responses were received, only three of which met the initial criteria for consideration. The RFP Review Committee evaluated the proposals, interviewed the applicants, and sought information from other regional centers regarding any quality assurance concerns. After consideration of all available information, the RFP Review Committee recommends that Fortis Place Inc. be awarded the Start-Up Funding Agreement for the development of an ARFPSHN-B.

FISCAL IMPACT:

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

RECOMMENDATION:

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

**AGREEMENT FOR START- UP FUNDS FOR  
ADULT RESIDENTIAL FACILITY FOR PERSONS WITH  
SPECIAL HEALTHCARE NEEDS - BEHAVIORAL (ARFPSHN-B)  
BETWEEN REGIONAL CENTER OF ORANGE COUNTY  
AND  
FORTIS PLACE INC**

**CRDP PROJECT NO. 2526-1**

This agreement ("Agreement") is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2026 ("Effective Date"), by and between the Regional Center of Orange County, a California nonprofit corporation ("RCOC") and Fortis Place Inc, a California corporation ("Contractor"). RCOC and Contractor shall be jointly referred to as the "Parties".

**RECITALS**

**WHEREAS**, pursuant to a contract with the State of 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 an Adult Residential Facility for Persons with Special Healthcare Needs – Behavioral (ARFPSHN-B) to serve adult RCOC Persons Served requiring 24-hour nursing care, support with all activities of daily living, and behavioral supports; and

**WHEREAS**, Contractor submitted a proposal ("Contractor's Proposal") to develop an ARFPSHN-B to serve RCOC Persons Served in response to RCOC's Request for Proposal dated August 6, 2025 ("RFP"); and

**WHEREAS**, Contractor will lease a suitable residence that will be owned by Brilliant Corners Non-Profit Housing Agency (the "Residential Facility"), and developed pursuant to specifications in Title 22 of the California Code of Regulations for an ARFPSHN 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; 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 ("Service Agreement"); and

**WHEREAS**, Contractor agrees and understands that RCOC will provide the Person Served 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 the Effective Date 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 Person Served 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 RCOC business days of demand, which funds will then be returned to the State.

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 ARFPSHN-B located at a site designated by RCOC in RCOC's service area. The Residential Facility will contain a minimum of five (5) bedrooms and sufficient space to allow the residents to perform all activities of daily living. A minimum of five (5) of the bedrooms shall be designated as non-ambulatory bedrooms and this designation shall be reflected on the Residential Facility license issued by DDS-CCLD. The Residential Facility will not be licensed for more than five (5)

- 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 ARFPSHN regulations, Title 22 of the California Code of Regulations ("Title 22"), 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 Person Served, which may require, among other things, face-to-face meetings, include 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 of the California Code of Regulations ("Title 17") and Title 22 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, but in no event shall such rate exceed the rate approved by DDS.
  - h. Contractor agrees to have all staff and consultants that will provide services at the Residential Facility trained and employed prior to the placement of the first RCOC Person Served.
  - 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 the 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:**

Fortis Place Inc.  
Attn: Paul Llamoso  
18411 Crenshaw Blvd. Ste 370  
Torrence, CA 90504  
Phone: (310) 347-6614  
Email: paul.llamoso@gmail.com

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, and under no circumstances later than March 1, 2028. 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 the amount of Start-Up Funds received. In the above example the Contractor would return \$100,000.  $60 - 36 = 24$ ;  $24 \div 60 = 40\%$ ;  $40\% \times \$250,000 = \$100,000$ . 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 Person Served.
  - (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 ARFPSHN 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 ARFPSHN; 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

ARFPSHN. 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 Community Placement Plan 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 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 Person Served 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 Worker's 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 CPP 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 Manager of Person Served and Community Resources 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.

[SIGNATURES ON FOLLOWING PAGE]

Signature of Authorized Representatives of Contracting Parties:

“RCOC” – Regional Center of Orange County

By: \_\_\_\_\_

Larry Landauer, Executive Director

“CONTRACTOR” Fortis Place Inc

By: \_\_\_\_\_

Name/Title: \_\_\_\_\_

**Exhibit A**

**REQUEST FOR PROPOSAL**

**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>
<u>Wall-to-wall carpeting</u>	<u>NO</u>	<u>N/A</u>	
<u>Area rugs</u>	<u>YES</u>	<u>N/A</u>	
<u>Shipping of furniture or truck rental*</u>	<u>YES</u>	<u>N/A</u>	*Prior approval required
<u>*Furniture, household appliances, linens, household supplies</u>	<u>*YES</u>	<u>YES</u>	*Furniture needs to be new, sturdy, well-built, and appropriate for residential facility.
<u>*Recreational equipment (games, TV, VCR, exercise equipment, mats)</u>	<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.
<u>Warranties on appliances</u>	<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 (1<sup>st</sup>) payment to Contractor based upon receipt of a fully executed copy of this Agreement and submittal of a new revised budget by the Contractor. Once RCOC approves the submitted budget, Contractor must receive prior written approval from RCOC for any line item changes in the amount of \$1,000 or greater. 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, representing 20% of the total Agreement amount.

#### **Milestone #2**

The second (2<sup>nd</sup>) 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, representing 20% of the total Agreement amount.

#### **Milestone #3**

The third (3<sup>rd</sup>) milestone claim may be submitted by the Contractor after successful approval by RCOC and DDS of the contractor's Program Design and Nursing Policy and Procedures for the Residential Facility that meets all applicable Title 17 and Title 22 regulations. The amount of this claim shall not exceed the sum of \$50,000 representing 20% of the total Agreement amount.

#### **Milestone #4**

The fourth (4<sup>th</sup>) 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, representing 20% of the total Agreement amount.

#### **Milestone #5**

The fifth (5<sup>th</sup>) 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 ARFPSHN to accommodate 5 adult Persons Served. The total amount claimable under this milestone shall not exceed the sum of \$25,000, representing 10% of the total Agreement amount.

### **Milestone #6**

The sixth (6<sup>th</sup>) milestone may be submitted in one or more claims with an invoice and receipt/s for each line-item as detailed in the Start-Up Budget. Any line item changes to this budget in the amount of \$1,000 or greater must have received prior written approval by RCOC. Contractor will only be reimbursed for those items identified in Exhibit D and only up to the maximum amounts identified in Exhibit D. The total amount claimable under this milestone (in one or more claims) shall not exceed the sum of \$25,000, representing 10% of the total Agreement amount.

REGIONAL CENTER OF ORANGE COUNTY

BOARD OF DIRECTORS

AGENDA ITEM DETAIL SHEET

DATE: March 5, 2026  
TO: RCOC Board of Directors  
FROM: Larry Landauer, Executive Director

ACTION	X
ACTION/CONSENT	
DISCUSSION	
INFO ONLY	

**SUBJECT: Approval of Property Acquisition Agreements with Non-Profit Housing Corporation, Brilliant Corners, for Development of One (1) Specialized Residential Facility for Children, and One (1) Specialized Residential Facility for Adults (CRDP Project Nos. 2526-5 and 2526-6)**

BACKGROUND:

The Department of Developmental Services (DDS) has made an allocation to RCOC’s Community Resource Development Plan (CRDP) for the development of one (1) Specialized Residential Facility for Children and one (1) Specialized Residential Facility for Adults (SRFs). These facilities 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 homes, which separates ownership of the home from service delivery, so that a service provider can be changed without moving the residents. A non-profit corporation receives CRDP start-up funds to acquire and renovate a property; the non-profit corporation then leases the property to a service provider.

REASON FOR CURRENT ITEM:

DDS has allocated \$400,000 each (\$800,000 total) in CRDP start-up funding for the acquisition of properties for the SRFs. On November 21, 2025, RCOC posted a Request for Proposals (RFP) for a non-profit housing corporation. Brilliant Corners was the only applicant. Based on Brilliant Corners’ proposal and interview, as well as RCOC’s prior experience with Brilliant Corners developing CRDP homes, the RFP Review Committee recommends approval of the Property Acquisition Agreements with Brilliant Corners for the development of one Specialized Residential Facility for Children and one Specialized Residential Facility for Adults.

FISCAL IMPACT:

DDS has allocated \$800,000 (\$400,000 per project) in CRDP start-up funds for the restricted use as defined above.

RECOMMENDATION:

That the Board approve the Property Acquisition Agreements as presented.

**AGREEMENT**  
**BY AND BETWEEN**  
**REGIONAL CENTER OF ORANGE COUNTY**  
**AND**  
**BRILLIANT CORNERS**  
**FOR ACQUISITION OF HOUSING**  
**RCOC CRDP PROJECT NO. 2526-5**

This **AGREEMENT** (“Agreement”) is entered into and effective this \_\_\_\_ day of \_\_\_\_\_, 2026 (“Date of Agreement”), by and between the **REGIONAL CENTER OF ORANGE COUNTY**, a California non-profit corporation located at 1525 N. Tustin Avenue, Santa Ana, California, hereinafter referred to as "RCOC," and **BRILLIANT CORNERS**, a California non-profit public benefit corporation located at 854 Folsom Street, San Francisco, California 94107, hereinafter referred to as "NPO". This Agreement shall be administered by the Associate Director of Housing for RCOC or his/her designee (hereinafter referred to as the “Project Manager”).

**RECITALS**

A. WHEREAS, the Department of Developmental Services (DDS) has allocated Community Resource Development Plan Start-Up funds (CRDP funds) to RCOC for the purpose of developing permanent housing in the community that will be used exclusively, in perpetuity, by regional center persons served; and

B. WHEREAS, DDS Housing Guidelines for the Regional Centers for Fiscal Year 2025-2026 are applicable to the use of CRDP funds and allow regional centers to contract with non-profit organizations to acquire property and/or modify existing housing to meet individuals’ unique needs; and

C. WHEREAS, NPO desires to acquire property to be used for the development of a Specialized Residential Facility for Children (SRF) to serve regional center persons served under the age of 18; and

D. WHEREAS, DDS has approved the expenditure of up to Four Hundred Thousand Dollars (\$400,000) for RCOC to contract with the NPO to acquire property to be leased to a third-party service provider to operate an SRF;

NOW, THEREFORE, based on the Recitals, and in consideration of the covenants, conditions and representations contained in this Agreement, RCOC and NPO agree as follows:

1. **SCOPE OF WORK.** NPO shall identify and acquire through purchase one (1) single family residence ("Property") to be leased to a third-party service provider and used in perpetuity as an SRF, as set forth in the Scope of Work attached hereto as Exhibit "A" and incorporated herein by reference. For purposes of this Agreement "in perpetuity" shall mean a 99 year term.

2. **HOUSING GUIDELINES.** The provisions of the "Fiscal Year 2025-2026 Housing Guidelines for the Regional Centers," including Attachments "A" through "T," issued by DDS and attached hereto as Exhibit "B" and incorporated herein by reference, ("Housing Guidelines") shall apply to this Agreement. In the event of any inconsistencies between the Housing Guidelines and this Agreement, the Housing Guidelines shall control.

3. **ALTERATION OF TERMS.** This Agreement, together with the Scope of Work, Exhibit "A", and the Housing Guidelines, Exhibit "B", that are attached to this Agreement and fully incorporated by this reference (together, "Exhibits"), express all understanding of the parties with respect to the subject matter of this Agreement, and shall constitute the total Agreement between the parties, except as otherwise expressly provided in this Section 3. No amendment, addition to, or alteration of, the terms of this Agreement, whether written or oral, shall be valid unless the amendment is made in writing and formally approved and executed by both parties, except as provided in this Section 3 in this Agreement.

a. **Project Manager Modification Authority.** Notwithstanding anything to the contrary and provided any modifications do not alter the overall goals and basic purpose of the Agreement, and provided these modifications do not increase RCOC's Maximum Payment Obligation during the term of the Agreement, Project Manager has the authority to, with the agreement of NPO, make modification(s) to the activities, tasks, deliverables, and/or performance timeframes specified in the Scope of Work in Exhibit "A" as described in this Agreement.

4. **STATUS OF NPO.** NPO will act as an independent contractor and is not an employee, officer, agent, partner, or joint venture of RCOC by virtue of this Agreement. NPO agrees that its workers performing services under this Agreement shall be either (1) employees of NPO, or (2) shall meet all of the following three requirements to qualify as independent contractors: (a) be free from control and direction of NPO; (b) perform work that is outside the usual course of NPO's business; and (c) be customarily engaged in an independently established trade, occupation, or business of the same nature as the work the individual performs for NPO. NPO will defend, indemnify, and hold RCOC harmless from any claims, demand, liabilities, costs, and expenses arising from NPO's misclassification of workers providing services as independent contractors under this Agreement.

5. **DELEGATION AND ASSIGNMENT.** NPO shall not delegate or assign or otherwise transfer its duties, nor assign its rights under this Agreement, either in whole or in part, without the prior written consent of Project Manager. The request must be in writing with a full explanation for the request. Any consent granted by Project Manager may be conditioned upon and subject to certain actions by NPO as determined by Project Manager. Any attempted assignment or delegation in derogation of this Section 5 shall be deemed void.

6. **GENERAL INDEMNIFICATION.**

a. **NPO Indemnification of RCOC.** NPO agrees that, except for the sole negligence of RCOC, NPO shall indemnify, defend, hold harmless RCOC, and its officers, agents, and employees from and against any and all liability, claims, losses and demands, damages to property or injuries to or death of any person or persons, including property of directors, officers,

employees, or agents of RCOC, including defense costs (together, "Claims"), whether resulting from court action or otherwise, resulting from, related in any manner to, or arising out of the performance of this Agreement by NPO, its officers, employees, agents, and/or its subcontractors. NPO, at its own expense and risk, shall defend any action, legal proceeding, arbitration, or mediation proceeding that may be brought against the RCOC, its directors, officers, agents and employees on any such claim or demand, and shall pay and satisfy any settlement, or any judgment which may be rendered against RCOC and/or against any of RCOC's directors, officers, agents or employees for any injuries or damages arising therefrom. NPO'S obligation to indemnify, defend, and hold harmless RCOC shall survive the term of this Agreement.

i. Without limiting NPO's indemnification, it is agreed that NPO shall maintain in force at all times during the term of this Agreement, the policy or policies of insurance covering its operations and performance under this Agreement in the form and amounts set forth in Section 7, which insurance obligations shall apply independently of all indemnification provided under this Agreement.

ii. No officer or director, no committee member, no employee, and no agent of RCOC shall be personally liable to NPO, or any successor in interest, (or to any subcontractor) in the event of any default or breach by RCOC or for any amount that may become due to NPO or to its successor (or subcontractor) or for breach of any obligation or the terms of this Agreement.

b. Cooperation with Claims. Each party to this Agreement shall cooperate with another party to this Agreement in the defense of any action brought for conduct resulting under this Agreement and shall make available to said party any and all records in their respective possessions or control reasonably required by a party for use in contesting or defending liability.

7. **INSURANCE.** Without limiting NPO's liability for indemnification of RCOC as set forth in Section 6 above, NPO 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, NPO shall provide on an insurance industry approved form a Certificate of Insurance certifying that coverage as required in this Paragraph 7 has been obtained and remains in force for the period required by this Agreement. In addition, NPO 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 Worker's Compensation, 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 NPO'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 Project Manager 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, NPO 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 Project Manager or his/her designee. No approved deductible shall in any way limit liabilities assumed by NPO under this Agreement.

vii. Subcontractor Insurance Requirements. Should any of the Services under this Agreement be provided by a subcontractor, NPO shall require each subcontractor (of any tier) to provide the coverages specified in this Section 7, or NPO 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. NPO 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 is consistent with the DDS Deed of Trust, attached hereto as Attachment "B" to Exhibit "B", and 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.

vii. Property Hazard Insurance. Property hazard insurance consistent with the DDS Deed of Trust, attached hereto as Attachment "B" to Exhibit "B", and in an amount equal to the replacement value of the Property. DDS shall be named as loss payee.

viii. Title Insurance. NPO shall procure lender's title insurance for the Property for DDS and owner's title insurance for the Property in accordance with the requirements set forth in Exhibit "B."

c. Duration of Insurance. NPO 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. NPO 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 7.

f. Remedies for Failure to Provide or Maintain Required Insurance or Endorsements. In addition to any other remedies RCOC may have if NPO (or any subcontractor) fails to provide or maintain any insurance required by this Section 7 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 NPO (and any subcontractor) to cease performance of the Work and/or withhold funding until NPO (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 NPO'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 NPO (or any subcontractor) may be held responsible for payments of damages to persons or property resulting from NPO'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 and DDS's interests.

**8. REPRESENTATIONS AND WARRANTIES OF NPO.** CONTRACTOR makes the following representations and warranties to RCOC. These representations and warranties are ongoing and NPO shall advise Project Manager in writing if there is any change pertaining to any matters set forth or referenced in the following subparagraphs.

a. No Conflict. To the best of NPO's knowledge, NPO's negotiation, consideration and action on this Agreement and NPO's execution, delivery and performance of its obligations under this Agreement will not constitute a default or a breach under any contract, agreement or order to which NPO is a party or by which it is bound.

i. NPO agrees that no officer, employee, agent or assignee of RCOC having direct or indirect control of any monies allocated by RCOC, inclusive of the subject funds, shall serve as an officer or director of NPO.

ii. Further, NPO shall complete the Conflict of Interest Statement for CPP Funding, attached hereto as Attachment "L" to Exhibit "B", and submit said Statement to RCOC within five (5) days of the Date of Agreement.

b. No Bankruptcy. NPO is not the subject of any current or threatened bankruptcy.

c. No Pending Legal Proceedings. NPO is not the subject of a current or threatened litigation that would or may materially affect NPO's performance under this Agreement.

d. Licenses and Standards; Compliance with Laws. NPO warrants that it has all necessary licenses and permits required by the laws of the United States, State of California, County of Orange, and any local jurisdiction in which it may do business and/or provide services, and agrees to maintain these licenses and permits in effect for the duration of this Agreement. Further, NPO shall only contract with subcontractors that are duly licensed, insured, and qualified to provide Work under this Agreement, as applicable. Further, NPO warrants that its employees, agents, contractors, and subcontractors shall conduct themselves in compliance with the laws and licensure requirements including, without limitation, compliance with laws applicable to nondiscrimination, sexual harassment, and ethical behavior.

i. Failure to Obtain or Maintain Licenses. NPO shall notify Project Manager immediately and in writing of its inability to obtain or maintain, irrespective of the pendency of any appeal, any required permits, licenses, approvals, certificates, waivers and exemptions. The inability shall be cause for termination of this Agreement by RCOC or Project Manager.

e. NPO Certification. NPO certifies that no person or entity has been employed or retained by it to solicit or secure this Agreement for a commission, percentage, brokerage fee, or contingent fee.

9. **MAXIMUM PAYMENT OBLIGATION.** The "Maximum Payment Obligation" of RCOC to NPO under this Agreement shall be Four Hundred Thousand Dollars (\$400,000) ("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 \$400,000, 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 \$400,000, the Maximum Payment Obligation shall be deemed to be that lower amount. In the event that the Maximum Payment Obligation is less than \$400,000, 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 SRF. 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 an SRF.

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 Attachment "G" to Exhibit "B" no later than the close of escrow.

3. Any Senior Lender loan on the Property shall not exceed a 15 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.

b. CRDP Funds shall be used only for eligible acquisition costs, as set forth in Exhibit "B."

c. CRDP Funds will be distributed as follows:

i. It is agreed that NPO will open an escrow account ("Escrow Account") for purchase of the Property with a mutually agreed upon escrow company ("Escrow Agent"). In addition to any escrow instructions agreed upon between NPO and the seller of the Property, escrow shall be governed by the DDS approved Escrow Instructions attached hereto as Attachments "H" and "I" to Exhibit "B" ("Escrow Instructions"). In the event of any inconsistencies between escrow instructions agreed upon between NPO and the seller of the Property and the Escrow Instructions, the Escrow Instructions shall control. Under no circumstances shall the Escrow Agent be permitted to close escrow on the Property until all of the requirements set forth in the Escrow Instructions have been satisfied.

ii. RCOC shall deposit the CRDP Funds into the Escrow Account in accordance with the Escrow Instructions, and not later than the last business day before the scheduled date for close of escrow, subject to the conditions set forth in this Agreement.

c. Funding Contingent Upon Appropriation. Notwithstanding anything in this Agreement to the contrary, RCOC's obligation to remit funds to NPO under this Agreement or to any Service Provider is conditioned on RCOC receipt of adequate funds from DDS to pay for such costs (the "Funding Contingency"). RCOC shall have the right and option to terminate this Agreement on 30 days' notice to NPO without liability, and such termination shall be deemed a failure of the Funding Contingency if (1) RCOC does not receive the funds necessary to retain NPO's services hereunder or a Service Provider's services at the Property; or (2) RCOC receives funds for NPO under this Agreement or a Service Provider's services but RCOC determines that such funds are inadequate to pay for all of the vendor services and other expenses which RCOC expects to incur in such fiscal year relating to the Property. If there is a failure of the Funding Contingency, then (1) RCOC shall have no liability to pay funds to NPO under this Agreement or

any Service Provider (other than funds for services previously validly performed by NPO and for which RCOC has received funding) or to furnish any other consideration under this Agreement; and (2) neither party shall be obligated to further perform any provisions of this Agreement (other than those obligations intended to survive termination of this Agreement). In the event RCOC exercises the Funding Contingency, RCOC agrees to use best efforts to negotiate a workout for the Property.

10. **CRDP FUND RECOUPMENT.** As a condition of receiving funding under this Agreement, NPO is required to acquire and lease the Property to a third-party service provider to be used in perpetuity as an SRF for regional center persons served, as set forth in Exhibit "A." In addition, NPO is required to complete any and all requirements, improvements, work or activities to ensure that the Property meets all statutory and regulatory requirements to be utilized as an SRF. If for any reason NPO ceases to lease the Property during the 99 year term as required under the terms of this Agreement, or the Property is not eligible for use as an SRF, the funds provided under this Agreement shall immediately become due and payable as provided below. A temporary cessation of use of the Property by regional center persons served due to casualty or temporary condemnation not caused by the NPO shall not require the NPO to repay CRDP Funds.

a. If NPO ceases to lease the Property for use as an SRF or if the Property is determined not to meet all statutory and regulatory requirements to be utilized as an SRF in accordance with the terms of this Agreement at any time up to twenty (20) years after the Property is acquired, then NPO shall immediately repay RCOC 100% of all CRDP Funds paid by RCOC pursuant to this Agreement.

b. If NPO ceases to lease the Property for use as an SRF or if the Property is determined not to meet all statutory and regulatory requirements to be utilized as an SRF in accordance with the terms of this Agreement at any time which is more than twenty (20) years but less than forty (40) years after the Property is acquired, then NPO shall immediately repay RCOC 80% of all CRDP Funds paid by RCOC pursuant to this Agreement.

c. If NPO ceases to lease the Property for use as an SRF or if the Property is determined not to meet all statutory and regulatory requirements to be utilized as an SRF in accordance with the terms of this Agreement at any time which is more than forty (40) years but less than sixty (60) years after the Property is acquired, then NPO shall immediately repay RCOC 60% of all CRDP Funds paid by RCOC pursuant to this Agreement.

d. If NPO ceases to lease the Property for use as an SRF or if the Property is determined not to meet all statutory and regulatory requirements to be utilized as an SRF in accordance with the terms of this Agreement at any time which is more than sixty (60) years but less than eighty (80) years after the Property is acquired, then NPO shall immediately repay RCOC 40% of all CRDP Funds paid by RCOC pursuant to this Agreement.

e. If NPO ceases to lease the Property for use as an SRF or if the Property is determined not to meet all statutory and regulatory requirements to be utilized as an SRF in accordance with the terms of this Agreement at any time which is more than eighty (80) years but

less than ninety-nine (99) years after the Property is acquired, then NPO shall immediately repay RCOC 20% of all CRDP Funds paid by RCOC pursuant to this Agreement.

11. **SECURITY.** As security for the completion of the Work set forth in Exhibit "A" in accordance with the provisions of this Agreement, the following documents shall be recorded on the Property as set forth in the Escrow Instructions:

- a. DDS Restrictive Covenant, attached hereto as Attachment "A" to Exhibit "B";
- b. DDS Deed of Trust, attached hereto as Attachment "B" to Exhibit "B";
- c. DDS Promissory Note, attached hereto as Attachment "C" to Exhibit "B";
- d. DDS Request for Notice of Default and/or Sale, attached hereto as Attachment "E" to Exhibit "B"; and
- e. Regional Center's Request for Notice of Default and/or Sale, attached hereto as Attachment "F" to Exhibit "B."

Changes to the documents set forth in subsections (a) through (e) above and any future encumbrances against the Property are prohibited without the prior written consent of DDS. The documents in subsections (a) through (e) above may be recorded subordinate only to a DDS approved Senior Lender Deed of Trust.

12. **LEASE RATE.**

- a. The lease rate ("Lease Rate") for the Property will be negotiated between NPO and the third-party service provider selected by RCOC, and shall be subject to RCOC approval.
- b. Upon payment in full of the Senior Lender loan or upon the reduction or elimination of other operating costs, RCOC may require reasonable adjustments to the Lease Rate as RCOC, in its sole discretion, determines appropriate.
- c. The lease agreement negotiated between NPO and the third-party service provider selected by RCOC shall comply with all requirements set forth in Exhibit "B."

13. **PROPERTY TAX EXEMPTION.** In the event that the third-party service provider selected by RCOC is a 501(c)(3) non-profit organization, NPO shall file a property tax exemption application as early as possible after the NPO purchases the Property and has signed a lease with the third-party service provider, but no later than the first day the first regional center resident occupies the Property. The provisions set forth in Exhibit "B" shall apply to the payment of all property taxes.

14. **REPLACEMENT RESERVE ACCOUNT.** NPO shall maintain a replacement reserve account for the Property and provide an annual accounting in accordance with the requirements set forth in Exhibit "B."

15. **RIGHT OF ACCESS.** Without limiting any rights of access which RCOC and/or DDS may have irrespective of this Agreement, representatives of RCOC and/or DDS shall have a reasonable right of access to the Property for purposes of inspecting and evaluating the Property

and any construction or other work being performed thereon. NPO shall cooperate with providing RCOC access and information as required for RCOC to complete all monitoring and reporting requirements.

16. **LIENS AND STOP NOTICES.** If a claim of a lien or stop notice is given or recorded affecting the Property, NPO shall within thirty (30) days of such recording or service:

- a. Pay or discharge the same; or
- b. Affect the release thereof by recording and delivering to RCOC a surety bond in sufficient form and amount, or otherwise; or
- c. Provide RCOC with other assurance that RCOC deems, in RCOC's sole discretion, to be satisfactory for the payment of such lien or bonded stop notice and for the full and continuous protection of RCOC and DDS from the effect of such lien or bonded stop notice.

17. **RECORDS.**

a. Maintain Complete Books and Records. In addition to any statutory and regulatory requirements regarding recordkeeping, NPO shall keep books and records as shall be necessary relating to the Work so as to enable RCOC to evaluate performance under this Agreement. Books and records pertaining to costs shall be kept and prepared in accordance with Generally Accepted Accounting Principles (GAAP). Project Manager, RCOC and their staff, legal counsel, and other RCOC consultants (as approved by Project Manager) shall have full and free access to all books and records of NPO (and any subcontractor), pertinent to this Agreement, at all reasonable times, including the right to inspect, copy, audit and make records and transcripts from the records.

i. NPO shall prepare and maintain accurate and complete financial records of its business operations, and in particular records related to the Work, in accordance with all statutory and regulatory requirements.

b. Inspection and Access to Records. Without limiting any rights to access which RCOC may have irrespective of this Agreement, Project Manager and any authorized RCOC representatives shall have access to NPO's records for the purpose of monitoring performance and provision of the Work pursuant to this Agreement. NPO shall make available its records within the borders of Orange County within ten (10) days after receipt of written demand by Project Manager or his/her designee. In the event NPO does not make available its records within the borders of Orange County, NPO agrees to pay all necessary and reasonable direct and indirect expenses incurred by RCOC or RCOC's designee necessary to obtain NPO's records.

c. Reports. Upon request by the Project Manager, NPO shall submit a written progress report addressing the objectives and timelines identified in the Scope of Work and shall describe the Work performed, progress toward the objective of the Agreement, difficulties encountered during the reporting period, and any remedial/corrective action taken.

18. **NOTICES.**

a. Method and Form of Notice. Unless otherwise specified, all formal notices, claims, correspondence, or reports shall be addressed as follows:

**RCOC:** Regional Center of Orange County  
1525 N. Tustin Avenue  
Santa Ana, CA 92705  
Attn: Jack Stanton

**NPO:** Brilliant Corners  
854 Folsom Street  
San Francisco, CA 94107  
Attn: Serena Fields, Dir. Housing Development & Management

All notices shall be deemed effective when in writing and personally delivered or deposited in the United States mail, express, priority or first class, postage prepaid and addressed as above. Any notices addressed in any other fashion shall be deemed not given. Project Manager and NPO may mutually agree in writing to change the addresses to which notices are sent.

b. Advisory Notices Required. NPO shall immediately notify RCOC, in writing, whenever NPO has knowledge that there is or may be a delay in the timely performance of this Agreement. NPO shall include all relevant information with respect to the actual or potential delay.

19. **TERM AND TERMINATION.**

a. Term of Agreement. The term of this Agreement shall commence on Date of the Agreement provided above and shall terminate one (1) year therefrom, unless earlier terminated pursuant to the provisions of this Section 19 of this Agreement.

b. Grounds for Immediate Termination. RCOC may immediately terminate this Agreement in any of the following circumstances:

i. In the event RCOC has reasonable grounds to believe that NPO has offered or given any gratuity to any officer or employee of RCOC that would tend to influence that person's decision regarding any aspect of this Agreement.

ii. In the event an enforcement action, such as a vendorization termination, is taken against NPO which frustrates the purposes of this Agreement. In the event of such termination, NPO shall repay to RCOC all funds provided pursuant to this Agreement.

c. Termination for Cause Due to Default of NPO. RCOC reserves the express right to terminate this Agreement for cause due to the default (as defined in Section 20) of NPO in its performance of obligations under this Agreement, provided that RCOC shall first provide NPO with written notice of any such default and, if such default is susceptible to cure, provide NPO with thirty (30) calendar days in which to cure such default to RCOC's satisfaction (in which event

such notice of termination shall be deemed rescinded, and this Agreement shall remain in full force and effect in accordance with its terms). If NPO fails to cure the default within the thirty (30) day period, RCOC shall be entitled to terminate the Agreement for cause by providing NPO written notice thereof. In the event this Agreement is terminated pursuant to this subsection, NPO shall immediately repay RCOC all funds provided pursuant to this Agreement.

20. **DEFAULT.** Failure by NPO to perform and/or comply with any provision, covenant, or condition of this Agreement shall be a default of this Agreement. In the event of default RCOC may avail itself of any remedies available at law, in equity, or otherwise specified in this Agreement (including immediate termination for cause as set forth in Section 19(c) above).

21. **COUNTERPARTS.** This agreement may be executed in several counterparts, all of which shall constitute but one and the same instrument. Faxed and/or electronically scanned signatures shall have the same force and effect as an original signature.

22. **GENERAL TERMS AND CONDITIONS.**

a. Compliance with Laws. NPO shall provide all Work in accordance with all applicable federal and state laws, statutes and regulations and local ordinances and resolutions. NPO shall comply with all laws, rules or regulations applicable to the Scope of Work and provision of Work, as any may now exist or as changed or added after the Date of Agreement.

b. Familiarity with Work. By executing this Agreement and prior to performing or providing any Work under this Agreement, NPO warrants and shall be satisfied that (a) it has thoroughly investigated and considered the Work, (b) it has carefully considered how the Work should be performed, will be implemented, and will be completed, and (c) it fully understands the facilities, difficulties, and restrictions, attending carrying out the performance obligations of this Agreement.

c. Care of Work. NPO shall adopt reasonable methods during the term of this Agreement to furnish continuous protection to the Property, facilities, equipment, and persons providing the Work, and to the work product, records, and other papers to prevent losses or damages. NPO shall be responsible for all losses or damages, to persons or property (including real property, personal property, both tangible and intangible), except the losses or damages as may be caused by RCOC's sole negligence. The performance of Work by NPO shall not relieve NPO from any obligation to correct any incomplete, inaccurate, or defective work or service at no further cost to RCOC, when the inaccuracies are due to the negligence, action, or inaction of NPO.

d. Severability. If a court of competent jurisdiction declares any provision of this Agreement or its application to any person or circumstances to be invalid or if any provision of this Agreement contravenes any federal, state, or county statute, ordinance, or regulation, the remaining provisions of this Agreement or its application shall remain valid, and the remaining provisions of this Agreement shall remain in full force and effect, and to that extent the provisions of this Agreement are severable.

e. California Law. This Agreement shall be construed and interpreted both as to validity and to performance in accordance with the laws of the State of California. Legal actions

concerning any default, dispute, interpretation, declaration of rights, or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Orange, State of California, or any other appropriate court in the county, and NPO covenants and agrees to submit to the personal jurisdiction of the court in the event of any action.

f. Waiver. No delay or omission in the exercise of any right or remedy of a non-defaulting party on any default shall impair any right or remedy or be construed as a waiver. One party's consent or approval of any act by the other party requiring the other party's consent or approval shall not be deemed to waive or render unnecessary the party's consent to or approval of any subsequent act of the party. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

g. Rights and Remedies Cumulative. Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of the rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

h. Covenant Against Discrimination. In the performance of this Agreement, NPO shall not engage in, nor permit any employee or agent to engage in discrimination in employment of persons or provision of Services or assistance, nor exclude any person from participation in, nor deny any person the benefits of, nor subject any person to discrimination under any program or activity funded in whole or in part with RCOC funds on the grounds of race, religion, color, national origin, ancestry, physical handicap, medical condition, marital status, gender or sexual orientation, except as permitted by applicable provisions of Federal and State law. NPO shall comply with Title II of the Americans with Disabilities Act, (42 U.S.C. §12101, *et. seq.*) as it relates to public accommodations.

i. Legal Action. In addition to any other rights or remedies, either party may take legal action, at law or at equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement.

j. Attorneys' Fees. If either party commences an action against the other party arising out of or in connection with this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs of suit from the non-prevailing party.

k. Waiver of Jury Trial. Both RCOC and NPO agree and acknowledge that each is aware of and has had the opportunity to seek advice of counsel of its choice with respect to its rights to trial by jury, and each party, for itself and its successors, creditors, and assigns, expressly and knowingly waives and releases all rights to trial by jury in any action, proceeding or counterclaim brought by any party against the other (and/or against its officers, directors, employees, agents, or subsidiary or affiliated entities) on or with regard to any matters of any kind or type arising out of or in any way connected with this Agreement and/or any other claim of injury or damage.

l. Time of Essence. Time is of the essence in the performance of this Agreement.

m. Confidentiality of Records. The NPO shall maintain confidentiality of records in accordance with the law, including, but not limited to, the provisions of Welfare and Institutions Code §§4514, 5328, and 14100.2. The NPO and all employees shall respect the confidentiality of all client information they receive.

n. Survival. The rights and obligations set forth in this Agreement shall extend beyond the term or termination of this Agreement only to the extent expressly provided for herein, or to the extent that the survival of such rights or obligations are necessary to permit their complete fulfillment or discharge.

IN WITNESS WHEREOF, RCOC and NPO have executed this Agreement in the County of Orange, State of California.

**REGIONAL CENTER OF ORANGE COUNTY**

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

**BRILLIANT CORNERS**

\_\_\_\_\_  
Name/Title: \_\_\_\_\_

**EXHIBIT "A"**  
**SCOPE OF WORK**

Brilliant Corners ("NPO") shall identify and acquire through purchase one (1) single family residence ("Property") to be leased to a third-party service provider selected by RCOC ("Service Provider") and used in perpetuity as an SRF. SRF shall mean a Specialized Residential Facility meeting the requirements of Miscellaneous Service Code 113 assigned by DDS pursuant to Title 17, California Code of Regulations ("Title 17"), section 54356.

The Property shall be located in a residential neighborhood that is deemed to be safe, within close proximity to necessary services and supports, transportation, employment, and recreational activities. NPO shall renovate the home as necessary to meet all statutory and regulatory requirements for the Property to be utilized as an SRF, as well as to meet the unique needs of the regional center persons served that will reside there. Selection of the Property shall be subject to the approval of RCOC. Upon RCOC approval of the Property, NPO shall complete the steps to purchase the Property as set forth below. Acquisition of the Property shall be completed no later than one hundred twenty (120) days from the Date of Agreement, unless an extension is approved by RCOC in writing, in RCOC's sole discretion.

NPO will research available properties within the target area, using all means available. The Property selected shall be at a minimum four to five bedrooms and/or adequate square footage to renovate the home to accommodate identified residents. In addition, adequate storage space including an enclosed garage area, backyard, and/or frontage area to allow for off-street parking for staff and visitors will be a priority.

NPO shall provide a minimum down payment amount of 20% of the Property purchase price. In addition, NPO shall provide a detailed sources and uses of funds schedule to RCOC. This schedule shall detail the funds necessary for the acquisition of the Property, and shall include but not be limited to, down payment costs, due diligence costs, closing costs, property inspections and replacement reserve analysis, developer fees, legal, accounting, consultant, and project managers fees, lenders title insurance, and/or home warranty contracts. NPO shall also obtain an appraisal of the value of the Property. An appraisal report completed for the Senior Lender shall be sufficient to meet this requirement. Under no circumstances shall the purchase price for the Property exceed the appraised value of the Property.

Following acquisition of the Property, NPO shall lease the Property to a third-party service provider selected by RCOC for the purpose of delivery of services. NPO shall ensure the Property is ready for occupancy, including any and all necessary renovations, no later than six (6) months from the date of close of escrow.

**EXHIBIT “B”**  
**FISCAL YEAR 2025-2026**  
**HOUSING GUIDELINES FOR REGIONAL CENTERS**

**AGREEMENT**  
**BY AND BETWEEN**  
**REGIONAL CENTER OF ORANGE COUNTY**  
**AND**  
**BRILLIANT CORNERS**  
**FOR ACQUISITION OF HOUSING**  
**RCOC CRDP PROJECT NO. 2526-6**

This **AGREEMENT** (“Agreement”) is entered into and effective this \_\_\_\_\_ day of \_\_\_\_\_, 2026 (“Date of Agreement”), by and between the **REGIONAL CENTER OF ORANGE COUNTY**, a California non-profit corporation located at 1525 N. Tustin Avenue, Santa Ana, California, hereinafter referred to as "RCOC," and **BRILLIANT CORNERS**, a California non-profit public benefit corporation located at 854 Folsom Street, San Francisco, California 94107, hereinafter referred to as "NPO". This Agreement shall be administered by the Associate Director of Housing for RCOC or his/her designee (hereinafter referred to as the “Project Manager”).

**RECITALS**

A. WHEREAS, the Department of Developmental Services (DDS) has allocated Community Resource Development Plan Start-Up funds (CRDP funds) to RCOC for the purpose of developing permanent housing in the community that will be used exclusively, in perpetuity, by regional center persons served; and

B. WHEREAS, DDS Housing Guidelines for the Regional Centers for Fiscal Year 2025-2026 are applicable to the use of CRDP funds and allow regional centers to contract with non-profit organizations to acquire property and/or modify existing housing to meet individuals’ unique needs; and

C. WHEREAS, NPO desires to acquire property to be used for the development of a Specialized Residential Facility for Adults (SRF) to serve regional center persons served over the age of 18; and

D. WHEREAS, DDS has approved the expenditure of up to Four Hundred Thousand Dollars (\$400,000) for RCOC to contract with the NPO to acquire property to be leased to a third-party service provider to operate an SRF;

NOW, THEREFORE, based on the Recitals, and in consideration of the covenants, conditions and representations contained in this Agreement, RCOC and NPO agree as follows:

1. **SCOPE OF WORK.** NPO shall identify and acquire through purchase one (1) single family residence ("Property") to be leased to a third-party service provider and used in perpetuity as an SRF, as set forth in the Scope of Work attached hereto as Exhibit "A" and incorporated herein by reference. For purposes of this Agreement "in perpetuity" shall mean a 99 year term.

2. **HOUSING GUIDELINES.** The provisions of the "Fiscal Year 2025-2026 Housing Guidelines for the Regional Centers," including Attachments "A" through "T," issued by DDS and attached hereto as Exhibit "B" and incorporated herein by reference, ("Housing Guidelines") shall apply to this Agreement. In the event of any inconsistencies between the Housing Guidelines and this Agreement, the Housing Guidelines shall control.

3. **ALTERATION OF TERMS.** This Agreement, together with the Scope of Work, Exhibit "A", and the Housing Guidelines, Exhibit "B", that are attached to this Agreement and fully incorporated by this reference (together, "Exhibits"), express all understanding of the parties with respect to the subject matter of this Agreement, and shall constitute the total Agreement between the parties, except as otherwise expressly provided in this Section 3. No amendment, addition to, or alteration of, the terms of this Agreement, whether written or oral, shall be valid unless the amendment is made in writing and formally approved and executed by both parties, except as provided in this Section 3 in this Agreement.

a. **Project Manager Modification Authority.** Notwithstanding anything to the contrary and provided any modifications do not alter the overall goals and basic purpose of the Agreement, and provided these modifications do not increase RCOC's Maximum Payment Obligation during the term of the Agreement, Project Manager has the authority to, with the agreement of NPO, make modification(s) to the activities, tasks, deliverables, and/or performance timeframes specified in the Scope of Work in Exhibit "A" as described in this Agreement.

4. **STATUS OF NPO.** NPO will act as an independent contractor and is not an employee, officer, agent, partner, or joint venture of RCOC by virtue of this Agreement. NPO agrees that its workers performing services under this Agreement shall be either (1) employees of NPO, or (2) shall meet all of the following three requirements to qualify as independent contractors: (a) be free from control and direction of NPO; (b) perform work that is outside the usual course of NPO's business; and (c) be customarily engaged in an independently established trade, occupation, or business of the same nature as the work the individual performs for NPO. NPO will defend, indemnify, and hold RCOC harmless from any claims, demand, liabilities, costs, and expenses arising from NPO's misclassification of workers providing services as independent contractors under this Agreement.

5. **DELEGATION AND ASSIGNMENT.** NPO shall not delegate or assign or otherwise transfer its duties, nor assign its rights under this Agreement, either in whole or in part, without the prior written consent of Project Manager. The request must be in writing with a full explanation for the request. Any consent granted by Project Manager may be conditioned upon and subject to certain actions by NPO as determined by Project Manager. Any attempted assignment or delegation in derogation of this Section 5 shall be deemed void.

6. **GENERAL INDEMNIFICATION.**

a. **NPO Indemnification of RCOC.** NPO agrees that, except for the sole negligence of RCOC, NPO shall indemnify, defend, hold harmless RCOC, and its officers, agents, and employees from and against any and all liability, claims, losses and demands, damages to property or injuries to or death of any person or persons, including property of directors, officers,

employees, or agents of RCOC, including defense costs (together, "Claims"), whether resulting from court action or otherwise, resulting from, related in any manner to, or arising out of the performance of this Agreement by NPO, its officers, employees, agents, and/or its subcontractors. NPO, at its own expense and risk, shall defend any action, legal proceeding, arbitration, or mediation proceeding that may be brought against the RCOC, its directors, officers, agents and employees on any such claim or demand, and shall pay and satisfy any settlement, or any judgment which may be rendered against RCOC and/or against any of RCOC's directors, officers, agents or employees for any injuries or damages arising therefrom. NPO'S obligation to indemnify, defend, and hold harmless RCOC shall survive the term of this Agreement.

i. Without limiting NPO's indemnification, it is agreed that NPO shall maintain in force at all times during the term of this Agreement, the policy or policies of insurance covering its operations and performance under this Agreement in the form and amounts set forth in Section 7, which insurance obligations shall apply independently of all indemnification provided under this Agreement.

ii. No officer or director, no committee member, no employee, and no agent of RCOC shall be personally liable to NPO, or any successor in interest, (or to any subcontractor) in the event of any default or breach by RCOC or for any amount that may become due to NPO or to its successor (or subcontractor) or for breach of any obligation or the terms of this Agreement.

b. Cooperation with Claims. Each party to this Agreement shall cooperate with another party to this Agreement in the defense of any action brought for conduct resulting under this Agreement and shall make available to said party any and all records in their respective possessions or control reasonably required by a party for use in contesting or defending liability.

7. **INSURANCE.** Without limiting NPO's liability for indemnification of RCOC as set forth in Section 6 above, NPO 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, NPO shall provide on an insurance industry approved form a Certificate of Insurance certifying that coverage as required in this Paragraph 7 has been obtained and remains in force for the period required by this Agreement. In addition, NPO 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 Worker's Compensation, 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 NPO'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 Project Manager 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, NPO 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 Project Manager or his/her designee. No approved deductible shall in any way limit liabilities assumed by NPO under this Agreement.

vii. Subcontractor Insurance Requirements. Should any of the Services under this Agreement be provided by a subcontractor, NPO shall require each subcontractor (of any tier) to provide the coverages specified in this Section 7, or NPO 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. NPO 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 is consistent with the DDS Deed of Trust, attached hereto as Attachment "B" to Exhibit "B", and 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.

vii. Property Hazard Insurance. Property hazard insurance consistent with the DDS Deed of Trust, attached hereto as Attachment "B" to Exhibit "B", and in an amount equal to the replacement value of the Property. DDS shall be named as loss payee.

viii. Title Insurance. NPO shall procure lender's title insurance for the Property for DDS and owner's title insurance for the Property in accordance with the requirements set forth in Exhibit "B."

c. Duration of Insurance. NPO 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. NPO 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 7.

f. Remedies for Failure to Provide or Maintain Required Insurance or Endorsements. In addition to any other remedies RCOC may have if NPO (or any subcontractor) fails to provide or maintain any insurance required by this Section 7 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 NPO (and any subcontractor) to cease performance of the Work and/or withhold funding until NPO (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 NPO'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 NPO (or any subcontractor) may be held responsible for payments of damages to persons or property resulting from NPO'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 and DDS's interests.

**8. REPRESENTATIONS AND WARRANTIES OF NPO.** CONTRACTOR makes the following representations and warranties to RCOC. These representations and warranties are ongoing and NPO shall advise Project Manager in writing if there is any change pertaining to any matters set forth or referenced in the following subparagraphs.

a. No Conflict. To the best of NPO's knowledge, NPO's negotiation, consideration and action on this Agreement and NPO's execution, delivery and performance of its obligations under this Agreement will not constitute a default or a breach under any contract, agreement or order to which NPO is a party or by which it is bound.

i. NPO agrees that no officer, employee, agent or assignee of RCOC having direct or indirect control of any monies allocated by RCOC, inclusive of the subject funds, shall serve as an officer or director of NPO.

ii. Further, NPO shall complete the Conflict of Interest Statement for CPP Funding, attached hereto as Attachment "L" to Exhibit "B", and submit said Statement to RCOC within five (5) days of the Date of Agreement.

b. No Bankruptcy. NPO is not the subject of any current or threatened bankruptcy.

c. No Pending Legal Proceedings. NPO is not the subject of a current or threatened litigation that would or may materially affect NPO's performance under this Agreement.

d. Licenses and Standards; Compliance with Laws. NPO warrants that it has all necessary licenses and permits required by the laws of the United States, State of California, County of Orange, and any local jurisdiction in which it may do business and/or provide services, and agrees to maintain these licenses and permits in effect for the duration of this Agreement. Further, NPO shall only contract with subcontractors that are duly licensed, insured, and qualified to provide Work under this Agreement, as applicable. Further, NPO warrants that its employees, agents, contractors, and subcontractors shall conduct themselves in compliance with the laws and licensure requirements including, without limitation, compliance with laws applicable to nondiscrimination, sexual harassment, and ethical behavior.

i. Failure to Obtain or Maintain Licenses. NPO shall notify Project Manager immediately and in writing of its inability to obtain or maintain, irrespective of the pendency of any appeal, any required permits, licenses, approvals, certificates, waivers and exemptions. The inability shall be cause for termination of this Agreement by RCOC or Project Manager.

e. NPO Certification. NPO certifies that no person or entity has been employed or retained by it to solicit or secure this Agreement for a commission, percentage, brokerage fee, or contingent fee.

9. **MAXIMUM PAYMENT OBLIGATION.** The "Maximum Payment Obligation" of RCOC to NPO under this Agreement shall be Four Hundred Thousand Dollars (\$400,000) ("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 \$400,000, 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 \$400,000, the Maximum Payment Obligation shall be deemed to be that lower amount. In the event that the Maximum Payment Obligation is less than \$400,000, 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 SRF. 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 an SRF.

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 Attachment "G" to Exhibit "B" no later than the close of escrow.

3. Any Senior Lender loan on the Property shall not exceed a 15 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.

b. CRDP Funds shall be used only for eligible acquisition costs, as set forth in Exhibit "B."

c. CRDP Funds will be distributed as follows:

i. It is agreed that NPO will open an escrow account ("Escrow Account") for purchase of the Property with a mutually agreed upon escrow company ("Escrow Agent"). In addition to any escrow instructions agreed upon between NPO and the seller of the Property, escrow shall be governed by the DDS approved Escrow Instructions attached hereto as Attachments "H" and "I" to Exhibit "B" ("Escrow Instructions"). In the event of any inconsistencies between escrow instructions agreed upon between NPO and the seller of the Property and the Escrow Instructions, the Escrow Instructions shall control. Under no circumstances shall the Escrow Agent be permitted to close escrow on the Property until all of the requirements set forth in the Escrow Instructions have been satisfied.

ii. RCOC shall deposit the CRDP Funds into the Escrow Account in accordance with the Escrow Instructions, and not later than the last business day before the scheduled date for close of escrow, subject to the conditions set forth in this Agreement.

c. Funding Contingent Upon Appropriation. Notwithstanding anything in this Agreement to the contrary, RCOC's obligation to remit funds to NPO under this Agreement or to any Service Provider is conditioned on RCOC receipt of adequate funds from DDS to pay for such costs (the "Funding Contingency"). RCOC shall have the right and option to terminate this Agreement on 30 days' notice to NPO without liability, and such termination shall be deemed a failure of the Funding Contingency if (1) RCOC does not receive the funds necessary to retain NPO's services hereunder or a Service Provider's services at the Property; or (2) RCOC receives funds for NPO under this Agreement or a Service Provider's services but RCOC determines that such funds are inadequate to pay for all of the vendor services and other expenses which RCOC expects to incur in such fiscal year relating to the Property. If there is a failure of the Funding Contingency, then (1) RCOC shall have no liability to pay funds to NPO under this Agreement or

any Service Provider (other than funds for services previously validly performed by NPO and for which RCOC has received funding) or to furnish any other consideration under this Agreement; and (2) neither party shall be obligated to further perform any provisions of this Agreement (other than those obligations intended to survive termination of this Agreement). In the event RCOC exercises the Funding Contingency, RCOC agrees to use best efforts to negotiate a workout for the Property.

10. **CRDP FUND RECOUPMENT.** As a condition of receiving funding under this Agreement, NPO is required to acquire and lease the Property to a third-party service provider to be used in perpetuity as an SRF for regional center persons served, as set forth in Exhibit "A." In addition, NPO is required to complete any and all requirements, improvements, work or activities to ensure that the Property meets all statutory and regulatory requirements to be utilized as an SRF. If for any reason NPO ceases to lease the Property during the 99 year term as required under the terms of this Agreement, or the Property is not eligible for use as an SRF, the funds provided under this Agreement shall immediately become due and payable as provided below. A temporary cessation of use of the Property by regional center persons served due to casualty or temporary condemnation not caused by the NPO shall not require the NPO to repay CRDP Funds.

a. If NPO ceases to lease the Property for use as an SRF or if the Property is determined not to meet all statutory and regulatory requirements to be utilized as an SRF in accordance with the terms of this Agreement at any time up to twenty (20) years after the Property is acquired, then NPO shall immediately repay RCOC 100% of all CRDP Funds paid by RCOC pursuant to this Agreement.

b. If NPO ceases to lease the Property for use as an SRF or if the Property is determined not to meet all statutory and regulatory requirements to be utilized as an SRF in accordance with the terms of this Agreement at any time which is more than twenty (20) years but less than forty (40) years after the Property is acquired, then NPO shall immediately repay RCOC 80% of all CRDP Funds paid by RCOC pursuant to this Agreement.

c. If NPO ceases to lease the Property for use as an SRF or if the Property is determined not to meet all statutory and regulatory requirements to be utilized as an SRF in accordance with the terms of this Agreement at any time which is more than forty (40) years but less than sixty (60) years after the Property is acquired, then NPO shall immediately repay RCOC 60% of all CRDP Funds paid by RCOC pursuant to this Agreement.

d. If NPO ceases to lease the Property for use as an SRF or if the Property is determined not to meet all statutory and regulatory requirements to be utilized as an SRF in accordance with the terms of this Agreement at any time which is more than sixty (60) years but less than eighty (80) years after the Property is acquired, then NPO shall immediately repay RCOC 40% of all CRDP Funds paid by RCOC pursuant to this Agreement.

e. If NPO ceases to lease the Property for use as an SRF or if the Property is determined not to meet all statutory and regulatory requirements to be utilized as an SRF in accordance with the terms of this Agreement at any time which is more than eighty (80) years but

less than ninety-nine (99) years after the Property is acquired, then NPO shall immediately repay RCOC 20% of all CRDP Funds paid by RCOC pursuant to this Agreement.

11. **SECURITY.** As security for the completion of the Work set forth in Exhibit "A" in accordance with the provisions of this Agreement, the following documents shall be recorded on the Property as set forth in the Escrow Instructions:

- a. DDS Restrictive Covenant, attached hereto as Attachment "A" to Exhibit "B";
- b. DDS Deed of Trust, attached hereto as Attachment "B" to Exhibit "B";
- c. DDS Promissory Note, attached hereto as Attachment "C" to Exhibit "B";
- d. DDS Request for Notice of Default and/or Sale, attached hereto as Attachment "E" to Exhibit "B"; and
- e. Regional Center's Request for Notice of Default and/or Sale, attached hereto as Attachment "F" to Exhibit "B."

Changes to the documents set forth in subsections (a) through (e) above and any future encumbrances against the Property are prohibited without the prior written consent of DDS. The documents in subsections (a) through (e) above may be recorded subordinate only to a DDS approved Senior Lender Deed of Trust.

12. **LEASE RATE.**

- a. The lease rate ("Lease Rate") for the Property will be negotiated between NPO and the third-party service provider selected by RCOC, and shall be subject to RCOC approval.
- b. Upon payment in full of the Senior Lender loan or upon the reduction or elimination of other operating costs, RCOC may require reasonable adjustments to the Lease Rate as RCOC, in its sole discretion, determines appropriate.
- c. The lease agreement negotiated between NPO and the third-party service provider selected by RCOC shall comply with all requirements set forth in Exhibit "B."

13. **PROPERTY TAX EXEMPTION.** In the event that the third-party service provider selected by RCOC is a 501(c)(3) non-profit organization, NPO shall file a property tax exemption application as early as possible after the NPO purchases the Property and has signed a lease with the third-party service provider, but no later than the first day the first regional center resident occupies the Property. The provisions set forth in Exhibit "B" shall apply to the payment of all property taxes.

14. **REPLACEMENT RESERVE ACCOUNT.** NPO shall maintain a replacement reserve account for the Property and provide an annual accounting in accordance with the requirements set forth in Exhibit "B."

15. **RIGHT OF ACCESS.** Without limiting any rights of access which RCOC and/or DDS may have irrespective of this Agreement, representatives of RCOC and/or DDS shall have a reasonable right of access to the Property for purposes of inspecting and evaluating the Property

and any construction or other work being performed thereon. NPO shall cooperate with providing RCOC access and information as required for RCOC to complete all monitoring and reporting requirements.

16. **LIENS AND STOP NOTICES.** If a claim of a lien or stop notice is given or recorded affecting the Property, NPO shall within thirty (30) days of such recording or service:

- a. Pay or discharge the same; or
- b. Affect the release thereof by recording and delivering to RCOC a surety bond in sufficient form and amount, or otherwise; or
- c. Provide RCOC with other assurance that RCOC deems, in RCOC's sole discretion, to be satisfactory for the payment of such lien or bonded stop notice and for the full and continuous protection of RCOC and DDS from the effect of such lien or bonded stop notice.

17. **RECORDS.**

a. Maintain Complete Books and Records. In addition to any statutory and regulatory requirements regarding recordkeeping, NPO shall keep books and records as shall be necessary relating to the Work so as to enable RCOC to evaluate performance under this Agreement. Books and records pertaining to costs shall be kept and prepared in accordance with Generally Accepted Accounting Principles (GAAP). Project Manager, RCOC and their staff, legal counsel, and other RCOC consultants (as approved by Project Manager) shall have full and free access to all books and records of NPO (and any subcontractor), pertinent to this Agreement, at all reasonable times, including the right to inspect, copy, audit and make records and transcripts from the records.

i. NPO shall prepare and maintain accurate and complete financial records of its business operations, and in particular records related to the Work, in accordance with all statutory and regulatory requirements.

b. Inspection and Access to Records. Without limiting any rights to access which RCOC may have irrespective of this Agreement, Project Manager and any authorized RCOC representatives shall have access to NPO's records for the purpose of monitoring performance and provision of the Work pursuant to this Agreement. NPO shall make available its records within the borders of Orange County within ten (10) days after receipt of written demand by Project Manager or his/her designee. In the event NPO does not make available its records within the borders of Orange County, NPO agrees to pay all necessary and reasonable direct and indirect expenses incurred by RCOC or RCOC's designee necessary to obtain NPO's records.

c. Reports. Upon request by the Project Manager, NPO shall submit a written progress report addressing the objectives and timelines identified in the Scope of Work and shall describe the Work performed, progress toward the objective of the Agreement, difficulties encountered during the reporting period, and any remedial/corrective action taken.

18. **NOTICES.**

a. Method and Form of Notice. Unless otherwise specified, all formal notices, claims, correspondence, or reports shall be addressed as follows:

**RCOC:** Regional Center of Orange County  
1525 N. Tustin Avenue  
Santa Ana, CA 92705  
Attn: Jack Stanton

**NPO:** Brilliant Corners  
854 Folsom Street  
San Francisco, CA 94107  
Attn: Serena Fields, Dir. Housing Development & Management

All notices shall be deemed effective when in writing and personally delivered or deposited in the United States mail, express, priority or first class, postage prepaid and addressed as above. Any notices addressed in any other fashion shall be deemed not given. Project Manager and NPO may mutually agree in writing to change the addresses to which notices are sent.

b. Advisory Notices Required. NPO shall immediately notify RCOC, in writing, whenever NPO has knowledge that there is or may be a delay in the timely performance of this Agreement. NPO shall include all relevant information with respect to the actual or potential delay.

19. **TERM AND TERMINATION.**

a. Term of Agreement. The term of this Agreement shall commence on Date of the Agreement provided above and shall terminate one (1) year therefrom, unless earlier terminated pursuant to the provisions of this Section 19 of this Agreement.

b. Grounds for Immediate Termination. RCOC may immediately terminate this Agreement in any of the following circumstances:

i. In the event RCOC has reasonable grounds to believe that NPO has offered or given any gratuity to any officer or employee of RCOC that would tend to influence that person's decision regarding any aspect of this Agreement.

ii. In the event an enforcement action, such as a vendorization termination, is taken against NPO which frustrates the purposes of this Agreement. In the event of such termination, NPO shall repay to RCOC all funds provided pursuant to this Agreement.

c. Termination for Cause Due to Default of NPO. RCOC reserves the express right to terminate this Agreement for cause due to the default (as defined in Section 20) of NPO in its performance of obligations under this Agreement, provided that RCOC shall first provide NPO with written notice of any such default and, if such default is susceptible to cure, provide NPO with thirty (30) calendar days in which to cure such default to RCOC's satisfaction (in which event

such notice of termination shall be deemed rescinded, and this Agreement shall remain in full force and effect in accordance with its terms). If NPO fails to cure the default within the thirty (30) day period, RCOC shall be entitled to terminate the Agreement for cause by providing NPO written notice thereof. In the event this Agreement is terminated pursuant to this subsection, NPO shall immediately repay RCOC all funds provided pursuant to this Agreement.

20. **DEFAULT.** Failure by NPO to perform and/or comply with any provision, covenant, or condition of this Agreement shall be a default of this Agreement. In the event of default RCOC may avail itself of any remedies available at law, in equity, or otherwise specified in this Agreement (including immediate termination for cause as set forth in Section 19(c) above).

21. **COUNTERPARTS.** This agreement may be executed in several counterparts, all of which shall constitute but one and the same instrument. Faxed and/or electronically scanned signatures shall have the same force and effect as an original signature.

22. **GENERAL TERMS AND CONDITIONS.**

a. Compliance with Laws. NPO shall provide all Work in accordance with all applicable federal and state laws, statutes and regulations and local ordinances and resolutions. NPO shall comply with all laws, rules or regulations applicable to the Scope of Work and provision of Work, as any may now exist or as changed or added after the Date of Agreement.

b. Familiarity with Work. By executing this Agreement and prior to performing or providing any Work under this Agreement, NPO warrants and shall be satisfied that (a) it has thoroughly investigated and considered the Work, (b) it has carefully considered how the Work should be performed, will be implemented, and will be completed, and (c) it fully understands the facilities, difficulties, and restrictions, attending carrying out the performance obligations of this Agreement.

c. Care of Work. NPO shall adopt reasonable methods during the term of this Agreement to furnish continuous protection to the Property, facilities, equipment, and persons providing the Work, and to the work product, records, and other papers to prevent losses or damages. NPO shall be responsible for all losses or damages, to persons or property (including real property, personal property, both tangible and intangible), except the losses or damages as may be caused by RCOC's sole negligence. The performance of Work by NPO shall not relieve NPO from any obligation to correct any incomplete, inaccurate, or defective work or service at no further cost to RCOC, when the inaccuracies are due to the negligence, action, or inaction of NPO.

d. Severability. If a court of competent jurisdiction declares any provision of this Agreement or its application to any person or circumstances to be invalid or if any provision of this Agreement contravenes any federal, state, or county statute, ordinance, or regulation, the remaining provisions of this Agreement or its application shall remain valid, and the remaining provisions of this Agreement shall remain in full force and effect, and to that extent the provisions of this Agreement are severable.

e. California Law. This Agreement shall be construed and interpreted both as to validity and to performance in accordance with the laws of the State of California. Legal actions

concerning any default, dispute, interpretation, declaration of rights, or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Orange, State of California, or any other appropriate court in the county, and NPO covenants and agrees to submit to the personal jurisdiction of the court in the event of any action.

f. Waiver. No delay or omission in the exercise of any right or remedy of a non-defaulting party on any default shall impair any right or remedy or be construed as a waiver. One party's consent or approval of any act by the other party requiring the other party's consent or approval shall not be deemed to waive or render unnecessary the party's consent to or approval of any subsequent act of the party. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

g. Rights and Remedies Cumulative. Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of the rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

h. Covenant Against Discrimination. In the performance of this Agreement, NPO shall not engage in, nor permit any employee or agent to engage in discrimination in employment of persons or provision of Services or assistance, nor exclude any person from participation in, nor deny any person the benefits of, nor subject any person to discrimination under any program or activity funded in whole or in part with RCOC funds on the grounds of race, religion, color, national origin, ancestry, physical handicap, medical condition, marital status, gender or sexual orientation, except as permitted by applicable provisions of Federal and State law. NPO shall comply with Title II of the Americans with Disabilities Act, (42 U.S.C. §12101, *et. seq.*) as it relates to public accommodations.

i. Legal Action. In addition to any other rights or remedies, either party may take legal action, at law or at equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement.

j. Attorneys' Fees. If either party commences an action against the other party arising out of or in connection with this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs of suit from the non-prevailing party.

k. Waiver of Jury Trial. Both RCOC and NPO agree and acknowledge that each is aware of and has had the opportunity to seek advice of counsel of its choice with respect to its rights to trial by jury, and each party, for itself and its successors, creditors, and assigns, expressly and knowingly waives and releases all rights to trial by jury in any action, proceeding or counterclaim brought by any party against the other (and/or against its officers, directors, employees, agents, or subsidiary or affiliated entities) on or with regard to any matters of any kind or type arising out of or in any way connected with this Agreement and/or any other claim of injury or damage.

l. Time of Essence. Time is of the essence in the performance of this Agreement.

m. Confidentiality of Records. The NPO shall maintain confidentiality of records in accordance with the law, including, but not limited to, the provisions of Welfare and Institutions Code §§4514, 5328, and 14100.2. The NPO and all employees shall respect the confidentiality of all client information they receive.

n. Survival. The rights and obligations set forth in this Agreement shall extend beyond the term or termination of this Agreement only to the extent expressly provided for herein, or to the extent that the survival of such rights or obligations are necessary to permit their complete fulfillment or discharge.

IN WITNESS WHEREOF, RCOC and NPO have executed this Agreement in the County of Orange, State of California.

**REGIONAL CENTER OF ORANGE COUNTY**

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

**BRILLIANT CORNERS**

\_\_\_\_\_  
Name/Title: \_\_\_\_\_

**EXHIBIT "A"**  
**SCOPE OF WORK**

Brilliant Corners ("NPO") shall identify and acquire through purchase one (1) single family residence ("Property") to be leased to a third-party service provider selected by RCOC ("Service Provider") and used in perpetuity as an SRF. SRF shall mean a Specialized Residential Facility meeting the requirements of Miscellaneous Service Code 113 assigned by DDS pursuant to Title 17, California Code of Regulations ("Title 17"), section 54356.

The Property shall be located in a residential neighborhood that is deemed to be safe, within close proximity to necessary services and supports, transportation, employment, and recreational activities. NPO shall renovate the home as necessary to meet all statutory and regulatory requirements for the Property to be utilized as an SRF, as well as to meet the unique needs of the regional center persons served that will reside there. Selection of the Property shall be subject to the approval of RCOC. Upon RCOC approval of the Property, NPO shall complete the steps to purchase the Property as set forth below. Acquisition of the Property shall be completed no later than one hundred twenty (120) days from the Date of Agreement, unless an extension is approved by RCOC in writing, in RCOC's sole discretion.

NPO will research available properties within the target area, using all means available. The Property selected shall be at a minimum four to five bedrooms and/or adequate square footage to renovate the home to accommodate identified residents. In addition, adequate storage space including an enclosed garage area, backyard, and/or frontage area to allow for off-street parking for staff and visitors will be a priority.

NPO shall provide a minimum down payment amount of 20% of the Property purchase price. In addition, NPO shall provide a detailed sources and uses of funds schedule to RCOC. This schedule shall detail the funds necessary for the acquisition of the Property, and shall include but not be limited to, down payment costs, due diligence costs, closing costs, property inspections and replacement reserve analysis, developer fees, legal, accounting, consultant, and project managers fees, lenders title insurance, and/or home warranty contracts. NPO shall also obtain an appraisal of the value of the Property. An appraisal report completed for the Senior Lender shall be sufficient to meet this requirement. Under no circumstances shall the purchase price for the Property exceed the appraised value of the Property.

Following acquisition of the Property, NPO shall lease the Property to a third-party service provider selected by RCOC for the purpose of delivery of services. NPO shall ensure the Property is ready for occupancy, including any and all necessary renovations, no later than six (6) months from the date of close of escrow.

**EXHIBIT “B”**  
**FISCAL YEAR 2025-2026**  
**HOUSING GUIDELINES FOR REGIONAL CENTERS**

REGIONAL CENTER OF ORANGE COUNTY

BOARD OF DIRECTORS

AGENDA ITEM DETAIL SHEET

DATE: March 5, 2026  
TO: RCOC Board of Directors  
FROM: Larry Landauer, Executive Director

ACTION	X
ACTION/CONSENT	
DISCUSSION	
INFO ONLY	

SUBJECT: **Approval of Property Renovation Agreements with Non-Profit Housing Corporation, Brilliant Corners, for Development of One (1) Specialized Residential Facility for Children, and One (1) Specialized Residential Facility for Adults (CRDP Project Nos. 2526-5 and 2526-6)**

BACKGROUND:

The Department of Developmental Services (DDS) has made an allocation to RCOC’s Community Resource Development Plan (CRDP) for the development of one (1) Specialized Residential Facility for Children and one (1) Specialized Residential Facility for Adults (SRFs). These facilities 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 homes, which separates ownership of the home from service delivery, so that a service provider can be changed without moving the residents. A non-profit corporation receives CRDP start-up funds to acquire and renovate a property; the non-profit corporation then leases the property to a service provider.

REASON FOR CURRENT ITEM:

DDS has allocated \$900,000 (\$450,000 per project) in CRDP start-up funding for the renovation of the properties to serve as the SRFs. On November 21, 2025, RCOC posted a Request for Proposals (RFP) for a non-profit housing corporation. Brilliant Corners was the only applicant. Based on Brilliant Corners’ proposal and interview, as well as RCOC’s prior experience with Brilliant Corners developing CRDP homes, the RFP Review Committee recommends approval of the Property Renovation Agreements with Brilliant Corners for the development of one Specialized Residential Facility for Children and one Specialized Residential Facility for Adults.

FISCAL IMPACT:

DDS has approved \$900,000 (\$450,000 per project) in CRDP start-up funds for the restricted use as defined above.

RECOMMENDATION:

That the Board approve the Property Renovation Agreements as presented.

REGIONAL CENTER OF ORANGE COUNTY

BOARD OF DIRECTORS

AGENDA ITEM DETAIL SHEET

DATE: March 3, 2026  
TO: RCOC Board of Directors  
FROM: Larry Landauer, Executive Director

ACTION	X
ACTION/CONSENT	
DISCUSSION	
INFO ONLY	

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

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. On May 1, 2025, the Board approved Amendment No. 1 to the Property Renovation Agreement, which increased renovation funding by \$215,216 to cover renovation costs identified once the property was acquired.

REASON FOR CURRENT ITEM:

DDS has approved an additional \$48,300 in RCOC’s CRDP funding for renovation costs. The request for additional funding was due to costs associated with the following renovations: (1) demolish, haul away, and install new framing in the existing home; (2) reframe and sheath the existing roof; (3) re-pour the concrete slab; (4) new stucco; and (5) additional insulation.

FISCAL IMPACT:

DDS will allocate an additional \$48,300 in RCOC’s CRDP funding, for a total of \$663,576 in renovation funds for this project.

RECOMMENDATION:

That the Board approve Amendment No. 2 to the Property Renovation Agreement as presented.

**AMENDMENT NO. 2 TO AGREEMENT BY AND BETWEEN**  
**REGIONAL CENTER OF ORANGE COUNTY**  
**AND BRILLIANT CORNERS**  
**FOR DEVELOPMENT OF HOUSING**  
**RCOC CRDP PROJECT NO. 2324-10/2425-10**

This Amendment No. 2 to Agreement (Amendment) is entered into and effective this \_\_\_\_ day of \_\_\_\_\_, 2026, 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 parties subsequently executed Amendment No. 1 to the Agreement to increase the CRDP funds allocated for renovation costs from \$400,000 to \$615,216; and

C. WHEREAS, the Department of Developmental Services has allocated an additional \$48,300 in renovation funding to cover additional construction costs; 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 Sixty Three Thousand Five Hundred Sixteen Dollars (\$663,516) (“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 \$663,516, the Maximum Payment Obligation shall be deemed to be that

lower amount. In the event that the Maximum Payment Obligation is less than \$663,516, 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, 2027, and NPO must submit invoices no later than March 5, 2027; NPO must therefore complete all renovations prior to March 5, 2027, 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 90<sup>th</sup> 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:\_\_\_\_\_



**Summary of Information About Persons Served - December 2025**

<b>NUMBER OF PERSONS SERVED</b>	<b>28,432</b>	<b>100%</b>
Children - Birth to Age Three Receiving Early Start Services	3,399	12%
Children - Ages Three to Five Receiving Provisional Services	460	2%
Children - Ages Three to 17 Receiving Lanterman Services	10,261	36%
Adults - Ages 18 and Older Receiving Lanterman Services	14,312	50%

<b>Children - Birth to Age Three Receiving Prevention Resource and Referral Services</b>	<b>349</b>
--	------------

*Children and Adults - Ages Three and Older Receiving Lanterman Services with the Following Diagnoses:*

Intellectual Disability	11,524	48%
Epilepsy	2,889	12%
Cerebral Palsy	2,527	10%
Autism	12,919	53%
Fifth Category*	2,227	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%.*

<b>NUMBER OF PERSONS REQUESTING ELIGIBILITY DETERMINATION</b>	<b>387</b>
Early Start / Under Age Three / 45 days to complete determination	203 / 52%
Lanterman / Over Age Three / 120 days to complete determination	90 / 23%
Provisional / Up to Age Five / 90 days to complete determination	7 / 2%

<b>NUMBER OF PERSONS DETERMINED ELIGIBLE</b>	<b>196</b>
Children - Birth to Age Three Eligible for Early Start Services	0
Children and Adults - Ages Three and Older Eligible for Lanterman Services	136
<ul style="list-style-type: none"> <li>• Number of children who received Early Start services</li> </ul>	33
<ul style="list-style-type: none"> <li>• Number of children who received Early Start services and had a diagnosis of autism</li> </ul>	23
Children - Birth to Age Three Eligible for Prevention Resource and Referral Services	4

<b>NUMBER OF CHILDREN NO LONGER ELIGIBLE FOR EARLY START OR PREVENTION RESOURCE AND REFERRAL SERVICES</b>	<b>117</b>
Children - Age Three No Longer Eligible for Early Start Services	117
Children - Age Three No Longer Eligible for Prevention Resource and Referral Services	0

# REGIONAL CENTER OF ORANGE COUNTY



## OPERATIONS REPORT

### DECEMBER 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 2025-26

Type and Number of Reviews	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
Annual Review	42	50	40	32	40	63
Unannounced	86	92	73	46	50	74
<b>Total Number of Reviews</b>	<b>128</b>	<b>142</b>	<b>113</b>	<b>78</b>	<b>90</b>	<b>137</b>

Provider Trainings	0	0	0	0	0	0
Technical Support	304	327	333	264	261	429
Corrective Action Plans	3	8	5	11	6	2
Special Incident Investigations*	33	75	76	42	41	55

Type and Number of Reviews	Jan.	Feb.	Mar.	Apr.	May	June	Total
Annual Review							267
Unannounced							421
<b>Total Number of Reviews</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>688</b>

Provider Trainings							0
Technical Support							1,918
Corrective Action Plans							35
Special Incident Investigations*							322

\* 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)

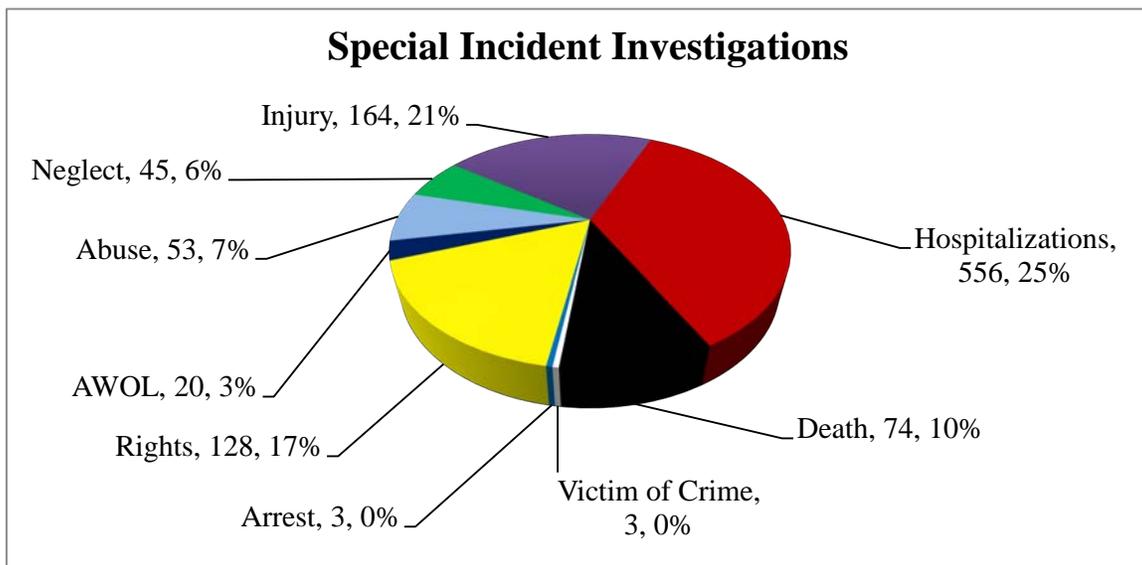
- (A) The consumer is missing and the vendor or long-term health care facility has filed a missing persons report with a law enforcement agency;
  - (B) Reasonably suspected abuse/exploitation including:
    - 1. Physical;
    - 2. Sexual;
    - 3. Fiduciary;
    - 4. Emotional/mental; or
    - 5. Physical 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 2025-26*

Type of Incident	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
AWOL	4	4	1	5	4	2
Abuse	3	9	9	10	15	7
Neglect	9	8	5	11	4	8
Injury	32	36	25	28	23	20
Hospitalizations - Total	50	37	52	52	49	33
<i>Psychiatric</i>	8	5	7	7	9	2
<i>Medical</i>	42	32	45	45	40	31
Death	10	12	11	17	11	13
Victim of crime	0	0	1	0	1	1
Arrest	0	2	0	0	0	1
Rights	24	27	12	12	11	42
<b>Total</b>	<b>132</b>	<b>135</b>	<b>116</b>	<b>135</b>	<b>118</b>	<b>127</b>

Type of Incident	Jan.	Feb.	Mar.	Apr.	May	June	Total
AWOL							20
Abuse							53
Neglect							45
Injury							164
Hospitalizations - Total							273
<i>Psychiatric</i>							38
<i>Medical</i>							235
Death							74
Victim of Crime							3
Arrest							3
Rights							128
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>763</b>



**COMMUNITY LIFE continued**

**Provider Audits**  
*Fiscal Year 2025-26*

*Number of Audits / Appeals / Recoveries*

<b>Type of Audit</b>	<b>Jul.</b>	<b>Aug.</b>	<b>Sept.</b>	<b>Oct.</b>	<b>Nov.</b>	<b>Dec.</b>
Service Billing	0	0	0	0	1	1
Staffing	0	0	0	0	1	0
Level 4I Consultant	0	0	0	0	0	1
P&I (consumer funds)	0	0	0	0	0	0
<b>Total Number of Audits</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>2</b>

*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	2	1

*Audit Findings (Dollar Amount)*

<i>Amount of Recovery</i>	\$0.00	\$0.00	\$0.00	\$0.00	\$75,083.88	\$594.40
---------------------------	--------	--------	--------	--------	-------------	----------

<b>Type of Audit</b>	<b>Jan.</b>	<b>Feb.</b>	<b>Mar.</b>	<b>Apr.</b>	<b>May</b>	<b>June</b>	<b>Total</b>
Service Billing							<b>2</b>
Staffing							<b>0</b>
Level 4I Consultant							<b>0</b>
P&I (consumer funds)							<b>0</b>
<b>Total Number of Audits</b>							<b>4</b>

*Number of Appeals / Recoveries*

State Appeal							<b>0</b>
Recovery							<b>3</b>

*Audit Findings (Dollar Amount)*

<i>Amount of Recovery</i>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	<b>\$75,678.28</b>
---------------------------	--------	--------	--------	--------	--------	--------	--------------------

## 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 2025-26*

#### Number of Authorizations for Voucher Services

Type of Service	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
Day Care - Family Member	93	76	70	86	87	73
Diapers - Family Member	3	2	1	3	3	1
Nursing Service - Family Member	55	42	51	50	41	No Data Available
Respite Service - Family Member	697	725	729	719	713	737
Transportation - Family Member	222	312	325	305	304	367
<b>Total Number of Voucher Authorizations</b>	<b>1,070</b>	<b>1,157</b>	<b>1,176</b>	<b>1,163</b>	<b>1,148</b>	<b>1,178</b>

#### Number of Authorizations for Voucher Services

Type of Service	Jan.	Feb.	Mar.	Apr.	May	June
Day Care - Family Member						
Diapers - Family Member						
Nursing Service - Family Member						
Respite Service - Family Member						
Transportation - Family Member						
<b>Total Number of Voucher Authorizations</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 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 2025-26*

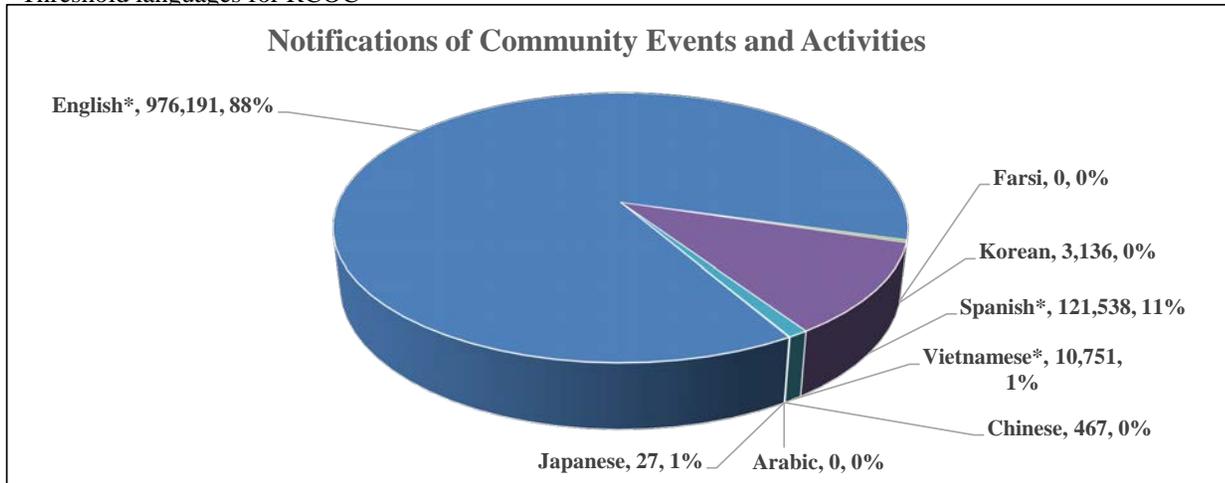
#### Number of Notifications

Language	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
English*	151,271	118,786	245,656	166,331	169,186	124,961
Farsi	0	0	0	0	0	0
Korean	778	136	662	157	1,102	301
Spanish*	16,264	19,523	35,018	28,313	14,552	7,868
Vietnamese*	2,124	538	2,518	1,270	2,006	2,295
Chinese	104	0	0	0	363	0
Japanese	0	0	0	0	0	0
Arabic	0	0	0	0	0	0
<b>Total Number of Notifications</b>	<b>170,541</b>	<b>138,983</b>	<b>283,854</b>	<b>196,071</b>	<b>187,209</b>	<b>135,425</b>

#### Number of Notifications

Language	Jan.	Feb.	Mar.	Apr.	May	June	Total
English*							976,191
Farsi							0
Korean							3,136
Spanish*							121,538
Vietnamese*							10,751
Chinese							467
Japanese							0
Arabic							0
<b>Total Number of Notifications</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,112,083</b>

\* Threshold languages for RCOG



## 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 2025-26*

#### Number of Outreach Events

Type of Outreach / Language	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
<b>In Person/Zoom</b>						
English	4	4	8	3	5	2
Spanish	0	5	3	5	4	1
Vietnamese	1	1	0	3	1	3
Other Languages**	1	1	2	1	2	
<b>In Print</b>						
English	2	1				2
Spanish						
Vietnamese	1		1			
Other Languages						
<b>TV / Radio</b>						
English						
Spanish						
Vietnamese	4	5	4	4	5	4
Other Languages						
<b>Total Number of Outreach Events</b>	<b>13</b>	<b>17</b>	<b>18</b>	<b>16</b>	<b>17</b>	<b>12</b>

\*\* Korean or Other

#### Number of Outreach Events

Language	Jan.	Feb.	Mar.	Apr.*	May*	June*	Total
<b>In Person</b>							
English							26
Spanish							18
Vietnamese							9
Other Languages							7
<b>In Print</b>							
English							5
Spanish							0
Vietnamese							2
Other Languages							0
<b>TV / Radio</b>							
English							0
Spanish							0
Vietnamese							26
Other Languages							0
<b>Total Number of Outreach Events</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>93</b>

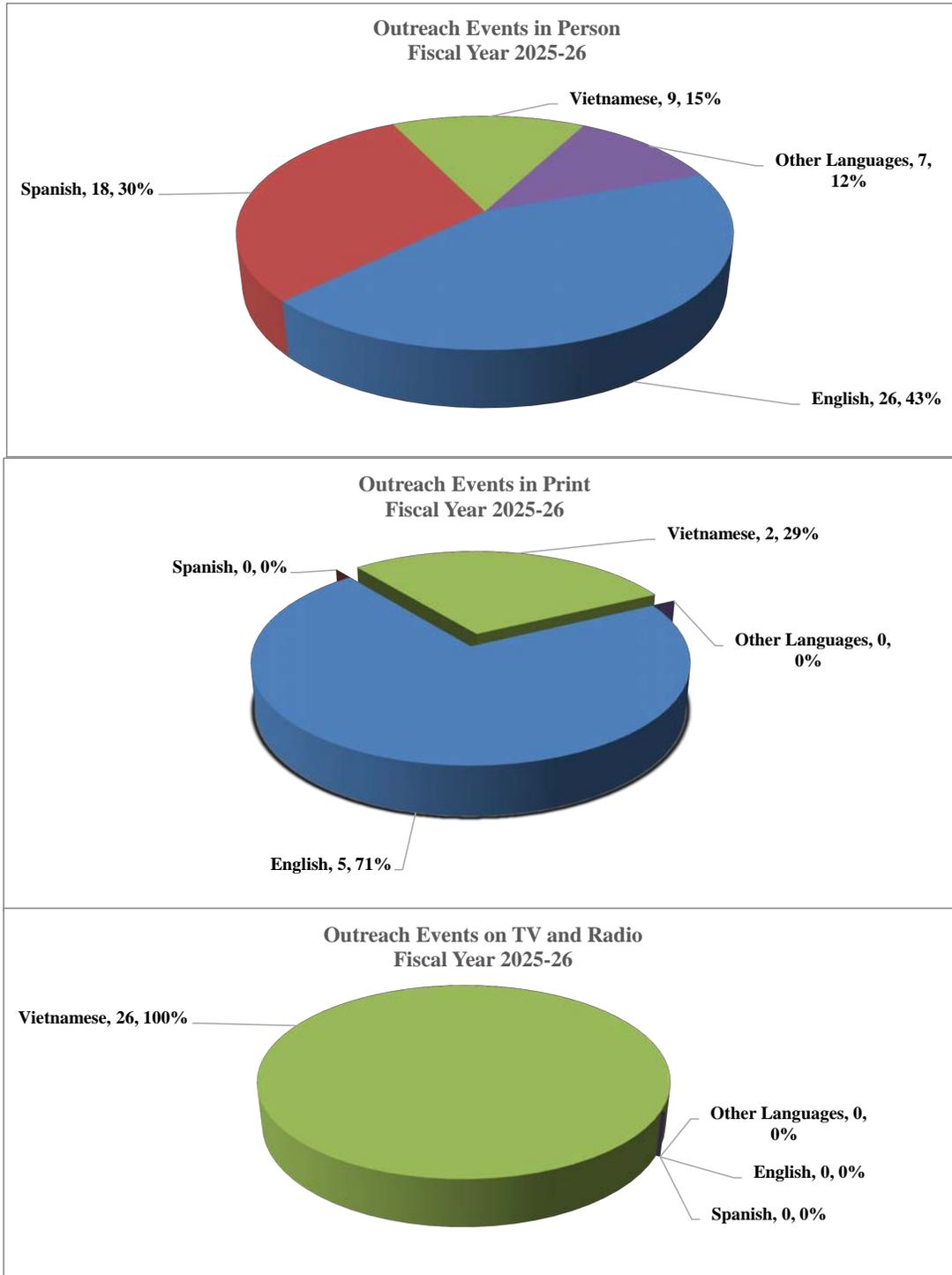
\* Virtual Meetings

## 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 2025-26



## EARLY INTERVENTION / PREVENTION

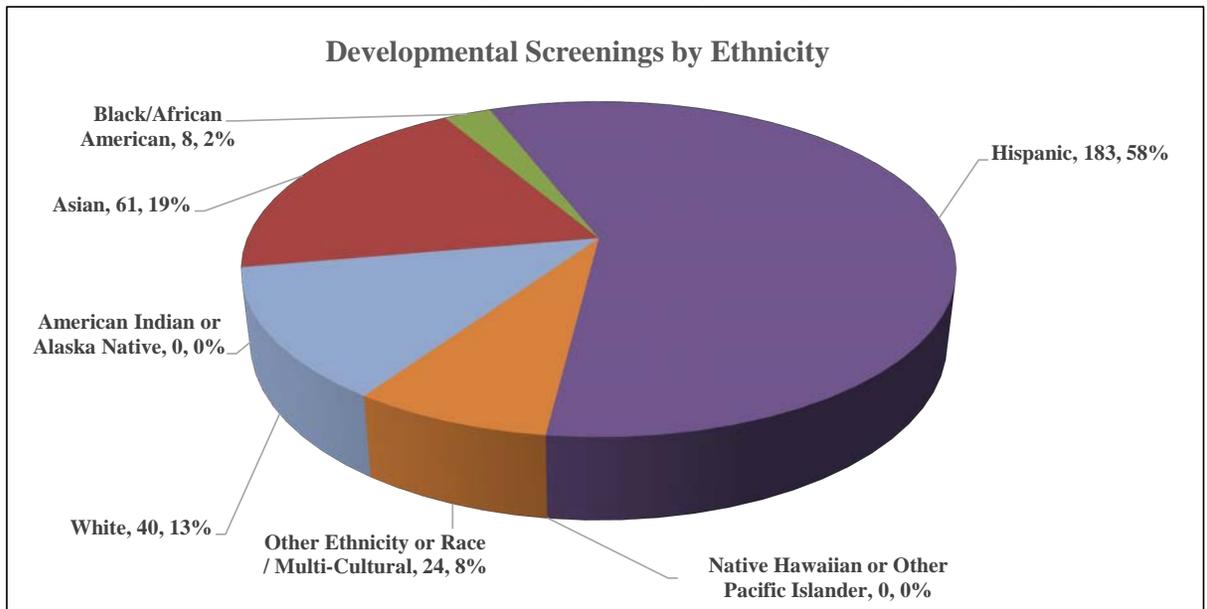
### Related Guiding Principles

- 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 2025-26

Developmental Screenings by Ethnicity	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
American Indian or Alaska Native	0	0	0	0	0	0
Asian	0	12	16	24	6	3
Black/African American	0	0	4	1	2	1
Hispanic	0	51	34	48	32	18
Native Hawaiian or Other Pacific Islander	0	0	0	0	0	0
Other Ethnicity or Race / Multi-Cultural	0	5	10	4	2	3
White	0	7	9	15	6	3
<b>Total Number Screened</b>	<b>0</b>	<b>75</b>	<b>73</b>	<b>92</b>	<b>48</b>	<b>28</b>
<b>Total Number Referred to RCOC</b>	<b>0</b>	<b>43</b>	<b>27</b>	<b>35</b>	<b>22</b>	<b>8</b>

Developmental Screenings by Ethnicity	Jan.	Feb.	Mar.	Apr.	May	June	Total
American Indian or Alaska Native							0
Asian							61
Black/African American							8
Hispanic							183
Native Hawaiian or Other Pacific Islander							0
Other Ethnicity or Race / Multi-Cultural							24
White							40
<b>Total Number Screened</b>							<b>316</b>
<b>Total Number Referred to RCOC</b>							<b>135</b>

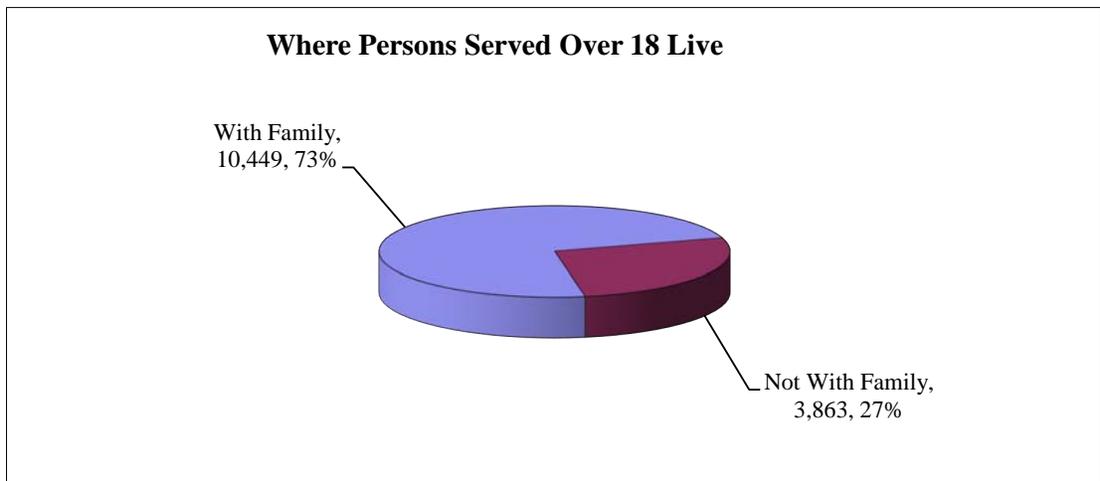
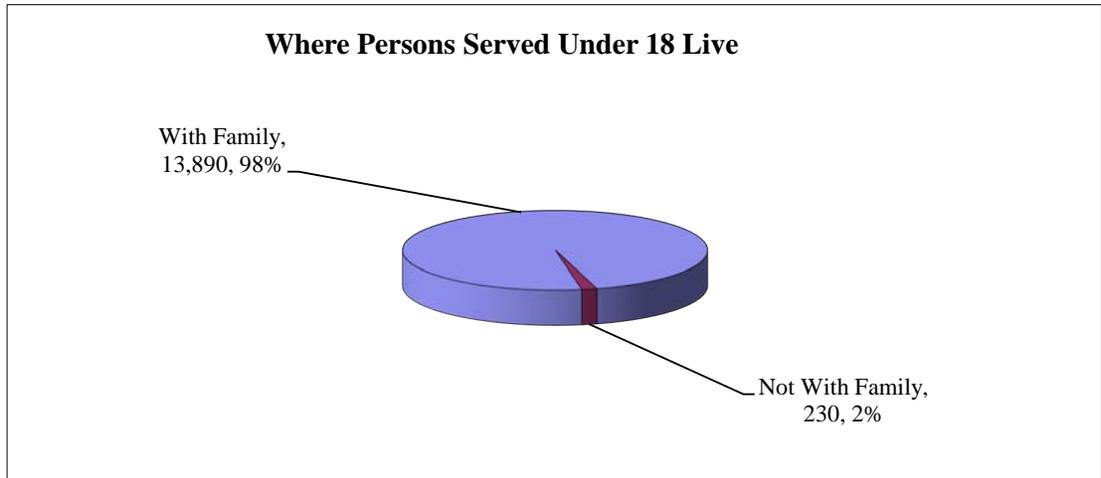


## LIVING OPTIONS

### 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.*

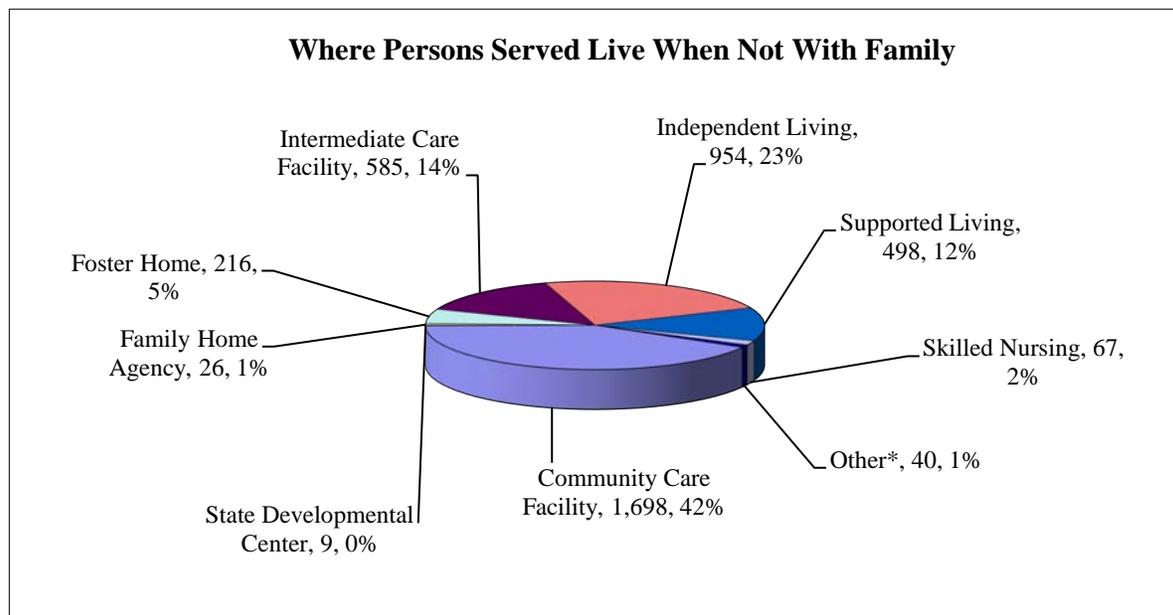
Where Persons Served Live	Persons Served All	Persons Served Under 18	Persons Served Over 18
With Family	24,339	13,890	10,449
Not With Family	4,093	230	3,863
<b>Totals</b>	<b>28,432</b>	<b>14,120</b>	<b>14,312</b>



### LIVING OPTIONS, continued

Where Persons Served Live	All Persons Served	Persons Served Under 18	Persons Served Over 18
Family Home	24,339	13,890	10,449
Community Care Facility	1,698	14	1,684
State Developmental Center	9	0	9
Family Home Agency	26	0	26
Foster Home	216	207	9
Intermediate Care Facility	585	0	585
Independent Living	954	0	954
Supported Living	498	0	498
Skilled Nursing	67	0	67
Other*	40	9	31
<b>Total</b>	<b>28,432</b>	<b>14,120</b>	<b>14,312</b>

<b>Other*</b>			
Acute General Hospital	2	0	2
California Youth Authority	1	1	0
Community Treatment	3	1	2
Correctional Institution	1	0	1
County Jail	4	0	4
Other	7	0	7
Out of State	1	1	0
Psychiatric Treatment	34	5	29
Rehabilitation Center	3	0	3
SDC / State Hospital	5	0	5
Sub-Acute	37	8	29
Transient / Homeless	12	2	10
<b>Total, Other*</b>	<b>110</b>	<b>18</b>	<b>92</b>



## 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.

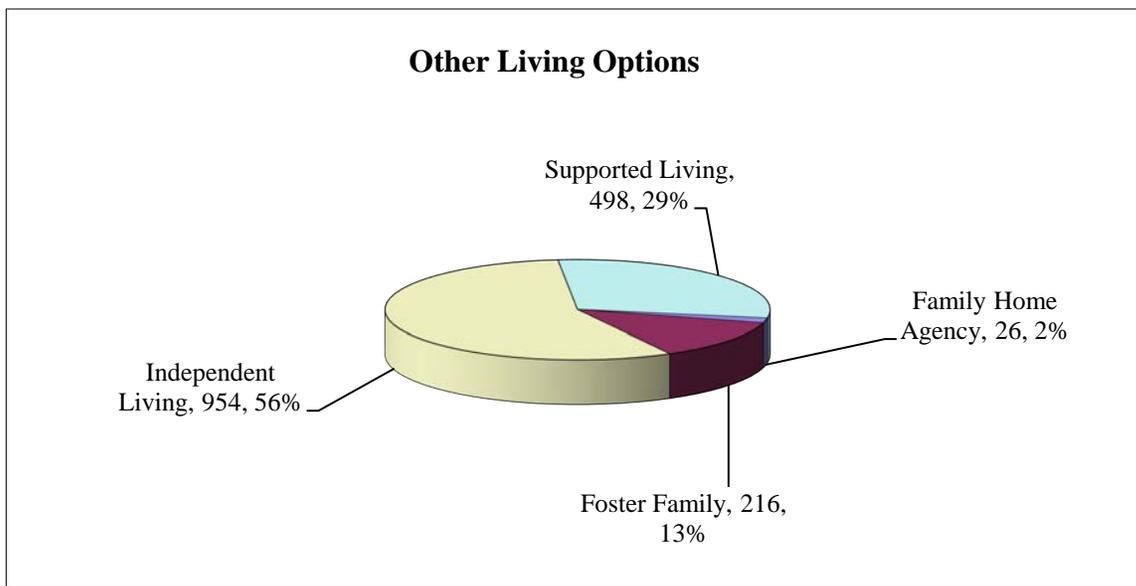
#### Independent Living

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.

<b>Other Living Options</b>	<b>Total</b>	<b>Under 18</b>	<b>Over 18</b>
Family Home Agency	26	0	26
Foster Family	216	207	9
Independent Living	954	0	954
Supported Living	498	0	498
<b>Total</b>	<b>1,694</b>	<b>207</b>	<b>1,487</b>



## 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 2025-26*

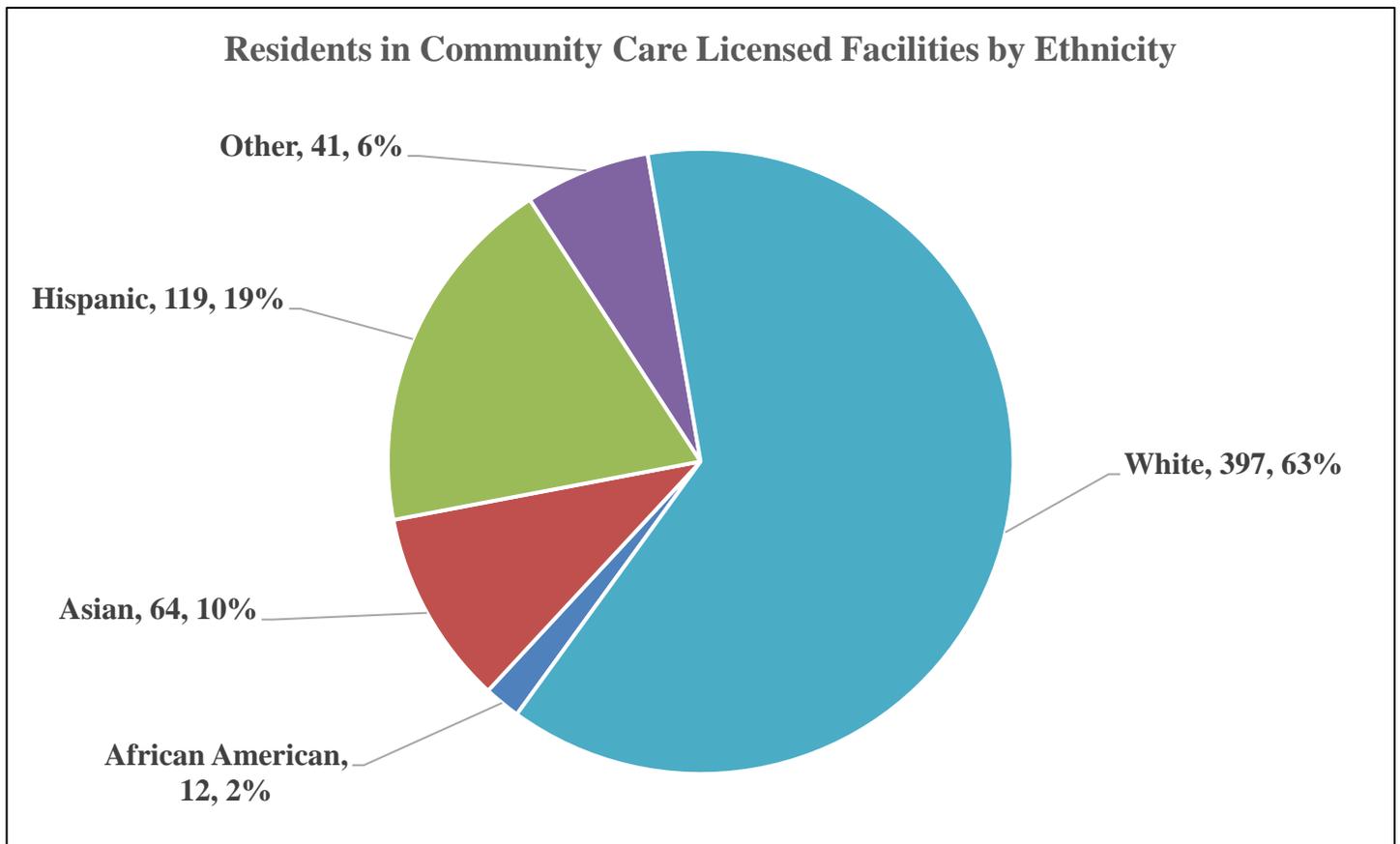
<b>Licensed Facilities</b>	<b>Total</b>	<b>Over 18</b>	<b>Under 18</b>
Level 2	0	0	0
Level 3	0	0	0
Level 4A	0	0	0
Level 4B	0	0	0
Level 4C	0	0	0
Level 4D	0	0	0
Level 4E	0	0	0
Level 4F	0	0	0
Level 4G	0	0	0
Level 4H	1	1	0
Level 4I	2	2	0
Elderly	19	19	0
ICF/DD-H	1	1	0
ICF/DD-N	8	8	0
ICF/DD	0	0	0
Skilled Nursing	0	0	0
<b><i>Total</i></b>	<b><i>31</i></b>	<b><i>31</i></b>	<b><i>0</i></b>

<b>Licensed Facilities Summary</b>	<b>Total</b>	<b>Over 18</b>	<b>Under 18</b>
Level 2	0	0	0
Level 3	0	0	0
Level 4	3	3	0
ICF/DD-H	1	1	0
ICF/DD-N	8	5	0
Elderly	19	19	0
Skilled Nursing	0	0	0
<b><i>Total</i></b>	<b><i>31</i></b>	<b><i>28</i></b>	<b><i>0</i></b>

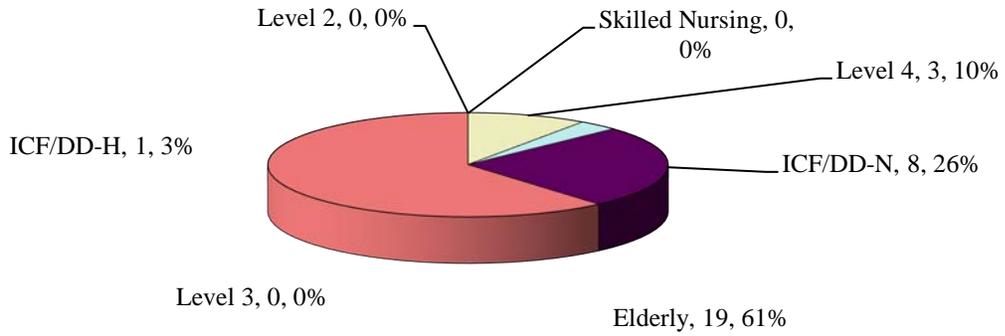
**LIVING OPTIONS, continued**

**Persons Served Who Reside in Licensed Facilities Funded by RCOC by Ethnicity**  
*Fiscal Year 2025-26*

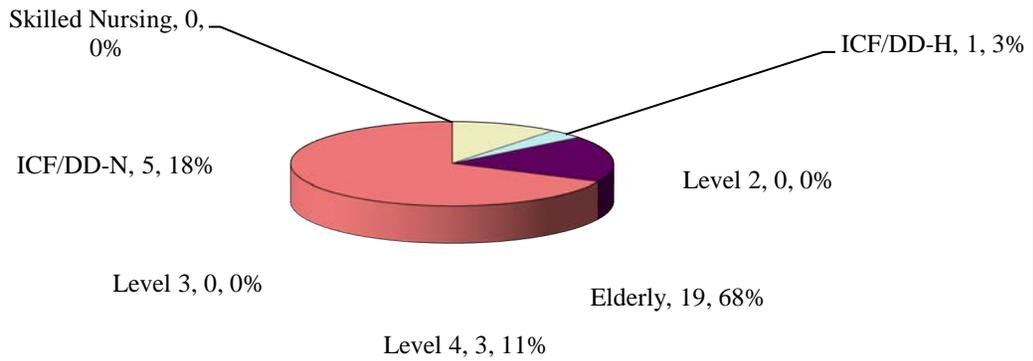
<b>Licensed Facilities</b>	<b>African American</b>	<b>Asian</b>	<b>Hispanic</b>	<b>Other</b>	<b>White</b>	<b>Total</b>
Level 2	5	20	46	0	169	240
Level 3	7	44	73	41	228	393
Level 4A	0	0	0	0	0	0
Level 4B	0	0	0	0	0	0
Level 4C	0	0	0	0	0	0
Level 4D	0	0	0	0	0	0
Level 4E	0	0	0	0	0	0
Level 4F	0	0	0	0	0	0
Level 4G	0	0	0	0	0	0
Level 4H	0	0	0	0	0	0
Level 4I	0	0	0	0	0	0
<b>Total</b>	<b>12</b>	<b>64</b>	<b>119</b>	<b>41</b>	<b>397</b>	<b>633</b>



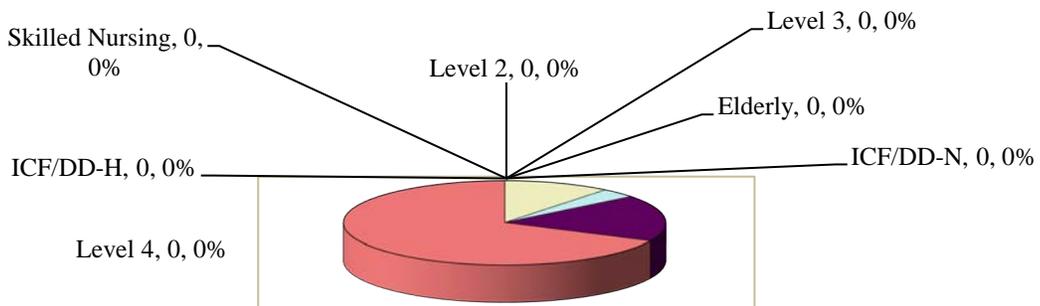
**Persons Served Who Reside in Licensed Facilities  
Services Funded by RCOC**



**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**

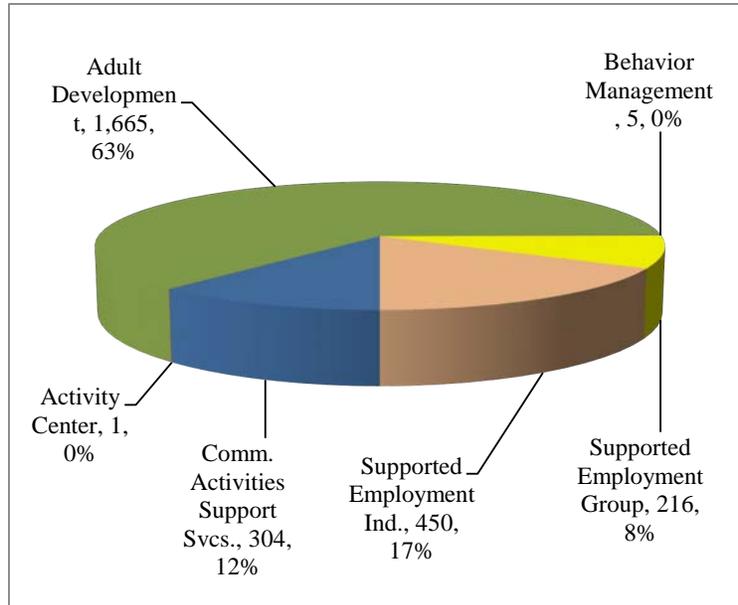


## WORK

### 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.	304
Activity Center	1
Adult Development	1,665
Behavior Management	5
Supported Employment Group	216
Supported Employment Ind.	450
<b>Total</b>	<b>2,641</b>



### 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 2025-26***

<b>Service Coordination:</b>	<b>Jul.</b>	<b>Aug.</b>	<b>Sept.</b>	<b>Oct.</b>	<b>Nov.</b>	<b>Dec.</b>
Number of Service Coordinators (SC)	469.1	481.2	479.3	504.4	502.0	499.3
Number of Case-Carrying SCs	416.8	429.0	429.0	452.1	446.5	442.4
Number of Intake SCs	43.0	43.0	43.0	45.0	45.0	45.0
Number of Active Persons Served	27,926	28,006	28,174	28,291	28,458	28,611
Caseload Ratio, # of Active Persons Served/SCs	67.0	65.3	65.7	62.6	63.7	64.7

<b>Service Coordination:</b>	<b>Jan.</b>	<b>Feb.</b>	<b>Mar.</b>	<b>Apr.</b>	<b>May</b>	<b>June</b>
Number of Service Coordinators (SC)						
Number of Case-Carrying SCs						
Number of Intake SCs						
Number of Active Persons Served						
Caseload Ratio, # of Active Persons Served/SCs						

**SERVICE PLANNING AND COORDINATION continued**

**Fair Hearings**  
*Fiscal Year 2025-26*

	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
<b>Number of Unsettled Hearing Requests*</b>	<b>28</b>	<b>27</b>	<b>23</b>	<b>27</b>	<b>24</b>	<b>27</b>						
Eligibility - Lanterman	9	10	8	9	11	13						
Behavioral services				2	2	2						
Respite	2	3	3	4	2	1						
Day Care												
Self Determination Budget	10	4	6	6	5	7						
Personal Assistance	2	2	2	1								
Other**	7	9	6	6	5	5						

\* 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.

<b>Number of New Hearing Requests Filed*</b>	<b>10</b>	<b>8</b>	<b>7</b>	<b>14</b>	<b>7</b>	<b>14</b>						
Eligibility - Lanterman	3	6	5	5	6	7						
Eligibility - Early Start												
Behavioral services				2								
Respite	1	1		1								
Day Care												
Social/Recreational	1					1						
Social Skills Training												
SDP	2		2	3		4						
Personal Assistance	1											
Other**	2	1		1	1	1						

\* 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.

<b>Number of All Meetings Held</b>	<b>14</b>	<b>10</b>	<b>12</b>	<b>10</b>	<b>9</b>	<b>14</b>						
Number of Informal Meetings Held	9	8	6	10	7	12						
Number of Mediations Held	3		2		1	2						
Number of SLFHs Held	2	2	2		1							

<b>Number of Requests in Scheduling*</b>	<b>7</b>	<b>7</b>	<b>4</b>	<b>6</b>	<b>4</b>	<b>2</b>						
--	----------	----------	----------	----------	----------	----------	--	--	--	--	--	--

\* Meetings in process of being scheduled; meetings on schedule but not yet held; meetings scheduled but not held due to continuances.

<b>Number of Requests Pending*</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>						
------------------------------------	----------	----------	----------	----------	----------	----------	--	--	--	--	--	--

\* State Level Fair Hearing (SLFH) held but awaiting decision.

<b>Number of Requests Settled</b>	<b>6</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>10</b>	<b>11</b>						
Withdrawn by Person Served/Family			1	2	5	1						
Settled in Informal	4	7	5	7	5	9						
Settled after further follow-up by RCOC				1								
Settled in Mediation	1		1									
SLFH Decision	1	1	2			1						

**State Level Fair Hearing Decisions**

<b>Prevailing Party</b>												
Person Served/Family												
RCOC	1	1	2			1						
Split												

## ADMINISTRATION AND GOVERNANCE

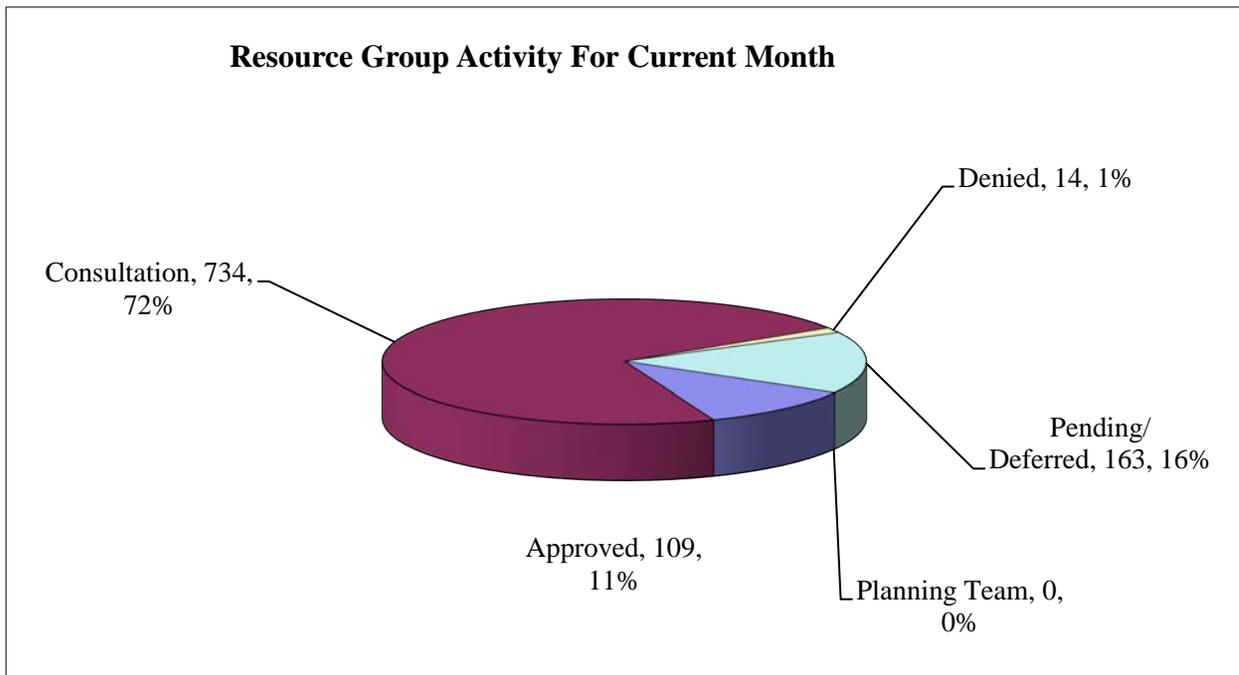
### Guiding Principle

- *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 December 2025 and Fiscal Year to Date

Disposition	Approved	Consultation	Denied	Pending/Deferred	Planning Team	Total
Adult Day	2	211	0	63	0	276
Behavioral	25	31	0	40	0	96
Education	0	0	0	0	0	0
Eligibility/Health	4	0	8	2	0	14
Early Start	25	96	6	23	0	150
Living Options	7	63	0	5	0	75
Supported/Ind.	3	97	0	13	0	113
All Others	43	236	0	17	0	296
<b>Monthly Total</b>	<b>109</b>	<b>734</b>	<b>14</b>	<b>163</b>	<b>0</b>	<b>1,020</b>

<b>FY 2025-26 Total to Date</b>	15,876	7,588	165	1,113	0	<b>24,742</b>
-------------------------------------	--------	-------	-----	-------	---	---------------



## Operations Report Summary - December 2025

About Persons Served	Early Start	Medicaid Waiver	All Other	SDC	Total	Under 18	Over 18
Number of Persons Served	3,399	8,736	11,844	9	<b>23,988</b>	14,120	14,312
<i>Percentage of Total</i>	<i>14%</i>	<i>36%</i>	<i>49%</i>	<i>0%</i>	<i>100%</i>	<i>59%</i>	<i>60%</i>

<b>Children served in Prevention Resource and Referral Services</b>	<b>458</b>
---	------------

Persons Served by Residence Status	All	Under 18	Over 18
Family Home	24,339	13,890	10,449
Community Care Facility	1,698	14	1,684
State Developmental Center	9	0	9
Family Home Agency	26	0	26
Foster Home	216	207	9
Intermediate Care Facility	585	0	585
Independent Living	954	0	954
Supported Living	498	0	498
Skilled Nursing	67	0	67
Other	40	9	31
<b>Total</b>	<b>28,432</b>	<b>14,120</b>	<b>14,312</b>

Special Incident Investigations	Year to Date
AWOL	20
Abuse	53
Neglect	45
Injury	164
Hospitalizations - Total	273
Death	74
Victim of crime	3
Arrest	3
Rights	128
<b>Total</b>	<b>763</b>

### Number of Licensed Facilities

<i>Community Care Facilities</i>	Total	Under 18	Over 18
Level 2	74	0	74
Level 3	87	0	104
Level 4	211	8	206
<b>Total Community Care Facilities</b>	<b>372</b>	<b>8</b>	<b>384</b>

Licensed Facility Monitoring	Year to Date
Annual Review	267
Unannounced	421
Total Number of Reviews	688
Provider Trainings	0
Technical Support	1,918
Corrective Action Plans	35

### *Intermediate Care Facilities (ICF)*

ICF-DD	0
ICF-DD/Habilitation	67
ICF-DD/Nursing	41
<b>Total ICF Facilities</b>	<b>108</b>

<b>Number of Audits</b>	<b>4</b>
<b>Amount of Recovery from Audits</b>	<b>\$75,678</b>

<b>Total Licensed Facilities</b>	<b>480</b>
----------------------------------	------------



**Summary of Information About Persons Served - January 2026**

<b>NUMBER OF PERSONS SERVED</b>	<b>28,558</b>	<b>100%</b>
Children - Birth to Age Three Receiving Early Start Services	3,381	12%
Children - Ages Three to Five Receiving Provisional Services	460	2%
Children - Ages Three to 17 Receiving Lanterman Services	10,336	36%
Adults - Ages 18 and Older Receiving Lanterman Services	14,381	50%

<b>Children - Birth to Age Three Receiving Prevention Resource and Referral Services</b>	<b>336</b>
--	------------

*Children and Adults - Ages Three and Older Receiving Lanterman Services with the Following Diagnoses:*

Intellectual Disability	11,523	47%
Epilepsy	2,896	12%
Cerebral Palsy	2,528	10%
Autism	13,036	54%
Fifth Category*	2,230	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%.*

<b>NUMBER OF PERSONS REQUESTING ELIGIBILITY DETERMINATION</b>	<b>387</b>
Early Start / Under Age Three / 45 days to complete determination	267 / 69%
Lanterman / Over Age Three / 120 days to complete determination	107 / 28%
Provisional / Up to Age Five / 90 days to complete determination	8 / 2%

<b>NUMBER OF PERSONS DETERMINED ELIGIBLE</b>	<b>185</b>
Children - Birth to Age Three Eligible for Early Start Services	0
Children and Adults - Ages Three and Older Eligible for Lanterman Services	130
<ul style="list-style-type: none"> <li>• Number of children who received Early Start services</li> </ul>	28
<ul style="list-style-type: none"> <li>• Number of children who received Early Start services and had a diagnosis of autism</li> </ul>	23
Children - Birth to Age Three Eligible for Prevention Resource and Referral Services	4

<b>NUMBER OF CHILDREN NO LONGER ELIGIBLE FOR EARLY START OR PREVENTION RESOURCE AND REFERRAL SERVICES</b>	<b>134</b>
Children - Age Three No Longer Eligible for Early Start Services	121
Children - Age Three No Longer Eligible for Prevention Resource and Referral Services	13

# REGIONAL CENTER OF ORANGE COUNTY



## OPERATIONS REPORT

### JANUARY 2026 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 2025-26

Type and Number of Reviews	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
Annual Review	42	50	40	32	40	63
Unannounced	86	92	73	46	50	74
<b>Total Number of Reviews</b>	<b>128</b>	<b>142</b>	<b>113</b>	<b>78</b>	<b>90</b>	<b>137</b>

Provider Trainings	0	0	0	0	0	0
Technical Support	304	327	333	264	261	429
Corrective Action Plans	3	8	5	11	6	2
Special Incident Investigations*	33	75	76	42	41	55

Type and Number of Reviews	Jan.	Feb.	Mar.	Apr.	May	June	Total
Annual Review	44						<b>311</b>
Unannounced	84						<b>505</b>
<b>Total Number of Reviews</b>	<b>128</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>816</b>

Provider Trainings	0						<b>0</b>
Technical Support	276						<b>2,194</b>
Corrective Action Plans	3						<b>38</b>
Special Incident Investigations*	73						<b>395</b>

\* 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)

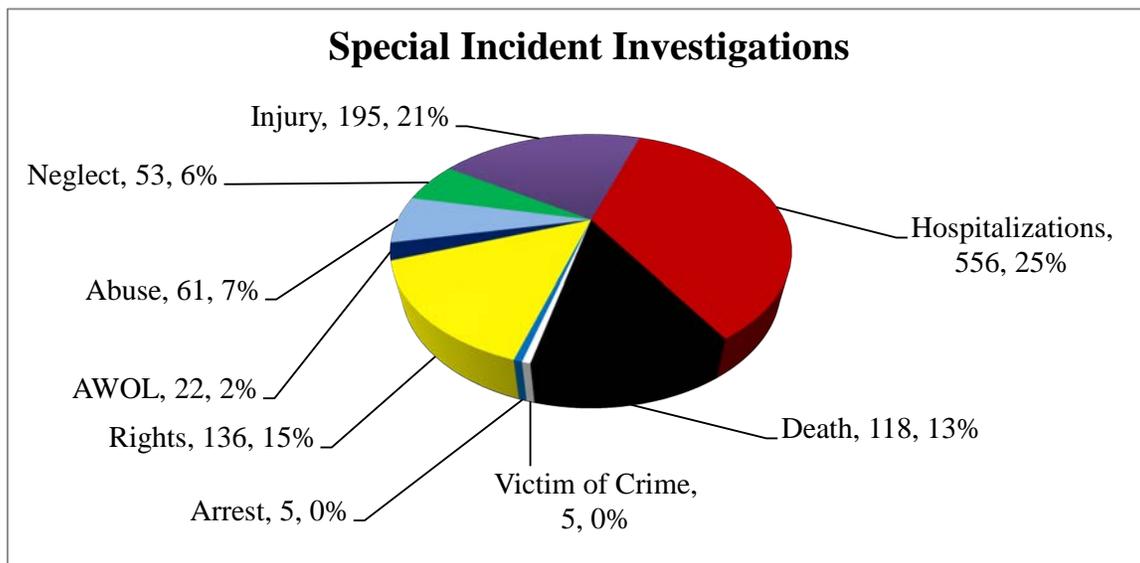
- (A) The consumer is missing and the vendor or long-term health care facility has filed a missing persons report with a law enforcement agency;
  - (B) Reasonably suspected abuse/exploitation including:
    - 1. Physical;
    - 2. Sexual;
    - 3. Fiduciary;
    - 4. Emotional/mental; or
    - 5. Physical 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, RCOG includes arrest and rights violations as reportable incidents.

**Type and Number of Special Incident Investigations**  
*Fiscal Year 2025-26*

Type of Incident	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
AWOL	4	4	1	5	4	2
Abuse	3	9	9	10	15	7
Neglect	9	8	5	11	4	8
Injury	32	36	25	28	23	20
Hospitalizations - Total	50	37	52	52	49	33
<i>Psychiatric</i>	8	5	7	7	9	2
<i>Medical</i>	42	32	45	45	40	31
Death	10	12	11	17	11	13
Victim of crime	0	0	1	0	1	1
Arrest	0	2	0	0	0	1
Rights	24	27	12	12	11	42
<b>Total</b>	<b>132</b>	<b>135</b>	<b>116</b>	<b>135</b>	<b>118</b>	<b>127</b>

Type of Incident	Jan.	Feb.	Mar.	Apr.	May	June	Total
AWOL	2						22
Abuse	8						61
Neglect	8						53
Injury	31						195
Hospitalizations - Total	60						333
<i>Psychiatric</i>	7						45
<i>Medical</i>	53						288
Death	44						118
Victim of Crime	2						5
Arrest	2						5
Rights	8						136
<b>Total</b>	<b>165</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>928</b>



**COMMUNITY LIFE continued**

**Provider Audits**  
*Fiscal Year 2025-26*

*Number of Audits / Appeals / Recoveries*

<b>Type of Audit</b>	<b>Jul.</b>	<b>Aug.</b>	<b>Sept.</b>	<b>Oct.</b>	<b>Nov.</b>	<b>Dec.</b>
Service Billing	0	0	0	0	1	1
Staffing	0	0	0	0	1	0
Level 4I Consultant	0	0	0	0	0	1
P&I (consumer funds)	0	0	0	0	0	0
<b>Total Number of Audits</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>2</b>

*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	2	1

*Audit Findings (Dollar Amount)*

<i>Amount of Recovery</i>	\$0.00	\$0.00	\$0.00	\$0.00	\$75,083.88	\$594.40
---------------------------	--------	--------	--------	--------	-------------	----------

<b>Type of Audit</b>	<b>Jan.</b>	<b>Feb.</b>	<b>Mar.</b>	<b>Apr.</b>	<b>May</b>	<b>June</b>	<b>Total</b>
Service Billing	1						<b>3</b>
Staffing	1						<b>0</b>
Level 4I Consultant							<b>0</b>
P&I (consumer funds)							<b>0</b>
<b>Total Number of Audits</b>	<b>2</b>						<b>6</b>

*Number of Appeals / Recoveries*

State Appeal							<b>0</b>
Recovery	2						<b>5</b>

*Audit Findings (Dollar Amount)*

<i>Amount of Recovery</i>	\$35,018.86	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	<b>\$110,697.14</b>
---------------------------	-------------	--------	--------	--------	--------	--------	---------------------

## 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 2025-26*

#### Number of Authorizations for Voucher Services

Type of Service	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
Day Care - Family Member	93	76	70	86	87	73
Diapers - Family Member	3	2	1	3	3	1
Nursing Service - Family Member	55	42	51	50	41	No Data Available
Respite Service - Family Member	697	725	729	719	713	737
Transportation - Family Member	222	312	325	305	304	367
<b>Total Number of Voucher Authorizations</b>	<b>1,070</b>	<b>1,157</b>	<b>1,176</b>	<b>1,163</b>	<b>1,148</b>	<b>1,178</b>

#### Number of Authorizations for Voucher Services

Type of Service	Jan.	Feb.	Mar.	Apr.	May	June
Day Care - Family Member	91					
Diapers - Family Member	3					
Nursing Service - Family Member	No Data Available					
Respite Service - Family Member	723					
Transportation - Family Member	307					
<b>Total Number of Voucher Authorizations</b>	<b>1,124</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 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 2025-26*

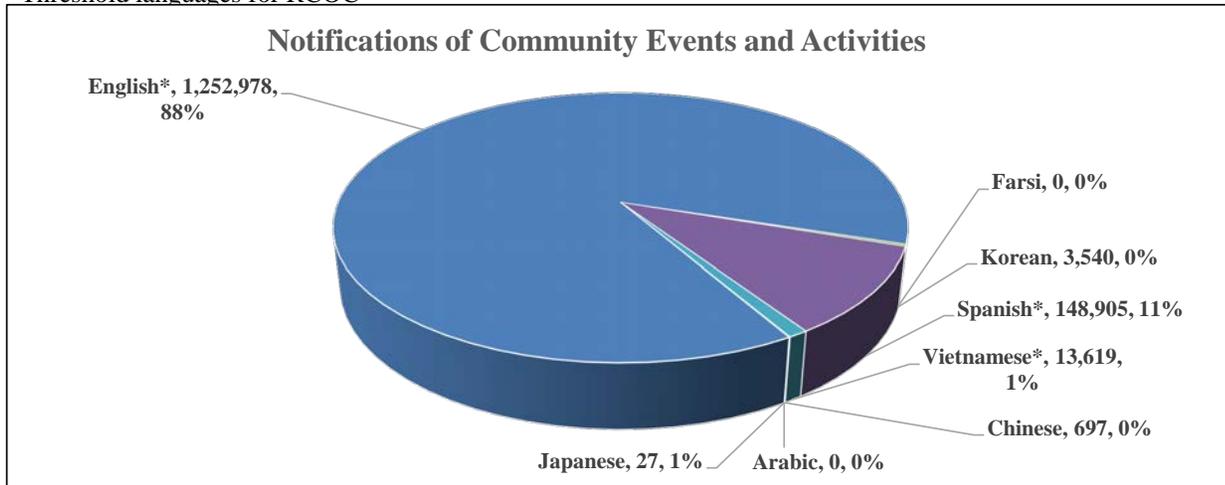
#### Number of Notifications

Language	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
English*	151,271	118,786	245,656	166,331	169,186	124,961
Farsi	0	0	0	0	0	0
Korean	778	136	662	157	1,102	301
Spanish*	16,264	19,523	35,018	28,313	14,552	7,868
Vietnamese*	2,124	538	2,518	1,270	2,006	2,295
Chinese	104	0	0	0	363	0
Japanese	0	0	0	0	0	0
Arabic	0	0	0	0	0	0
<b>Total Number of Notifications</b>	<b>170,541</b>	<b>138,983</b>	<b>283,854</b>	<b>196,071</b>	<b>187,209</b>	<b>135,425</b>

#### Number of Notifications

Language	Jan.	Feb.	Mar.	Apr.	May	June	Total
English*	276,787						1,252,978
Farsi	0						0
Korean	404						3,540
Spanish*	27,367						148,905
Vietnamese*	2,868						13,619
Chinese	230						697
Japanese	0						0
Arabic	0						0
<b>Total Number of Notifications</b>	<b>307,656</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,419,739</b>

\* Threshold languages for RCOG



## 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 2025-26*

#### Number of Outreach Events

Type of Outreach / Language	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
<b>In Person/Zoom</b>						
English	4	4	8	3	5	2
Spanish	0	5	3	5	4	1
Vietnamese	1	1	0	3	1	3
Other Languages**	1	1	2	1	2	
<b>In Print</b>						
English	2	1				2
Spanish						
Vietnamese	1		1			
Other Languages						
<b>TV / Radio</b>						
English						
Spanish						
Vietnamese	4	5	4	4	5	4
Other Languages						
<b>Total Number of Outreach Events</b>	<b>13</b>	<b>17</b>	<b>18</b>	<b>16</b>	<b>17</b>	<b>12</b>

\*\* Korean or Other

#### Number of Outreach Events

Language	Jan.	Feb.	Mar.	Apr.*	May*	June*	Total
<b>In Person</b>							
English	2						<b>28</b>
Spanish	2						<b>20</b>
Vietnamese							<b>9</b>
Other Languages							<b>7</b>
<b>In Print</b>							
English							<b>5</b>
Spanish							<b>0</b>
Vietnamese							<b>2</b>
Other Languages							<b>0</b>
<b>TV / Radio</b>							
English							<b>0</b>
Spanish							<b>0</b>
Vietnamese	4						<b>30</b>
Other Languages							<b>0</b>
<b>Total Number of Outreach Events</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>101</b>

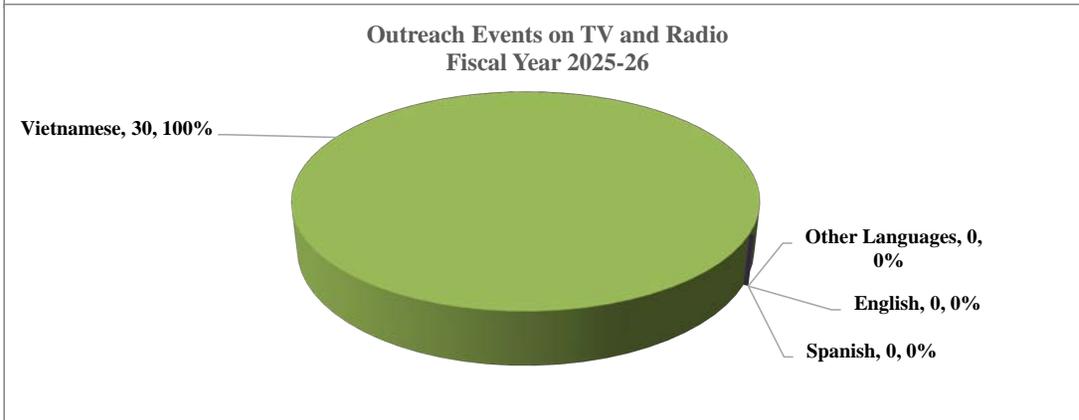
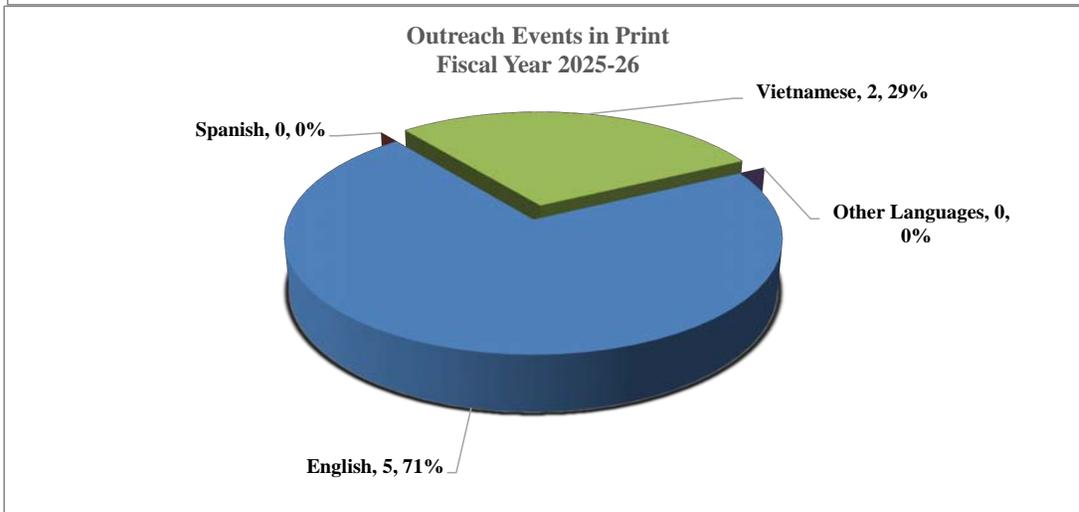
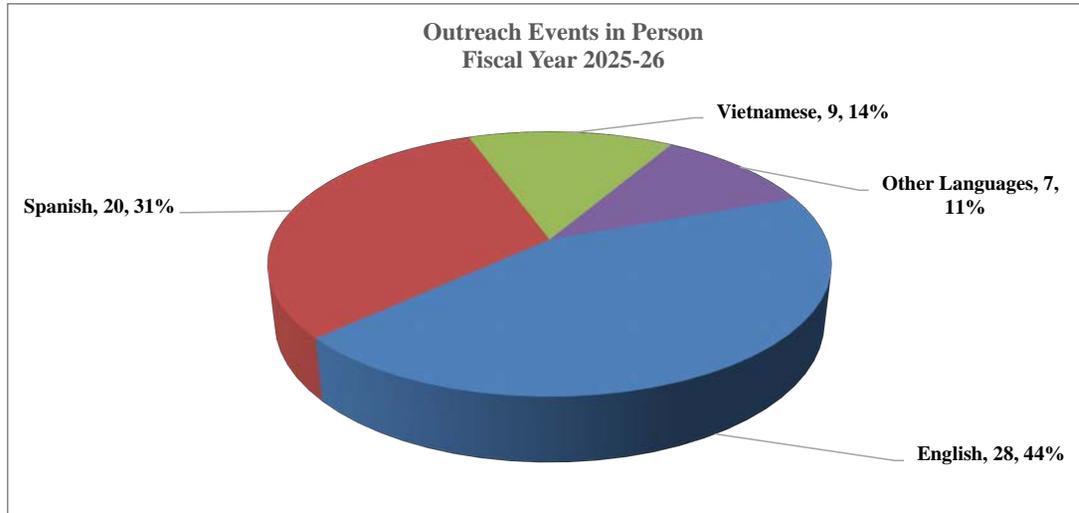
\* Virtual Meetings

## 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 2025-26



## EARLY INTERVENTION / PREVENTION

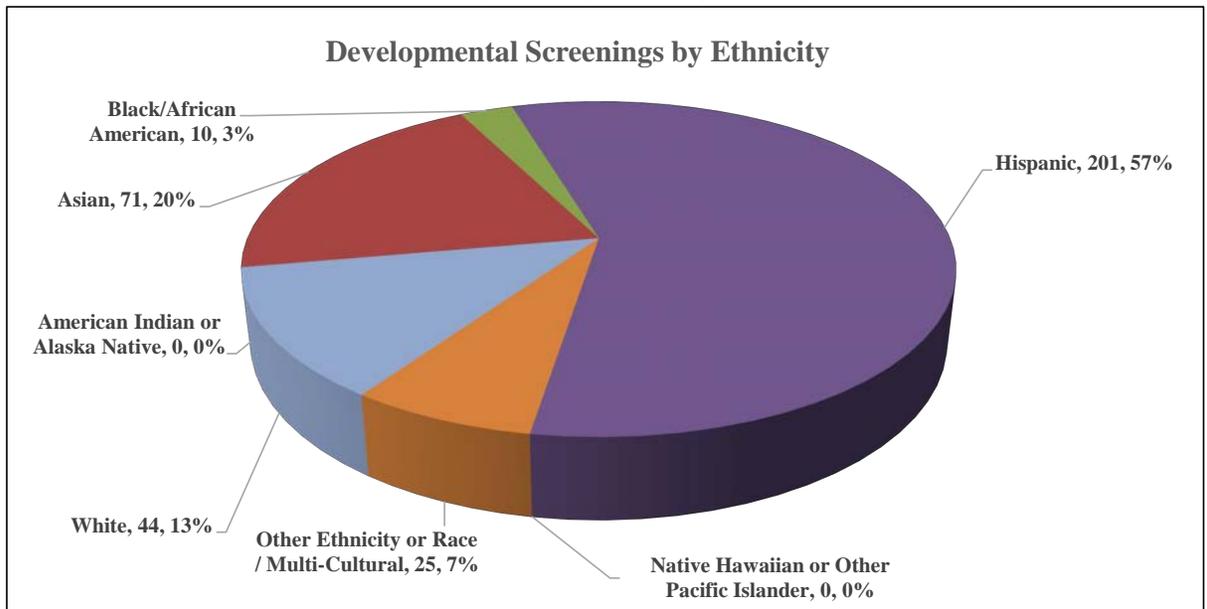
### Related Guiding Principles

- 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 2025-26

Developmental Screenings by Ethnicity	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
American Indian or Alaska Native	0	0	0	0	0	0
Asian	0	12	16	24	6	3
Black/African American	0	0	4	1	2	1
Hispanic	0	51	34	48	32	18
Native Hawaiian or Other Pacific Islander	0	0	0	0	0	0
Other Ethnicity or Race / Multi-Cultural	0	5	10	4	2	3
White	0	7	9	15	6	3
<b>Total Number Screened</b>	<b>0</b>	<b>75</b>	<b>73</b>	<b>92</b>	<b>48</b>	<b>28</b>
<b>Total Number Referred to RCOC</b>	<b>0</b>	<b>43</b>	<b>27</b>	<b>35</b>	<b>22</b>	<b>8</b>

Developmental Screenings by Ethnicity	Jan.	Feb.	Mar.	Apr.	May	June	Total
American Indian or Alaska Native	0						<b>0</b>
Asian	10						<b>71</b>
Black/African American	2						<b>10</b>
Hispanic	18						<b>201</b>
Native Hawaiian or Other Pacific Islander	0						<b>0</b>
Other Ethnicity or Race / Multi-Cultural	1						<b>25</b>
White	4						<b>44</b>
<b>Total Number Screened</b>	<b>35</b>						<b>351</b>
<b>Total Number Referred to RCOC</b>	<b>21</b>						<b>156</b>

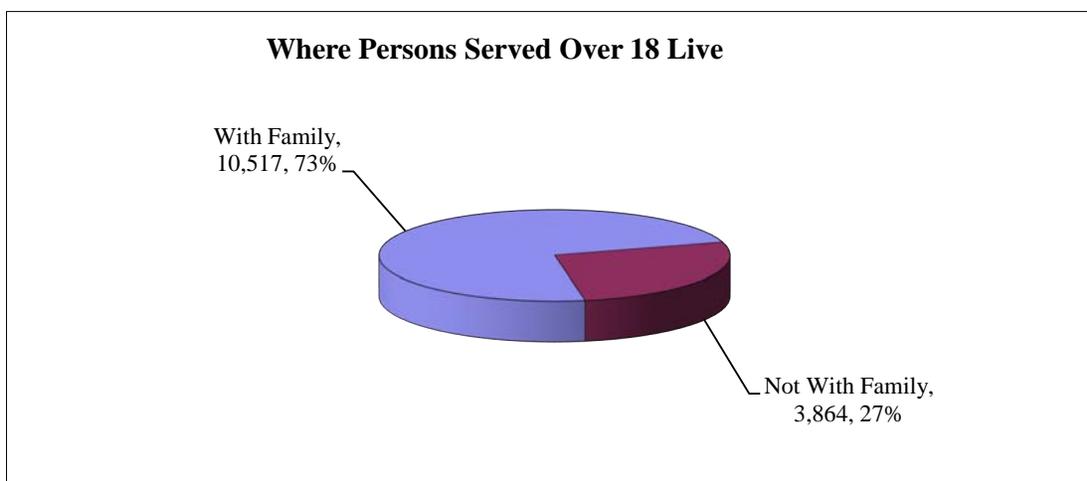
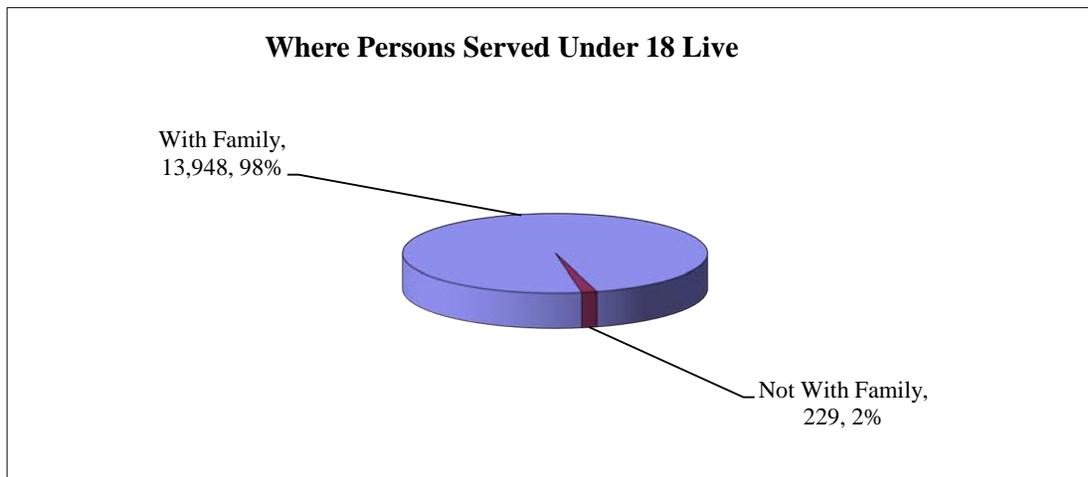


## LIVING OPTIONS

### 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.*

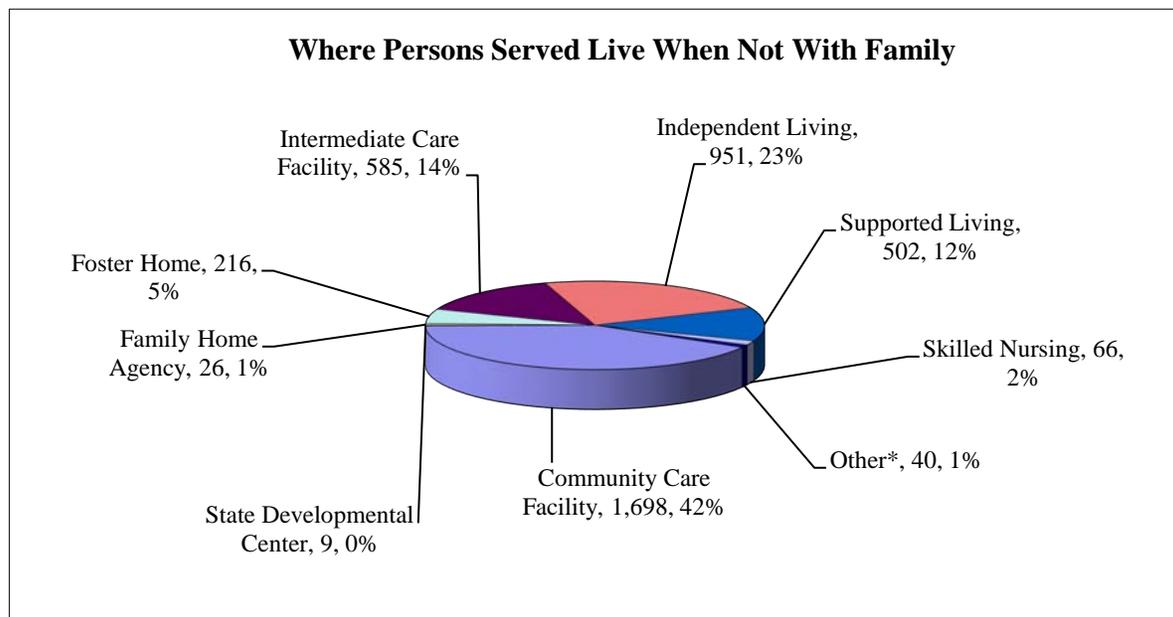
Where Persons Served Live	Persons Served All	Persons Served Under 18	Persons Served Over 18
With Family	24,465	13,948	10,517
Not With Family	4,093	229	3,864
<b>Totals</b>	<b>28,558</b>	<b>14,177</b>	<b>14,381</b>



**LIVING OPTIONS, continued**

Where Persons Served Live	All Persons Served	Persons Served Under 18	Persons Served Over 18
Family Home	24,465	13,948	10,517
Community Care Facility	1,698	13	1,685
State Developmental Center	9	0	9
Family Home Agency	26	0	26
Foster Home	216	207	9
Intermediate Care Facility	585	0	585
Independent Living	951	0	951
Supported Living	502	0	502
Skilled Nursing	66	0	66
Other*	40	9	31
<b>Total</b>	<b>28,558</b>	<b>14,177</b>	<b>14,381</b>

<b>Other*</b>			
Acute General Hospital	2	0	2
California Youth Authority	1	1	0
Community Treatment	1	0	1
Correctional Institution	1	0	1
County Jail	4	0	4
Other	7	0	7
Out of State	1	1	0
Psychiatric Treatment	26	3	23
Rehabilitation Center	3	0	3
SDC / State Hospital	5	0	5
Sub-Acute	36	8	28
Transient / Homeless	11	2	9
<b>Total, Other*</b>	<b>98</b>	<b>15</b>	<b>83</b>



## 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.

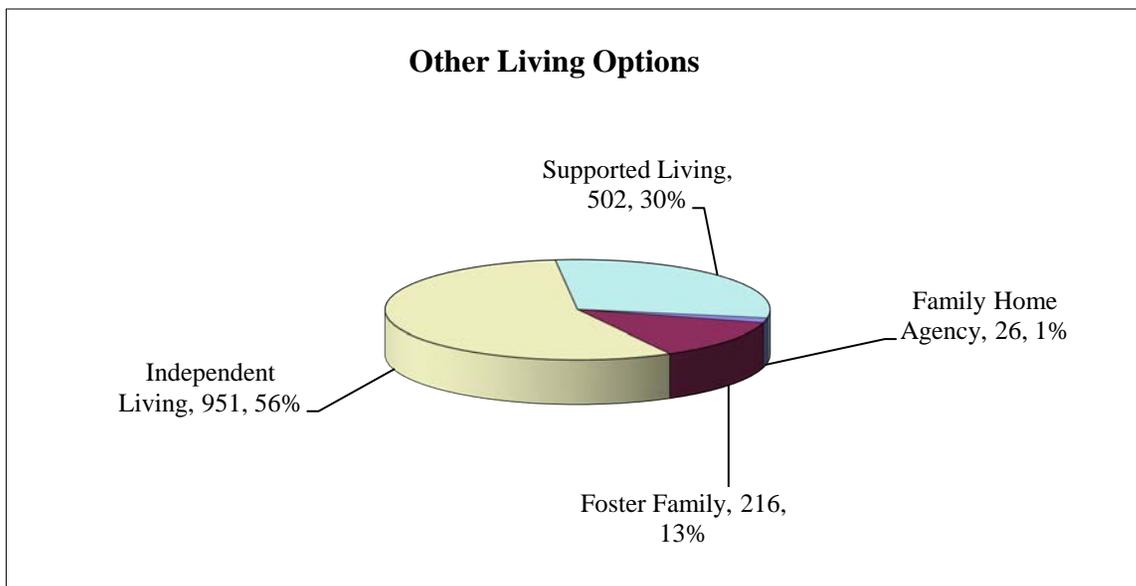
#### Independent Living

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.

<b>Other Living Options</b>	<b>Total</b>	<b>Under 18</b>	<b>Over 18</b>
Family Home Agency	26	0	26
Foster Family	216	207	9
Independent Living	951	0	951
Supported Living	502	0	502
<b>Total</b>	<b>1,695</b>	<b>207</b>	<b>1,488</b>



## 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 2025-26*

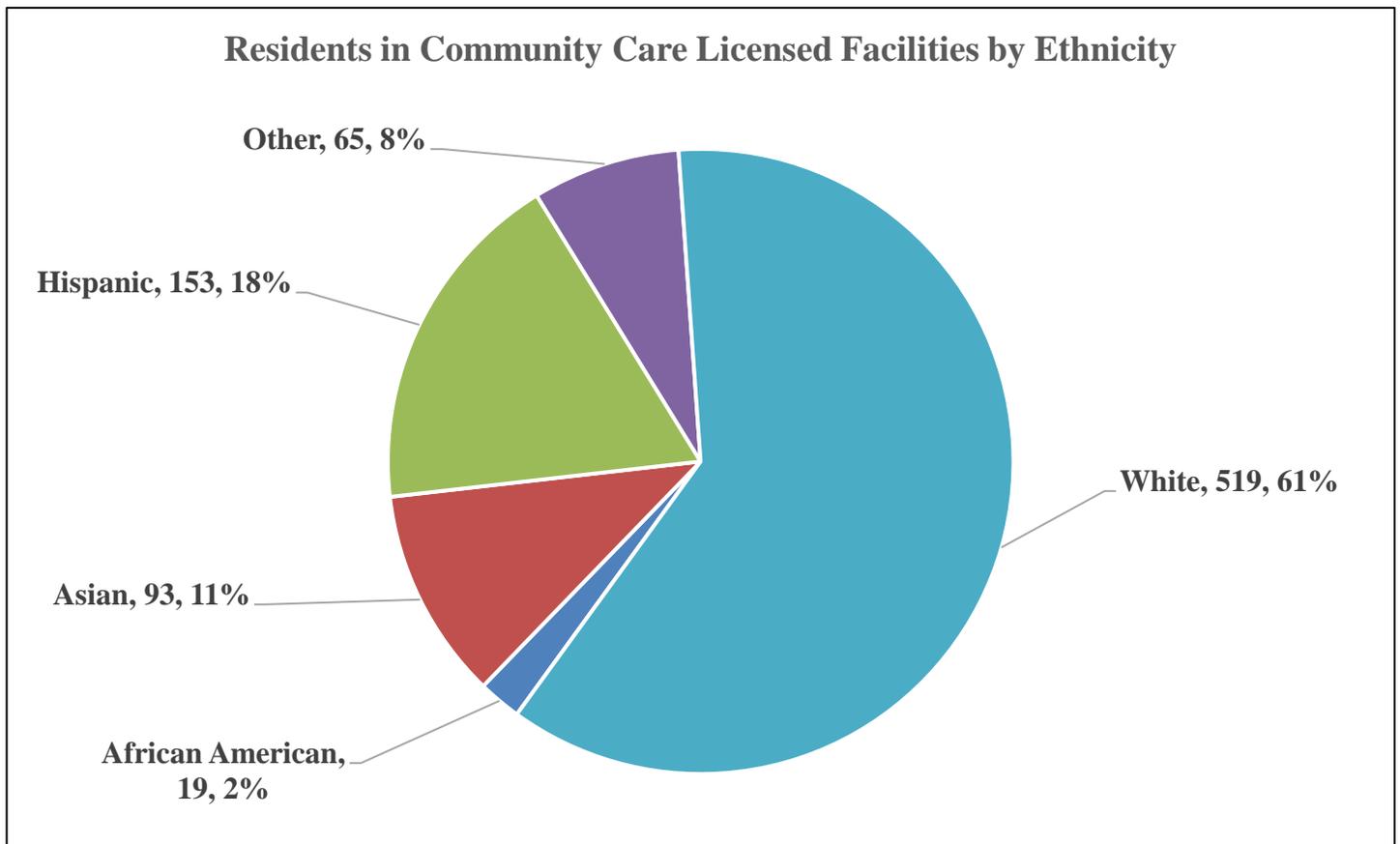
<b>Licensed Facilities</b>	<b>Total</b>	<b>Over 18</b>	<b>Under 18</b>
Level 2	0	0	0
Level 3	0	0	0
Level 4A	0	0	0
Level 4B	0	0	0
Level 4C	0	0	0
Level 4D	0	0	0
Level 4E	0	0	0
Level 4F	0	0	0
Level 4G	0	0	0
Level 4H	0	0	0
Level 4I	0	0	0
Elderly	17	17	0
ICF/DD-H	1	1	0
ICF/DD-N	5	5	0
ICF/DD	0	0	0
Skilled Nursing	0	0	0
<b>Total</b>	<b>23</b>	<b>23</b>	<b>0</b>

<b>Licensed Facilities Summary</b>	<b>Total</b>	<b>Over 18</b>	<b>Under 18</b>
Level 2	0	0	0
Level 3	0	0	0
Level 4	0	0	0
ICF/DD-H	1	1	0
ICF/DD-N	5	5	0
Elderly	17	17	0
Skilled Nursing	0	0	0
<b>Total</b>	<b>23</b>	<b>23</b>	<b>0</b>

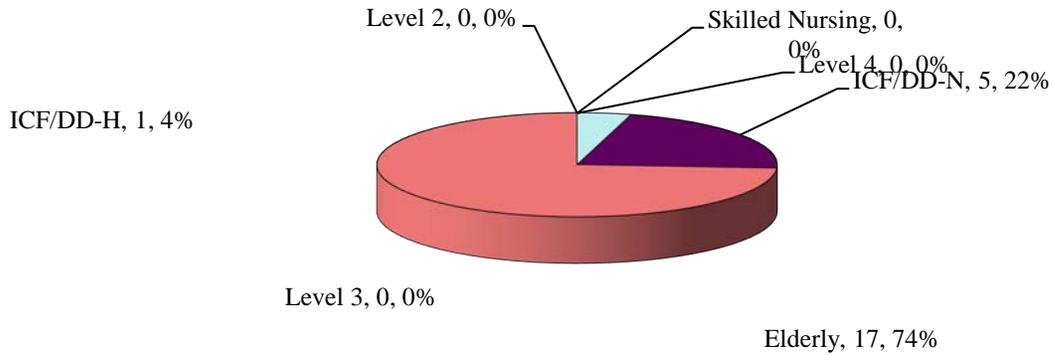
**LIVING OPTIONS, continued**

**Persons Served Who Reside in Licensed Facilities Funded by RCOC by Ethnicity**  
*Fiscal Year 2025-26*

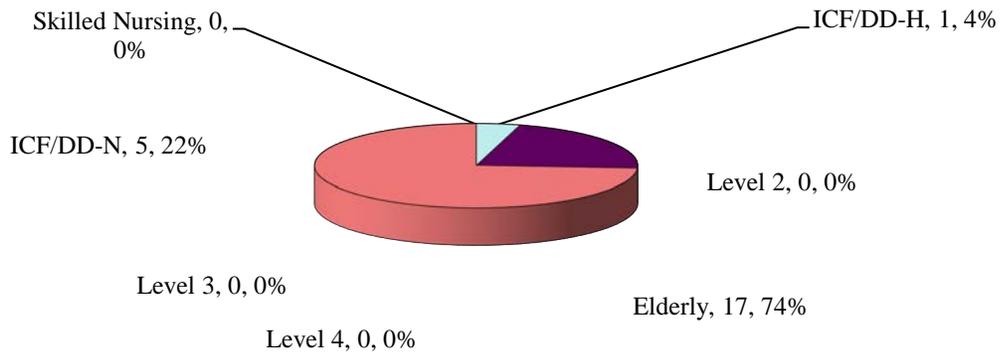
Licensed Facilities	African American	Asian	Hispanic	Other	White	Total
Level 2	5	21	53	17	178	274
Level 3	7	45	73	39	228	392
Level 4A	7	27	27	9	113	183
Level 4B	0	0	0	0	0	0
Level 4C	0	0	0	0	0	0
Level 4D	0	0	0	0	0	0
Level 4E	0	0	0	0	0	0
Level 4F	0	0	0	0	0	0
Level 4G	0	0	0	0	0	0
Level 4H	0	0	0	0	0	0
Level 4I	0	0	0	0	0	0
<b>Total</b>	<b>19</b>	<b>93</b>	<b>153</b>	<b>65</b>	<b>519</b>	<b>849</b>



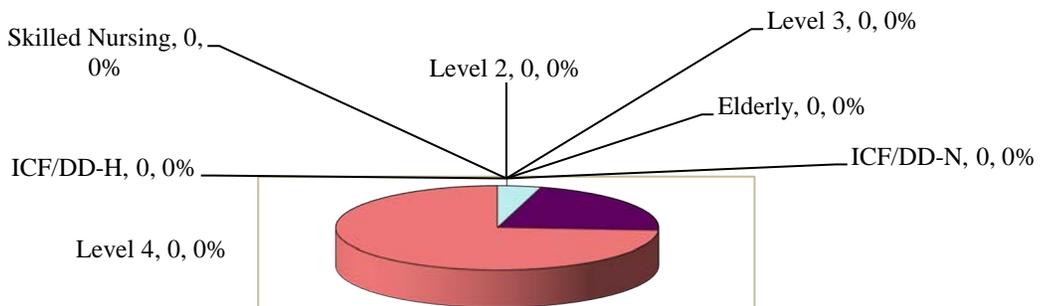
**Persons Served Who Reside in Licensed Facilities  
Services Funded by RCOC**



**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**

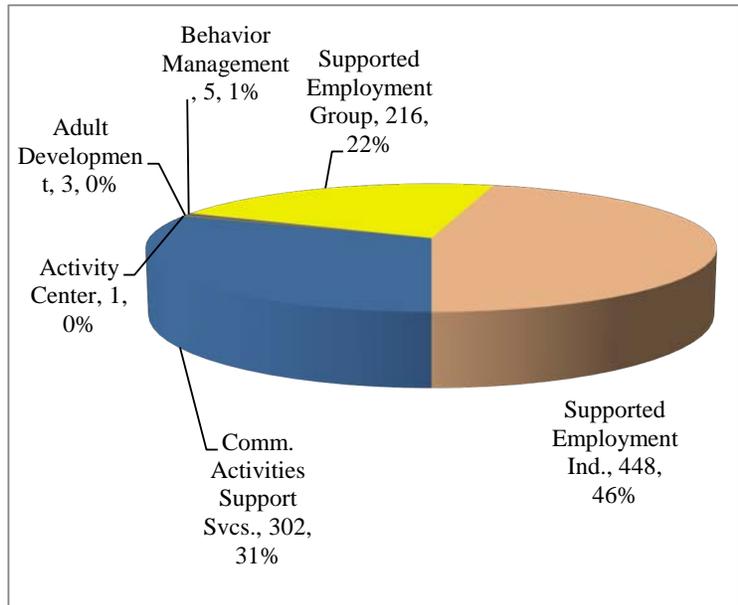


## WORK

### 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.	302
Activity Center	1
Adult Development	3
Behavior Management	5
Supported Employment Group	216
Supported Employment Ind.	448
<b>Total</b>	<b>975</b>



### 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 2025-26***

<b>Service Coordination:</b>	<b>Jul.</b>	<b>Aug.</b>	<b>Sept.</b>	<b>Oct.</b>	<b>Nov.</b>	<b>Dec.</b>
Number of Service Coordinators (SC)	469.1	481.2	479.3	504.4	502.0	499.3
Number of Case-Carrying SCs	416.8	429.0	429.0	452.1	446.5	442.4
Number of Intake SCs	43.0	43.0	43.0	45.0	45.0	45.0
Number of Active Persons Served	27,926	28,006	28,174	28,291	28,458	28,611
Caseload Ratio, # of Active Persons Served/SCs	67.0	65.3	65.7	62.6	63.7	64.7

<b>Service Coordination:</b>	<b>Jan.</b>	<b>Feb.</b>	<b>Mar.</b>	<b>Apr.</b>	<b>May</b>	<b>June</b>
Number of Service Coordinators (SC)	496.3					
Number of Case-Carrying SCs	440.3					
Number of Intake SCs	44.0					
Number of Active Persons Served	28,745					
Caseload Ratio, # of Active Persons Served/SCs	65.3					

**SERVICE PLANNING AND COORDINATION continued**

**Fair Hearings**

*Fiscal Year 2025-26*

	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
<b>Number of Unsettled Hearing Requests*</b>	<b>28</b>	<b>27</b>	<b>23</b>	<b>27</b>	<b>24</b>	<b>27</b>	<b>27</b>					
Eligibility - Lanterman	9	10	8	9	11	13	10					
Behavioral services				2	2	2	2					
Respite	2	3	3	4	2	1	1					
Day Care												
Self Determination Budget	10	4	6	6	5	7	8					
Personal Assistance	2	2	2	1								
Other**	7	9	6	6	5	5	7					

\* *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.*

<b>Number of New Hearing Requests Filed*</b>	<b>10</b>	<b>8</b>	<b>7</b>	<b>14</b>	<b>7</b>	<b>14</b>	<b>12</b>					
Eligibility - Lanterman	3	6	5	5	6	7	7					
Eligibility - Early Start												
Behavioral services				2								
Respite	1	1		1								
Day Care												
Social/Recreational	1					1						
Social Skills Training												
SDP	2		2	3		4	5					
Personal Assistance	1											
Other**	2	1		1	1	1						

\* *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.*

<b>Number of All Meetings Held</b>	<b>14</b>	<b>10</b>	<b>12</b>	<b>10</b>	<b>9</b>	<b>14</b>	<b>8</b>					
Number of Informal Meetings Held	9	8	6	10	7	12	8					
Number of Mediations Held	3		2		1	2						
Number of SLFHs Held	2	2	2		1							

<b>Number of Requests in Scheduling*</b>	<b>7</b>	<b>7</b>	<b>4</b>	<b>6</b>	<b>4</b>	<b>2</b>	<b>12</b>					
--	----------	----------	----------	----------	----------	----------	-----------	--	--	--	--	--

\* *Meetings in process of being scheduled; meetings on schedule but not yet held; meetings scheduled but not held due to continuances.*

<b>Number of Requests Pending*</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>					
------------------------------------	----------	----------	----------	----------	----------	----------	----------	--	--	--	--	--

\* *State Level Fair Hearing (SLFH) held but awaiting decision.*

<b>Number of Requests Settled</b>	<b>6</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>10</b>	<b>11</b>	<b>7</b>					
Withdrawn by Person Served/Family			1	2	5	1	1					
Settled in Informal	4	7	5	7	5	9	6					
Settled after further follow-up by RCOC				1								
Settled in Mediation	1		1									
SLFH Decision	1	1	2			1						

**State Level Fair Hearing Decisions**

<b>Prevailing Party</b>												
Person Served/Family												
RCOC	1	1	2			1						
Split												

## ADMINISTRATION AND GOVERNANCE

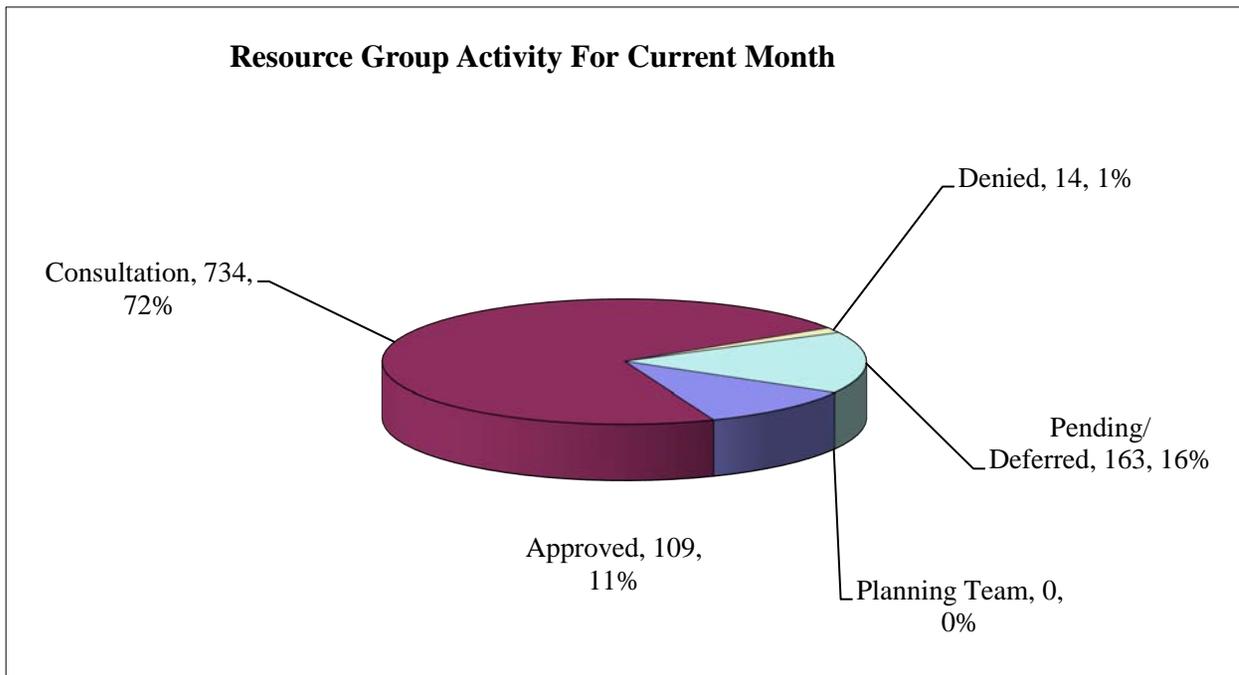
### Guiding Principle

- *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 December 2025 and Fiscal Year to Date

Disposition	Approved	Consultation	Denied	Pending/Deferred	Planning Team	Total
Adult Day	2	211	0	63	0	276
Behavioral	25	31	0	40	0	96
Education	0	0	0	0	0	0
Eligibility/Health	4	0	8	2	0	14
Early Start	25	96	6	23	0	150
Living Options	7	63	0	5	0	75
Supported/Ind.	3	97	0	13	0	113
All Others	43	236	0	17	0	296
<b>Monthly Total</b>	<b>109</b>	<b>734</b>	<b>14</b>	<b>163</b>	<b>0</b>	<b>1,020</b>

<b>FY 2025-26 Total to Date</b>	15,876	7,588	165	1,113	0	<b>24,742</b>
-------------------------------------	--------	-------	-----	-------	---	---------------



## Operations Report Summary - January 2026

About Persons Served	Early Start	Medicaid Waiver	All Other	SDC	Total	Under 18	Over 18
Number of Persons Served	3,381	8,768	11,830	9	<b>23,988</b>	14,177	14,381
<i>Percentage of Total</i>	<i>14%</i>	<i>37%</i>	<i>49%</i>	<i>0%</i>	<i>100%</i>	<i>59%</i>	<i>60%</i>

<b>Children served in Prevention Resource and Referral Services</b>	<b>458</b>
---	------------

Persons Served by Residence Status	All	Under 18	Over 18
Family Home	24,465	13,948	10,517
Community Care Facility	1,698	13	1,685
State Developmental Center	9	0	9
Family Home Agency	26	0	26
Foster Home	216	207	9
Intermediate Care Facility	585	0	585
Independent Living	951	0	951
Supported Living	502	0	502
Skilled Nursing	66	0	66
Other	40	9	31
<b>Total</b>	<b>28,558</b>	<b>14,177</b>	<b>14,381</b>

Special Incident Investigations	Year to Date
AWOL	22
Abuse	61
Neglect	53
Injury	195
Hospitalizations - Total	333
Death	118
Victim of crime	5
Arrest	5
Rights	136
<b>Total</b>	<b>928</b>

### Number of Licensed Facilities

<i>Community Care Facilities</i>	Total	Under 18	Over 18
Level 2	74	0	74
Level 3	87	0	104
Level 4	211	8	206
<b>Total Community Care Facilities</b>	<b>372</b>	<b>8</b>	<b>384</b>

Licensed Facility Monitoring	Year to Date
Annual Review	311
Unannounced	505
Total Number of Reviews	816
Provider Trainings	0
Technical Support	2,194
Corrective Action Plans	38

### *Intermediate Care Facilities (ICF)*

ICF-DD	0
ICF-DD/Habilitation	67
ICF-DD/Nursing	41
<b>Total ICF Facilities</b>	<b>108</b>

<b>Number of Audits</b>	<b>6</b>
<b>Amount of Recovery from Audits</b>	<b>\$110,697</b>

<b>Total Licensed Facilities</b>	<b>480</b>
----------------------------------	------------



## Performance Contract Summary

RCOC as of 1/0/2026	All	RCOC #	Goal	Percentage	# Attained
Children in Foster Homes (FH)	14,130	204	220	1.44%	-16
Children Own Home Parent/Guardian	14,130	13,868	13,720	98.15%	148
Total # Children (FH,Parent/Guardian)	14,130	14,072	13,940	99.59%	132
Adult FHA	14,463	63	90	0.44%	-27
Independent Living (IL)	14,463	947	982	6.55%	-35
Adults Residing Own Home - Parent	14,463	10,449	10,510	72.25%	-61
Supported Living (SL)	14,463	491	505	106.00%	-14
Total # Adults (FHA, IL,Parent/Guardian, SL)	14,463	11,950	12,087	185.23%	-137
Children Residing in a CCF (7+ beds)	14,130	0	0	0.00%	0
Children Residing in a ICF (7+ beds)	14,130	0	0	0%	0
Children Residing in a Nursing Facility (7+ beds)	14,130	0	0	0%	0
Total Children Residing in 7+ bed facilities	14,130	0	0	99.67%	0
Adults Residing in a CCF (7+ beds)	14,463	100	106	0.69%	6
Adults Residing in a ICF (7+ beds)	14,463	14	13	0.10%	-1
Adults Residing in a Nursing Facility (7+ beds)	14,463	66	72	0.46%	6
Total Adults Residing in 7+ bed facilities	14,463	180	191	1.24%	11
Total Individuals Over Age 3 with <=120 days	388	387	100%	99.74%	99.74%
Total Individuals Over Age 3 with 121-240 days	388	1	0%	0.26%	0.26%
Total Individuals Over Age 3 Over 240 days	388	0	0%	0.00%	0.00%
Adults with Integrated Employment Goal	14,463	43%	65%		
Total Number of Incentive Payments Made	14,463	342			
Avg. Wage per Hour After Incentive Payment	14,463	\$16.11			
Number of Persons Served with Earned Income	14,463	2,269			
Percentage of 16-64 Earned Income	14,463	15.5%			
Annual Earnings of 16-64	14,463	\$13,920			
Number of Adults in CIE After Paid Intern	14,463	8			
Percentage Adults Transitioned Internship to CIE	14,463	9%			
Total Annual Expenditures Race/Ethnicity	28,602				

**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	No
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	96.39%
Intake/Assessment and IFSP (0-2)	99.82%
IPP development biennial	Annual, 99.46
IFSP development	84.70%



## 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 their 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	Goal	%	# Attained
Statewide Average	2.20%	252,861	5,676			
RCOC Public Hearing 4/23/25	1.80%	13,137	242			
RCOC 1/02/26	1.44%	14,130	204	220	1.44%	-16
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	13,730	220	193	1.41%	-27
Aug-25	13,744	220	200	1.46%	-20
Sep-25	13,860	220	198	1.43%	-22
Oct-25	13,912	220	202	1.45%	-18
Nov-25	14,017	220	200	1.43%	-20
Dec-25	14,130	220	204	1.44%	-16
Jan-26		220			
Feb-26		220			
Mar-26		220			
Apr-26		220			
May-26		220			
Jun-26		220			



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 1/02/26	98.15%	14,130	13,868	13,720	98.15%	148
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	13,730	13,720	13,482	98.19%	-238
Aug-25	13,744	13,720	13,486	98.12%	-234
Sep-25	13,860	13,720	13,599	98.12%	-121
Oct-25	13,912	13,720	13,649	98.11%	-71
Nov-25	14,017	13,720	13,758	98.15%	38
Dec-25	14,130	13,720	13,868	98.15%	148
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	Goal	%	# Attained
Statewide Average	99.70%	252,861	252,143			
RCOC Public Hearing 4/23/25	99.70%	13,137	13,096			
RCOC 1/02/26	99.59%	14,130	14,072	13,940	99.59%	132
Analysis of Public Hearing	RCOC % of DD pop		5.20%	RCOC % Homes		93.06%

	Total Children Status 1&2	Goal	Total Number Children in Homes	%	Number Attained
Jul-25	13,730	13,940	13,675	99.60%	-265
Aug-25	13,744	13,940	13,686	99.58%	-254
Sep-25	13,860	13,940	13,797	99.55%	-143
Oct-25	13,912	13,940	13,851	99.56%	-89
Nov-25	14,017	13,940	13,958	99.58%	18
Dec-25	14,130	13,940	14,072	99.59%	132
Jan-26		13,940			
Feb-26		13,940			
Mar-26		13,940			
Apr-26		13,940			
May-26		13,940			
Jun-26		13,940			



## 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 successional 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	Goal	%	# Attained
Statewide Average	0.70%	203,915	1,484			
RCOC Public Hearing 4/23/25	0.70%	13,898	91	90	0.44%	-27
RCOC 1/02/26	0.44%	14,463	63			
Analysis as of Public Hearing	RCOC % of DD pop		6.82%	RCOC % of FHA pop		6.13%



	Total Adults Status 2	Goal	Adults in FHA	%	Number Attained
Jul-25	14,172	90	70	0.49%	-20
Aug-25	14,207	90	66	0.46%	-24
Sep-25	14,278	90	64	0.45%	-26
Oct-25	14,346	90	64	0.45%	-26
Nov-25	14,413	90	64	0.44%	-26
Dec-25	14,163	90	63	0.44%	-27
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 1/02/26	6.57%	14,413	947	982	6.57%	-35
Analysis of Public Hearing	RCOC % of DD pop		6.82%	RCOC % of IL pop		5.36%



	Total Adults Status 2	Goal	Adults in Independent Living	%	Number Attained
Jul-25	14,172	982	948	6.69%	-34
Aug-25	14,207	982	950	6.69%	-32
Sep-25	14,278	982	947	6.63%	-35
Oct-25	14,346	982	944	6.58%	-38
Nov-25	14,413	982	945	6.56%	-37
Dec-25	14,463	982	947	6.57%	-35
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 1/02/26	72.25%	14,463	10,449	10,510	72.25%	-61
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	14,172	10,510	10,173	71.78%	-337
Aug-25	14,207	10,510	10,207	71.84%	-303
Sep-25	14,278	10,510	10,271	71.94%	-239
Oct-25	14,346	10,510	10,338	72.06%	-172
Nov-25	14,413	10,510	10,408	72.21%	-102
Dec-25	14,463	10,510	10,449	72.25%	-61
Jan-26		10,510			
Feb-26		10,510			
Mar-26		10,510			
Apr-26		10,510			
May-26		10,510			
Jun-26		10,510			



**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 1/02/26	3.39%	14,463	491	505	3.39%	-14
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	14,172	505	492	3.47%	-13
Aug-25	14,207	505	492	3.46%	-13
Sep-25	14,278	505	495	3.47%	-10
Oct-25	14,346	505	497	3.46%	-8
Nov-25	14,413	505	490	3.40%	-15
Dec-25	14,463	505	491	3.39%	-14
Jan-26		505			
Feb-26		505			
Mar-26		505			
Apr-26		505			
May-26		505			
Jun-26		505			





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 1/02/26	82.62%	14,463	11,950	12,087	82.62%	-137
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	14,172	12,087	11,683	82.44%	-404
Aug-25	14,207	12,087	11,715	82.46%	-372
Sep-25	14,278	12,087	11,777	82.48%	-310
Oct-25	14,346	12,087	11,843	82.55%	-244
Nov-25	14,413	12,087	11,907	82.61%	-180
Dec-25	14,463	12,087	11,950	82.62%	-137
Jan-26		12,087			
Feb-26		12,087			
Mar-26		12,087			
Apr-26		12,087			
May-26		12,087			
Jun-26		12,087			

## 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 1/02/26	0.00%	14,130	0	0	0.00%	0
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	13,730	0	0	0.00%	0
Aug-25	13,744	0	0	0.00%	0
Sep-25	13,860	0	0	0.00%	0
Oct-25	13,912	0	0	0.00%	0
Nov-25	14,017	0	0	0.00%	0
Dec-25	14,130	0	0	0.00%	0
Jan-26		0			
Feb-26		0			
Mar-26		0			
Apr-26		0			
May-26		0			
Jun-26		0			

**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 1/02/26	0.00%	14,130	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	13,730	0	0	0.00%	0
Aug-25	13,744	0	0	0.00%	0
Sep-25	13,860	0	0	0.00%	0
Oct-25	13,192	0	0	0.00%	0
Nov-25	14,017	0	0	0.00%	0
Dec-25	14,130	0	0	0.00%	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 1/02/26	0.00%	14,130	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)	%	Number Attained	Met Goal
Jul-25	13,730	0	0	0.00%	0	
Aug-25	13,744	0	0	0.00%	0	
Sep-25	13,860	0	0	0.00%	0	
Oct-25	13,912	0	0	0.00%	0	
Nov-25	14,017	0	0	0.00%	0	
Dec-25	14,130	0	0	0.00%	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	Goal	%	# Attained
Statewide Average	0.03%	252,861	49			
RCOC Public Hearing 4/23/25	0.00%	13,137	0			
RCOC 1/02/26	0.01%	14,130	0	0	0.00%	0
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	13,730	0	0	0.00%	0
Aug-25	13,744	0	0	0.00%	0
Sep-25	13,860	0	0	0.00%	0
Oct-25	13,912	0	0	0.00%	0
Nov-25	14,017	0	0	0.00%	0
Dec-25	14,130	0	0	0.00%	0
Jan-26		0			
Feb-26		0			
Mar-26		0			
Apr-26		0			
May-26		0			
Jun-26		0			



## 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	Goal	%	# Attained
Statewide Average	0.67%	203,915	1,284			
RCOC Public Hearing 4/23/25	0.80%	13,898	112			
RCOC 1/02/26	0.69%	14,463	100	106	0.69%	6
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	14,172	106	98	0.69%	8
Aug-25	14,207	106	98	0.69%	8
Sep-25	14,278	106	99	0.69%	7
Oct-25	14,346	106	99	0.69%	7
Nov-25	14,413	106	100	0.69%	6
Dec-25	14,463	106	100	0.69%	6
Jan-26		106			
Feb-26		106			
Mar-26		106			
Apr-26		106			
May-26		106			
Jun-26		106			



**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	Goal	%	# Attained
Statewide Average	0.41%	203,915	705			
RCOC Public Hearing 4/23/25	0.10%	13,898	15			
RCOC 1/02/26	0.10%	14,463	14	13	0.10%	-1
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	14,172	13	14	0.10%	-1
Aug-25	14,172	13	14	0.10%	-1
Sep-25	14,278	13	14	0.10%	-1
Oct-25	14,346	13	15	0.10%	-2
Nov-25	14,413	13	15	0.10%	-2
Dec-25	14,463	13	14	0.10%	-1
Jan-26		13			
Feb-26		13			
Mar-26		13			
Apr-26		13			
May-26		13			
Jun-26		13			



**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	Goal	%	# Attained
Statewide Average	0.40%	203,915	874			
RCOC Public Hearing 4/23/25	0.60%	13,898	77			
RCOC 1/02/26	0.46%	14,463	66	72	0.46%	6
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	14,172	72	70	0.49%	2
Aug-25	14,207	72	69	0.49%	3
Sep-25	14,278	72	69	0.48%	3
Oct-25	14,346	72	65	0.45%	7
Nov-25	14,413	72	61	0.42%	11
Dec-25	14,463	72	66	0.46%	6
Jan-26		72			
Feb-26		72			
Mar-26		72			
Apr-26		72			
May-26		72			
Jun-26		72			

**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	Goal	%	# Attained
Statewide Average	1.40%	203,915	2,863			
RCOC Public Hearing 4/23/25	1.50%	13,898	205			
RCOC 1/02/26	1.24%	14,463	180	191	1.24%	11
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	14,172	191	182	1.28%	9
Aug-25	14,207	191	181	1.27%	10
Sep-25	14,278	191	182	1.27%	9
Oct-25	14,278	191	191	1.25%	12
Nov-25	14,413	191	176	1.22%	15
Dec-25	14,463	191	180	1.24%	11
Jan-26		191			
Feb-26		191			
Mar-26		191			
Apr-26		191			
May-26		191			
Jun-26		191			



## 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.

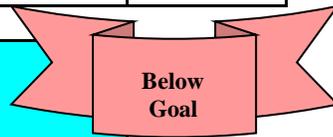
**Progress:** A. During public meetings, RCOC had 330, or 100%, of regional center individuals over age 3 with <=120 days.

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	Goal	% Attained
1/2/2026	99.74%	388	387	100%	99.74%



	Total Number Individuals Age 3 or Over	Goal	Total Number Individuals Over Age 3 with <=120 Days	% Attained
Jul-25	537	100%	537	100%
Aug-25	507	100%	504	99.41%
Sep-25	480	100%	480	100%
Oct-25	468	100%	467	99.79%
Nov-25	430	100%	430	100%
Dec-25	388	100%	387	99.74%
Jan-26		100%		
Feb-26		100%		
Mar-26		100%		
Apr-26		100%		
May-26		100%		
Jun-26		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 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		
1/2/2026	0.26%	388	1	0%	0.26%



	Total Number of Individuals Age 3 or Over	Goal	Total Number of Individuals Over Age 3 With 121-240 Days	%
Jul-25	537	0%	0	0%
Aug-25	507	0%	3	0.59%
Sep-25	480	0%	0	0%
Oct-25	468	0%	1	0.21%
Nov-25	430	0%	0	0%
Dec-25	388	0%	1	0.26%
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 Individual s Age 3 or Over	Total Number Individuals Over Age 3 Over 240 Days	Goal	% Attained
RCOC Public Hearing 4/23/25	0%	330	0		
1/2/2026	0.42%	388	0	0%	0.00%



	Total Number Individuals Age 3 or Over	Goal	Total Number Individuals Over Age 3 Over 240 Days	% Attained	Met Goal
Jul-25	537	0%	0	0%	
Aug-25	507	0%	0	0%	
Sep-25	480	0%	0	0%	
Oct-25	468	0%	0	0%	
Nov-25	430	0%	0	0%	
Dec-25	388	0%	0	0.00%	
Jan-26		0%			
Feb-26		0%			
Mar-26		0%			
Apr-26		0%			
May-26		0%			
Jun-26		0%			

**Performance Contract 2025-2026**

**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

**Performance Contract 2025-2026**

**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



## Performance Contract 2025-2026

### 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.

<b>Fiscal Year 2023-2024 Birth to 2 Years Ethnicity</b>	<b>Total Persons</b>	<b>Total Authorized Services</b>	<b>Per Capita Expenditures</b>	<b>Utilized</b>
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%
<b>Totals</b>	<b>5,651</b>	<b>\$60,087,924</b>	<b>\$6,307</b>	<b>59.3%</b>

<b>Fiscal Year 2023-2024 3 Years to 21 Years Ethnicity</b>	<b>Total Persons</b>	<b>Total Authorized Services</b>	<b>Per Capita Expenditures</b>	<b>Utilized</b>
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%
<b>Totals</b>	<b>12,324</b>	<b>\$146,466,457</b>	<b>\$5,732</b>	<b>48.2%</b>



<b>Fiscal Year 2023-2024 22 Years and Older Ethnicity</b>	<b>Total Persons</b>	<b>Total Authorized Services</b>	<b>Per Capita Expenditures</b>	<b>Utilized</b>
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%
<b>Totals</b>	<b>1122</b>	<b>\$7,161,515,936</b>	<b>\$44,991</b>	<b>70.5%</b>



**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.

<b>Fiscal Year 2023-2024 Birth to 2 Years Ethnicity</b>	<b>Total Persons</b>	<b>Case Management</b>	<b>Percent No Services</b>
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%
<b>Totals</b>	<b>5,651</b>	<b>328</b>	<b>5.8%</b>

<b>Fiscal Year 2023-2024 3 Years to 21 Years Ethnicity</b>	<b>Total Persons</b>	<b>Case Management</b>	<b>Percent No Services</b>
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%
<b>Totals</b>	<b>12,234</b>	<b>4,192</b>	<b>34%</b>

<b>Fiscal Year 2023-2024 22 Years and Older Ethnicity</b>	<b>Total Persons</b>	<b>Case Management</b>	<b>Percent No Services</b>
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%
<b>Totals</b>	<b>11,221</b>	<b>2395</b>	<b>21.3%</b>





**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).

<b>Fiscal Year 2023-2024 Primary Language All Ages</b>	<b>Total Persons</b>	<b>Total Authorized Services</b>	<b>Per Capita Expenditures</b>	<b>Utilized</b>
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%
<b>Totals</b>	<b>29,196</b>	<b>\$922,706,316</b>	<b>\$20,932</b>	<b>66.2%</b>



## Performance Contract Summary

RCOC as of 2/0/2026	All	RCOC #	Goal	Percentage	# Attained
Children in Foster Homes (FH)	14,193	203	220	1.43%	-17
Children Own Home Parent/Guardian	14,193	13,931	13,720	98.15%	211
Total # Children (FH,Parent/Guardian)	14,193	14,134	13,940	99.58%	194
Adult FHA	14,517	63	90	0.43%	-27
Independent Living (IL)	14,517	943	982	6.50%	-39
Adults Residing Own Home - Parent	14,517	10,507	10,510	72.38%	-3
Supported Living (SL)	14,517	496	505	106.00%	-9
Total # Adults (FHA, IL,Parent/Guardian, SL)	14,517	12,009	12,087	185.31%	-78
Children Residing in a CCF (7+ beds)	14,193	0	0	0.00%	0
Children Residing in a ICF (7+ beds)	14,193	0	0	0%	0
Children Residing in a Nursing Facility (7+ beds)	14,193	0	0	0%	0
Total Children Residing in 7+ bed facilities	14,193	0	0	99.67%	0
Adults Residing in a CCF (7+ beds)	14,517	97	106	0.67%	9
Adults Residing in a ICF (7+ beds)	14,463	13	13	0.09%	0
Adults Residing in a Nursing Facility (7+ beds)	14,463	64	72	0.44%	8
Total Adults Residing in 7+ bed facilities	14,463	174	191	1.20%	17
Total Individuals Over Age 3 with <=120 days	332	331	100%	99.70%	99.70%
Total Individuals Over Age 3 with 121-240 days	332	0	0%	0.00%	0.00%
Total Individuals Over Age 3 Over 240 days	332	1	0%	0.30%	0.30%
Adults with Integrated Employment Goal	14,517	43%	65%		
Total Number of Incentive Payments Made	14,517	342			
Avg. Wage per Hour After Incentive Payment	14,517	\$16.11			
Number of Persons Served with Earned Income	14,517	2,269			
Percentage of 16-64 Earned Income	14,517	15.5%			
Annual Earnings of 16-64	14,517	\$13,920			
Number of Adults in CIE After Paid Intern	14,517	8			
Percentage Adults Transitioned Internship to CIE	14,517	9%			
Total Annual Expenditures Race/Ethnicity	28,720				

**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	No
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	96.39%
Intake/Assessment and IFSP (0-2)	99.82%
IPP development biennial	Annual, 99.46
IFSP development	84.70%



## 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 their 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	Goal	%	# Attained
Statewide Average	2.20%	252,861	5,676			
RCOC Public Hearing 4/23/25	1.80%	13,137	242			
RCOC 2/02/26	1.43%	14,193	203	220	1.43%	-17
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	13,730	220	193	1.41%	-27
Aug-25	13,744	220	200	1.46%	-20
Sep-25	13,860	220	198	1.43%	-22
Oct-25	13,912	220	202	1.45%	-18
Nov-25	14,017	220	200	1.43%	-20
Dec-25	14,130	220	204	1.44%	-16
Jan-26	14,193	220	203	1.43%	-17
Feb-26		220			
Mar-26		220			
Apr-26		220			
May-26		220			
Jun-26		220			



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 2/02/26	98.15%	14,193	13,931	13,720	98.15%	211
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	13,730	13,720	13,482	98.19%	-238
Aug-25	13,744	13,720	13,486	98.12%	-234
Sep-25	13,860	13,720	13,599	98.12%	-121
Oct-25	13,912	13,720	13,649	98.11%	-71
Nov-25	14,017	13,720	13,758	98.15%	38
Dec-25	14,130	13,720	13,868	98.15%	148
Jan-26	14,193	13,720	13,931	98.15%	211
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	Goal	%	# Attained
Statewide Average	99.70%	252,861	252,143			
RCOC Public Hearing 4/23/25	99.70%	13,137	13,096			
RCOC 2/02/26	99.58%	14,193	14,134	13,940	99.58%	194
Analysis of Public Hearing	RCOC % of DD pop		5.20%	RCOC % Homes		92.66%

	Total Children Status 1&2	Goal	Total Number Children in Homes	%	Number Attained
Jul-25	13,730	13,940	13,675	99.60%	-265
Aug-25	13,744	13,940	13,686	99.58%	-254
Sep-25	13,860	13,940	13,797	99.55%	-143
Oct-25	13,912	13,940	13,851	99.56%	-89
Nov-25	14,017	13,940	13,958	99.58%	18
Dec-25	14,130	13,940	14,072	99.59%	132
Jan-26	14,193	13,940	14,134	99.58%	194
Feb-26		13,940			
Mar-26		13,940			
Apr-26		13,940			
May-26		13,940			
Jun-26		13,940			



## 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 successional 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	Goal	%	# Attained
Statewide Average	0.70%	203,915	1,484			
RCOC Public Hearing 4/23/25	0.70%	13,898	91	90	0.43%	-27
RCOC 2/02/26	0.43%	14,517	63			
Analysis as of Public Hearing	RCOC % of DD pop		6.82%	RCOC % of FHA pop		6.13%



	Total Adults Status 2	Goal	Adults in FHA	%	Number Attained
Jul-25	14,172	90	70	0.49%	-20
Aug-25	14,207	90	66	0.46%	-24
Sep-25	14,278	90	64	0.45%	-26
Oct-25	14,346	90	64	0.45%	-26
Nov-25	14,413	90	64	0.44%	-26
Dec-25	14,163	90	63	0.44%	-27
Jan-26	14,517	90	63	0.43%	-27
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 2/02/26	6.50%	14,517	943	982	6.50%	-39
Analysis of Public Hearing	RCOC % of DD pop		6.82%	RCOC % of IL pop		5.36%



	Total Adults Status 2	Goal	Adults in Independent Living	%	Number Attained
Jul-25	14,172	982	948	6.69%	-34
Aug-25	14,207	982	950	6.69%	-32
Sep-25	14,278	982	947	6.63%	-35
Oct-25	14,346	982	944	6.58%	-38
Nov-25	14,413	982	945	6.56%	-37
Dec-25	14,463	982	947	6.57%	-35
Jan-26	14,517	982	943	6.50%	-39
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 2/02/26	72.38%	14,517	10,507	10,510	72.38%	-3
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	14,172	10,510	10,173	71.78%	-337
Aug-25	14,207	10,510	10,207	71.84%	-303
Sep-25	14,278	10,510	10,271	71.94%	-239
Oct-25	14,346	10,510	10,338	72.06%	-172
Nov-25	14,413	10,510	10,408	72.21%	-102
Dec-25	14,463	10,510	10,449	72.25%	-61
Jan-26	14,517	10,510	10,507	72.38%	-3
Feb-26		10,510			
Mar-26		10,510			
Apr-26		10,510			
May-26		10,510			
Jun-26		10,510			



**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 2/02/26	3.42%	14,517	496	505	3.42%	-9
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	14,172	505	492	3.47%	-13
Aug-25	14,207	505	492	3.46%	-13
Sep-25	14,278	505	495	3.47%	-10
Oct-25	14,346	505	497	3.46%	-8
Nov-25	14,413	505	490	3.40%	-15
Dec-25	14,463	505	491	3.39%	-14
Jan-26	14,517	505	496	3.42%	-9
Feb-26		505			
Mar-26		505			
Apr-26		505			
May-26		505			
Jun-26		505			





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 2/02/26	82.72%	14,517	12,009	12,087	82.72%	-78
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	14,172	12,087	11,683	82.44%	-404
Aug-25	14,207	12,087	11,715	82.46%	-372
Sep-25	14,278	12,087	11,777	82.48%	-310
Oct-25	14,346	12,087	11,843	82.55%	-244
Nov-25	14,413	12,087	11,907	82.61%	-180
Dec-25	14,463	12,087	11,950	82.62%	-137
Jan-26	14,517	12,087	12,009	82.72%	-78
Feb-26		12,087			
Mar-26		12,087			
Apr-26		12,087			
May-26		12,087			
Jun-26		12,087			

## 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 2/02/26	0.00%	14,193	0	0	0.00%	0
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	13,730	0	0	0.00%	0
Aug-25	13,744	0	0	0.00%	0
Sep-25	13,860	0	0	0.00%	0
Oct-25	13,912	0	0	0.00%	0
Nov-25	14,017	0	0	0.00%	0
Dec-25	14,130	0	0	0.00%	0
Jan-26	14,193	0	0	0.00%	0
Feb-26		0			
Mar-26		0			
Apr-26		0			
May-26		0			
Jun-26		0			

**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 2/02/26	0.00%	14,193	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	13,730	0	0	0.00%	0
Aug-25	13,744	0	0	0.00%	0
Sep-25	13,860	0	0	0.00%	0
Oct-25	13,192	0	0	0.00%	0
Nov-25	14,017	0	0	0.00%	0
Dec-25	14,130	0	0	0.00%	0
Jan-26	14,193	0	0	0.00%	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 2/02/26	0.00%	14,193	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)	%	Number Attained
Jul-25	13,730	0	0	0.00%	0
Aug-25	13,744	0	0	0.00%	0
Sep-25	13,860	0	0	0.00%	0
Oct-25	13,912	0	0	0.00%	0
Nov-25	14,017	0	0	0.00%	0
Dec-25	14,130	0	0	0.00%	0
Jan-26	14,193	0	0	0.00%	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 2/02/26	0.01%	14,193	0	0	0.00%	0
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	13,730	0	0	0.00%	0
Aug-25	13,744	0	0	0.00%	0
Sep-25	13,860	0	0	0.00%	0
Oct-25	13,912	0	0	0.00%	0
Nov-25	14,017	0	0	0.00%	0
Dec-25	14,130	0	0	0.00%	0
Jan-26	14,193	0	0	0.00%	0
Feb-26		0			
Mar-26		0			
Apr-26		0			
May-26		0			
Jun-26		0			



## 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	Goal	%	# Attained
Statewide Average	0.67%	203,915	1,284			
RCOC Public Hearing 4/23/25	0.80%	13,898	112			
RCOC 2/02/26	0.67%	14,517	97	106	0.67%	9
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	14,172	106	98	0.69%	8
Aug-25	14,207	106	98	0.69%	8
Sep-25	14,278	106	99	0.69%	7
Oct-25	14,346	106	99	0.69%	7
Nov-25	14,413	106	100	0.69%	6
Dec-25	14,463	106	100	0.69%	6
Jan-26	14,517	106	97	0.67%	9
Feb-26		106			
Mar-26		106			
Apr-26		106			
May-26		106			
Jun-26		106			

**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	Goal	%	# Attained
Statewide Average	0.41%	203,915	705			
RCOC Public Hearing 4/23/25	0.10%	13,898	15			
RCOC 2/02/26	0.09%	14,517	13	13	0.09%	0
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	14,172	13	14	0.10%	-1
Aug-25	14,172	13	14	0.10%	-1
Sep-25	14,278	13	14	0.10%	-1
Oct-25	14,346	13	15	0.10%	-2
Nov-25	14,413	13	15	0.10%	-2
Dec-25	14,463	13	14	0.10%	-1
Jan-26	14,517	13	13	0.09%	0
Feb-26		13			
Mar-26		13			
Apr-26		13			
May-26		13			
Jun-26		13			



**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	Goal	%	# Attained
Statewide Average	0.40%	203,915	874			
RCOC Public Hearing 4/23/25	0.60%	13,898	77			
RCOC 2/02/26	0.44%	14,517	64	72	0.44%	8
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	14,172	72	70	0.49%	2
Aug-25	14,207	72	69	0.49%	3
Sep-25	14,278	72	69	0.48%	3
Oct-25	14,346	72	65	0.45%	7
Nov-25	14,413	72	61	0.42%	11
Dec-25	14,463	72	66	0.46%	6
Jan-26	14,517	72	64	0.44%	8
Feb-26		72			
Mar-26		72			
Apr-26		72			
May-26		72			
Jun-26		72			

**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	Goal	%	# Attained
Statewide Average	1.40%	203,915	2,863			
RCOC Public Hearing 4/23/25	1.50%	13,898	205			
RCOC 2/02/26	1.20%	14,517	174	191	1.20%	17
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	14,172	191	182	1.28%	9
Aug-25	14,207	191	181	1.27%	10
Sep-25	14,278	191	182	1.27%	9
Oct-25	14,278	191	191	1.25%	12
Nov-25	14,413	191	176	1.22%	15
Dec-25	14,463	191	180	1.24%	11
Jan-26	14,517	191	174	1.20%	17
Feb-26		191			
Mar-26		191			
Apr-26		191			
May-26		191			
Jun-26		191			

## 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.

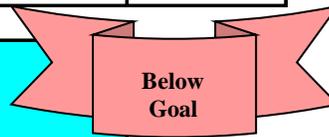
**Progress:** A. During public meetings, RCOC had 330, or 100%, of regional center individuals over age 3 with <=120 days.

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	Goal	% Attained
RCOC 2/02/26	99.70%	332	331	100%	99.70%



	Total Number Individuals Age 3 or Over	Goal	Total Number Individuals Over Age 3 with <=120 Days	% Attained
Jul-25	537	100%	537	100%
Aug-25	507	100%	504	99.41%
Sep-25	480	100%	480	100%
Oct-25	468	100%	467	99.79%
Nov-25	430	100%	430	100%
Dec-25	388	100%	387	99.74%
Jan-26	332	100%	331	99.70%
Feb-26		100%		
Mar-26		100%		
Apr-26		100%		
May-26		100%		
Jun-26		100%		



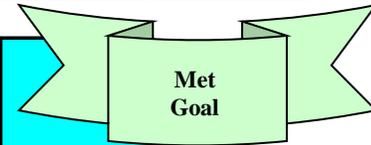
**Progress:** B. During public meetings, RCOC had 0, or 0.00%, of regional center individuals over age 3 with 121-240 days.

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

	Percentage	Total Number 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	0%	0.00%
RCOC 2/02/26	0.00%	332	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	537	0%	0	0%
Aug-25	507	0%	3	0.59%
Sep-25	480	0%	0	0%
Oct-25	468	0%	1	0.21%
Nov-25	430	0%	0	0%
Dec-25	388	0%	1	0.26%
Jan-26	332	0%	0	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 2/02/26	0.42%	332	1	0%	0.30%



	Total Number Individuals Age 3 or Over	Goal	Total Number Individuals Over Age 3 Over 240 Days	% Attained
Jul-25	537	0%	0	0%
Aug-25	507	0%	0	0%
Sep-25	480	0%	0	0%
Oct-25	468	0%	0	0%
Nov-25	430	0%	0	0%
Dec-25	388	0%	0	0.00%
Jan-26	332	0%	1	0.30%
Feb-26		0%		
Mar-26		0%		
Apr-26		0%		
May-26		0%		
Jun-26		0%		



**Performance Contract 2025-2026**

**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

**Performance Contract 2025-2026**

**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

## Performance Contract 2025-2026

### 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.

<b>Fiscal Year 2023-2024 Birth to 2 Years Ethnicity</b>	<b>Total Persons</b>	<b>Total Authorized Services</b>	<b>Per Capita Expenditures</b>	<b>Utilized</b>
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%
<b>Totals</b>	<b>5,651</b>	<b>\$60,087,924</b>	<b>\$6,307</b>	<b>59.3%</b>

<b>Fiscal Year 2023-2024 3 Years to 21 Years Ethnicity</b>	<b>Total Persons</b>	<b>Total Authorized Services</b>	<b>Per Capita Expenditures</b>	<b>Utilized</b>
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%
<b>Totals</b>	<b>12,324</b>	<b>\$146,466,457</b>	<b>\$5,732</b>	<b>48.2%</b>



<b>Fiscal Year 2023-2024 22 Years and Older Ethnicity</b>	<b>Total Persons</b>	<b>Total Authorized Services</b>	<b>Per Capita Expenditures</b>	<b>Utilized</b>
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%
<b>Totals</b>	<b>1122</b>	<b>\$7,161,515,936</b>	<b>\$44,991</b>	<b>70.5%</b>



**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.

<b>Fiscal Year 2023-2024 Birth to 2 Years Ethnicity</b>	<b>Total Persons</b>	<b>Case Management</b>	<b>Percent No Services</b>
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%
<b>Totals</b>	<b>5,651</b>	<b>328</b>	<b>5.8%</b>

<b>Fiscal Year 2023-2024 3 Years to 21 Years Ethnicity</b>	<b>Total Persons</b>	<b>Case Management</b>	<b>Percent No Services</b>
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%
<b>Totals</b>	<b>12,234</b>	<b>4,192</b>	<b>34%</b>



<b>Fiscal Year 2023-2024 22 Years and Older Ethnicity</b>	<b>Total Persons</b>	<b>Case Management</b>	<b>Percent No Services</b>
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%
<b>Totals</b>	<b>11,221</b>	<b>2395</b>	<b>21.3%</b>



**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).

<b>Fiscal Year 2023-2024 Primary Language All Ages</b>	<b>Total Persons</b>	<b>Total Authorized Services</b>	<b>Per Capita Expenditures</b>	<b>Utilized</b>
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%
<b>Totals</b>	<b>29,196</b>	<b>\$922,706,316</b>	<b>\$20,932</b>	<b>66.2%</b>

**Regional Center of Orange County  
Board Recruitment and Training Committee  
January 12, 2026  
Videoconference Minutes**

**Committee Members Present:** Sandy Martin, Chair  
Bruce Hall  
Chinh Nguyen  
Jacqueline Nguyen  
Chip Wright

**Committee Member Absent:** Frances Hernandez  
Hilda Mendez

**RCOC Staff Present:** Larry Landauer, Executive Director  
Jerrod Bonner, Chief Information Officer  
Arturo Cazares, Associate Executive Director  
Bonnie Ivers, Director of Clinical Services  
Marta Vasquez, Chief Financial Officer  
Stacy Wong, Director of Human Resources

Ms. Sandy Martin called the videoconference meeting to order at 5:01 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.

The Committee also reviewed and discussed Mr. Pankaj Bedekar's Board member application. The Committee decided to recommend Mr. Bedekar's application to the Executive Committee for Board membership for a one-year term.

***M/S/C to recommend to the Executive Committee appointment of Pankaj Bedekar to RCOC's Board of Directors for a one-year term with four (4) Ayes and one (1) Abstention***

*Board Recruitment and Training Committee Minutes  
January 12, 2026*

**II. Board Development and Training**

**A. Discuss Board Training Schedule and Topics**

The Committee reviewed the agenda for the upcoming Board of Directors' training on *Living Options* scheduled for February 5, 2026.

**III. Community Forum**

No community members were present at the meeting.

Ms. Martin adjourned the meeting at 5:31 p.m.

*Recorder: Sandra Lomelí*

REGIONAL CENTER OF ORANGE COUNTY

BOARD OF DIRECTORS

AGENDA ITEM DETAIL SHEET

DATE: March 5, 2026  
TO: Board of Directors  
FROM: Sandy Martin  
Chair, Board Recruitment & Training Committee

ACTION	X
ACTION/CONSENT	
DISCUSSION	
INFO ONLY	

**SUBJECT: Approval of Board Membership for Pankaj Bedekar for a One-Year Term Commencing March 6, 2026 and Ending February 28, 2027**

BACKGROUND:

The Board’s Policy on Board Membership and Application Process states that the composition of the Board shall comply with the provisions of the Lanterman Developmental Disabilities Act (Welfare and Institutions Code (WIC), §4622). WIC §4622(c) requires that a minimum of 50% of the members of the governing board shall be persons with developmental disabilities or their parents or legal guardians. No less than 25% of the members of the governing board are persons with developmental disabilities.

REASON FOR CURRENT ITEM:

RCOC received an application for Board Membership from Mr. Pankaj Bedekar (see attached). The Committee has reviewed his application and completed an interview with Mr. Bedekar. The Committee determined that Mr. Bedekar’s membership will be beneficial to RCOC’s constituents and its compliance with the balance, diversity and expertise requirements set forth in the Lanterman Act.

FISCAL IMPACT:

None.

RECOMMENDATIONS:

That the Board approve Board membership for Pankaj Bedekar for a one-year term commencing March 5, 2026 and ending February 28, 2007.

**Regional Center of Orange County**  
P.O. Box 22010  
Santa Ana, CA 92702-2010

**Board Member Application**

Date: 10/28/2025

Name: Pankaj Bedekar

Home Phone: [REDACTED]

Home Address: [REDACTED]

City: Irvine

Zip: [REDACTED]

Occupation: Director Info Systems

Employer: [REDACTED]

Work Phone: [REDACTED]

Email Address: [REDACTED]

How did you develop your interest in or knowledge of developmental disabilities? Describe your employment, education or other activities which demonstrate your interest or knowledge.

I am the father of a 21-year-old son with Angelman Syndrome, a condition that causes significant developmental and intellectual challenges. I am deeply involved in every aspect of his life, from his daily care to his education and planning for his future

Please describe your current or past membership in community and/or professional organizations.

I am actively involved with the Angelman Syndrome Foundation, where I lead the annual walk event for the Greater Los Angeles area and participate in various networking and community outreach activities. I am also an active member of Jeena, a dedicated community of parents supporting children with disabilities.

Professionally, I serve as the Director of Information Systems at Tseng College.

Please describe your current or past membership and offices (if any) held on other boards.

Member - Angelman Syndrome Foundation

Lead Volunteer - Annual Angelman Strong/Walk event for past 15 years.

Member - Jeena

At my work I serve on many committees responsible for success of University students.

Please describe your hobbies and interests.

I play cricket every week and doing it for last 40 years and have been captain of teams. I am also interested in ethnic food and cooking. Professionally I like system design especially efficiency improvements. I also like financial accounting and data analysis.

Do you have any of the following special skills? If so, please check and describe more fully below.

- |   |  |                                 |
|---|--|---------------------------------|
| <input checked="" type="checkbox"/> Business/Management | <input checked="" type="checkbox"/> Financial Analysis | <input type="checkbox"/> Legal  |
| <input type="checkbox"/> Marketing/Public Relations     | <input type="checkbox"/> Political Activism            | <input type="checkbox"/> Other: |

I have worked with financial accounting and data analysis systems for 30+ years. Recently I completed to Harvard's CORE program to get more knowledge in business economics and financial statements.

Are you currently employed by an organization providing services to people with developmental disabilities?  Yes  No If yes, please explain:

I do not work for organization that exclusively serves disabled individuals but I do work for University that serves some disabled students along with typical students.

Are you a member of the governing board of any organization providing service to people with developmental disabilities?  Yes  No If yes, please explain:

Are you a: (Please check one)

- Person with a developmental disability
- Parent or family member of a person with a developmental disability
- Representative of the general public

Ethnic Background (optional):

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> African-American | <input checked="" type="checkbox"/> Asian/Pacific Islander | <input type="checkbox"/> Caucasian                     |
| <input type="checkbox"/> Hispanic         | <input type="checkbox"/> Native American/Indian            | <input type="checkbox"/> Other (please specify: _____) |

If you are a person with a developmental disability or the parent or family member of a person with a developmental disability, please indicate the type of disability (e.g., intellectual disability, autism, cerebral palsy, epilepsy or other).

Angelman Syndrome, Intellectual disability, Epilepsy, Mobility issues.

Please provide the following information for two people who know you well and can provide a personal and/or professional reference.

Name: Meena Chockalingam Bedekar Relationship: Spouse

Complete Address: [REDACTED]

Phone Number: [REDACTED]

Best Time to Call: daytime

Name: Jayanti Dixit

Relationship: President, Jeena

Complete Address: [REDACTED]

Phone Number: [REDACTED]

Best Time to Call: daytime or evening.

- After reviewing the Board Service Roles and Responsibilities Sheet, I understand what my duties would be as an RCOC Board Member.
- I am willing to serve and have attached a statement saying why I wish to serve on the RCOC Board of Directors and why I believe I am qualified.
- After reviewing the RCOC Conflict of Interest Governance Policy and the Title 17 Conflict of Interest Standards and Procedures, I assert that I do not have a potential conflict of interest.

Signature:

*Pankaj Bedekar*

Date:

10/28/25

Please return completed form to:

Executive Office  
Regional Center of Orange County  
P.O. Box 22010  
Santa Ana, CA 92702-2010

If you have questions, please call: 714-796-5205

## Personal Statement

**Please describe why you wish to serve on the RCOC Board of Directors  
and why you believe you are qualified**

Respected Board Members,

I am truly excited to apply for the opportunity to serve on the Board of RCOC. For the past 21 years, RCOC has provided invaluable support to my son, who has a developmental disability, and to our family as a whole. I have witnessed firsthand the life-changing impact of RCOC's work and would be honored to contribute to its mission alongside others who share the same dedication and responsibility.

Professionally, I work as a Director of Information Systems at Tseng College, where I oversee all system-related operations, technology initiatives and technical team. My 30+ years of professional work as a systems analyst and solution designer has given me broad experience in finance, operations, and strategic problem-solving across multiple industries, including supply chain, human resources, and education. I hold a bachelor's degree in Computer Science and a certificate in Business Economics, Financial Statements, and Business Data Analysis. After my son was born, I also completed three years of undergraduate studies in Biology to better understand the scientific research surrounding developmental disabilities.

In addition to my professional background, I bring deep personal experience as the father of a young adult with Angelman Syndrome. I am actively involved in the Angelman Syndrome Foundation, where I lead the annual walk event for the Greater Los Angeles area and participate in community networking efforts. I am also an active member of Jeena, a parent-led organization supporting families raising children with disabilities.

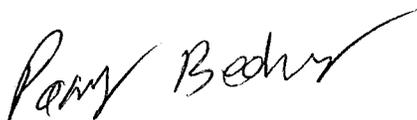
As a board member, I would draw on both my professional expertise and personal journey to advance RCOC's mission through data-driven, empathetic insights and creative, forward-thinking solutions.

Thank you for considering my application. I look forward to the opportunity to discuss how I can contribute to the continued success and impact of RCOC.

Thank you.

Sincerely,  
Pankaj Bedekar

Signature



Date

10/28/25

**Regional Center of Orange County  
Policies and Outcomes Committee  
February 17, 2026  
Videoconference Minutes**

**Committee Members Present:** Chip Wright, Chairperson  
Bruce Hall  
Liza Krassner  
Sandy Martin

**RCOC Staff Members Present:** Larry Landauer, Executive Director  
Jerrod Bonner, Chief Information Officer  
Arturo Cazares, Associate Executive Director  
Bonnie Ivers, Director of Clinical Services  
Jennifer Montanez, Director of Case Management  
Christy Petteruto, General Counsel  
Jack Stanton, Associate Director of Housing  
Stacy Wong, Director of Human Resources  
Marta Vasquez, Chief Financial Officer

**Corporate Counsel Present:** Greg Simonian, Esq.

Mr. Chip Wright called the videoconference meeting to order at 5:44 p.m.

**I. Governance Policies**

**A. Review of the Policies on the Contract Policy**

The Committee reviewed and did not propose any revisions to the policy.

**B. Review of the Policy on Notification to Persons Served and Families of Significant Service Deficits**

The Committee reviewed and did not propose any revisions to the policy.

**II. Discussion of the 2026 Strategic Plan**

After extensive discussion, Committee members requested additional time to review the proposed revisions to the 2026 Strategic Plan. The Committee will review this item at its next meeting scheduled for April 20, 2026.

**III. Outcomes**

**A. Person Centered Thinking (PCT) Update**

Ms. Jennifer Montanez reported that there are no updates.

**B. Health and Wellness Project Update**

Dr. Bonnie Ivers reported that there are no updates.

**C. Employment Update**

Mr. Arturo Cazares reported that the Department of Developmental Services (DDS) and the Department of Rehabilitation (DOR) are developing an internal joint proposal related to the *No Wrong Door* concept. If approved, DDS and DOR will establish a memorandum of understanding outlining how the two departments will collaborate to support individuals served by regional centers who are seeking employment-related services.

**D. Housing Update**

Mr. Jack Stanton reported that there are no updates.

**E. National Core Indicators (NCI) Update**

Mr. Landauer reported that there are no updates.

**IV. Community Forum**

No community members were present.

Mr. Wright adjourned the meeting at 6:22 p.m.

*Recorder: Sandra Lomelí*

REGIONAL CENTER OF ORANGE COUNTY

BOARD OF DIRECTORS

AGENDA ITEM DETAIL SHEET

DATE: March 5, 2026  
TO: Board of Directors  
FROM: Chip Wright  
Chair, Policies and Outcomes Committee

ACTION	
ACTION/CONSENT	
DISCUSSION	
INFO ONLY	X

**SUBJECT: Contract 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 February 17, 2026, the Policies and Outcomes Committee reviewed the Contract Policy.

REASON FOR CURRENT ITEM:

The Policies and Outcomes Committee did not recommend any revisions to the Contract Policy.

FISCAL IMPACT:

None.

RECOMMENDATIONS:

This is an information item; no action is required.

## **XVII. CONTRACT 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.

### **POLICY**

The Board shall comply with the provisions of the Lanterman Developmental Disabilities Services Act (and any revisions or amendments thereto).

All contracts requiring payment of two hundred fifty thousand dollars (\$250,000) or more shall be reviewed and approved by the RCOC Board of Directors prior to entering into the contract (WIC 4625.5 (a)).

No RCOC contract of \$250,000 or more will be valid unless approved by the RCOC Board of Directors in compliance with this written policy (WIC 4625.5(b)).

The RCOC Board of Directors shall be notified in writing of any proposed material change to a contract that has been previously approved by the RCOC Board of Directors. The RCOC Board may elect to call a special meeting to vote to approve or deny the proposed material change if it so desires, which meeting shall occur no more than ten (10) days from the date notice is given. If the RCOC Board does not give notice of a special meeting within three (3) days of receiving notice of the proposed material change, such material change shall be deemed approved. For the purposes of this policy, a material change is equivalent to ten percent (10%) or more of the original contract value.

For purposes of this policy, contracts shall not include vendor approval letters issued by RCOC pursuant to Section 54322 of Title 17 of the California Code of Regulations (WIC 4625.5(c)).

### **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 RCOC's Guiding Principles and diligent stewardship.
- The RCOC Board of Directors is representative of, and accountable to its stakeholders and the community it serves.

- 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

BOARD OF DIRECTORS

AGENDA ITEM DETAIL SHEET

DATE: March 5, 2026  
TO: Board of Directors  
FROM: Chip Wright  
Chair, Policies and Outcomes Committee

ACTION	
ACTION/CONSENT	
DISCUSSION	
INFO ONLY	X

**SUBJECT: Policy on Notification to Persons Served and Families of Significant Service Deficits**

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 February 17, 2026, the Policies and Outcomes Committee reviewed the Policy on Notification to Persons Served and Families of Significant Service Deficits.

REASON FOR CURRENT ITEM:

The Policies and Outcomes Committee did not recommend any revisions to the Policy on Notification to Persons Served and Families of Significant Service Deficits.

FISCAL IMPACT:

None.

RECOMMENDATIONS:

This is an information item; no action is required.

## **IX. POLICY ON NOTIFICATION TO PERSONS SERVED AND FAMILIES OF SIGNIFICANT SERVICE DEFICITS**

### **BACKGROUND**

The Regional Center of Orange County (RCOC) is responsible for coordinating services for people with developmental disabilities who reside in Orange County. As established in the Lanterman Developmental Disabilities Services Act, RCOC is committed to assuring the health, well-being and safety of the individuals it serves.

### **POLICY**

For any vendored service for which there exists either a verified immediate danger to persons served or a verified substantial inadequacy that poses a threat to the health and safety of any person served, RCOC will promptly notify persons served who are directly affected by the verified immediate danger or verified substantial inadequacy. In addition, where appropriate, the individuals' parents, legal guardians, or conservators will be promptly notified.

### **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.
- Persons served and their families have knowledge of their healthcare needs, access to qualified medical communities, and support necessary to utilize recommended health services that prevent illness, promote wellness, and are sensitive to their unique needs.
- Persons served live in homes where they receive quality care and can form relationships.

**Regional Center of Orange County  
Vendor Advisory Committee  
January 13, 2026  
Videoconference Minutes**

**Members:**

**Adult Behavior Management Programs**

Chair, Ryan Perez, present  
Co-Chair, Katie Bruellet, present

**Adult Day Programs**

Chair, Rick Perez, present  
Co-Chair, *Member Pending*

**Adult Family Home/Foster Family Agency**

Chair, Janeth McDonough, absent  
Co-Chair, Alexandra Rasey-Smith, present

**Behavior Services**

Chair, Cindy Hebert, present  
Co-Chair, Junie Lazo-Pearson, present

**Community Care Facilities**

Chair, Jorge Lozano, present  
Co-Chair, Omar Tawfik, present

**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**

Garrett Rodriguez, present

**RCOC Staff Present:**

Larry Landauer, Executive Director  
Liliana Castillo, Accounting Manager – Vendorization  
Arturo Cazares, Associate Executive Director  
Valeria De Los Angeles, Accounting Supervisor – Payables

Wayed Kabir, Peer Advocate  
Bonnie Ivers, Clinical Director  
Jennifer Montanez, Director of Case Management  
Jack Stanton, Associate Director of Housing  
Marta Vasquez, Chief Financial Officer  
Laurel Warren, Quality Assurance Coordinator  
Sean Watson, Associate Director of Risk Management

**Guest:** Tiffany Hoang, CircleUp Education

## **Call to Order**

Mr. Rick Perez welcomed all attendees and called the videoconference meeting to order at 2:01 p.m.

### **I. RCOC Update**

Mr. Larry Landauer reported that on January 9, 2026, Governor Gavin Newsom released his proposed state budget for the next fiscal year, which starts July 1, 2026. Full details and a summary of the proposed budget is available on the Department of Finance website at <https://ebudget.ca.gov/home>. The details for the Department of Developmental Services (DDS) portion of the proposed budget are available at [www.dds.ca.gov/](http://www.dds.ca.gov/).

Mr. Landauer also reported that there is a projected surplus statewide Purchase of Service (POS) Expenditures for Fiscal Year 2025-26.

#### **A. Cultural Competency Training for Vendors**

Ms. Tiffany Hoang reported that CircleUp Education has partnered with RCOC to provide training opportunities for vendors and service providers focused on Accessible Language, Cultural Competency, Humility, and Cultural Conversations. The training is funded by DDS' Language Access and Cultural Competency (LACC). The program consists of four self-paced online courses, each approximately two hours long, for a total of eight hours of instruction. Participants will receive a certificate of completion upon finishing each course. For more information, contact CircleUp Education at [enroll@circleuped.org](mailto:enroll@circleuped.org).

#### **B. Vendorization Update**

Ms. Liliana Castillo reported that DDS has not yet provided RCOC with the minimum wage workbooks effective January 1, 2026. However, RCOC has received updated rates for residential and tailored day services, which will be reflected in the January 2026 invoices.

Ms. Castillo also reported that for Early Start and Behavior service providers, RCOC is continuing to process authorizations requiring the use of the new subcodes effective January 1, 2026. To expedite the reauthorization process, RCOC staff will contact vendors to request a list of individuals served that includes the name and UCI number

of the person served, new provider subcode and authorized hours of service per week. Due to the high volume of transitions and to ensure invoices are generated by January 28, 2026, vendors are asked to submit the requested information no later than Tuesday, January 20, 2026.

**C. Rate Reform Update**

Mr. Arturo Cazares reported that DDS' extended the due date for surveys related to the Quality Incentive Program (QIP) measures for Fiscal Year 2026-27. Originally due January 31, 2026, the surveys are now due February 27, 2026. For more information regarding QIP, including the status of a provider QIP surveys, visit: [www.dds.ca.gov/rc/vendor-provider/quality-incentive-program/](http://www.dds.ca.gov/rc/vendor-provider/quality-incentive-program/).

Mr. Cazares also reminded vendors that RCOC's 2026 Spotlight Awards will be held on April 17, 2026 at 5:30 p.m. at the Embassy Suites in Anaheim. For ticket information, visit RCOC's website at [www.rcocdd.com/about-rcoc/spotlightawards/](http://www.rcocdd.com/about-rcoc/spotlightawards/).

**II. Board Report**

Mr. Perez reported that the next Board of Directors meeting is scheduled for March 5, 2026.

**III. Peer Advisory Committee (PAC) Report**

Mr. Wayed Kabir reported that the Committee is scheduled to meet on January 21, 2026.

Mr. Kabir extended an open invitation to all VAC Committee members to attend a monthly PAC meeting, and suggested each agency share information about the services offered for individuals served by RCOC.

**IV. Liaison Reports**

**A. CalOptima – *Liaison Pending***

No representative from CalOptima was present and no report was provided.

**B. Orange County Transportation Authority (OCTA) – Garrett Rodriguez (present)**

Mr. Garrett Rodriguez reported that ridership has slightly decreased and schedule changes for drivers continue to improve performance.

**V. Member Reports**

**A. Adult Behavior Management – Ryan Perez (present)**

**B. Adult Day Programs – Rick Perez (present)**

Ms. Katie Bruellet reported that the two subcommittees met today and discussed the QIP requirements, rate reform updates and labor codes. The subcommittees also discussed Special

Incident Reporting (SIR) changes with Mr. Sean Watson, RCOC's Associate Director of Risk Management.

**C. Adult Family Home Agency (AFHA)/Foster Family Agency (FFA) – Janeth McDonough (absent)**

In Ms. Janeth McDonough's absence, Ms. Alexandra Rasey-Smith reported that the subcommittee is scheduled to meet on January 22, 2026.

**D. Behavior Services – Cindy Hebert (present)**

Ms. Cindy Hebert reported that the subcommittee met on December 4, 2025, and discussed the Public Records Act (PRA), billing and rate reform requirements.

**E. Community Care Facilities (CCF) – Jorge Lozano (present)**

Mr. Jorge Lozano reported that the subcommittee is scheduled to meet in February 2026.

**F. Early Intervention – Junie Lazo-Pearson (present)**

Ms. Lazo-Pearson reported that the subcommittee is scheduled to meet later this month and members have several questions regarding the rate reform requirements.

**G. Habilitation – Marina Margaryan (present)**

Ms. Marina Margaryan reported that the subcommittee met and discussed the new Department of Rehabilitation (DOR) Order of Selection (OOS) for Vocational Rehabilitation Services, effective February 2026, and its impact on vendors and individuals served. Subcommittee members were encouraged to complete the required documentation, including job development subcodes in the vendorization agreement with RCOC, in case DOR funding is unavailable or significantly delayed, funding may be considered under job development services.

**H. Independent Living/Supported Living (IL/SL) – Christine Molina (present)**

Ms. Christine Molina reported that the subcommittee met and received QIP updates, as well as a presentation from an employment attorney who provided legal updates and guidance.

**I. Intermediate Care Facilities (ICF) – Rich Mraule (absent)**

In Mr. Rich Mraule's absence, Mr. Jack Stanton reported that reported that there were no updates.

**J. Support Services/Allied Health – Kelly Araujo (present)**

Ms. Kelly Araujo reported that the subcommittee met earlier today and discussed the QIP Capacity Survey, independent audit requirements and the DDS Service Provider Directory.

**VI. Community Forum**

There were no speakers for community forum.

**VII. Adjournment**

Mr. Perez adjourned the meeting at 2:47 p.m.

The next VAC meeting is scheduled for February 10, 2026.

*Recorder: Sandra Lomelí*

**Regional Center of Orange County  
Vendor Advisory Committee  
February 10, 2026  
Videoconference Minutes**

**Members:**

**Adult Behavior Management Programs**

Chair, Ryan Perez, present  
Co-Chair, Katie Bruellet, absent

**Adult Day Programs**

Chair, Rick Perez, absent  
Co-Chair, *Member Pending*

**Adult Family Home/Foster Family Agency**

Chair, Janeth McDonough, present  
Co-Chair, Alexandra Rasey-Smith, present

**Behavior Services**

Chair, Cindy Hebert, present  
Co-Chair, Junie Lazo-Pearson, present

**Community Care Facilities**

Chair, Jorge Lozano, present  
Co-Chair, Omar Tawfik, absent

**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**

*Liaison Pending*

**Orange County Transit Authority**

Garrett Rodriguez, present

**RCOC Staff Present:**

Larry Landauer, Executive Director  
Bianca Borja Rios, Accounting Supervisor – Vendorization  
Arturo Cazares, Associate Executive Director  
Valeria De Los Angeles, Accounting Supervisor – Payables

Wayed Kabir, Peer Advocate  
Bonnie Ivers, Clinical Director  
Araceli Mendez, Associate Director of Early Start  
Jennifer Montanez, Director of Case Management  
Julie Rodriguez, Accounting Supervisor - Systems  
Jack Stanton, Associate Director of Housing  
Laurel Warren, Quality Assurance Coordinator  
Sean Watson, Associate Director of Risk Management

## **Call to Order**

In Mr. Rick Perez's absence, Ms. Junie Lazo-Pearson welcomed all attendees and called the videoconference meeting to order at 2:01 p.m.

### **I. RCOC Update**

#### **A. Vendorization Update**

In Ms. Marta Vasquez's absence, Mr. Arturo Cazares reported on the following items:

- *Electronic Visit Verification (EVV)*. Mr. Cazares reported that vendors must be in compliance with EVV requirements by February 27, 2026, to qualify for the 10% Quality Incentive Program (QIP) payment. Vendors who have not yet completed the registration are receiving weekly notices by mail. For assistance, visit DDS' website at [www.dds.ca.gov](http://www.dds.ca.gov) to complete the self-registration or email [evv@dds.ca.gov](mailto:evv@dds.ca.gov). Vendors can email RCOC at [accounting@rcocdd.com](mailto:accounting@rcocdd.com) or call Ms. Julie Rodriguez at (714) 796-5341.
- *Independent Audit or Review*. Mr. Cazares reported that vendors must be in compliance with the independent audit or review requirements by February 27, 2026, to qualify for the 10% QIP payment. In accordance with WIC Section 4652.5, independent audits and reviews are due within nine months of the end of the fiscal year for the entity. Vendors who have not complied with the required reporting requirements have been placed on "Do Not Refer" status.
- *Minimum Wage Rates*. Mr. Cazares reported that no updates have been received from DDS regarding the rates for services included in the Rate Models.
- *Rate Reform Service Codes*. Mr. Cazares reported that RCOC continues to work on the transition for services codes 116 Early Start (ES) Specialized Therapeutic Services, 805 Infant Development Program, 612 Behavior Analyst, 613 Behavior Management Assistant, and 616 Behavior Technician Professional. Invoices for service codes 116, 612 and 613 will be issued through February 23, 2026, to ensure payment by February 27, 2026.

**B. Rate Reform Update**

Mr. Cazares reminded the Committee that DDS' surveys related to the Quality Incentive Program (QIP) measures for Fiscal Year 2026-27 have been extended to February 27, 2026. For more information regarding QIP, including the status of a provider's QIP survey(s), visit: [www.dds.ca.gov/rc/vendor-provider/quality-incentive-program/](http://www.dds.ca.gov/rc/vendor-provider/quality-incentive-program/).

**C. DDS' Provider Directory Update**

Mr. Cazares reported that the DDS Provider Directory will be fully available, completing the transition for all regional centers by March 1, 2026.

**II. Board Report**

Mr. Landauer reported that the next Board of Directors' meeting is scheduled for March 5, 2026.

**III. Peer Advisory Committee (PAC) Report**

Mr. Wayed Kabir reported that the next Committee meeting is scheduled for February 18, 2026. Ms. Christine Molina is scheduled to present on *Independent Living Skills*.

Mr. Kabir extended an open invitation to all VAC Committee members to attend a monthly PAC meeting, and suggested each agency share information about the services offered for individuals served by RCOC.

**IV. Liaison Reports**

**A. CalOptima – *Liaison Pending***

No representative from CalOptima was present and no report was provided.

**B. Orange County Transportation Authority (OCTA) – Garrett Rodriguez (present)**

Mr. Garrett Rodriguez reported that ridership has been consistent and schedule changes for drivers continue to improve performance. Additionally, OCTA will be hosting a job fair in the near future in effort to recruit drivers.

**V. Member Reports**

**A. Adult Behavior Management – Ryan Perez (present)**

**B. Adult Day Programs – Rick Perez (absent)**

Mr. Ryan Perez reported that the two subcommittees met today and discussed the QIP requirements, Individual Program Plan (IPP) updates and service provider liability issues.

**C. Adult Family Home Agency (AFHA)/Foster Family Agency (FFA) – Janeth McDonough (present)**

Ms. Janeth McDonough reported that the subcommittee met and discussed QIP deadlines, as well as RCOC’s 2026 Spotlight Awards.

**D. Behavior Services – Cindy Hebert (present)**

Ms. Cindy Hebert reported that the subcommittee is scheduled to meet in March 2026.

**E. Community Care Facilities (CCF) – Jorge Lozano (present)**

Mr. Jorge Lozano reported that the subcommittee is scheduled to meet later this month.

**F. Early Intervention – Junie Lazo-Pearson (present)**

Ms. Lazo-Pearson reported that the subcommittee has not met. However, members have raised questions whether telehealth consultation services are still available, as well as other questions regarding billing requirements under the rate reform.

**G. Habilitation – Marina Margaryan (present)**

Ms. Marina Margaryan reported that the subcommittee is scheduled to meet in March 2026.

**H. Independent Living/Supported Living (IL/SL) – Christine Molina (present)**

Ms. Christine Molina reported that the subcommittee met today and viewed a presentation provided by an insurance broker on recommendations and best practices for insurance coverage.

**I. Intermediate Care Facilities (ICF) – Rich Mraule (absent)**

In Mr. Rich Mraule’s absence, Mr. Jack Stanton reported that there were no updates.

**J. Support Services/Allied Health – Kelly Araujo (present)**

Ms. Kelly Araujo reported that the subcommittee met today and discussed upcoming QIP deadlines, In-Home Supportive Services (IHSS) medical waivers, and plans for a Service Coordinator Resource Fair.

**VI. Community Forum**

There were no speakers for community forum.

**VII. Adjournment**

Ms. Lazo-Pearson adjourned the meeting at 2:28 p.m.

The next VAC meeting is scheduled for March 10, 2026.

*Recorder: Sandra Lomelí*

**Regional Center of Orange County  
Peer Advisory Committee  
January 21, 2026  
Videoconference Minutes**

**Committee Members Present:** Amy Jessee, Co-Chair  
Wayed Kabir, RCOC's Peer Advocate  
Mark Henry  
Peter Kuo  
Fernando Peña

**Committee Members Absent:** Yvonne Kluttz, Chairperson  
Kerri Adamic  
Marcell Bassett  
Cheryl Day  
Stephen Gersten

**RCOC Staff Members Present:** Larry Landauer, Executive Director  
Arturo Cazares, Associate Executive Director

In Ms. Yvonne Kluttz's absence, Ms. Amy Jessee called the meeting to order at 3:04 p.m.

**I. Welcome and Introductions**

Mr. Kabir welcomed everyone to the Peer Advisory Committee (PAC) meeting.

**II. RCOC's Peer Advocate Report**

Mr. Kabir reported that he invited members of the Vendor Advisory Committee (VAC) to present at a future PAC meeting and share information about their programs and services available to individuals served by RCOC. Mr. Kabir will coordinate with interested VAC members to schedule a presentation for a future PAC meeting.

**III. Transportation Service Options**

Mr. Arturo Cazares provided the Committee with a presentation on *Transportation Service Options*.

**IV. Community Forum**

There were no speakers for community forum.

**V. Next Scheduled Meeting**

The next PAC meeting is scheduled for February 18, 2026.

Mr. Kabir adjourned the meeting at 3:45 p.m.

*Recorder: Sandra Lomelí*

**Regional Center of Orange County  
Peer Advisory Committee  
February 18, 2026  
Videoconference Minutes**

**Committee Members Present:** Yvonne Kluttz, Chairperson  
Wayed Kabir, RCOC's Peer Advocate  
Stephen Gersten  
Peter Kuo (*joined at 3:05 p.m.*)  
Fernando Peña

**Committee Members Absent:** Amy Jessee, Co-Chair  
Kerri Adamic  
Marcell Bassett  
Cheryl Day  
Sylvia Delgado  
Mark Henry

**Board Member Present:** Chinh Nguyen

**RCOC Staff Members Present:** Larry Landauer, Executive Director  
Arturo Cazares, Associate Executive Director

Mr. Wayed Kabir called the meeting to order at 3:00 p.m.

**I. Welcome and Introductions**

Mr. Kabir welcomed everyone to the Peer Advisory Committee (PAC) meeting.

**II. RCOC's Peer Advocate Report**

Mr. Kabir reported that he invited members of the Vendor Advisory Committee (VAC) to present at a future PAC meeting and share information about their programs and services available to individuals served by RCOC. Mr. Kabir will coordinate with interested VAC members to schedule a presentation for a future PAC meeting.

**III. Independent Living Skills**

Ms. Christine Molina, Executive Program Administrator at L.I.F.E., provided the Committee with a presentation on *Independent Living Skills Services*.

**IV. Community Forum**

There were no speakers for community forum.

**V. Next Scheduled Meeting**

The next PAC meeting is scheduled for May 20, 2026.

Mr. Kabir adjourned the meeting at 3:25 p.m.

*Recorder: Sandra Lomelí*

**Regional Center of Orange County  
Legislative and Community Awareness Committee  
January 13, 2026  
Videoconference Minutes**

**Committee Members Present:** Bruce Hall, Chairperson  
Liza Krassner  
Sandy Martin

**Committee Member Absent:** Hilda Mendez  
Chinh Nguyen

**RCOC Staff Members Present:** Jerrod Bonner, Chief Information Officer  
Arturo Cazares, Associate Executive Director  
Bonnie Ivers, Clinical Director  
Jennifer Montanez, Director of Case Management  
Kaitlynn Truong, Family Support and Community Outreach Manager  
Stacy Wong, Director of Human Resources

**Guests:** Linda Blankenship, Consultant  
Anh Nguyen, Consultant

Mr. Bruce Hall called the meeting to order at 5:00 p.m.

**I. Legislative Outreach**

**A. ARCA Update**

Ms. Sandy Martin reported that the next Association of Regional Center Agencies (ARCA) Board of Directors' meeting is scheduled for January 17, 2025 in Sacramento.

**B. Budget Update and Delegation Relationships**

Ms. Anh Nguyen reported that RCOC has established a strong working relationship with Assemblyman Tri Ta, District 70, to review with RCOC potential policies that will ensure the rights of persons served are protected.

Mr. Larry Landauer reported that Assemblywoman Diane Dixon, District 72, recently attended a Project Search Program graduation ceremony and requested further information about the services and supports RCOC provides for the individuals it serves.

Mr. Landauer and Ms. Nguyen explained that RCOC is actively working to strengthen relationships with legislators through additional events, including tours of facilities and jobsites, for legislators and representatives from DDS and the Legislative Analyst's Office (LAO). Mr. Landauer also noted plans to schedule a Breakfast of Champions.

Ms. Nguyen also reported that RCOC plans to participate in ARCA's Grassroots Day legislation visits on March 3, 2026 in Sacramento.

## **II. Community Outreach**

### **A. 2026 Spotlight Awards**

Ms. Nguyen reported that the Spotlight Awards Gala is scheduled for April 17, 2026 at the Embassy Suites Hotel in Anaheim. Ms. Michele Gile, reporter at KCAL 9 and CBS 2 News will emcee the event again this year

### **B. Upcoming: Korean Lunar New Year Celebration, Tet Parade, Multi-Cultural Family Symposium**

Ms. Kaitlynn Troung reported that RCOC and its Comfort Connection Family Resource Center (CCFRC) utilized Language Access and Cultural Competency (LACC) funding to participate in several community Lunar New Year celebrations. RCOC also plans to host a Multi-Cultural Family Symposium in May 2026, focusing on Hispanic and Asian communities. The event will provide information about RCOC services, available generic resources and educational advocacy.

### **C. Additional Disparity-Focused Activities**

Dr. Bonnie Ivers reported that RCOC's Diversity & Inclusion Task Force, targeted to launch in late spring, is in the process of creating a steering committee. The committee will define the Task Force's mission, structure and member selection criteria, ensuring representation from individuals served, parents, community agencies and RCOC.

## **III. Digital Engagement**

### **A. Social Media and Website Updates**

Ms. Nguyen reported that RCOC has assigned a team member from its Information Technology (IT) department for assistance and support with RCOC website updates. The updates will ensure RCOC remains in compliance with DDS requirements, and website visitors can easily access key information. The IT team member will also

provide support with RCOC's social media platforms, which regularly feature information about events, public meetings and training opportunities.

#### **IV. Dialogue – Winter Issue**

Ms. Linda Blankenship reported that the winter issue of the *Dialogue* will be posted in February 2026. The cover story for this issue highlights a young family with two children served by RCOC who have significant challenges. In this issue, the Executive Director's report reflects on how young children are benefiting from Service Coordinators' lower caseloads. Other highlights include the upcoming 2026 Spotlight Awards, workshops and events.

#### **V. News Media Outreach**

Ms. Blankenship reported that the Orange County Register published an article in December 2025 featuring Adan Correa, a person served by RCOC and son of Congressman Lou Correa (46<sup>th</sup> Congressional District). The article included a quote from Mr. Landauer about employment and highlighted Adan's story, which was also featured on the television show, *Love on the Spectrum*, along with context about RCOC services provided to Adan.

Ms. Blankenship also reported that the February 2026 issue of Exceptional Parent Magazine will include a bylined article on dental health for individuals with developmental disabilities, authored by Dr. Bonnie Ivers, with input from Mr. Halland Dr. Richard Mungo, DDS.

#### **VI. Community Forum**

No community members were present at the meeting.

Mr. Hall adjourned the meeting at 5:54 p.m.

*Recorder: Sandra Lomeli*