



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

**Date: Thursday, May 2, 2024**

**Time: 6:00 p.m.**

Place: 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, WIC 4663(a)(5) and WIC 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	Sandy Martin
	D.	Consent Calendar*	Sandy Martin
		1. Approval of Board of Directors' Minutes for March 7, 2024** 2. Budget and Finance Committee** a. Approval of Monthly Sufficiency of Allocation Report, February 2024** b. Approval of Monthly Sufficiency of Allocation Report, March 2024** c. Approval of Contract and Preliminary Allocation, Fiscal Year 2024-25** d. Approval of Budget Amendment E-2, Fiscal Year 2023-24 e. Approval of Line of Credit for Fiscal Year 2023-24** f. Approval of CalPERS Requirement for a Publicly Available Pay Schedule Effective May 13, 2024** g. Approval of Audited Financial Statements for the Year Ended June 30, 2023** h. Review of the Department of Developmental Services' (DDS') Audit Report for the Fiscal Years June 30, 2022 and June 30, 2023** i. Review of Draft Form 990, Return of Organization Exempt from Income Tax for the Year Ended June 30, 2023 j. Approval of Budget Amendment	
	E.	Executive Director's Report	Larry Landauer
		1. Recognition of Persons' Served Employment Longevity 2. Approval of Request for Waiver of Potential Conflict of Interest and Conflict Resolution Plan for Frank Flaherty, Intake Service Coordinator** 3. Operations Report – February 2024** 4. Operations Report – March 2024** 5. Performance Contract Report – February 2024** 6. Performance Contract Report – March 2024** 7. Employment Update 8. Housing Update 9. Health and Wellness Update	Arturo Cazares Jack Stanton Bonnie Ivers
	F.	Executive Committee	Sandy Martin
		1. Approval of Renewal of Board Membership for Hilda Mendez for a Three-Year Term Commencing July 1, 2024 and Ending June 30, 2027** 2. Approval of Jacqueline Nguyen as Treasurer for a Term Commencing May 2, 2024 and Ending June 30, 2024**	

G.	Board Recruitment and Training Committee**	Sandy Martin
H.	Policies and Outcomes Committee**	Cliff Amsden
	1. Approval of the Employment First Policy** 2. Transportation Mobility Policy**	
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
O.	Annual Performance Contract Presentation for Fiscal Year 2024-2025	Jack Stanton Arturo Cazares
<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  
March 7, 2024**

**Board Members Present:** John “Chip” Wright, Chairperson  
(Members in-person, unless otherwise noted)

Marcell Bassett  
Meena Chockalingam  
Bruce Hall  
Sandy Martin  
Hilda Mendez  
Chinh Nguyen  
Jacqueline Nguyen  
Fernando Peña

**Board Members Absent:** Cliff Amsden  
Frances Hernandez  
Yvonne Kluttz  
Rick Perez

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

Mr. Chip Wright called the meeting to order at 6:02 p.m.

**I. General Session**

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

Mr. Fernando Peña led attendees in a recitation of the Pledge of Allegiance.  
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. Sandy Martin 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 January 11, 2024
2. Budget and Finance Committee
  - a. Approval of Monthly Sufficiency of Allocation Report, December 2023
  - b. Approval of Monthly Sufficiency of Allocation Report, January 2024

*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 five persons served who have worked for the same employer for 22 or more years with a Certificate of Recognition.

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

- *Assembly Budget Subcommittee No. 2.* Mr. Landauer reviewed highlights from the Assembly Budget Subcommittee No. 2 on Human Services Hearing meeting report on February 28, 2024. Some of the issues heard under the topic of Department of Developmental Services were the Governor's proposed delay of service provider rate reform, the Governor's proposal for a Master Plan for Developmental Services, and Social Recreation and Camp Services Implementation oversight. Mr. Landauer stated that the hearing report in its entirety is available on RCOC's website.
- *Purchase of Service (POS) Expenditures for Fiscal Year 2023-24.* Mr. Landauer reported that there is a projected surplus statewide.
- *Person Centered Thinking (PCT).* Mr. Landauer reported that approximately 98% of Individual Program Plans (IPPs) for Lanterman cases are in the PCT format and that RCOC is providing PCT trainings for new staff and refresher courses for previously trained staff.
- *Employment.* Mr. Arturo Cazares, RCOC's Director of Community Services, reported that Children's Hospital of Orange County (CHOC) will hold its Project SEARCH graduation on May 17, 2024. He also reported that RCOC is working with Kaiser Permanente to establish a Project SEARCH program in Irvine.
- *Housing.* In Mr. Jack Stanton's absence, Mr. Cazares reported that RCOC is working to develop a behavioral respite program, a children's home, and a behavior management program. In addition, RCOC has commenced the Request for Proposal (RFP) process for the acquisition of three single-family homes for the development of two Enhanced Behavioral Support Home (EBSH) and one Adult Residential Facility for Persons with Special Health Care Needs - Behavioral (ARFPSHN-B).
- *Legislative and Community Awareness (LCA).* Mr. Landauer reported that he, RCOC's Board Member Ms. Chinh Nguyen and Ms. Kaitlynn Truong, CCFRC's Cultural Specialist, participated in the City of Westminster's annual Lunar New Year Tet Parade celebration on February 10, 2024.

Mr. Landauer also reported that Ms. Nguyen co-hosted a show on Nguoi Viet TV interviewing Dr. Veronica Kelly, Chief of Mental Health and Recovery Services, on the importance of access to mental health services.

***RCOC Board of Directors' Meeting Minutes***  
***March 7, 2024***

- *Health and Wellness.* Dr. Bonnie Ivers, RCOC's Clinical Director, reported that the new *Healthy Life, Happy Life* (HLHL) Program cohort has about 63 persons served signed up through their service providers to participate in the program. The curriculum focuses on the management and prevention of chronic health conditions, including information about ultra-processed foods.
- *RCOC News.* Mr. Landauer reported that RCOC held its first Deaf and Hard of Hearing Resource Fair on Sunday, January 21, 2024 at the Anaheim Community Center with over 73 families in attendance.

Mr. Landauer also reported that RCOC held an informational Transition Planning Workshop on securing and retaining Competitive Integrated Employment on January 31, 2024.

Mr. Landauer stated that RCOC held its Language Access and Cultural Competency (LACC) Leadership Forum on January 25, 2024, with approximately 57 individuals in attendance.

Mr. Landauer also stated that he and his staff continue to work with the Hispanic families group to address their concerns. The group plans to meet again in May 2024.

- *Self-Determination Program (SDP).* Mr. Landauer reported that the SDP Local Advisory Committee met on December 4, 2023, the Committee will meet next on February 1, 2024.

**F. Executive Committee**

Mr. Wright reported that the Committee met on February 20, 2024 and will meet next on March 18, 2024.

Mr. Wright presented the following agenda items from the Executive Committee for approval:

1. Approval of Renewal of Board Membership for Bruce Hall for a Three-Year Term Commencing April 1, 2024 and Ending March 31, 2027

***M/S/C to approve the Renewal of Board Membership for Bruce Hall for a Three-Year Term Commencing April 1, 2024 and Ending March 31, 2027 as presented***

2. Approval of Renewal of Board Membership for Jacqueline Nguyen for a Three-Year Term Commencing April 1, 2024 and Ending March 31, 2027

***M/S/C to approve the Renewal of Board Membership for Jacqueline Nguyen for a Three-Year Term Commencing April 1, 2024 and Ending March 31, 2027 as presented***

***RCOC Board of Directors' Meeting Minutes  
March 7, 2024***

3. Approval of Sandy Martin as Chairperson for a Term Commencing May 1, 2024 and Ending June 30, 2024

***M/S/C to approve Sandy Martin as Chairperson for a Term Commencing May 1, 2024 and Ending June 30, 2024 as presented***

**G. Board Recruitment and Training Committee**

Mr. Wright reported that the Committee met on February 12, 2024. The Committee reviewed the Board composition, training topics and discussed recruitment efforts.

The next Committee meeting is scheduled for April 8, 2024.

**H. Policies and Outcomes Committee**

In Mr. Cliff Amsden's absence, Ms. Meena Chockalingam reported that the Committee met on February 20, 2024, and reviewed the Contract Policy, Document Retention and Destruction Policy, Policy on Notification to Persons Served and Families of Significant Service Deficits and the Policy on Insurance Requirements for Providers. Revisions were proposed for the Policy on Insurance Requirements for Providers.

Ms. Chockalingam presented revisions to the Policy on Insurance Requirements for Providers, as recommended by the Policies and Outcomes Committee.

1. Approval of Revisions to the Policy on Insurance Requirements for Providers

***M/S/C to approve revisions to the Policy on Insurance Requirements for Providers as recommended***

The next Committee meeting is scheduled for April 8, 2024.

**I. Vendor Advisory Committee**

In Mr. Rick Perez's absence, Mr. Landauer reported that the Committee met on February 13, 2024 and; the next Committee meeting is scheduled for March 12, 2024.

Mr. Landauer presented the following agenda items from the Vendor Advisory Committee for approval:

1. Approval of Vendor Advisory Committee Member, Shari Panganiban as Chair of the Adult Family Home Agency/Foster Family Agency (AFHA/FFA) Subcommittee Commencing March 7, 2024 and ending May 31, 2025

***M/S/C to approve the Vendor Advisory Committee Member Shari Panganiban as Chair of the Adult Family Home Agency/Foster Family Agency (AFHA/FFA) Subcommittee Commencing March 7, 2024 and ending May 31, 2025 as recommended***

**J. Peer Advisory Committee**

In absence of Committee Co-Chair, Ms. Yvonne Kluttz, Mr. Landauer reported that the Committee met on February 21, 2024 and will meet next on March 12, 2024.

**K. Legislative and Community Awareness Report**

Mr. Bruce Hall reported that the Committee is scheduled to meet on April 9, 2024.

**L. ARCA Report**

Ms. Martin reported that the next ARCA Board of Directors meeting is scheduled for March 22, 2024 in Sacramento.

**M. Community Forum**

Ms. Minaya Wright from Integrity House invited everyone to attend the 27<sup>th</sup> Annual RCOC Spotlight Awards on April 18, 2024 from 5:30 to 10:00 p.m. at the Embassy Suites Anaheim-South in Garden Grove.

Family members voiced concerns regarding difficulties the Latino community has experienced with access to services due to RCOC's policies. Family members also stated that the Hispanic families' group meetings with Mr. Landauer and his staff have created some improvements; however, more change is needed within the agency and its policies.

**N. Chairperson's Report**

Mr. Wright reminded the Board that this is his last meeting as Chairperson. Mr. Wright thanked the Board members, RCOC staff and counsel for all their hard work during his term as Chairperson.

**II. Adjournment**

Mr. Wright adjourned the meeting at 7:26 p.m.

---

Yvonne Kluttz, Secretary

*Recorder: Sandra Lomeli*

**Regional Center of Orange County  
Budget & Finance Committee  
Meeting Minutes  
March 7, 2024**

**Committee Members Present:** Sandy Martin, Chair  
Bruce Hall  
Jacqueline Nguyen (*joined virtually*)  
Fernando Peña  
John “Chip” Wright

**Committee Members Absent:** Cliff Amsden  
Marcell Bassett

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

**RCOC Staff Present:** Larry Landauer, Executive Director  
Jerrold Bonner, IT Director (*arrived at 4:10 p.m.*)  
Liliana Castillo, Accounting Manager – Vendorization  
Arturo Cazares, Director of Community Services  
Nancy Franco, Accounting Manager – OPS  
Karina Martinez, Accounting Manager – POS  
Raudel Perez, Administrator  
Linda Pham, Accountant  
Marta Vasquez, Chief Financial Officer  
Stacy Wong, Human Resources Director

The meeting was called to order at 4:03 p.m.

1. Approval of Monthly Sufficiency of Allocation Reports (SOARs), December 2023 and January 2024

Ms. Marta Vasquez reported that RCOC is projecting a deficit of \$37.1 million. RCOC’s projected deficit will be \$29.7 million if all \$7.4 million of the State Plan Amendment receivables are paid.

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

2. Other

The committee discussed the rate increases for Personal Assistance Worker Administration services.

The meeting adjourned at 4:39 p.m.



REGIONAL CENTER OF ORANGE COUNTY

BOARD OF DIRECTORS

AGENDA ITEM DETAIL SHEET

---

ACTION	<u>  X  </u>
ACTION/CONSENT	<u>      </u>
DISCUSSION	<u>      </u>
INFO ONLY	<u>      </u>

---

DATE: May 2, 2024

TO: Board of Directors

FROM: Budget and Finance Committee

SUBJECT: **Approval of Monthly Sufficiency of Allocation Report, February 2024**

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: May 2, 2024  
To: Board of Directors  
From: Budget and Finance Committee  
Subject: Highlights – February 2024 Sufficiency of Allocation Report (SOAR)

---

#### Purchase of Services (POS)

RCOC is projecting a surplus of \$43.3 million. RCOC's surplus will be \$50.7 million if all \$7.4 million of the State Plan Amendment receivables are paid. The surplus is due to an additional allocation of \$79.5 million and a decrease in projected expenditures of \$4.0 million.

As reported previously, RCOC's projection includes the fiscal impact of prior years' and current year's rate increases:

- the continuation of prior year minimum wage increases,
- the new minimum wage increase effective January 1, 2024,
- the continuation of the Rate Models increases effective April 1, 2022 and January 1, 2023, (a total of 50% of the difference between the rate calculated by Burns & Associates and the rate as of March 31, 2022),
- the rate increases for occupational, physical and speech therapy effective October 1, 2023,
- application of the Personal Assistance Rate Model rate to Personal Assistance Worker administration services (also known as Employer of Record services), and
- an adjustment to the Rate Model rate for Independent Living Services vendors effective January 1, 2024.

The projection also includes the impact of the end of Alternative Non-Residential Services and the projected cost of 554 persons served who will graduate from school to regional center-funded adult day programs.

Year to date, RCOC's caseload increased by 809 persons for an annualized caseload growth of 4.3%; the regional center system increased by 19,152 persons for an annualized caseload growth of 6.2%.

#### Operations

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

**Monthly Sufficiency of Allocation Report  
As of February 29, 2024**

	A	B	C	D	E	F	G	H
		ACTUAL	PROJECTED	SOAR	VARIANCE			
	E-1	SPENT	EXPENDITURES	PROJECTED	(column A-D)/A	(column A-D)	CHANGE	SPENT
PURCHASE OF SERVICE	ALLOCATION	YEAR TO DATE	AT "RUN RATE"	EXPENDITURES	%	AMOUNT	FROM PRIOR	PRIOR YEAR
				4/10/2024	YEAR TO DATE	MO. REPORTED		
(1) Licensed Residential Care	\$209,254,687	\$133,512,401	\$200,708,765	\$204,641,599	2%	\$4,613,088	\$23,072,038	\$182,539,369
(2) Day Care	\$1,955,218	881,945	1,705,255	1,955,218	0%	\$0	\$0	1,489,577
(3) Day Training	\$71,952,139	47,339,726	71,247,869	69,998,669	3%	\$1,953,470	\$8,317,542	60,953,470
(4) Habilitation	\$9,530,560	5,583,547	8,762,394	9,530,560	0%	\$0	\$0	8,424,282
(5) Transportation	\$19,684,528	8,843,278	15,159,905	17,836,125	9%	\$1,848,403	\$6,101,636	11,589,320
(6) Respite	\$59,469,820	31,779,177	52,120,168	53,665,692	10%	\$5,804,128	\$5,804,128	45,959,594
(7) Personal Assistance	\$65,228,607	36,939,117	57,647,445	56,022,320	14%	\$9,206,287	\$11,305,700	48,336,047
(8) Supported Living	\$60,711,833	39,249,427	59,407,656	59,505,546	2%	\$1,206,287	\$1,206,287	53,477,301
(9) Non-medical	\$35,415,097	19,851,580	30,719,636	35,415,097	0%	\$0	\$0	24,103,486
(10) Medical	\$12,684,138	6,918,240	10,377,360	12,684,138	0%	\$0	\$0	7,918,271
(11) Other	\$84,355,872	38,460,918	59,691,377	67,543,802	20%	\$16,812,070	\$19,588,290	53,566,136
(12) Early Start (Age 0-3)	\$44,832,446	26,516,247	41,435,347	42,996,240	4%	\$1,836,206	\$5,042,493	35,739,618
(13) Community Placement Plan	\$3,230,244	0		0	0%	n/a	\$3,130,244	0
(14) Purchase of Service Total	678,305,189	395,875,603	608,983,178	631,795,006	6%	43,279,939	83,568,358	534,096,471
<b>OPERATIONS</b>						\$50,690,618	* If all SPA receivables are paid.	
(15) Operating Expense (Gross)	12,989,075	5,258,475	7,887,713	12,989,075	0%	0	0	7,784,961
(16) Less Interest Income and SPA Fees	-600,000	-1,526,913	-2,290,369	-600,000	0%	0	0	-1,198,997
(17) Operating Expense (Net)	12,389,075	3,731,562	5,597,344	12,389,075	0%	0	0	6,585,964
(18) Personal Services	63,481,765	31,728,388	47,592,582	63,481,765	0%	0	0	44,049,322
(19) Family Resource Center/Services	269,299	157,290	235,935	269,299	0%	0	0	269,299
(20) Operations Total	76,140,139	35,617,241	53,425,861	76,140,139	0%	0	0	50,904,585
(21) Total	\$754,445,328	\$431,492,844	\$662,409,039	\$707,935,145	0%	\$43,279,939	\$83,568,358	\$585,001,056

\* 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.

STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES  
AS OF FEBRUARY 29, 2024

ASSETS	GENERAL FUND	CUSTODIAL FUND
CURRENT ASSETS		
Petty cash	\$300.00	
Checking	66,921,763.30	\$85,969.19
Savings	85,828.53	
Money market	0.00	
Payroll	382,263.25	
Donations	208,778.16	
Unemployment	839,534.78	
Certificate of deposit	0.00	
	-----	-----
Total current assets	68,438,468.02	85,969.19
	-----	-----
RECEIVABLES		
State claim	135,241,451.43	
Client support revenue	19,647.94	291.00
Due from State - prior years	16,103,849.37	
Due from ICF - ICF Supplemental Services	6,680,702.10	
	-----	-----
Total receivables	158,045,650.84	291.00
	-----	-----
PREPAID ITEMS		
Deposits	293,582.86	
Prepaid expense	0.00	
	-----	-----
Total prepaid items	293,582.86	0.00
	-----	-----
OTHER ASSETS		
Tenant improvements	303,163.76	
Building acquisition	63,613.98	
	-----	-----
Total other assets	366,777.74	0.00
	-----	-----
TOTAL ASSETS	\$227,144,479.46	\$86,260.19
	=====	=====
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable	\$36,668,830.45	\$19,647.94
Due to State - ICF Supplemental Services	0.00	
Loans payable	0.00	
Cash advance	189,428,852.69	
Unemployment insurance	838,018.16	
	-----	-----
Total liabilities	226,935,701.30	19,647.94
	-----	-----
FUND BALANCES		
General		
Donations	208,778.16	
Custodial		66,612.25
	-----	-----
TOTAL LIABILITIES AND FUND BALANCES	\$227,144,479.46	\$86,260.19
	=====	=====

REGIONAL CENTER OF ORANGE COUNTY  
BRIAN'S FUND  
FEBRUARY 29, 2024

Beginning Balance		\$208,270.89
Donations	\$0.00	
Loan Payments	499.00	
Interest	8.27	
Disbursements	<u>0.00</u>	
Net Increase (Decrease)		<u>507.27</u>
Ending Balance		<u><u>\$208,778.16</u></u>

REGIONAL CENTER OF ORANGE COUNTY

BOARD OF DIRECTORS

AGENDA ITEM DETAIL SHEET

---

	ACTION	<u>  X  </u>
ACTION/CONSENT		<u>      </u>
DISCUSSION		<u>      </u>
INFO ONLY		<u>      </u>

---

DATE: May 2, 2024

TO: Board of Directors

FROM: Budget and Finance Committee

SUBJECT: **Approval of Monthly Sufficiency of Allocation Report, March 2024**

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: May 2, 2024  
To: Board of Directors  
From: Budget and Finance Committee  
Subject: Highlights – March 2024 Sufficiency of Allocation Report (SOAR)

---

#### Purchase of Services (POS)

RCOC is projecting a surplus of \$43.3 million. RCOC's surplus will be \$50.7 million if all \$7.4 million of the State Plan Amendment receivables are paid. The surplus is due to an additional allocation of \$79.5 million and a decrease in projected expenditures of \$4.0 million.

As reported previously, RCOC's projection includes the fiscal impact of prior years' and current year's rate increases:

- the continuation of prior year minimum wage increases,
- the new minimum wage increase effective January 1, 2024,
- the continuation of the Rate Models increases effective April 1, 2022 and January 1, 2023, (a total of 50% of the difference between the rate calculated by Burns & Associates and the rate as of March 31, 2022),
- the rate increases for occupational, physical and speech therapy effective October 1, 2023,
- application of the Personal Assistance Rate Model rate to Personal Assistance Worker administration services (also known as Employer of Record services), and
- an adjustment to the Rate Model rate for Independent Living Services vendors effective January 1, 2024.

The projection also includes the impact of the end of Alternative Non-Residential Services and the projected cost of 554 persons served who will graduate from school to regional center-funded adult day programs.

Year to date, RCOC's caseload increased by 809 persons for an annualized caseload growth of 4.3%; the regional center system increased by 19,152 persons for an annualized caseload growth of 6.2%.

#### Operations

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

**Monthly Sufficiency of Allocation Report  
As of March 31, 2024**

	A	B	C	D	E	F	G	H
PURCHASE OF SERVICE	E-1 ALLOCATION	ACTUAL SPENT YEAR TO DATE	PROJECTED EXPENDITURES AT "RUN RATE"	SOAR	VARIANCE			SPENT PRIOR YEAR
				PROJECTED EXPENDITURES 4/10/2024	(column A-D)/A %	(column A-D) AMOUNT YEAR TO DATE	CHANGE FROM PRIOR MO. REPORTED	
(1) Licensed Residential Care	\$209,254,687	\$147,860,063	\$200,672,008	\$204,641,599	2%	\$4,613,088	\$23,072,038	\$182,539,369
(2) Day Care	\$1,955,218	935,140	1,707,429	1,955,218	0%	\$0	\$0	1,489,577
(3) Day Training	\$71,952,139	52,163,965	71,482,309	69,998,669	3%	\$1,953,470	\$8,317,542	60,953,470
(4) Habilitation	\$9,530,560	5,711,210	8,955,994	9,530,560	0%	\$0	\$0	8,424,282
(5) Transportation	\$19,684,528	8,993,297	15,417,081	17,836,125	9%	\$1,848,403	\$6,101,636	11,589,320
(6) Respite	\$59,469,820	31,804,128	52,280,758	53,665,692	10%	\$5,804,128	\$5,804,128	45,959,594
(7) Personal Assistance	\$65,228,607	36,939,117	58,324,922	56,022,320	14%	\$9,206,287	\$11,305,700	48,336,047
(8) Supported Living	\$60,711,833	43,988,948	59,012,241	59,505,546	2%	\$1,206,287	\$1,206,287	53,477,301
(9) Non-medical	\$35,415,097	21,098,352	30,421,598	35,415,097	0%	\$0	\$0	24,103,486
(10) Medical	\$12,684,138	7,818,871	10,425,161	12,684,138	0%	\$0	\$0	7,918,271
(11) Other	\$84,355,872	38,925,534	59,771,091	67,543,802	20%	\$16,812,070	\$19,588,290	53,566,136
(12) Early Start (Age 0-3)	\$44,832,446	28,744,367	40,810,385	42,996,240	4%	\$1,836,206	\$5,042,493	35,739,618
(13) Community Placement Plan	\$3,230,244	0		0	0%	n/a	\$3,130,244	0
(14) Purchase of Service Total	678,305,189	424,982,992	609,280,977	631,795,006	6%	43,279,939	83,568,358	534,096,471
<u>OPERATIONS</u>						\$50,690,618 * If all SPA receivables are paid.		
(15) Operating Expense (Gross)	12,989,075	5,823,252	7,764,336	12,989,075	0%	0	0	7,784,961
(16) Less Interest Income and SPA Fees	-600,000	-1,760,270	-2,347,026	-600,000	0%	0	0	-1,198,997
(17) Operating Expense (Net)	12,389,075	4,062,983	5,417,310	12,389,075	0%	0	0	6,585,964
(18) Personal Services	63,481,765	37,072,324	49,429,765	63,481,765	0%	0	0	44,049,322
(19) Family Resource Center/Services	269,299	179,634	239,512	269,299	0%	0	0	269,299
(20) Operations Total	76,140,139	41,314,941	55,086,588	76,140,139	0%	0	0	50,904,585
(21) Total	\$754,445,328	\$466,297,933	\$664,367,564	\$707,935,145	0%	\$43,279,939	\$83,568,358	\$585,001,056

\* 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.



STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES  
AS OF MARCH 31, 2024

ASSETS	GENERAL FUND	CUSTODIAL FUND
CURRENT ASSETS		
Petty cash	\$300.00	
Checking	61,739,838.93	\$86,071.63
Savings	136,337.57	
Money market	0.00	
Payroll	383,620.82	
Donations	206,627.00	
Unemployment	839,657.59	
Certificate of deposit	0.00	
	-----	-----
Total current assets	63,306,381.91	86,071.63
	-----	-----
RECEIVABLES		
State claim	136,296,799.06	
Client support revenue	33,233.27	291.00
Due from State - prior years	17,221,466.45	
Due from ICF - ICF Supplemental Services	7,355,195.84	
	-----	-----
Total receivables	160,906,694.62	291.00
	-----	-----
PREPAID ITEMS		
Deposits	293,582.86	
Prepaid expense	0.00	
	-----	-----
Total prepaid items	293,582.86	0.00
	-----	-----
OTHER ASSETS		
Tenant improvements	303,163.76	
Building acquisition	63,613.98	
	-----	-----
Total other assets	366,777.74	0.00
	-----	-----
TOTAL ASSETS	\$224,873,437.13	\$86,362.63
	=====	=====
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable	\$34,399,761.50	\$33,233.27
Due to State - ICF Supplemental Services	0.00	
Loans payable	0.00	
Cash advance	189,428,852.69	
Unemployment insurance	838,195.94	
	-----	-----
Total liabilities	224,666,810.13	33,233.27
	-----	-----
FUND BALANCES		
General		
Donations	206,627.00	
Custodial		53,129.36
	-----	-----
TOTAL LIABILITIES AND FUND BALANCES	\$224,873,437.13	\$86,362.63
	=====	=====

REGIONAL CENTER OF ORANGE COUNTY  
BRIAN'S FUND  
MARCH 31, 2024

Beginning Balance		\$208,778.16
Donations	\$0.00	
Loan Payments	100.00	
Interest	8.84	
Disbursements:		
Security deposit	<u>-2,260.00</u>	
Net Increase (Decrease)		<u>-2,151.16</u>
Ending Balance		<u><u>\$206,627.00</u></u>

REGIONAL CENTER OF ORANGE COUNTY

BOARD OF DIRECTORS

AGENDA ITEM DETAIL SHEET

	_____
ACTION	<u>  X  </u>
ACTION/CONSENT	_____
DISCUSSION	_____
INFO ONLY	_____
	_____

DATE: May 2, 2024

TO: Board of Directors

FROM: Budget and Finance Committee

SUBJECT: **Approval of Contract and Preliminary Allocation for Fiscal Year 2024-25**

BACKGROUND:

Each year, ARCA and the Department of Developmental Services (DDS) negotiate a standard contract for adoption by regional centers and DDS. The preliminary allocation is a placeholder budget.

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

REASON FOR CURRENT ITEM:

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

FISCAL IMPACT:

The preliminary allocation for fiscal year 2024-25 is:

Purchase of Services .....	\$511,776,766
Operations .....	\$49,077,146
Total Preliminary Allocation.....	\$560,853,912

RECOMMENDATION:

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

**STANDARD AGREEMENT - AMENDMENT**

STD 213A (Rev. 4/2020)

<input checked="" type="checkbox"/> CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED 79 PAGES	AGREEMENT NUMBER HD249014A	AMENDMENT NUMBER Prelim	Purchasing Authority Number
--	-------------------------------	----------------------------	-----------------------------

1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME

Department of Developmental Services

CONTRACTOR NAME

Regional Center of Orange County

2. The term of this Agreement is:

START DATE

July 1, 2024

THROUGH END DATE

June 30, 2031

3. The maximum amount of this Agreement after this Amendment is:

\$560,853,912.00

4. The parties mutually agree to this amendment as follows. All actions noted below are by this reference made a part of the Agreement and incorporated herein:

a. Effective July 1, 2024, this contract shall constitute the entire agreement of the parties, including Exhibit A, entitled "Regional Center Contract Language Fiscal Year 2024-2025," Exhibit A to Exhibit A, entitled "Contract Budget Summary."

b. Section 1 of article I reads as follows: "1. The total amount payable to Contractor under this contract agreement shall not exceed \$560,853,912.00 for Fiscal Year 2024/2025 as reflected in Exhibit A, Page 1 of this contract."

Fiscal Year funds identified above may not be used for any other fiscal year than the fiscal year specified unless authorized by the Department to do so. All other terms and conditions shall remain the same.

IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.

**CONTRACTOR**

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)

Regional Center of Orange County

CONTRACTOR BUSINESS ADDRESS

1525 N. Tustin Avenue

CITY

Santa Ana

STATE

CA

ZIP

92705

PRINTED NAME OF PERSON SIGNING

Sandy Martin

TITLE

Board Chair

CONTRACTOR AUTHORIZED SIGNATURE

DATE SIGNED

**STANDARD AGREEMENT - AMENDMENT**

STD 213A (Rev. 4/2020)

<input checked="" type="checkbox"/> CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED <u>79</u> PAGES	AGREEMENT NUMBER	AMENDMENT NUMBER	Purchasing Authority Number
	HD249014A	Prelim	

**STATE OF CALIFORNIA**

CONTRACTING AGENCY NAME

Department of Developmental Services

CONTRACTING AGENCY ADDRESS

1215 O Street, 10th Floor, MS 10-10

CITY

Sacramento

STATE

CA

ZIP

95814

PRINTED NAME OF PERSON SIGNING

Greg Trahey

TITLE

Manager, Contracts Unit

CONTRACTING AGENCY AUTHORIZED SIGNATURE

DATE SIGNED

CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL

EXEMPTION (If Applicable)

2024-25 Through A-Prelim Contract Budget Summary  
Exhibit A, Claiming Categories by Program (Ops, POS, EIP, FRS)

Contracting Agency: Regional Center of Orange County, Inc.

Contract Number  
HD249014

<b>TOTAL OPERATIONS (Ops) which include the line items listed below:</b>	<b>\$ 49,077,146</b>
<i>Less Separately Claimed Items:</i>	<i>\$ -</i>
<b>Total Ops Regular Monthly Claim Authority:</b>	<b>\$ 49,077,146</b>
<i>In accordance with State Contract language under Article III: Fiscal Provisions Item #4 Payment Provisions, paragraph 3, the following Operation category expenditures must be claimed on a separate invoice:</i>	
<b>Mental Health Services Fund</b>	<b>\$ -</b>
<b>Total Foster Grandparent Sr Companion Program a/b</b>	<b>\$ -</b>
<i>FGP &amp; Sr. Companion, Total General State Funds <sup>av</sup></i>	<i>\$ -</i>
<i>FGP, General State Fund, Support</i>	<i>\$ -</i>
<i>FGP, General State Fund, Volunteer</i>	<i>\$ -</i>
<i>Sr Companion, State Funds, Support</i>	<i>\$ -</i>
<i>Sr Companion, State Funds, Volunteer</i>	<i>\$ -</i>
<i>FGP, Total Federal <sup>av</sup></i>	<i>\$ -</i>
<i>FGP, Federal Support</i>	<i>\$ -</i>
<i>FGP, Federal Volunteer</i>	<i>\$ -</i>
<i>FGP, Federal Stipend</i>	<i>\$ -</i>
<b>Service Access &amp; Equity (SAE) Grant Disparities</b>	<b>\$ -</b>
<b>Total Regular Community Placement Plan (CPP) and Community Resource Development Plan (CRDP) Ops</b>	<b>\$ -</b>
<b>Developmental Center Closure/Ongoing Workload</b>	<b>\$ -</b>
<b>TOTAL PURCHASE OF SERVICES (POS) which include the line items listed below:</b>	<b>\$ 511,776,766</b>
<i>Less Separately Claimed Items</i>	<i>\$ -</i>
<b>Total POS Regular Monthly Claim Authority</b>	<b>\$ 511,776,766</b>
<i>In accordance with State Contract language under Article III: Fiscal Provisions Item #4 Payment Provisions, paragraph 3, the following Purchase of Service category expenditures must be claimed on a separate invoice:</i>	
<b>Part C, POS c/</b>	<b>\$ -</b>
<b>HCBSW Compliance</b>	<b>\$ -</b>
<b>Total Community Placement Plan (CPP) and Community Resource Development Plan (CRDP) POS</b>	<b>\$ -</b>
<i>Start-Up</i>	<i>\$ -</i>
<i>Assessment</i>	<i>\$ -</i>
<i>Placement</i>	<i>\$ -</i>
<b>Early Intervention Program (EIP, Other Agency)</b>	<b>\$ -</b>
<i>Early Intervention Program, Family Resource Center</i>	<i>\$ -</i>
<b>Family Resource Services (FRS)</b>	<b>\$ -</b>
<b>TOTAL BUDGET</b>	<b>\$ 560,853,912</b>

<sup>av</sup> Senior Companion (GF) Program Title: Senior Companion Program, CFDA # 94.016, Award No.22SCICA002, Performance Period 07/01/22-06/30/25 for the three year grant.

<sup>av</sup> FGP: Program Title: Foster Grandparent Program, CFDA Number: 94.011, Award No.22SFICA001, Performance Period 07/01/22-06/30/25 for the three year grant.

<sup>av</sup> Part C: CFDA Title: Infant and Toddler/Families (Part C) Program Title: Special Education-Grants for Infants and Families with Disabilities.

CFDA Number: 84.181A, Award No: H181A220037. Federal Agency Name: Office of Special Education and Rehabilitative Services, United States Department of Education  
Percent of Part C to Total Contract Funding: 0.00%

**EXHIBIT A - REGIONAL CENTER CONTRACT LANGUAGE**  
**Regional Center of Orange County**

**FISCAL YEAR 2024-2025**

# REGIONAL CENTER MASTER CONTRACT INDEX

(Revised July 1, 2024)

## **ARTICLE I: STANDARD TERMS AND CONDITIONS**

Section	1	Amount of Contract
	2	Term of Contract
	3	Exhibits
	4	Definitions
	5	Control Requirements
	6	Contractor Service Area or Counties
	7	Copyrights/Patents
	8	Zero Tolerance Policy
	9	Whistleblower Policy
	10	Transparency and Access to Public Information
	11	Conflict of Interest
	12	Rights and Privileges Limitations
	13	Contract Titles Statement
	14	Restricting Use of State Funds
	15	Payment of Accrued Benefits
	16	Procedures for Employee Retention

## **ARTICLE II: PROGRAM PROVISIONS**

Section	1	Utilization of Public and Private Resources
	2	Resource Development
	3	Contracting Policy
	4	Federal Funds
	5	Service Standards
	6	Community Placement Plan
	7	Out-of-State Services
	8	Mental Health Facilities
	9	Specialized Resources
	10	Self-Determination Program
	11	Out-of-State Children
	12	Service Provider Termination of Vendorization

## **ARTICLE III: FISCAL PROVISIONS**

Section	1	Budget Development Process
	2	Allocation of Funding to Contractor
	3	Advance Payment Provisions
	4	Payment Provisions
	5	Budget Category Transfers
	6	Contract Funding Stipulations
	7	Travel and Per Diem
	8	Independent Financial Audit
	9	Vendor Fiscal Monitoring
	10	Consumer Trust Accounts
	11	Foundation Support



<b>ARTICLE IV:</b>		<b>CONTRACTOR OPERATIONS</b>
Section	1	Electronic Data Processing and Data Integrity
	2	Personnel
	3	Records Maintenance
	4	State Property
	5	Public Disclosure of Contracts
	6	Consumer Information Security
<b>ARTICLE V:</b>		<b>EVALUATION</b>
Section	1	Contractor Evaluation
	2	Information Requests
	3	State Audits of Contractor
<b>ARTICLE VI:</b>		<b>CONTRACT AMENDMENT/CANCELLATION/REOPENING</b>
Section	1	Contract Amendments
	2	Severability Clause
	3	Entire Agreement
<b>ARTICLE VII:</b>		<b>MISCELLANEOUS</b>
Section	1	Lease/Rental Agreements
	2	Emergency Response System
	3	Emergency and Disaster Preparedness
	4	Collection of Parental Information
	5	Registered Sex Offenders
	6	Data Compilation
	7	Shared Vendors and Case Management Responsibility
	8	Program Development Funds – Parental Fee Program
	9	Executive Director Recruitment Policy
	10	Reporting on Specified Consumers
	11	Board of Directors Training Plan
	12	W&I Code Section 4731 Consumers’ Rights Complaints
	13	Medicaid Enrollment Requirements
	14	Board Governance
	15	Forensic Cases
	16	Reporting on DDS Conservatees
<b>ARTICLE VIII:</b>		<b>PERFORMANCE</b>
Section	1	Contract Development
	2	Annual Progress Report
	3	Incentives
	4	Contract Compliance
<b>ARTICLE IX:</b>		<b>STAFFING, MONITORING AND REPORTING</b>
Section	1	Specialized Personnel and Monitoring
	2	Caseload Ratios
	3	Reporting

## **EXHIBITS**

- A Contract Budget Summary
- B Home and Community-Based Services Waiver  
Regional Center Fiscal Agent Responsibilities
- C Performance Plan
- D Early Start Statement of Assurances
- E Community Placement Plan and Community Resource  
Development Plan Statement of Assurances
- F Statement of Assurances for Protection of Protected Health  
Information
- G Medicaid Enrollment Requirements
- H General Terms and Conditions
- I Contractor Certification Clauses

## **ARTICLE I. STANDARD TERMS AND CONDITIONS**

### **1. Amount of Contract**

The total amount payable to Contractor under this contract shall not exceed \$560,853,912 for Fiscal Year 2024-2025 as reflected in Exhibit A of this contract.

Fiscal year funds identified above may not be used for any other fiscal year than the fiscal year specified unless authorized by the State.

### **2. Term of Contract**

Subject to the provisions of Article VI, Section 1 and Article VIII, Section 1 herein, the period of this contract shall be for seven years as specified below. The term of the contract is from July 1, 2024 through June 30, 2031. The first five years of the term, from July 1, 2024 through June 30, 2029, is intended to meet the requirements specified in W&I Code Section 4629. The last two years of the term, from July 1, 2029 through June 30, 2031, is solely to provide for the claims period specified in Government Code section 16304, and to allow for adjustments to the regional centers' allocations and for the payment of claims up to two years after the close of each fiscal year, specifically FY 2029/2030 and FY 2030/2031.

### **3. Exhibits**

- a. Exhibit A, entitled "Contract Budget Summary," is attached hereto and made a part of this contract.
- b. Exhibit B, entitled "Home and Community-Based Services Waiver Regional Center Fiscal Agent Responsibilities," is attached hereto and made a part of this contract.
- c. Exhibit C, entitled "Performance Plan," is incorporated by reference and made a part of this contract.
- d. Exhibit D, entitled "Early Start Statement of Assurances," is attached hereto and made a part of this contract.
- e. Exhibit E, entitled "Community Placement Plan and Community Resource Development Plan Statement of Assurances," is attached hereto and made a part of this contract.
- f. Exhibit F, entitled "Statement of Assurances for Protection of Protected Health Information," is attached hereto and made a part of this contract.
- g. Exhibit G entitled "Medicaid Enrollment Requirements," is attached hereto and made a part of this contract.
- h. Exhibit H entitled "General Terms and Conditions," is attached hereto and made a part of this contract.

- i. Exhibit I entitled "Contractor Certification Clauses," is attached hereto and made part of this contract.

#### **4. Definitions**

- a. "Allocate" means to forward to the Contractor a contract or contract amendment which has been executed by the State and specifies an amount, or augmented amount, of money available to Contractor to affect the terms of this agreement.
- b. "ARCA" means the Association of Regional Center Agencies.
- c. "State" means the Department of Developmental Services and only the Department of Developmental Services.
- d. "Director" means the director of the Department of Developmental Services.
- e. "Lanterman Act" means Division 4.5 of the (W&I Code) Section 4500, et seq., known and cited as the Lanterman Developmental Disabilities Services Act.
- f. "Operations Budget" means that portion of a Contractor's budget allocation set forth in Exhibit A, that is intended for the delivery of regional center "direct consumer services" and "administration."
- g. "Direct Consumer Services" means those direct services to persons with developmental disabilities delivered by Contractor. These services include but are not limited to case management, funds management for persons with developmental disabilities, rights assurance, diagnosis and assessment, intake, prevention, quality assurance, program development, and other services under the Lanterman Act provided directly by Contractor.
- h. "Administration" means those support activities required of Contractor that are essential to the efficient conduct of business.
- i. "Total Purchase of Service Budget" means that portion of Contractor's budget allocation set forth in Exhibit A which is intended to support the purchase of services (POS) and programs for persons with developmental disabilities.
- j. "Regional Center" means an agency operated by a nonprofit corporation chartered in the State of California (hereinafter referred to as "Contractor") that provides fixed points of contact in the community for persons with developmental disabilities and their families, to the end that such persons may have access to the facilities and services best suited to them throughout their lifetimes.

- k. "GAP Funds" means that portion of the POS appropriation that is intended to pay for services to newly developed ICF-DD/H, ICF-DD/N, and DD/CNC (formerly known as ICF/DD-CN) health facilities for the period between licensure and certification of the facilities.

**5. Control Requirements**

The Contractor shall comply with all California statutes, laws, and regulations applicable to nonprofit corporations. Contractor shall also render services to persons with developmental disabilities in accordance with applicable federal and California statutes, regulations, ARC v. DDS (1985) 38 Cal.3d.384 and the terms of this contract.

**6. Contractor Service Area or Counties:**

Contractor's regional center serves the following area or counties: Orange.

**7. Copyrights/Patents**

Except as provided in this agreement, the Contractor may seek patents or copyrights for inventions, copyrightable materials or other original work product which has been commissioned, funded or developed by the Contractor with funds provided by the State, or otherwise produced in performance of this contract, subject to the rights of the State as set forth in this Section. Inventions, for the purposes of this Section, may include, but not be limited to, prosthetic devices, auxiliary learning aids or any other professional aids of a mechanical nature. Copyrightable materials, for the purposes of this Section, may include, but not be limited to data, plans, drawings, specifications, reports, operating manuals, notes or other consultant work. The State shall have the right to manufacture, reproduce, publish, use and/or distribute all such inventions or copyrightable materials. Upon any such inventions or copyrightable materials shall be the statement: "COPYRIGHTED/PATENTED (as appropriate) DATE (insert date) BY (insert name of contractor); REPRODUCED WITH PERMISSION." No further manufacturing, reproduction, publication, use or distribution shall be made without permission of the Contractor. All copyrights or patents to which this clause is applicable shall be in the name of the Contractor. If any such inventions are patentable, or any such original work product or materials are copyrightable, the Contractor may patent or copyright same except that, whenever any such patents or copyrights are applied for or sought by the Contractor, or any employee or assignee thereof, the Contractor shall promptly and fully report such fact to the State, which reserves a royalty-free, nonexclusive and irrevocable license to manufacture, reproduce, publish, use and/or distribute same. Any revenues derived from the sale of any such invention or copyrighted materials by the Contractor, or any employee or assignee thereof, shall be reported to the State and utilized by the Contractor for the benefit of persons with developmental disabilities.

The Contractor shall include the provisions of this section in all subcontracts to perform work which requires the invention or development of copyrightable materials under this contract. Subcontracts under this section shall specifically

note the State's right to manufacture, reproduce, publish, use and/or distribute all inventions or copyrightable materials developed using funds provided by the State.

## **8. Zero Tolerance Policy**

- a. Contractor shall develop and post on its Internet Website by October 1, 2013, a Zero Tolerance Policy regarding consumer abuse and neglect. Contractor shall annually notify all its employees and notify vendors and long-term health care facilities serving consumers of its Zero Tolerance Policy. The Zero Tolerance Policy shall specify:
  - 1) That all Contractor, vendor and long-term health care facility staff serving consumers are required to report, pursuant to W&I Code Section 15630, to the appropriate entities any incident or allegation of suspected abuse or neglect.
  - 2) The entities for reporting suspected abuse or neglect.
  - 3) That upon becoming aware of a reportable incident or allegation of abuse or neglect of a consumer, pursuant to W&I Code Section 15630, Contractor and the associated vendor or long-term health care facility shall take immediate action to ensure the health and safety of the involved consumer and all other consumers receiving services from the Contractor, associated vendor or long-term health care facility.
  - 4) That the Contractor, its vendors and long-term health care facilities serving consumers shall ensure its respective employees are fully informed upon hire and annually thereafter regarding the Contractor's Zero Tolerance Policy and mandatory abuse and neglect reporting laws. Each employee must be knowledgeable of their responsibility to protect consumers from abuse and neglect, the signs of abuse and neglect, the process for reporting suspected abuse or neglect, and the consequences of failing to follow the law and enforce the Zero Tolerance Policy.
- b. The Contractor's Zero Tolerance Policy shall be incorporated into any new or revised contract, vendorization or other agreement for consumer services. Existing vendors and long-term health care facilities serving consumers shall be informed of Contractor's Zero Tolerance Policy; the Contractor's expectation of compliance with its policy; and, the Contractor will utilize all remedies available to it in statute and regulations to protect the health and safety of consumers.

## 9. Whistleblower Policy

- a. Contractor shall institute a board approved regional center Whistleblower policy effective December 31, 2010, addressing the reporting of alleged improper regional center and, or vendor/contractor activities.
  - 1) An “improper regional center activity” is defined as an activity by a regional center, or an employee, officer, or board member of a regional center, in the conduct of regional center business, that is a violation of a state or federal law or regulation; violation of contract provisions; fraud or fiscal malfeasance; misuse of government property; or constitutes gross misconduct, incompetency, or inefficiency.
  - 2) An “improper vendor/contractor activity” means an activity by a vendor/contractor, or an employee, officer, or board member of a vendor/contractor, in the provision of State funded services, that is a violation of a state or federal law or regulation; violation of contract provisions; fraud or fiscal malfeasance; misuse of government property; or constitutes gross misconduct, incompetency, or inefficiency.
- b. This policy must be consistent with the State’s directive entitled “Department of Developmental Services Whistleblower Complaint Process,” dated July 28, 2010, and must:
  - 1) Allow for multiple employees within the regional center to be available to accept complaints,
  - 2) Also includes a process to access the Board of Directors for the purpose of filing complaints,
  - 3) Ensure that the policy clearly indicates that the regional center will not retaliate against any complainant,
  - 4) Ensure that a process is in place to investigate and take appropriate action on complaints, including complaints of retaliation.
  - 5) Address complainant confidentiality, consistent with the State’s Whistleblower Policy, including consumer health and safety, and;
  - 6) Include a process for annually notifying employees and board members of both the regional center’s and the State’s Whistleblower policies and for posting and maintaining the regional center’s whistleblower policy prominently on its website. As part of their eligibility determination and vendorization processes, regional center shall also inform all new clients/families and new vendors of the regional center’s and the State’s Whistleblower policies.

- c. In addition, Contractor shall ensure that the regional center's and the State's Whistleblower Policies are posted on the regional center's website.
- d. Contractor shall review and provide, at minimum, annual training to all board members regarding the regional center governing board's approved Whistleblower Policy to include, but not be limited to the board's role in implementing the policy.

**10. Transparency and Access to Public Information**

- a. Contractor shall adopt, maintain, and post on its Internet Web site a board-approved policy regarding transparency and access to public information. The transparency and public information policy shall provide for timely public access to information, including, but not limited to, information regarding requests for proposals and contract awards, service provider rates, documentation related to establishment of negotiated rates, audits, and IRS Form 990. The transparency and public information policy shall be in compliance with applicable law relating to the confidentiality of consumer service information and records, including, but not limited to, W&I Code Section 4514.
- b. To promote transparency, Contractor shall include on its Internet Web site, as expeditiously as possible, at least all of the following:
  - 1) Regional center annual independent audits.
  - 2) Biannual fiscal audits conducted by the State.
  - 3) Regional center annual reports pursuant to W&I Code Section 4639.5.
  - 4) Contract awards, including the organization or entity awarded the contract, and the amount and purpose of the award.
  - 5) POS policies and any other policies, guidelines, or regional center-developed assessment tools used to determine the transportation, personal assistant, or independent or supported living service needs of a consumer.
  - 6) The names, types of service, and contact information of all vendors, except consumers or family members of consumers.
  - 7) Board meeting agendas and approved minutes of open meetings of the board and all committees of the board.
  - 8) Bylaws of the regional center governing board.
  - 9) The annual performance contract and year-end performance contract report entered into with the State pursuant to W&I Code Division 4.5.



- 10) The biannual Home and Community-based Services (HCBS) Waiver program review conducted by the State and the Department of Health Care Services (DHCS).
- 11) The board-approved transparency and public information policy.
- 12) The board-approved conflict-of-interest policy.
- 13) A link to the page on the State's website, specified in W&I Code Section 4629.5(d).
- 14) The salaries, wages, and employee benefits for all managerial positions for which the primary purpose is the administrative management of the regional center, including, but not limited to, directors and chief executive officers.
- 15) Regional center-specific reports generated pursuant to, and for the purposes of W&I Code Section 4571(h).
- 16) The Zero Tolerance Policy pursuant to Section 17 of this Article.
- 17) Regional center data pursuant to W&I Code Section 4519.5 and Article VII, Section 6 of this contract.

## **11. Conflict of Interest**

- a. For purposes of compliance with W&I Code Section 4626, the Conflict of Interest Statements (Form DS 6016) required to be completed pursuant to California Code of Regulations, Title 17 (Cal. Code Regs., Title 17), Section 54500-54535 shall be used until such time as the State issues emergency regulations and develops and publishes a standard conflict of interest reporting statement pursuant to W&I Code Section 4626(e).
- b. Contractor shall review and provide, at minimum, annual training to all board members regarding the regional center governing board's approved Conflict of Interest Policy.
- c. Contractor shall ensure that all board members understand and carry out their obligations to implement and appropriately monitor all approved conflict resolution plans for governing board members (i.e., have received and reviewed copies of approved resolutions plans, ensure board members with conflicts do not participate in discussions and/or vote on matters for which a conflict exists).

## **12. Rights and Privileges Limitations**

No rights or privileges granted under this contract shall inure to the benefit of any person not a party to this agreement.

**13. Contract Titles Statement**

Both parties agree that contract articles and section headings are provided for organizational purposes only and do not in any manner affect the scope, meaning or intent of the provisions herein.

**14. Restricting Use of State Funds**

During the duration of this contract, including any extensions or renewals of the contract, Contractor agrees to comply with Government Code Sections 16645 through 16649 and W&I Code Section 4638 that prohibit Contractor's use of State funds to assist, promote or deter union organizing.

**15. Payment of Accrued Benefits**

If this contract is terminated, the State shall pay, as appropriate, accrued benefits pursuant to the contract of employment of each terminated employee. Accrued benefits shall include vacation, sick leave, and any other benefits submitted to and approved, in writing, by the State in advance of or at the time of the termination of this contract.

**16. Procedures for Employee Retention**

Both parties to this contract recognize the specific requirements under law as stated in W&I Code Article 1.1, Sections 4639.80 through 4639.83, pertaining to procedures for employee retention.

## ARTICLE II: PROGRAM PROVISIONS

### 1. Utilization of Public and Private Resources

Contractor shall utilize to the fullest extent reasonably feasible those public and private resources, as specified in Section 4659 of the W&I Code, which are available without additional cost to the Contractor to implement and coordinate the services identified by the Interdisciplinary Team as required to meet the goals and objectives in the Individual Program Plan for each person with a developmental disability and the outcomes on Individualized Family Service Plans (IFSPs) for children and families served through the Early Start Program.

### 2. Resource Development

- a. Contractor may use POS funds for developing new community resources to protect the consumers' health or safety or because of other extraordinary circumstances, and the State has granted prior written authorization for the expenditure. This provision does not apply to:
  - 1) POS funds allocated as part of the State's Community Placement Plan and Community Resource Development Plan (CPP/CRDP) process.
- b. Contractor shall institute a Board approved policy effective January 1, 2011 specifying the circumstances under which the regional center will issue requests for proposals to address a service need. This policy shall also address the applicable dollar thresholds for requiring the utilization of the request for proposals process; the request for proposals notification process; and, how submitted proposals will be evaluated and the applicant selected. Within 30 days of the effective date, Contractor shall post the Board approved policy on the regional center's website.

Contractor shall specify in its Board approved policy the requirements of W&I Code Section 4648.11, and post the policy on its website.

- c. POS funds may be used to provide grants for reasonable start-up costs associated with resource development. Contractor shall develop and maintain a policy for the disbursement of start-up monies and shall keep accounting and other records to document the use of these monies. Such policy shall include provision for fair and equitable recoupment of start-up funds should the vendor and/or fund recipient cease to provide services to consumers after a specified period of time. This includes start-up funds to purchase real property. The policy must be approved by Contractor's Board of Directors and must ensure that the use of POS funds are:
  - 1) Necessary for establishing a new or additional program, project or resource for providing services and supports to consumers.

- 2) Of direct benefit to consumers.
- 3) Supported by contracts with sufficient detail and measurable performance expectations and results.
- 4) Not used for the purchase of a provider's vehicle.
- 5) Not used for the lease of a provider's vehicle unless approved in advance by the Director or designee.
- 6) Not used for routine maintenance of a provider's plant or facility unless approved in advance by the Director or designee.
- 7) Not used for construction, renovation, alteration, improvement, or repair of real property that is not of direct medical or remedial benefit to the consumer.

### **3. Contracting Policy**

Both parties to this contract recognize the specific requirements under law as stated in W&I Code Section 4625.5 and California Code of Regulations (CCR), Section 54322.

### **4. Federal Funds**

- a. Contractor shall implement mutually agreed to procedures for the administration of all programs funded by Medicaid including: Home and Community-Based Services (HCBS) Waiver, Self-Determination Program (SDP) Waiver, Targeted Case Management (TCM), Intermediate Care Facility-Developmentally Disabled State Plan Amendment (ICF-DD SPA), Nursing Home Reform (NHR), 1915(i) SPA, Early Periodic Screening Diagnosis and Treatment (EPSDT), and Behavioral Health Treatment (BHT). Any modifications to the existing procedures shall be mutually agreed to by the State and ARCA.
- a. Contractor shall ensure that costs that may be reimbursed with Federal Funds are claimed in accordance with the applicable cost principles set forth in Office of Management and Budget Circular (OMB), A-122 and requirements set forth in OMB A-110.
- b. HCBS Waiver Enrollment
  - 1) Contractor shall ensure willing and eligible consumers are enrolled on a flow basis on the HCBS Waiver through implementation of an aggressive enrollment effort that ensures enrollment at the earliest date possible in the fiscal year.
  - 2) Months of enrollment will be considered in the allocation of Contractor Operations funding.

d. For the Title XX program, the following information applies:

CFDA Title: Social Services Block Grant (SSBG)

CFDA Number: 93.667

Federal Agency Name: United States Department of Health and Human Services

e. Early Start Program

- 1) Contractor shall provide services for infants, until three years of age, and their families, at no cost to the family, who are eligible for regional center early intervention services in accordance with the provisions of Part C of the Individuals with Disabilities Education Act (20 USC Sec. 1471 et. seq.), its implementing regulations (34 CFR Part 303), the Education Department General Regulations (EDGAR) as specified in 34 CFR Section 303.5, and the California Government Code, Title 14, Section 95000 et. seq. and Cal. Code Regs., Title 17, Section 52000 et. seq.
- 2) The Contractor shall use federal funds provided under Part C of the Individuals with Disabilities Education Act only to supplement and increase service and operations obligations and will in no way be used to supplant state or local funds allocated for infants birth through two years of age.
- 3) Contractor shall develop an annual Family Resource Center/Network Plan (FRCP) with input and concurrence from local agencies providing early intervention services. The plan shall include the following:
  - a) A description of how the Contractor provides family resource services, including but not limited to:
    - i) Parent-to-parent support
    - ii) Information dissemination and referral
    - iii) Public awareness
    - iv) Family-professional collaboration
    - v) Transition assistance for families
- 4) Contractor shall submit an annual report prepared in accordance with the State's Early Start Program Memoranda (ESPM).
- 5) Contractor shall maintain, in the Uniform Fiscal System (UFS), separate accountability for all federal funds expended for family resource service activities.

## **5. Service Standards**

In carrying out its obligations under Article I, Section 12 of this contract, the Contractor shall maintain standards for the purchase of services for persons with developmental disabilities. Within one hundred-twenty (120) days, the State shall review all new or amended purchase of service standards prior to Contractor's implementation of such standards to ensure compliance with statute and regulation.

## **6. Community Placement Plan**

Contractor shall develop and implement an annual State approved CPP/CRDP in accordance with Exhibit E and State CPP/CRDP Guidelines.

Contractor utilizing CPP/CRDP funds for the purpose of acquiring housing shall do so in accordance with Contractor's approved CPP/CRDP, the State's CPP/CRDP Housing Guidelines, and all conditions expressed in the State's approval of the CPP/CRDP.

State shall make every effort to provide Contractor with State Housing Guidelines and CPP/CRDP Guidelines simultaneously. If, however, the amended State Housing Guidelines are released after the submission deadline for the CPP/CRDP, upon release of amended State Housing Guidelines, the State agrees to allow Contractor the option to modify their CPP/CRDP to reflect any changes to the State's Housing Guidelines.

Any proposed changes to the CPP/CRDP or State Housing Guidelines will be provided to ARCA at least 30 days before they are to take effect. ARCA will have 30 days to provide comments to the State regarding the proposed changes.

State shall allow Contractor at least 60 days from issuance of CPP/CRDP Guidelines to complete and submit its CPP/CRDP for the following year.

State shall approve Contractor's CPP/CRDP and related housing projects no later than August 1.

## **7. Out-of-State Services**

Both parties to this contract recognize the specific requirements under law as stated in W&I Code Section 4519.

## **8. Mental Health Facilities**

Both parties to this contract recognize the specific requirements under law as stated in W&I Code Section 4648.

## 9. Specialized Resources

As required by W&I Code Section 4418.25(b)(2), Contractor shall provide information on Specialized Resources developed with the use of CPP funds since fiscal year 2005-2006 and shall make these resources available to other regional centers. This information shall be provided monthly in a format agreed to by the State and regional centers.

- a. Contractor must consult with the State to determine whether a specialized resource is available in another regional center service area prior to placement in:
  - 1) The crisis program at Fairview Developmental Center (W&I Code Section 4418.7);
  - 2) A mental health facility ineligible for federal financial participation (FPP) [W&I Code Section 4648(a)(9)(B)(iii) & (C)]; or,
  - 3) Out of state (W&I Code Section 4519.)
- b. Pursuant to W&I Code Section 4418.25(f)(4), annually on February 1, Contractor shall provide to the State progress in the development of needed statewide specialty services and supports, including regional community crisis options, as provided in W&I Code Section 4418.25(b)(3).
- c. Contractor shall comply with all placement restrictions of W&I Code Section 4684.65 regarding ARFPSHNs.

## 10. Self-Determination Program

- a. Both parties to this contract recognize the specific requirements under law as stated in W&I Code Section 4685.8.
- b. Contractor shall hold at least one Self-Determination Program orientation within 60 days of training conducted by the Department. In consultation with the local volunteer advisory committee, Contractor shall develop a plan to complete orientations for all participants. The plan must take into consideration, at minimum, the language needs of participants and scheduling orientations at times and locations designed to encourage community participation.
- c. Contractor shall report to the State by the 15<sup>th</sup> of each month, or less frequently if mutually agreed to, information on the status of individuals selected for the Self-Determination Program. Information will be reported in a mutually agreed upon format and may include individual orientation completion status, program participation status, and concerns/barriers to Self-Determination Program enrollment identified by selected participants.
- d. Contractor shall provide a general progress report to include the information identified in paragraph (c) on the status of its implementation of the Self-Determination Program to the local volunteer advisory committee.

- e. By February 1, 2019, Contractor shall identify and provide to the State, the name and contact information for an employee who will serve as the point-of-contact for matters related to the Self-Determination Program. The point-of-contact shall be a staff member with broad knowledge of Contractor's implementation of the Self-Determination Program.

## **11. Out-of-State Children**

- a. It is the intention of the parties that eligible children who reside out-of-state regardless of the placing authority or funding entity shall be provided with smooth and timely transitions back to regional center services and supports upon their return to residence in California. Absent a request to the contrary from a parent, guardian, or legal representative with legal authority, Contractor agrees to maintain a status 2 active file for those regional center-eligible children age three and older who Contractor is aware are in residence out-of-state, subject to the following conditions:
  - 1) Contractor shall conduct and develop an annual Individual Program Plan informed by assessments and information from other involved agencies, to determine current status, service and support needs, and potential alternative services and supports that would be required to support the child in California.
  - 2) Contractor shall work with all involved agencies to identify needed services, prospectively determine funding arrangements consistent with W&I Code Section 4684, and if necessary, develop and/or adapt appropriate services to meet the child's needs in California.
  - 3) Contractor shall provide semi-annual face-to-face monitoring and may utilize video conferencing for this purpose.
  - 4) All written progress reports provided by the parent, guardian, or legal representative for each eligible child residing out of state shall be reviewed by Contractor and maintained in its files.
  - 5) If applicable, in accordance with, but not limited to, local AB 2083 Memorandums of Understanding, Contractor shall actively work with all involved agencies to identify and develop resources to support transitioning the child back to California as soon as appropriate.
  - 6) At the earliest possible opportunity, Contractor shall seek approval for start-up funding from the State for the development of appropriate resources to meet the child's needs when no resource is currently available.
- b. Contractor shall notify the State, and the appropriate cross-system partner(s), of any instance in which a parent, guardian, or legal representative with legal authority requests the regional center close or inactivate a child's case as referenced in paragraph (a).



## **12. Service Provider Termination of Vendorization**

Contractor shall notify the State within three (3) business days of Contractor taking action to terminate the vendorization of a service provider, including the reason for termination, in accordance with the provisions of Cal. Code Regs., Title 17, Section 54370(b) or (c).

## **ARTICLE III: FISCAL PROVISIONS**

### **1. Budget Development Process**

The State and Contractor agree to work together to build Contractor's budget using the best quality data and information available, including information on projected assessments, resource development and placements for the CPP/CRDP. To that end, the State and ARCA agree to implement a process that will provide this data for building the Governor's January Budget and the May Revise. The process will include ARCA proposing policy changes for the State to consider as well as caseload, Medicaid Waivers and other federal funding initiatives, and expenditure trend data.

### **2. Allocation of Funding to Contractor**

- a. By July 1 of each fiscal year, the State and ARCA shall review the existing allocation methodology and make any recommended changes for the Director's approval. The State agrees to provide the regional centers with a report after each allocation issued to Contractor that shows the estimated amount available for Operations, POS, and CPP/CRDP, and the amount allocated to regional centers.
- b. The State shall, by September 1, of each fiscal year, or not later than fifteen (15) days following the enactment of the annual Budget Act, whichever is later, allocate to all regional centers Operations and POS funds consistent with the approved allocation methodology. On or before February 1 of each fiscal year, the State shall allocate to all regional centers the remaining funds unless specified in the approved allocation methodology or agreed to by ARCA. If ARCA and the State do not reach mutual agreement on an approved allocation process, or if the Director does not approve same, no less than one hundred percent (100%) of the Enacted Budget for Operations and ninety-nine percent (99%) of the Enacted Budget for POS, except for any funds appropriated by the Legislature for a specific purpose which has yet to occur, shall be allocated by February 1. The parties agree that it may be necessary to amend this contract in order to allocate funds made available from budget augmentations, if any, and to move funds among regional centers.
- c. By October 1 of each fiscal year, or not later than fifteen (15) days following the enactment of the annual Budget Act, whichever is later, the State shall allocate to the regional centers CPP/CRDP funds in accordance with the CPP allocation methodology agreed to between ARCA and the Department. If ARCA and the State do not reach mutual agreement on an approved allocation process, or if the Director does not approve same, the State shall allocate by October 15 to the regional centers no less than the sum of:
  - (1) 100% of the Start-Up funds per each regional center's approved CPP/CRDP.

- (2) 75% of the Assessment funds per each regional center's approved CPP/CRDP.
  - (3) 25% of the Deflection funds per each regional center's approved CPP/CRDP.
  - (4) 25% of the Placement funds per each regional center's approved CPP/CRDP.
  - (5) 75% of the Operations funds per each regional center's approved CPP/CRDP.
- d. Notwithstanding paragraphs a., b., and c. of this section, the final decision regarding the methodology used to determine the amount of allocations shall rest with the Director.
  - e. The Contractor shall submit a monthly POS Expenditure Projection (PEP) report to the State which identifies Contractor's actual and projected expenditures as of the date of this report. By the 10th of each month beginning December 10, which would reflect expenditures through October, the Contractor shall submit the monthly PEP in a format mutually agreed to between ARCA and the State. In the event an agreement cannot be reached, DDS will specify the format to be used with input from ARCA. The final PEP for the year shall be submitted by September 10 of the following fiscal year. This PEP shall reflect expenditures through the first supplemental claim.
  - f. As part of the monthly expenditure projection analysis, the State may request, and the Contractor shall provide additional information to explain the expenditure projection.
  - g. Contractor shall assure that services to eligible persons with developmental disabilities are provided within the funds identified in Exhibit A of this contract.
  - h. In the event the State determines that Contractor has insufficient funds to meet its contractual obligations, the State shall make best efforts to secure additional funds and/or provide Contractor with regulatory and statutory relief.
  - i. After notice to the Contractor the State may disencumber any or all funds unexpended and uncommitted by the Contractor out of the amount available under this contract. For the purposes of this Section, such total amount available shall be defined as the amount originally specified in Article I, Section 8, modified by any changes made pursuant to Article III, Section 2, and/or as modified by any executed contract amendment.

- j. Not more than 15 percent of all funds appropriated through Contractor's operations budget shall be spent on administrative costs. For purposes of this section, "direct services" includes, but is not limited to, service coordination, assessment and diagnosis, monitoring of consumer services, quality assurance, and clinical services. Funds spent on direct services shall not include any administrative costs. For purposes of this section, administrative costs include, but are not limited to, any of the following:
- 1) Salaries, wages, and employee benefits for managerial personnel whose primary purpose is the administrative management of the regional center, including, but not limited to, directors and chief executive officers.
  - 2) Salaries, wages, and benefits of employees who perform administrative functions, including, but not limited to, payroll management, personnel functions, accounting, budgeting, auditing, and facility management.
  - 3) Facility and occupancy costs, directly associated with administrative functions.
  - 4) Maintenance and repair.
  - 5) Data processing and computer support services.
  - 6) Contract and procurement activities, except those performed by direct service employees.
  - 7) Training directly associated with administrative functions.
  - 8) Travel directly associated with administrative functions.
  - 9) Licenses directly associated with administrative functions.
  - 10) Taxes.
  - 11) Interest.
  - 12) Property insurance.
  - 13) Personal liability insurance directly associated with administrative functions.
  - 14) Depreciation.
  - 15) General expenses, including, but not limited to, communication costs and supplies directly associated with administrative functions.

### 3. Advance Payment Provisions

The State shall make available to the Contractor funds for the provision of services under this contract in advance of the Contractor's actual performance therefore, as authorized by W&I Code Section 4621, subject to the following conditions:

- a. Requests for advance payment shall be in accordance with format and procedures requested by the State. The amount to be advanced shall be twenty-five (25) percent of the total contract amount as set forth in the preliminary allocation and in any subsequent contract amendment. The State shall advance funds as soon as reasonably possible following the enactment of the annual Budget Act.
- b. All amounts advanced under this provision shall be deposited by the Contractor in an interest-bearing bank account(s), in a bank legally authorized to engage in the banking business in California and which account(s) is established solely for operation of the regional center. The account(s) shall be in the name of both the State and the Contractor for the purpose of clarifying the State's rights, title and interest to the State funds in said account(s) as stated in "c" of this Section, in the event that a judgment creditor of the Contractor seeks to levy against the funds by means of attachment or execution.

Each withdrawal from said bank account(s) shall be made only by written instrument or electronic transfer of funds performed by the bank as part of an available service. Upon request of the State in writing, the Contractor shall repay to the State such parts of the unliquidated balance of advance payment as shall be in excess of the current requirements. No part of the funds in said bank account(s) shall be commingled with other funds of the Contractor.

- c. Amounts advanced in accordance with this provision when withdrawn from said bank account(s) shall be used only for pending expenditures in accordance with the attached Exhibit A. Except as provided in "b" of this Section, the Contractor has access to the funds placed in said bank account(s) for administrative convenience only, and hereby agrees that it has no right, title or interest therein, and shall make no withdrawals except for those made solely for the purpose of satisfying claims against or expenses of the Contractor incurred pursuant to and in the performance of this agreement.
- d. All interest earned on these funds shall be reported on the next monthly reimbursement claim to the State.
- e. The State shall have a lien upon any balance in said bank account(s) paramount to all other liens, which lien shall secure the repayment of any advance payments made hereunder.

- f. All bank accounts and any investment vehicles containing funds from this contract and used for regional center operations, employee salaries and benefits or for consumers' services and supports, shall be in the name of the State and Contractor. Properly established trust accounts that are approved by the Regional Center Board of Directors for the purpose of administering standard employee benefits do not have to be in the name of the State provided the State has the authority to review the financial transactions of the trust or financial reports prepared by independent auditors. "Standard employee benefits" are those commonly provided to employees in the course of business in private companies.
- g. For the bank account(s) above referenced, there shall be prepared three (3) alternative signature cards with riders attached to each indicating their use. In addition to the preparation of signature cards and riders, Contractor and the bank(s) shall enter into a written agreement specifying the bank(s)' responsibilities relative to said bank account(s). The signature cards, riders and agreement specified herein shall be prepared and administered in accordance with the format and procedures specified by the State.
- h. If Contractor cannot comply with "f" of this Section, alternative arrangements mutually agreeable to the parties shall be utilized.

#### **4. Payment Provisions**

In consideration of the services rendered by the Contractor pursuant to this contract, the State shall reimburse the Contractor, for cash expenditures, monthly in arrears. Reimbursement claims shall be submitted in accordance with the claiming procedures requested by the State.

All funds received pursuant to this contract shall be deposited and retained in a bank account(s) set forth in Article III, Section 3.

All funds expended by the Contractor and reimbursed by the State during the term of this contract shall be for the purposes specified and in conformity with Exhibit A.

Any funds which have not been encumbered for services provided or purchased during the term of the contract, shall revert to the State.

#### **5. Budget Category Transfers**

In accordance with the annual Budget Act, a contract amendment shall be required if funds are to be transferred from one budget category to another. This provision shall apply to those budget categories that are listed in Exhibit A.

## **6. Contract Funding Stipulations**

- a. This agreement is subject to the appropriation of funds by the Legislature for the purpose of this contract. If funds are not appropriated in any fiscal year into which this agreement extends, it is mutually agreed that this agreement shall be of no further force and effect. In this event, except as provided in Article I, Section 25, the State shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this agreement, and Contractor shall not be obligated to perform any provisions of this Agreement. Contractor shall ensure that all POS contracts initiated by Contractor include notification of this condition.
- b. Except as provided in W&I Code Section 4635, if funding for any fiscal year for this program is reduced or deleted by the Budget Act, except as provided in Article 1, Section 25, the State or Contractor shall have the option to either cancel this agreement without liability or agree to an amendment to reflect the reduced amount.

## **7. Travel and Per Diem**

The Contractor shall establish and maintain procedures that assure the State that reimbursements to regional center employees and board members for necessary travel and per diem are equitable, reasonable, and properly documented.

## **8. Independent Financial Audit**

Both parties to this contract recognize the specific requirements under law as stated in W&I Code Section 4639 and the Single Audit Act of 1984, 31 U.S.C. 7501, et seq., and applicable Office of Management and Budget Circulars (A-122 and A-133 or as revised).

## **9. Vendor Fiscal Monitoring**

- a. Contractor shall monitor the expenditure of public funds by monitoring vendor fiscal claims.
- b. The Contractor shall be responsible for auditing: 1) vendors with prior year annual payments made by the contractor to a vendor of less than \$100,000, 2) consumer's personal and incidental funds, and 3) residential facilities with licensed capacity of six or fewer beds regardless of the payment amount. The DDS shall be responsible for auditing vendors with prior year annual payments from regional centers of \$100,000 or more. The contractor may audit other vendors if prior approval is received from the State. The vendor audits shall be conducted in accordance with the provisions of Cal. Code Regs., Title 17, Section 50606, Regional Center Auditing Requirements and in compliance with audit protocols mutually agreed to by the State and Association of Regional Center Agencies.

- c. The Contractor shall meet or exceed the following minimum requirements and will be evaluated based on the results achieved. In evaluating the results of the contractor's efforts, consideration will be given to the fact that funding for fiscal monitors was reduced in FY 2004-05.

The minimum number of audits conducted by Contractor shall be 4% of the total number of separately vendored services for the following service categories: community care facilities with licensed capacity of six or fewer beds, transportation, day programs, in-home respite agencies and respite facilities. The vendors included in the base for establishing the minimum number of audits, shall be those vendors that receive total prior year POS payments from the contractor of \$100,000 or less and those residential facilities with licensed capacity for six or fewer consumers. Prior to June 1 of each year the State will provide the Contractor with the total number of vendors that will be used to calculate the minimum number of audits to be conducted. Contractor shall ensure that the minimum number of audits conducted includes at least 35% billing audits and 20% cost verification and staffing audits. Cost verification audits are audits of cost statements, State authorized rate increases, or verification of costs used by regional centers to set rates as provided for in Cal. Code Regs., Title 17, Staffing audits are audits conducted to verify compliance with staffing levels as specified in Cal. Code Regs., Title 17, or by contract with a service provider as allowed by Cal. Code Regs., Title 17. Procedures for staffing audits may also include verification that staffing levels are appropriate for the consumer's assessed level of care and are in compliance with the vendor's program design narrative. The billing audits conducted shall include vendors serving consumers eligible for the HCBS Waiver. At least one of the vendors audited must be a program that serves children under the age of three. The Contractor shall make a good faith effort and exhaust all reasonable methods of collection to recover all fiscal adjustments identified as a result of the Contractor's vendor audits. Documentation of collection efforts shall be maintained by the Contractor for future review.

By October 1 of each year, Contractor shall submit to the State a listing of all vendor audits conducted during the prior fiscal year and a list of recoveries. The list of recoveries shall identify the vendor, the date of the audit report, the amount recovered during the prior fiscal year and the method of recovery which may be either collection of cash or off-set of vendor billings.

- d. This provision does not negate the requirement that regional centers submit vendor audit reports to the State pursuant to Cal. Code Regs., Title 17, Section 50606(g)(1)(F). Completed reports are to be submitted at least quarterly.



## **10. Consumer Trust Accounts**

Contractor shall ensure that the consumer benefits directly from all interest earned on trust accounts. Guided by prudent business practices, all trust funds must be placed in a separate bank account that earns at least the prevailing rate of monetary interest for a "Business Savings" account, or equivalent account. This account shall be in the name of both the State and Contractor in accordance with the provisions of Article III, Section 3. All interest must be allocated to the individual consumer accounts. Bank charges (net after applying bank credits, if any), that are specifically identifiable to the trust account may be offset against the consumers' interest. In no case shall the amount of bank charges allocated to the individual consumer accounts exceed the amount of interest earned.

## **11. Foundation Support**

- a. Contractor may provide funds to a foundation or similar entity where the purpose of the funds is to provide direct benefits to regional center consumers subject to prior review and written approval by the State in consultation with Contractor.

Contractor may not provide funds or personnel to a foundation or similar entity for fundraising purposes.

- b. Through a written agreement between the Contractor and a foundation, or similar entity, Contractor may provide in-kind administrative services to a foundation, or similar entity, provided such agreement requires reimbursement from the foundation to the Contractor for any services performed by the Contractor or its employees on behalf of the foundation or similar entity. In-kind reimbursement shall be in the form of specifically identifiable, non-monetary benefits for persons with developmental disabilities.
- c. Nothing shall preclude a foundation, or similar entity, from competing for funding from the Contractor or another regional center on the same basis as any member of the general public. Contractor shall, however, comply with sections 54520 and 54521 of Cal. Code Regs., Title 17, with respect to any conflict of interest issues arising between the Contractor and a foundation, or similar entity.

Contractor must request and receive approval from the State prior to entering into a lease agreement in which bond financing will be utilized to fund the loan.

## ARTICLE IV: CONTRACTOR OPERATIONS

### 1. Electronic Data Processing and Data Integrity

- a. The State and Contractor agree to ensure the integrity and confidentiality of the State's databases that reside on the System i and the Office of Technology Services (OTech). Accordingly, Contractor shall not engage in any activity that threatens their integrity and shall develop and implement an operational recovery plan consistent with the requirements of this section. Contractor agrees to adhere to the most current version of the State's 'Security Policy for Regional Centers' as developed by the State and ARCA.
- b. Contractor, using the electronic billing and payment software provided by the State, agrees to comply with the most current version of the State's 'Security Policy for Electronic Billing' as developed by the State and ARCA.
- c. Contractor shall make available accurate and complete UFS and SANDIS information to the State. Accordingly, Contractor shall:
  - 1) Update changes to all mandatory items of the Client Master File at least annually except for the following elements, which must be updated within thirty (30) days of Contractor being aware of any of the following events:
    - a) The death of a consumer;
    - b) The change of address of a consumer; or
    - c) The change of residence type of a consumer.
  - 2) Review the information required in the Client Development Evaluation Report (CDER) whenever an IPP is completed, and update if there is a change.
  - 3) Upon notification by the State of errors in the State's databases that reside on the System i and OTech, Contractor shall rectify those errors within thirty (30) days.
- d. To improve the accuracy of information reported to the State, as well as to reduce the need for surveys of the regional centers to obtain needed information, all regional centers shall use the SANDIS Consumer Information and Resource Information Modules.
- e. As required by the State Administrative Manual Management Memo 01-10 issued June 4, 2001, Contractor certifies that appropriate systems and controls are in place to ensure that State funds are not used to acquire, operate, or maintain computer software in a manner that does not comply with applicable copyrights.

## **2. Personnel**

- a. Contractor agrees to hold the State harmless from any administrative or legal actions occurring because of the failure of the Contractor to maintain personnel records and practices in accordance with the provisions of this contract and State of California or federal laws or regulations.
- b. Contractor shall comply with the provisions of Public Contract Code, Section 10353 as required.
- c. Contractor acknowledges the policy in Public Contract Code, Section 7110 (a) and (b) and shall comply with all applicable State of California and federal laws relating to child and family support enforcement.

## **3. Records Maintenance**

In accordance with W&I Code Section 4631(b), Contractor shall be held strictly accountable for reporting all revenues and expenditures, and the effectiveness of the Contractor in carrying out of its programs and fiscal responsibilities.

Contractor shall keep records, as follows:

- a. The Contractor shall maintain books, records, documents, case files, and other evidence pertaining to the budget, revenues, expenditures, and consumers served under this contract (hereinafter collectively called the "records") to the extent and in such detail as will properly reflect net costs (direct and indirect) of labor, materials, equipment, supplies and services, overhead and other costs and expenses of whatever nature for which reimbursement is claimed under the provisions of this contract in accordance with mutually agreed to procedures and generally accepted accounting principles.
- b. Contractor shall retain records which pertain to consumer eligibility determinations and redeterminations for the Medicaid Waiver Program for a minimum of five years from the date of an eligibility determination or redetermination.
- c. Contractor may, in fulfillment of its obligation to retain the records as required by this Section, utilize a scanned, digitalized, or other electronic true representation of the original record consistent with Title 17, Section 50602(h) and (i); Title 17, Section 50604 (d); Title 17 Section 50605(a) and (c); Title 17, Section 50612(a) and (f).
- d. Contractor shall comply with the most current version of the State's 'Requirements for Electronic Storage of Records', as developed by the State and ARCA.

#### **4. State Property**

- a. All equipment, material, supplies, or property of any kind furnished by the State, or purchased from funds received under the terms of this contract, shall be the property of the State of California and used for the performance of this contract, unless specifically exempted in the State's Equipment Management System Guidelines.

Contractor shall maintain and administer, in accordance with sound business practice, a program for the utilization, care, maintenance, protection and preservation of State of California property so as to assure its full availability and usefulness for the performance of this contract. Contractor shall comply with the State's Equipment Management System Guidelines for regional center equipment and appropriate directions and instructions which the State may prescribe as reasonably necessary for the protection of State of California property.

- b. Except as authorized in W&I Code section 4669.2, subdivision (a)(8), Contractor is prohibited from expending any state funds that result in the State of California owning, or incurring a liability for, real property.

#### **5. Public Disclosure of Contracts**

In accordance with W&I Code Section 4640.6(k), Contractor shall make available to the public for review, all employment contracts with regional center staff or contractors (entered into on or after January 1, 2003) upon request. No employment contract, or portion thereof, may be deemed confidential or unavailable for public review except the social security number of the contracting party.

- a. The term of an employment contract between Contractor and an employee or contractor shall not exceed five years or the term of the State's contract with the regional center.
- b. When reporting the information to the State, as required by W&I Code Sections 4639.5 and 4640.6(k). Contractor shall include any information regarding Executive Director current annual compensation as defined by IRS Code for completion of the IRS Form 990, and associated detail. This information shall be provided in a format with instructions agreed to by the State and regional centers.

#### **6. Consumer Information Security**

- a. The Contractor agrees to adhere to the most current version of the State's 'Statement of Assurances for Protection of Protected Health Information' (Exhibit F) which sets forth the security and notification requirements and best practices for, but not limited to, the protection of all confidential, sensitive, and/or personal information collected and stored on behalf of the State regardless of format or media type.

- b. Contractor, agrees to adhere to State policy regarding incident reporting, requiring privacy breaches and/or security incidents involving paper and other formats to immediately notify the Department's Information Security Officer, via email at [iso@dds.ca.gov](mailto:iso@dds.ca.gov) in the event of any loss or theft of personal, sensitive, or confidential information in any format, including but not limited to flash drives, cell phones, personal digital assistants (i.e. blackberry), tablets, computers, and laptops within 72 hours.

The notification to the Department must be reported on form DS 5340B or other online submission form as directed by the Department. DDS is mandated by law to notify other entities of disclosure of information; the timelines are extremely short for many of these reports; therefore, it is essential that DDS is notified immediately, within 72 hours, when a suspected privacy breach or security incident is discovered by the Contractor.

## **ARTICLE V: EVALUATION**

### **1. Contractor Evaluation**

- a. The Contractor's performance under this contract will be evaluated. Accordingly, the State, through its authorized representatives, reserves the right to use evaluation methods, including observations, inspections, interviews and other assessment techniques selected by the State.
- b. The State shall notify the Contractor, at least thirty (30) days in advance unless mutually agreed upon otherwise, that an evaluation will take place. It is the State's intent that the on-site portion of any evaluation shall occur during Contractor's normal working hours, unless mutually agreed otherwise, and with the least amount of disruption of day-to-day services, and should last no longer than three (3) weeks.
- c. The State shall prepare a written report specifying the findings of any evaluation performed by the State under this Section. Said report shall not be limited to a description of the areas of Contractor's deficiencies but shall include a description of Contractor's strengths and outstanding achievements, if any. Except as required by law, public release of the State's final evaluation report shall not be made until the report has been reviewed by the Contractor and the Contractor has had thirty (30) days to respond. Contractor's responses will be included within the final report to be published within thirty (30) days from the receipt of said responses.

### **2. Information Requests**

During the term of this contract, the State may require Contractor to furnish program and fiscal information, as the State deems necessary to assess Contractor's status or performance relative to Contractor's fiscal and/or program operations. Prior to requesting such information, the State shall confer with ARCA as to the most efficient and effective means for collecting the information.

### **3. State Audits of Contractor**

- a. The State shall audit records of Contractor to verify Contractor's compliance with this contract. Such audits shall commence within three years following the last date of the prior audit period.
- b. The State shall not commence its routine biennial audit of Contractor prior to 30 days after the State has issued and Contractor has received the final audit report for the prior audit period.
- c. Contractor records pertaining to the provision of services under this contract shall be open for audit by the State for a minimum period of three years following the last date of the prior audit period.

- d. The final audit report shall be issued by the State to the regional center within ninety (90) days of Contractor's written response to the draft audit report when Contractor's written response to the draft audit report is in agreement with all audit findings and/or recommendations disclosed.

## **ARTICLE VI: CONTRACT AMENDMENT/CANCELLATION/REOPENING**

### **1. Contract Amendments**

- a. Either party may reopen and enter into negotiations on any provision(s) of this contract as deemed necessary to contract or respond to 1) any legislative and/or budgeting actions taken by the Legislature; 2) executive order of the Governor; 3) declared state of emergency; 4) action taken by a court of law; or 5) the need for special language.

Contractor shall immediately notify the State in writing if, as a result of the above, it is unable to comply with any provision of this contract.

- b. Pursuant to Article III, Section 2 hereof, this agreement shall be amended on or before September 1 of each year and may be amended additional times as needed in order to allocate funds made available and to move funds among regional centers as early as possible to the Contractor and the other regional centers.
- c. Should any change in the regulations promulgated by the State, State policies, or provisions of this contract result in increased costs to the Contractor, the State in consultation with the Contractor shall determine the amount of this cost and shall, consistent with state law and subject to the availability of funds appropriated to the State for developmental services, augment Contractor's budget by this amount.

### **2. Severability Clause**

Subject to review and approval of the Department of General Services, in the event this contract is terminated or not renewed pursuant to Article I, Section 3 or Article VIII, Section 4, the State shall negotiate reasonable closing costs with the Contractor.

### **3. Entire Agreement**

This writing, including its attachments and references, is intended both as final expression of the agreement between the parties and as a complete exclusive statement of the agreement.



## **ARTICLE VII: MISCELLANEOUS**

### **1. Lease/Rental Agreements**

The contractor shall include in all new leases or rental agreements for real property a clause that holds the State harmless for such leases.

### **2. Emergency Response System**

Contractor shall implement an emergency response system that ensures that a regional center staff person will respond to a consumer, or individual acting on behalf of a consumer, within two hours of the time an emergency call is placed. This emergency response system shall be operational 24 hours per day, 365 days per year.

### **3. Emergency Planning, Preparedness, Response and Recovery**

a. Definitions for terms, as used in this section:

- 1) "Emergency" means any situation that requires immediate action in which the life or safety of consumers are threatened by events including but not limited to: floods, fires, earthquakes, power outages, chemical spills, or events for which a disaster has been declared by a unit of local, state, federal, or tribal government.
- 2) "Community" means regional center consumers, their families and caregivers, service providers, regional center staff and other relevant local partners.

b. Contractor shall develop, and annually thereafter review and update, as necessary, its emergency plan to encompass planning, preparedness, response and recovery. The plan shall, at minimum, include a description of Contractor's ongoing efforts to develop and maintain relationships, educate, prepare and plan, and collaborate with County Emergency Management Offices tribal entities, neighboring regional centers, and the community.

c. Contractor shall maintain a current list of key regional center personnel involved in emergency activities, from planning, preparedness, response, recovery, and reporting, and their contact information, and share it with the State's Emergency Preparedness and Response Office.

d. Contractor shall hire, maintain and designate one full-time Emergency Coordinator position. The Emergency Coordinator shall participate in-person or remotely in state-funded training opportunities and exercises, and quarterly statewide meetings. If every effort has been made for Emergency Coordinator to participate, but is unable, a designee shall participate.

- e. Contractor shall work with the State to utilize resources allocated for:
  - 1) Training and community engagement, and
  - 2) Generators, batteries, go-bags/emergency kits for consumers living in high-risk areas defined by CalFire and the California Public Utilities Commission, to the extent applicable to the Contractor's catchment area.
  
- f. During a declared emergency, Contractor shall:
  - 1) Provide timely notifications and updates to impacted consumers;
  - 2) Identify facility and program closures that result in consumer displacement and/or loss of services;
  - 3) Coordinate with local, state, federal and tribal entities, the community, and other regional centers, as needed to maintain consumer safety and supports;
  - 4) Provide daily, or at a frequency requested by Contractor and approved by the State, updates to the State regarding the safety, well-being, and unmet needs of consumers, to the extent known to Contractor, in a format mutually agreed upon.
  
- g. Contractor shall assist consumers after emergency events, and may utilize the service providers for assistance, which may include, but not be limited to, the following:
  - 1) Returning home.
  - 2) Identifying alternative sources of services, if needed.
  - 3) Connecting to state and federal assistance programs, which may include, but not be limited to food, income supports, childcare, interpretation, and health care.

**4. Collection of Parental Information**

In accordance with W&I Code Section 4657, Contractor shall collect the following for each new case and each review of all clients in out-of-home placement:

- a. The social security number of the parents of the client;
- b. The birthday of the parents of the client;
- c. The disability status of the parents of the client; and,
- d. Whether the parents of the client are deceased or not.

## **5. Registered Sex Offenders**

Effective April 1, 2005, Contractor shall, for every newly eligible consumer over 16 years of age, review Megan's Law website ([www.meganslaw.ca.gov](http://www.meganslaw.ca.gov)) to determine if the consumer is required to register as a sex offender pursuant to Penal Code 290. If the consumer is required to register as a sex offender, the Contractor shall appropriately note this information in the consumer's electronic record and case file.

## **6. Data Compilation**

Both parties to this contract recognize the specific requirements under law as stated in W&I Code Section 4519.5 and 4519.6. Contractor shall provide the report specified in W&I Code Section 4519.5(f) to the State annually by May 31.

## **7. Shared Vendors and Case Management Responsibility**

- a. For the purposes of this section, "community living vendor" includes community care facilities, supported living services, independent living services, Family Home Agency and Foster Family Agency.
- b. When Contractor is not the vendoring regional center but is the regional center with case management responsibility and chooses to place a consumer with another regional center's community living vendor or long-term health care facility, Contractor shall:
  - 1) Prior to the provision of services, notify the vendoring regional center of services to be provided to Contractor's consumer by the vendor or long-term health care facility.
  - 2) When a special incident occurs, ensure the vendor or long-term health care facility submits a special incident report to both Contractor and the vendoring regional center. [Cal. Code Regs, Title 17, Section 54327(d)]
  - 3) Upon becoming aware of a special incident, notify the vendoring regional center.
  - 4) Work collaboratively with the vendoring regional center to follow up and investigate special incidents, as needed.
  - 5) Work collaboratively with the vendoring regional center to enforce a Zero Tolerance Policy regarding abuse or neglect of consumers.
- c. When Contractor is the vendoring regional center but is not the regional center with case management responsibility, Contractor shall notify the regional center utilizing Contractor's community living vendor or long-term health care facility upon becoming aware of the following:

- 1) Unusual type or frequency of special incidents that would impact the health and safety of consumers while receiving services from Contractor's community living vendor or long-term health care facility.
  - 2) Issues that may affect the ability of Contractor's community living vendor or long-term health care facility to provide services, or to provide services in an environment that ensures the health and safety of consumers during the provision of services.
  - 3) If a situation specified in subparagraphs (1) or (2) of this paragraph places a consumer(s) in immediate risk or danger, Contractor shall notify the regional center(s) immediately, and not later than 24 hours.
- d. For all vendor types other than community living vendors and long-term health care facilities, upon becoming aware of a situation specified in subparagraphs (1) or (2) of paragraph (c) of this section, Contractor shall notify all regional centers of the following:
- 1) Vendor name and number(s).
  - 2) Request to contact Contractor if a regional center is currently utilizing the vendor in question.
  - 3) The name(s) and telephone number(s) of the individual(s) to contact for relevant information.
- e. For the purposes of paragraph (d) of this section, Contractor shall notify the regional center(s) as soon as possible, but not later than two working days. If the situation places a consumer(s) in immediate risk or danger, Contractor shall notify the regional center(s) immediately, and not later than 24 hours.
- f. By December 15, 2013, and ongoing as warranted by personnel changes, Contractor shall maintain and provide to the other regional centers, a primary contact person and a backup contact person and their contact information for purposes of making and receiving the notifications specified in paragraph (d) of this section.

## **8. Program Development Funds – Parental Fee Program**

Both Parties to this contract recognize the specific requirements under law as stated in W&I Code Section 4784 and California Code of Regulations 50225.

## **9. Executive Director Recruitment Policy**

Contractor shall notify the State within one business day of an unanticipated executive director vacancy or within one week of learning of an executive director resignation or retirement. Contractor shall provide the State with its plan for executive director recruitment within one month of the above notification.

## **10. Reporting on Specified Consumers**

- a. Contractor shall report to the State on an ongoing basis and at least monthly, information on:
  - 1) If known, any minor or non-minor dependent who remains a resident of California and is residing out-of-state, whose services are not funded by the regional center.
  - 2) If known, any minor at risk of out-of-state placement, whether the placement would be funded by the regional center or another agency.
- b. Contractor shall report to the State within three business days of any known occurrence, information on any minor or adult residing for five days or more in an emergency room or psychiatric facility, or any minor not accompanied by their parent or legal guardian residing in a shelter.
- c. Information will be reported to a specified State contact in a mutually agreed upon format, to include consumer name, UCI, age, legal status, and a summary of the current circumstances and resources that have been explored.
- d. By August 31, 2020, Contractor shall identify and provide to the State, the name and contact information for any employee who will serve as a point-of-contact for this information.
- e. Nothing in this section shall affect Contractor's compliance with W&I Code Section 4519.

## **11. Board of Directors Training Plan**

- a. Pursuant to W&I Code Section 4622(g), "the regional center shall provide necessary training and support to these board members to facilitate their understanding and participation, including issues related to linguistic and cultural competency. As part of its monitoring responsibility, the department shall review and approve the method by which training, and support are provided to board members to ensure maximum understanding and participation by board members. Each regional center shall post on its internet website information regarding the training and support provided to board members."

- b. Contractor shall submit to the State by December 15 of each year, a proposed comprehensive board of directors' training plan for the next calendar year. At minimum, training topics shall include a review of board governance (e.g., board members' role and responsibilities), conflict of interest and whistleblower policies, and linguistic and cultural competency.
- c. The training plan shall detail training topics, including: frequency, length of each training session and, if known, the name, affiliation, and qualifications of the individual or entity who will provide training to the board.
- d. Contractor shall post on its website information regarding the training and support provided to board members pursuant to W&I Code Section 4266(g), to include the annual board of directors' training plan and schedule.
- e. Contractor shall submit to the State by December 15 of each year, a report on the actual trainings provided to its board of directors in that calendar year, to include the information specified in subsections (b) and (c).

**12. W&I Code Section 4731 Consumers' Rights Complaints**

By April 15, 2021, and quarterly by the 15<sup>th</sup> of the month following each quarter, Contractor shall report to the State information regarding complaints pursuant to W&I Code Section 4731 for which the regional center sent the complainant a written proposed resolution in response to in the previous quarter. To ensure the State has the information needed to comply with W&I Code Section 4519.2(c), information shall be reported in a mutually agreed upon format and shall include, but not be limited to, the following:

- a. Consumer UCI and initials;
- b. Date complaint was received by the regional center;
- c. Date the proposed resolution was sent to the consumer;
- d. Subject matter of each complaint; and
- e. How the complaint was resolved.

**13. Medicaid Enrollment Requirements**

- a. Purpose

Regional centers coordinate services for consumers for which federal funding is received from the Centers for Medicare and Medicaid Services, and are therefore required to enroll as a Medicaid provider. Exhibit G sets forth the terms and conditions under which the Contractor shall enroll as a Medicaid provider.

- b. Board of Directors' Recruitment and Training
  - 1) Contractor shall provide information regarding these requirements in Contractor's board recruitment outreach and information.
  - 2) Contractor shall include as a component in its annual training regarding board member roles and responsibilities, information about the criteria that trigger submission of a renewal packet as outlined in Exhibit G to ensure ongoing enrollment as a Medicaid provider.

#### **14. Board Governance**

By April 1 ,2022, Contractor shall ensure that either a board-approved policy or board-approved bylaws describe the following:

- a. The respective roles and responsibilities of the governing board in setting policy and overall governance and the Executive Director in day-to-day operations.
- b. The selection, training and monitoring of facilitators who will support board members to ensure maximum understanding and participation in carrying out their roles and responsibilities as per W&I Code section 4622(g)(1) and (2).

#### **15. Forensic Cases**

- a. Starting January 15, 2022, Contractor shall ensure information is entered into its case management database regarding consumers subject to the diversion process pursuant to Penal Code Section 1001.20, et seq. Information shall be entered within 14 days of receipt of minute orders and shall include, but not be limited to, the following:
  - 1) Date(s) and type(s) of related offense(s); and
  - 2) Details of the consumer's diversion program and current status.
- b. Contractor shall give the State a minimum of 14 calendar days' notice of any of the following:
  - 1) Contractor's intent to recommend to the court that a consumer be admitted to the Porterville Developmental Center Secure Treatment Program pursuant to Penal Code Section 1370.1.
  - 2) Contractor's intent to recommend to the court that a consumer currently on a Penal Code Section 1370.1 commitment at Porterville Developmental Center move to a W&I Code Section 6500 commitment.

- c. Contractor shall provide Porterville Regional Project with all required individual documents as soon as possible after a recommendation has been made to the court that a consumer be admitted to Porterville Developmental Center.

## **16. Reporting on DDS Conservatees**

- a. Beginning October 1, 2022, Contractor shall report to the State, in a format prescribed by the State, by the fifth (5<sup>th</sup>) working day of each month for the prior month the following information for each individual for whom the Director of DDS is conservator and the responsibilities of conservatorship have been delegated to Contractor pursuant to Health and Safety Code sections 416 through 416.23:
  - 1) Change in residence
  - 2) Change in medical presentation or support needs
  - 3) Changes in behavioral presentation or support needs
  - 4) Changes in services, including new services requested and/or authorized
  - 5) Emergency room or urgent care visits, including the reason and outcome of the visit
  - 6) Rights violations
  - 7) Any other significant events or issues not already reported to the State
- b. By December 31, 2023, and biennially thereafter, Contractor shall have completed a person-centered comprehensive assessment for each individual described in paragraph (a) of this section to inform the development of the Individual Program Plan. In implementing this paragraph, Contractor and the State shall adhere to the following timelines:
  - 1) By October 31, 2022, Contractor and the State shall define “comprehensive assessment” for the purpose of this paragraph and the necessary trainings for staff who will complete comprehensive assessments.
  - 2) By November 30, 2022, Contractor and the State shall finalize the curriculum for trainings.
  - 3) In December 2022, trainings shall begin.
  - 4) From January 2023 to December 2023, Contractor shall complete all necessary comprehensive assessments.
- c. Consistent with Probate Code section 2360 and the State’s May 2011 program advisory, “COD 11-01, Conservators: Photograph of Conservatee,” by January 31, 2023, and annually thereafter, Contractor shall submit to the State, in a format prescribed by the State, a photograph of each individual described in paragraph (a) of this section.



- d. Contractor shall notify the designated representative of the State, within 24 hours of learning of a DDS conservatee death or serious incident, involving abuse, neglect or unplanned hospitalization.
  - 1) For reported deaths, Contractor shall submit a copy of the death certificate and mortality review to the State.
- e. Contractor shall carbon copy (cc) the State on the IPP and annual progress report for each DDS conservatee.
- f. Contractor shall meet with the State upon request to discuss a conservatee case.

## **ARTICLE VIII: PERFORMANCE**

### **1. Contract Development**

Contractor agrees to perform in accordance with the goals and objectives set forth in Exhibit C, "Performance Plan," which was developed in accordance with W&I Code Section 4629. Notwithstanding Article I, Section 9 herein the Performance Plan shall be for a period of five years as specified in Exhibit C. The Performance Plan may be modified during the term of this period by mutual written consent of Contractor and the State.

### **2. Annual Progress Report**

By January 31 of each year, Contractor shall prepare and submit a report to the State on Contractor's progress in meeting its performance contract goals and objectives. The report shall include the goals, objectives, baseline data for each objective, and progress on each objective.

### **3. Incentives**

By July 1 of each year, ARCA and the State shall mutually agree on incentives and flexibility as required to ensure that Contractor meets or exceeds its performance standards and to facilitate the achievement of performance objectives. Once agreed to, these incentives and flexibility shall become part of the Contract.

### **4. Contract Compliance**

Based upon Contractor's performance, the State may take corrective action against Contractor, including placing the Contractor on probationary status. If it is found that a Contractor does not meet or is at risk of not meeting performance standards, due to the failure to meet performance objectives or requirements under the Lanterman Act or the terms of the contract, the State may take any or all of the following actions independently or in combination: the provision of technical assistance; loss of fiscal incentives; mandated consultation with designated representatives of ARCA or a management team designated by the State, or both; issuance of a letter of noncompliance; pursuit of legal or equitable remedies for enforcement of specified obligations; or contract termination or contract nonrenewal subject to W&I Code Section 4635. Nothing in this paragraph shall limit the State's authority to take any other appropriate action under the Lanterman Act or the terms of the contract at any time during the term of this contract.

## ARTICLE IX: STAFFING, MONITORING AND REPORTING

### 1. Specialized Personnel and Monitoring

Contractor shall expend not less than the specific amounts allocated for the following provisions unless there is reduction in funding, and/or the State imposes a transfer from Operations to POS.

#### a. Clinical Staff

Contractor shall either hire, or contract for, clinical expertise in the areas of pharmacology, behavioral psychology, and special medical assistance in order to provide assistance in the use of special medications, to monitor complex medical cases, and to be proactive to improve access to preventive health care resources.

#### b. Quarterly Monitoring

Contractor shall have face-to-face contact with any individual living in a community out-of-home settings (licensed community care facilities, health facilities, supported living and independent living settings, and adult family homes) and any individual who is conserved by the Director of DDS or the Director of the Regional Center, at least quarterly. These contacts shall be for the purpose of monitoring the health, safety and well-being of each individual, gathering information to assess the effectiveness of services provided to meet the individual's needs and monitoring progress in meeting identified goals.

#### c. Specialized Expertise

1) Contractor shall have, or contract for, all of the following:

- a) Criminal justice expertise to assist Contractor in providing services and support to consumers involved in the criminal justice system as a victim, defendant, inmate or parolee.
- b) Special education expertise to assist Contractor in providing advocacy and support to families seeking appropriate educational services from a school district.
- c) Family support expertise to assist Contractor in maximizing the effectiveness of support and services provided to families.
- d) Housing expertise to assist Contractor in accessing affordable housing for consumers in independent or supported living arrangements.

- e) Community integration expertise to assist consumers and families in accessing integrated services and supports and improved opportunities to participate in community life.
- 2) Contractor shall employ or contract for at least one consumer advocate who is a person with developmental disabilities.
  - 3) Contractor shall hire, maintain, and designate one full-time equivalent federal program coordinator position, and shall ensure that the monies appropriated for this position will only be used for that purpose.
    - a) This position shall address issues pertaining to federally funded programs serving individuals with developmental disabilities as appropriate, including the HCBS Waiver.
    - b) In collaboration with the State, this position, when appropriate, shall seek increased FFP
  - 4) Contractor shall hire to fulfill the following functions/positions:
    - a) Employment Specialist
    - b) Cultural Specialist
    - c) HCBS Waiver/New Federal Rule Program Evaluators
    - d) Emergency Coordinator
    - e) Deaf Services Specialist
    - f) Participant Choice Specialists in a quantity the Contractor is allocated out of the total of 63 positions funded by the State

d. Federal Programs Compliance Review

Contractor shall use funds budgeted for Federal Programs Compliance Review to establish, maintain, and implement an ongoing internal review process to ensure compliance with federal and state program requirements related to the HCBS Waiver, TCM, and the NHR programs. The internal review process shall assess Contractor's compliance with statutory/regulatory/contractual requirements in, at minimum, the following areas:

- HCBS Waiver eligibility certification/recertification
- Special incident reporting and risk management
- Consumer choice
- Provider Agreement Forms
- Notice of action
- Fair hearings
- IPPs/IFSPs
- Periodic and quarterly reviews of services and progress
- Quality assurance (quarterly reviews, corrective action plans, annual reviews of community care facilities)
- Service coordinator caseload ratios

- TCM documentation of activity and units
- NHR documentation of referrals and evaluations

Contractor shall use the results from the internal review as part of a continuous quality improvement process to enhance performance. The State shall develop and provide Contractor a self-evaluation protocol to assist Contractor in performing the internal review. The results of this internal review shall be made available to the State during the State’s monitoring visits.

- e. Contractor shall use funds allocated in the Budget Act of 2005 and each budget year thereafter for complying with the HCBS Waiver requirements solely for the specific purposes budgeted for the 2005-06 fiscal year and each fiscal year thereafter. The State may take any disciplinary action necessary in the event Contractor expends these allocated funds for any purpose other than for complying with these requirements.
- f. Using all funds allocated to the Contractor in accordance with the Settlement Agreement for Capitol People First, et al. v. Department of Developmental Services, et al, (hereafter referenced as Settlement Agreement) as originally authorized in the Budget Act of 2009 and as authorized in subsequent Budget Acts, Contractor shall provide service coordination on behalf of residents of Developmental Centers as set forth in the Settlement Agreement Section IV.A.1. Service coordination may be provided directly by the Contractor or through documented arrangements with another regional center. The Contractor shall make diligent efforts to participate in annual IPP meetings as agreed to in Section IV.A.3.of the Settlement Agreement. Nothing in this contract provision shall be construed to expand Contractor’s obligations pursuant to the Settlement Agreement beyond those expressly described in the Settlement Agreement. If any inconsistency exists between the terms of the Settlement Agreement and this contract provision, the terms of the Settlement Agreement shall prevail.

**2. Caseload Ratios**

- a. Contractor shall maintain service coordinator-to-consumer ratios as specified in W&I Code Section 4640.6, and FY 21-22 Budget funding to maintain a 1:40 caseload ratio for consumers in Caseload Ratio Reference Number 2.6, as follows:

<b>Caseload Ratio Reference Number</b>	<b>Statutory Requirement or Targeted State Funding</b>	<b>Population</b>	<b>Service Coordinator-to-Consumer Ratio</b>
2.1	WIC §4640.6(c)(4)	Complex needs as defined in WIC §4640.6(c)(4)	1:25

2.2	WIC §4640.6(c)(2)	Moved from a DC in the last 12 months	1:45
2.43	WIC §4640.6(c)(3)(B), adjusted for CPP Operations Funding caseload	Moved from a DC since April 14, 1993, and have lived continuously in the community for greater than 24 months	1:62
2.4	WIC §4640.6(c)(3)(A)	Age 3 and younger	1:62
2.5	WIC §4640.6(c)(3)(A)	Enrolled on the HCBS Waiver	1:62
2.6	FY 21-22 Budget	Low or no purchase of service	1:40
2.7	WIC §4640.6(c)(3)(C)	All others	1:66

- b. Service coordinators may have a mixed caseload consisting of consumers specified in Caseload Ratio Reference Numbers 2.1, 2.2, 2.43, 2.4, 2.5 and 2.7 if the overall average caseload is weighted proportionately to ensure that overall regional center average service coordinator-to-consumer ratios as specified in 2.1, 2.2, 2.43, 2.4, 2.5 and 2.7 are met. In no case shall a service coordinator for these consumers have an assigned caseload in excess of 84 for more than 60 days.
- c. For purposes of this contract requirement, "service coordinator" means a regional center employee whose primary responsibility includes preparing, implementing, and monitoring consumers' IPPs, securing and coordinating consumer services and supports, and providing placement and monitoring activities.
- d. For purposes of this contract requirement, low purchase of service for a consumer is defined as less than \$2000 in the prior fiscal year. The 1:40 caseload ratio shall be maintained based on the State's allocation of positions to Contractor.
- e. One or more of the requirements of this subsection shall not apply if the regional center has a waiver approved pursuant to W&I Code Section 4640.6(h).

### 3. Reporting

Contractor shall provide service coordinator caseload data, as of March 1, to the State annually by March 10. The data shall be submitted in a format prescribed by the State that shall meet, but not exceed, the data collection requirements imposed by W&I Code Section 4640.6(e). In FY 21-22 only, Contractor shall provide service coordinator caseload data, as of February 1, 2022, to the State by February 10, 2022. In FY 22-23, Contractor shall also provide service coordinator caseload data, as of October 1, to the State by October 10, pursuant to W&I Code Section 4640.6(g).

## **HOME AND COMMUNITY-BASED SERVICES WAIVER REGIONAL CENTER FISCAL AGENT RESPONSIBILITIES**

### **1. BACKGROUND**

The Department of Health Care Services (hereinafter referred to as DHCS) is the single California agency responsible for administering the California Medical Assistance Program (hereinafter referred to as Medi-Cal), for which federal grants in aid are received pursuant to Title XIX of the federal Social Security Act (hereinafter referred to as Medicaid).

The Department of Developmental Services (hereinafter referred to as Department) is responsible for providing services to persons with developmental disabilities under the Lanterman Developmental Disabilities Services Act, California Welfare and Institutions Code, Section 4500 et seq.

Section 1915(c) of the federal Social Security Act provides for home and community based services as a benefit of the Medicaid program, subject to approval by the Department of Health and Human Services (hereinafter referred to as DHHS) thereby enabling Title XIX coverage of home and community based services for persons with developmental disabilities.

The Department has entered into a contract with DHCS under which the Department shall act as the fiscal agent for Medi-Cal payments and related systems for administering home and community-based services for persons with developmental disabilities.

Contractor is one of 21 private non-profit, locally based agencies under contract with the Department to obtain services for persons with developmental disabilities including home and community-based services.

### **2. CONTRACT PRACTICES**

For the purposes of this contract, the Department and Contractor agree to conform to the requirements of 45 CFR Appendix II to Part 75 – Contract Provisions for Non-Federal Entity Contracts Under Federal Awards and to the requirements of the DHHS approved Home and Community-Based Services Waiver (Medicaid Waiver) Program.

### **3. SUBCONTRACTS**

Contractor agrees that contracts, other than small purchases contracts, shall contain provisions or conditions which allow for administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as may be appropriate.

**4. POPULATION COVERED BY THIS CONTRACT**

The population covered by this exhibit are those Medi-Cal eligible persons who qualify for participation in the Medicaid Waiver Program and/or who would be eligible for Medi-Cal due to eligibility for the Medicaid Waiver Program and those who are enrolled in the Medicaid Waiver Program.

**5. PROCEDURES FOR ENROLLMENT AND RE-ENROLLMENT**

Contractor shall adhere to the enrollment and re-enrollment assurances and procedures as specified in the Medicaid Waiver Program. All participants shall meet the appropriate level of care criteria, shall sign the federally required "Consumer choice of services/living arrangement statement" (form DS 2200); shall have a choice among qualified providers; shall be notified of their right to a fair hearing if choice is denied; services are reduced and Medicaid Waiver Program eligibility is terminated unless the consumer voluntarily disenrolls from the Medicaid Waiver Program; and, shall have a written plan of care which addresses the health, safety, and well-being of the individual participant in a community setting.

Contractor shall maximize federal financial participation by identifying and enrolling all eligible persons, unless the operations (OPS) costs of enrollment exceed the reimbursement to the State of California as determined by a formula which is mutually agreed to by the State and the ARCA. Any child who would become eligible for Medi-Cal benefits through institutional deeming shall be enrolled. Contractor shall redetermine the eligibility of persons enrolled in the Title XIX Home and Community-Based Services Waiver Program (Medicaid Waiver) annually. In consideration for such enrollment and redetermination, the Department shall, in addition to all other allocations, allocate in Contractor's preliminary operations budget their proportionate share of the full amount budgeted for this purpose. The Department and Contractor shall mutually agree to the amount of federal reimbursement that shall be used for the contract budget summary.

Contractor shall implement the mutually agreed to procedures for the administration of the Medicaid Waiver Program. Modifications to the existing procedures shall be mutually agreed to by the Department and ARCA and approved by DHCS.



**6. SERVICES TO BE PROVIDED**

The written plan of care prepared for each Medicaid Waiver participant shall prescribe the amount, duration and scope of services necessary to safely maintain the participant in the community rather than an institution. The written plan of care shall be in accordance with the requirements set forth in the DHHS approved home and community-based services waiver and tailored to meet the specific needs of each individual participant to ensure the person's health and well-being.

**7. THIRD PARTY LIABILITY RESPONSIBILITIES**

In compliance with 42 CFR Chapter IV, Part 433, Subpart D-Third Party Liability, Contractor shall perform the activities required by the Department.

**8. HOME AND COMMUNITY-BASED SERVICES WAIVER APPROVAL TERMINATION**

This exhibit shall continue so long as CMS approves the Medicaid Waiver Program or until the agreement between DHCS and the Department upon which this exhibit is based is terminated.

**9. PAYMENT TO PROVIDERS**

The Contractor and the Department agree that payment to providers of home and community-based waiver services shall be made in accordance with 42 CFR Chapter IV, Part 447.

**10. NONCOMPETITIVE NEGOTIATION JUSTIFICATION**

The Contractor and the Department agree that this exhibit is consistent with CFR Subtitle A, Subchapter A - General Administration, Part 75 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards, Subpart D - Post Federal Award Requirements, Procurement Standards, Section 75.328 - Competition for the following reasons:

- a. The California Legislature has found that, "the service provided to individuals and their families by regional centers is of such a special and unique nature that it cannot be satisfactorily provided by state agencies" (W&I Code Section 4620).

- b. The Legislature has mandated that the Department contract only with private non-profit community agencies which meet the criteria of W&I Code Section 4620 et seq. for the purpose of operating regional centers.
- c. The Legislature requires that contracts between the Department and regional centers specify the service areas to be served thereby resulting in one regional center per service area (W&I Code, Section 4640).

## **EARLY START STATEMENT OF ASSURANCES**

July 1, 2014

### **1. PURPOSE**

This exhibit sets forth the terms and conditions under which the Contractor shall administer the Early Start Program activities.

### **2. EARLY START REPORT**

Contractor agrees to prepare and submit Early Start Reports for all children under age three in accordance with reporting instructions distributed by the State.

### **3. USE OF PART C FUNDS**

Funds received under Part C will only be used in support of the Early Start Program.

### **4. ACCOUNTING PROCEDURES**

Part C funds will not be commingled with regional center general funds, and fiscal control and fund accounting procedures will be followed as may be necessary to assure proper disbursement of, and accounting for the Part C funds.

### **5. FEDERAL SINGLE AUDIT ACT**

Contractor agrees to comply with the federal Single Audit Act requirements.

### **6. EARLY START PROGRAM COMPLIANCE**

Contractor agrees the Early Start Program is in compliance with the provisions of Part C of the Individuals with Disabilities Education Act (20 USC Section 1471 et. seq.) its implementing regulations (34 CFR Part 303), the Education Department General Regulations (EDGAR) as specified in 34 CFR Section 303.5, and the California Government Code, Title 14, Section 95000 et. seq. and Title 17 California Code of Regulations, Section 52000 et. seq. Contractor agrees to provide appropriate early intervention services, as defined under 34 CFR 303.13 and delineated on the individualized family service plan in accordance with 17 CCR 52108 (a)(1) to eligible children and families at no cost.

## **7. PAYROLL RECORDS**

Contractor agrees to maintain payroll records which identify personnel employed in the Early Start Program and make the records available for review by the States' monitoring staff pursuant to 34 CFR Section 303.501.

CFDA Title: Infant and Toddlers with Disabilities

CFDA Number: 84.181A

Award Name: Annual State Application Under Part C of the Individuals with Disabilities Education Act as Amended in 2004, Federal Fiscal Year 2006

Federal Agency Name: Office of Special Education Programs, United States  
Department of Education

**Community Placement Plan and Community Resource Development Plan  
Statement of Assurances**

**1. Community Placement Plan and Community Resource Development Plan**

Contractor shall develop and submit an approved Community Placement Plan and Community Resource Development Plan in accordance with W&I Code Sections 4418.25, and 4418.3; and consistent with W&I Code Sections 4418.7, 4519 and 4648. Contractor's Community Placement Plan and Community Resource Development Plan shall, where appropriate, include budget requests for regional center operations, consumer assessments, resource development, deflections and ongoing placement costs.

**2. Dedicated Funding**

- a. Contractor shall use funds allocated for the regional center's approved Community Placement Plan and Community Resource Development Plan only for the purposes allocated and in compliance with the State's Community Placement Plan and Community Resource Development Plan and Housing Guidelines. Funds will be allocated through the following categories: Operations, Purchase of Service Placement, Purchase of Service Deflection, Purchase of Service Assessment, and Purchase of Service Start Up. The State shall reduce the contract in the amount of any unspent funds allocated for the Community Placement Plan and Community Resource Development Plan that are not used for that purpose. Any unspent funds shall revert to the General Fund State or be transferred to another regional center for Community Placement Plan and Community Resource Development Plan activities. All changes to the approved ~~CPP~~ Community Placement Plan and Community Resource Development Plan allocation must be approved in writing by the Department.
- b. Within 30 days of the enactment of the budget, the State shall notify Contractor of any changes to Contractor's approved Community Placement Plan and Community Resource Development Plan.

**3. Reports**

Contractor agrees to report, as required by the State, on the status and outcomes of their plans at a minimum of quarterly.

**4. Accounting Procedures**

Contractor shall submit a detailed quarterly claim; this claim form shall be mutually agreed to by ARCA and the State.

## **Statement of Assurances for Protection of Protected Health Information**

### **Health Insurance Portability and Accountability Act (HIPAA) Health Information Technology for Economic and Clinical Health (HITECH)**

#### **1. Background**

The terms of this Agreement are intended to create a business associate relationship between the contracting parties (collectively, “Contractor” and “DDS”) as required under the Health Insurance Portability and Accountability Act (“HIPAA”), codified in Title 42 of the United States Code, Section 1320d *et seq.* and its implementing law and regulations such as the Health Information Technology for Economic and Clinical Health Act of 2009, (Public Law 111-005, Title XIII, Subtitle D, Section 13400 *et seq.*, Feb. 17, 2009) (“HITECH Act”), and Title 45 of the Code of Federal Regulations (“CFR”) Parts 160 and 164 (“HIPAA Regulations”).

Since a business associate relationship is created by this Agreement and protected health information (“PHI”), as defined in Section 3 herein, may be exchanged, created, received, maintained, used and/or disclosed to Contractor, Contractor agrees to comply with all applicable requirements of HIPAA, HIPAA Regulations, and the HITECH Act which pertain to the privacy and security of PHI.

In addition, HIPAA’s preemption exception under Title 45 of the Code of Federal Regulations Section 160.203 requires state law to apply if state law is more stringent in protecting PHI. Accordingly, the intent of the parties is that Contractor shall comply with the applicable requirements of California law governing the exchange, creation, dissemination, maintenance, use or disclosure of PHI that exceeds the requirements of HIPAA, the HITECH Act, and HIPAA Regulations.

#### **2. Recitals**

- A. DDS wishes to disclose to Contractor and/or wishes for the Contractor to receive certain information pursuant to the terms of this Agreement, some of which may constitute PHI.
- B. As set forth in this Agreement Contractor is the “Business Associate”, as defined in Section 3 herein, of DDS that provides services, arranges, performs or assists in the performance of functions or activities on behalf of DDS and creates, receives, maintains, transmits, uses or discloses PHI.
- C. DDS and Contractor desire to protect the privacy and provide the security of PHI created, received, maintained, transmitted, used, or disclosed pursuant to this Agreement, in compliance with HIPAA, the HITECH Act, HIPPA Regulations, and any more stringent applicable state law protecting PHI.

Now, therefore, the parties agree as follows:

**3. Definitions**

- A. **Accounting** – “Accounting” means Contractor’s accounting of PHI disclosures to an individual upon his or her request in accordance with 45 CFR § 164.528, subject to the exceptions listed therein. As stated in 45 CFR § 164.528(b) an accounting includes the date of disclosure, the name of the entity or person who received the PHI and, if known, the address of such entity or person, a brief description of the PHI disclosed, and a brief statement of the purpose of disclosure or copy of a written request for disclosure by the Secretary, as defined herein, or by an entity or person permitted under 45 CFR § 164.512.
- B. **Breach or Breaches** – “Breach” or “Breaches” have the same meaning of the term “breach” defined under 45 CFR § 164.402, which is the acquisition, access, use or disclosure of PHI in a manner not permitted under Title 45 of the Code of Federal Regulations Part 164, Subpart E, that compromises the security or privacy of PHI, subject to the breach exclusions listed therein.
- C. **Business associate** – “Business Associate” has the same meaning of the term “business associate” defined in 45 CFR § 160.103, which means an entity or person on behalf of a covered entity who creates, receives, maintains or transmits PHI by conducting services including legal, actuarial, accounting, consulting, data aggregation, management, administrative, accreditation, financial services, claims processing or administration, data analysis, processing or administration, utilization review, quality assurance, billing, patient safety activities benefit management, practice management and/or repricing. “Business associate” also refers to Contractor who is a party to this Agreement.
- D. **Covered entity** – “Covered Entity” has the same meaning of the term “covered entity” defined in 45 CFR § 160.103, which means a health plan, health clearinghouse or healthcare provider. Covered entity also refers to DDS who is a party to this Agreement.
- E. **Designated record set** – “Designated record set” has the same meaning of the term “designated record set” defined in 45 CFR § 164.501, which is a group of records that contains PHI and is maintained by or for a covered entity. The designated record set includes medical records and billing records, enrollment, payment, claims adjudication and case/medical management record systems, and/or records used, in whole or part, to make decisions about individuals.
- F. **Disclosure** – “Disclosure” has the same meaning of the term “disclosure” defined in 45 CFR § 160.103, which is the release, transfer, provision of access to, or divulging in any manner of information outside the entity holding the information.
- G. **Discovery** – “Discovery” has the same meaning of “Breaches treated as discovered” under 45 CFR § 164.410. Under Section 164.410, a breach shall be treated as discovered by a business associate on the first day on which such breach is known, or by exercising reasonable diligence would have been known by the business associate, including its employees or agents.
- H. **Electronic PHI** – “Electronic PHI” is protected health information in an electronic form.



- I. **Encryption** – “Encryption” has the same meaning of the term “encryption” defined in 45 CFR § 164.304, which is the use of an algorithmic process to transform data into a form in which there is a low probability of assigning meaning without use of a confidential process or key.
- J. **Harmful effect** – “Harmful effect” means a negative effect of using or disclosing PHI known to the covered entity or business associate that would violate HIPAA, HITECH Act, HIPAA Regulations as set forth in 45 CFR § 164.530(f), or any more stringent applicable state law protecting PHI.
- K. **Health care operations** – “Health care operations” has the same meaning of the term “health care operations” defined in 45 CFR § 164.501. Under Section 164.501, health care operations includes conducting quality assessment and improvement activities, outcomes evaluation, development of clinical guidelines, patient safety activities, population-based activities relating to improving health, protocol development, case management and care coordination, reviewing competence and qualifications of health care professionals not involving treatment, evaluating provider/vendor performance, conducting training programs for students, trainees or practitioners in the area of health care to improve skills, training of non-health care professionals, accreditation, certification, licensing or credentialing activities, underwriting and enrollment relating to creation, renewal or replacement of health insurance or benefits, medical review, legal services, auditing functions, business planning and development, business management and general administrative activities such as implementation and compliance with HIPAA, HITECH Act, and HIPAA Regulations, customer service, resolution of internal grievances, the creation of de-identified health information or a limited data set, and/or fundraising for the benefit of the business associate.
- L. **Individual or Individuals** – “Individual” or “individuals” have the same meaning of the term “individual” defined in 45 CFR § 160.103, which is the person who is the subject of PHI.
- M. **Lanterman Act** – The “Lanterman Act” means the Lanterman Developmental Disabilities Services Act codified in California Welfare and Institutions Code Sections 4500, *et seq.*
- N. **Minimum necessary** – “Minimum necessary” means the “minimum necessary” standard set forth in 45 CFR § 164.502, which requires covered entities and business associates to make reasonable efforts to limit the use or disclosure of PHI to accomplish the intended purpose of the use, disclosure or request, subject to the exceptions set forth therein.
- O. **Notice of Privacy Practices** – “Notice of Privacy Practices” means the required notice under 45 CFR § 164.520 provided to individuals by a covered entity regarding the use and disclosure of PHI that may be made by the covered entity, and the individual’s rights and covered entity’s legal duties with respect to PHI.
- P. **PHI or protected health information** – “PHI” or “protected health information” have the same meaning of the term “individually identifiable health information” as defined in 45 CFR § 160.103. Under Section 160.103 individual identifiable health information is information that is created or received by a covered entity or business associate that relates to the past, present, or future physical or mental health of an individual; or the past, present, or future payment for the provision of health care to the individual. In addition, the information must identify the

individual or there must be a reasonable basis to believe the information may be used to identify the individual.

- Q. **Required by law** – “Required by law” has the same meaning of the term “required by law” defined in 45 CFR § 164.103, which is a mandate contained in law that compels an entity to make a use or disclosure of PHI and that is enforceable in a court of law.
- R. **Safeguards** – “Safeguards” referenced herein collectively means the required “administrative safeguards” defined in 45 CFR § 164.308, “physical safeguards” defined in 45 CFR § 164.310, and “technical safeguards” defined in 45 CFR § 164.312.
- 1) Under 45 CFR § 164.308 “administrative safeguards” is the implementation of policies and procedures to prevent, detect, contain and correct security violations.
  - 2) Under 45 CFR § 164.310 “physical safeguards” is the implementation of policies and procedures to limit physical access to electronic information systems and the facility or facilities in which PHI is maintained, while ensuring proper authorized access to PHI.
  - 3) Under 45 CFR § 164.312 “technical safeguards” is the implementation of policies and procedures for electronic information systems that maintain electronic PHI to allow access only to those persons or software programs that have been granted access rights specified in 45 CFR § 164.308(a)(4).
- S. **Secretary** – “Secretary” means the Secretary of the United States Department of Health and Human Services.
- T. **Security Incident** – “Security incident” has the same meaning of the term “security incident” defined in 45 CFR § 164.304, which is the attempted or successful unauthorized access, use, disclosure, modification or destruction of information or interference with system operations in an information system.
- U. **Subcontractor or Agent** – “Subcontractor” or “agent” have the same meaning of the term “subcontractor” defined in 45 CFR § 164.10, which is a person to whom a business associate delegates a function, activity or service, other than in the capacity of a member of the workforce of such business associate.
- V. **Unsecured PHI** – “Unsecured PHI” has the same meaning of “unsecured protected health information” defined in 45 CFR § 164.402, and it is PHI that is not rendered unusable, unreadable, or indecipherable to unauthorized persons through the use of technology and methodology specified by the Secretary in the guidance issued under section 13402(h)(2) of Public Law 111-5.
- W. **Use or usage** – “Use” or “usage” have the same meaning of the term “use” defined in 45 CFR § 160.103, which is the sharing, employment, application, utilization, examination, or analysis of PHI within an entity that maintains such information.

#### **4. Permitted Uses and Disclosures of PHI by Business Associate**

- A. **Usage Permitted by This Agreement and HIPAA.** Contractor may use or disclose PHI only to perform functions, activities or services for, or on behalf of the DDS as specified in this Agreement, provided that such use or disclosure does not violate HIPAA, HIPAA Regulations, the HITECH Act, and any more

stringent applicable state law protecting PHI. The use and disclosure of PHI may not be more expansive than applicable to DDS as the "Covered Entity" under 45 CFR Part 164. (45 CFR § 164.504(e)(2)(i)).

- B. **Usage for Legal, Management and Administrative.** In accordance with 45 CFR § 164.504(e)(4), Contractor may disclose PHI if necessary, for the legal, management, or administrative purposes of Contractor. In disclosing PHI, Contractor's disclosure must be required by law, or the Contractor must obtain reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as required by law or for the purpose for which it was disclosed to the person, and the person notifies Contractor of any instances of which it is aware in which the confidentiality of the information has been breached.
- C. **Minimum Necessary.** Contractor shall comply with the requirements under 45 CFR § 164.502(b) to only request, use, and disclose the minimum PHI necessary to accomplish the intended purpose of the request, use or disclosure.
- D. **Access.** Contractor shall provide access, at the request of DDS, and in the time and manner designated by DDS, to PHI in a designated record set to DDS or, as directed by DDS, to an individual in order to meet the requirements of 45 CFR § 164.524 and 45 CFR § 164.504(e)(2)(ii)(E) regarding an individual's right to access PHI.
- 1) If Contractor maintains electronic PHI, and an individual requests a copy of his or her PHI in an electronic format, Contractor shall provide such information in an electronic format to enable DDS to fulfill its obligations under the HITECH Act, including but not limited to 42 USC § 17935(e).
- E. **Nondisclosure.** In accordance with 45 CFR § 164.504(e)(2)(ii)(A), Contractor shall not use or further disclose PHI other than as permitted or required by this Agreement, or as required by law.
- F. **Amendments.** In accordance with 45 CFR § 164.526(a) and 45 CFR § 164.504(e)(2)(ii)(F), Contractor shall make any amendment(s) to PHI in a designated record set that DDS directs or agrees to and in the time and manner designated by DDS, or at the request of an individual. Individual requests for amendment(s) are subject to the right of Contractor to exercise denial under 45 CFR § 164.526(a)(2) and under the Lanterman Act. Contractor shall ensure the amendment/s are incorporated into the PHI in accordance with 45 CFR § 164.526.
- G. **Accounting.** Contractor shall provide an accounting of disclosures of PHI to an individual for the six years prior to the date of the individual's request, in accordance with 45 CFR § 164.528 (a)(1), subject to the exceptions listed therein.

5. **Uses and Disclosures Not Provided for by this Agreement**

- A. **Mitigation.** In accordance with 45 CFR § 164.530 (f), Contractor shall mitigate, to the extent practicable, any harmful effect that is known to Contractor of a use or disclosure of PHI in violation of the requirements of this Agreement.
- B. **Requests to Restrict PHI.** Contractor shall not disclose PHI about an individual to a health plan for payment or health care operations purposes if PHI pertains solely to a health care item or service for which the health care provider involved has been paid out of pocket in full and the individual requests such restriction, in accordance with 42 USC § 17935(a) and 45 CFR 164.522(a).
- C. **No Remuneration Without Written Consent.** In accordance with 42 USC § 17935(d)(1) Contractor shall not directly or indirectly receive remuneration in exchange for PHI, except with the prior written consent of DDS and a valid HIPAA authorization under 45 CFR § 164.508.

6. **Safeguarding Protected Health Information**

- A. In accordance with 45 CFR § 164.504(e)(2)(ii)(B) and 45 CFR Part 164, Subpart C, Contractor shall use appropriate safeguards to prevent use or disclosure of PHI, except as provided in this Agreement or as required by law.
- B. In accordance with 45 CFR Part 164, Subpart C and 45 CFR § 164.314(a)(2)(i)(A) & (B), Contractor shall implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the PHI, including electronic PHI, it creates, receives, maintains, or transmits in an electronic format on behalf of DDS to prevent unauthorized access, viewing, use, disclosure or breach of PHI, other than as provided for by this Agreement or required by law.
- C. Contractor shall develop and maintain a written information privacy and security program that includes administrative, technical and physical safeguards appropriate to the size and complexity of Contractor's operations and the nature and scope of its activities, and which incorporates the requirements of Section 7, Security, below.
- D. **Privacy Officer.** Contractor shall designate a Privacy Officer who shall: (1) develop policies and procedures on PHI that comply with this Agreement, HIPAA, HIPAA Regulations, HITECH Act, and any more stringent applicable state law protecting PHI; (2) receive complaints/notices pertaining to breaches, and process those complaints/notices in accordance with Section 10, herein; and (3) be the point of contact for communication on privacy matters with DDS. Contractor shall notify DDS's privacy and security officers of the individual designated as Privacy Officer and his/her appropriate contact information (including telephone, work address and email) upon execution of this Agreement. If there is a contact change of the Privacy Officer, Contractor shall notify DDS within 10 calendar days or annually per DDS Technical Bulletin 479.

## **7. Security**

- A. Contractor shall ensure the security of all computerized data systems containing PHI in compliance with HIPAA, HIPAA Regulations, the HITECH Act, and the standards provided by National Institute of Standards and Technology (NIST). These steps shall include, at a minimum, but not limited to:
- 1) Ensuring appropriate security levels to maintain the confidentiality, integrity and availability of PHI and electronic PHI in accordance with 45 CFR Part 164, Subpart C;
  - 2) Protecting against any reasonably anticipated threats or hazards to the security or integrity of PHI and electronic PHI in accordance with 45 CFR 164.306(a)(2);
  - 3) Protecting against any reasonably anticipated uses or disclosures of PHI and electronic PHI that are not permitted or required under 45 CFR Part 164, Subpart E, in accordance with 45 CFR 164.306(a)(3);
  - 4) Requiring encryption of all laptops, desktops, tablets, smartphones and other mobile devices, when storing and transmitting electronic PHI, including encryption of portable electronic storage media (e.g., CD, DVD, flash drives, etc.);
  - 5) Requiring the development and maintenance of a Technical Recovery Plan (TRP) documenting the procedures required to restore critical business systems, including conducting an annual performance tabletop test of the TRP and providing annual self-certification of conducting such test to DDS' Information Security Officer; and
  - 6) Designating a Security Officer pursuant to 45 CFR § 164.308 to oversee Contractor's data security program. The Security Officer shall be responsible for carrying out the requirements of this Section and to be the point of contact for communicating on security matters with DDS. Contractor shall notify DDS's privacy and security officers of the individual designated as Security Officer and his/her appropriate contact information (including telephone, work address and email) upon execution of this Agreement. If there is a contact change of the Security Officer, Contractor shall notify DDS within 10 calendar days or annually per DDS Technical Bulletin 479.

## **8. Agents and Subcontractors**

- A. Contractor shall require any of its agents, including subcontractors, that create, receive, maintain, or transmit PHI and/or electronic PHI on behalf of Contractor pursuant to its Agreement with DDS, to agree to the same restrictions, safeguards, and conditions that apply to Contractor herein with respect to such information. (45 CFR §§ 164.502, 164.504, 164.506, 164.314(a)(2)(i)(B)).

- B. Contractor's agents and subcontractors who create, receive, maintain, or transmit PHI and/or electronic PHI on behalf of Contractor are business associates of Contractor and are directly liable under HIPAA, HIPAA Regulations and the HITECH Act for any breach they commit. As such, Contractor's agents and subcontractors who create, receive, maintain, or transmit PHI and/or electronic PHI are subject to civil and, in some cases, criminal penalties for making uses and disclosures of PHI that are not authorized by contract or required by law. Contractor's agents and subcontractors who create, receive or transmit electronic PHI, are also directly liable and subject to civil penalties for failing to safeguard electronic PHI in accordance with HIPAA, the HITECH Act, and HIPAA Regulations.

**9. Records available to the State and Secretary and Compliance Reviews**

- A. In accordance with 45 CFR § 164.504(e)(2)(ii)(I), Contractor shall make its internal practices, books and records relating to the use and disclosure of PHI received from DDS, or created or received by Contractor on behalf of DDS, available to DDS or to the Secretary for purposes of investigating or auditing DDS's compliance with the requirements of HIPAA, HIPAA Regulations, and the HITECH Act, in the time and manner designated by DDS or the Secretary.
- B. In accordance with 45 CFR § 160.310, Contractor shall cooperate with the compliance and investigation reviews conducted by the Secretary. PHI access to the Secretary must be provided during Contractor's normal business hours, however, upon exigent circumstances access at any time must be granted. Upon the Secretary's compliance or investigation review, if PHI is unavailable to Contractor and in possession of a subcontractor or agent, it must certify efforts to obtain the information to the Secretary.

**10. Breach Procedure**

- A. **Discovery of Breach.** Contractor shall notify DDS **within 72 hours by telephone call plus email or fax** upon the discovery of a breach compromising the security and/or privacy of PHI, or upon a reasonable belief such breach has occurred, as required at 45 CFR §164.410. Notification shall be provided to the DDS Privacy Officer and the DDS Information Security Officer. If the incident occurs after business hours or on a weekend or holiday and involves electronic PHI, notification shall be provided by calling the DDS Service Desk. Upon discovery of such breach or reasonable belief of such breach, Contractor shall:

- 1) Take prompt corrective action to mitigate any risks or damages involved with the breach and to protect the operating environment; and
- 2) Commence an investigation.

**Content of Notification:** Within 72 hours of discovery of such breach or reasonable belief such breach occurred, Contractor shall include the following information in the notification to the DDS Privacy Officer and the DDS Information Security Officer to the extent presently known:

- 1) Identification of each individual whose unsecured PHI or confidential information has been, or is reasonably believed to have been accessed, acquired, used, disclosed, or breached;
  - 2) What data elements were involved, and the extent of the data involved in the breach;
  - 3) A description of the unauthorized persons known or reasonably believed to have improperly used or disclosed PHI or electronic PHI;
  - 4) A description of the steps that an individual may take to protect him/her from the breach; and
  - 5) A description of what Contractor is doing to investigate the breach, to mitigate harm to individuals, and to protect against further breaches.
- B. **Written Report.** In accordance with 45 CFR § 164.504(e)(2)(ii)(C) and 45 CFR § 164.410, Contractor shall provide a written report of the investigation to the DDS Privacy Officer and the DDS Information Security Officer within thirty (30) calendar days of the discovery of the breach or unauthorized use or disclosure.
- C. **Notification of Individuals.** Contractor or Contractor's subcontractor or agent shall notify individuals whose unsecured PHI has been or is reasonably believed by Contractor to have been accessed, acquired, used, or disclosed as a result of the breach as required under 45 CFR § 164.404. Notification shall be provided without unreasonable delay as required by 42 USC § 17932(d), and within 30 calendar days. Contractor, or Contractor's subcontractor or agent, shall pay any costs of such notifications as well as any costs associated with the breach.
- D. **Responsibility for Reporting Breaches Involving Less Than 500 Individuals.** If the cause of breach of PHI or electronic PHI is attributable to the Contractor, or its subcontractors or agents, Contractor is responsible for all required reporting of the breach as specified in 42 USC § 17932 and 45 CFR Part 164, Subpart D. The breach reporting requirements of this paragraph are in addition to the reporting requirements set forth in subsection 10(A-C) above.
- E. **Responsibility for Reporting Breaches Involving 500 or More Individuals.** If a breach of unsecured PHI involves 500 or more residents of the State of California or its jurisdiction, Contractor, with DDS's oversight and input, shall notify the Secretary of the breach immediately upon discovery of the breach and prominent media outlets serving the State of California or its jurisdiction in accordance with 42 USC § 17932 and 45 CFR §§ 164.406, 164.408. The breach reporting requirements of this paragraph are in addition to the reporting requirements set forth in subsection 10(A-C) above. In addition, Contractor, with DDS's input and oversight, shall notify the California Department of Justice, Office of the Attorney General, as required under Civil Code §1898.82.
- F. **DDS Contact Information.** Contractor shall direct communications to the following DDS staff. DDS reserves the right to make changes to the contact information below by giving written notice to the Contractor. Said changes shall not require an amendment to this Agreement.

DDS <b>Privacy Officer</b>	DDS <b>Information Security Officer</b>
Privacy Officer <a href="mailto:privacy@dds.ca.gov">privacy@dds.ca.gov</a> (916) 654-2120	Information Security Officer <a href="mailto:iso@dds.ca.gov">iso@dds.ca.gov</a> (916) 654-1704
Fax (916) 654-3352	Fax (916) 654-3352

## 11. **Term and Termination**

- A. **Term.** The term of this Agreement shall terminate when the regional center's contract expires or when all of the PHI provided by the DDS to Contractor, or created or received by Contractor on behalf of the DDS, in any format, is returned to the DDS and any associated storage media is destroyed, whichever is later.
- B. **Termination for Cause.** Upon DDS's knowledge of a pattern of activity or practice by Contractor that constitutes a violation of this Agreement by Contractor, DDS shall comply with the termination procedure set forth under the Lanterman Act.
- 1) DDS may take reasonable steps to provide an opportunity for Contractor to end the violation. If efforts to resolve the problem informally are unsuccessful, DDS shall have the option to issue a letter of noncompliance and establish a Corrective Action Plan ("CAP") under Welfare and Institutions Code section 4635; and if Contractor is not in compliance with the CAP, DDS shall move to terminate this Agreement under Welfare and Institutions Code section 4635.
  - 2) If cure is not possible and Contractor has committed a material breach, DDS shall comply with termination provisions set forth in the Lanterman Act to terminate this Agreement and report the violation to the HHS Secretary.
- C. **Effect of Termination or Nonrenewal**
- 1) In accordance with 45 CFR § 164.504(e)(2)(ii)(J), upon termination of this Agreement or nonrenewal of this Agreement, Contractor shall return or destroy all PHI and/or electronic PHI received from DDS or created or received by Contractor on behalf of the DDS. Contractor shall require that any PHI and/or electronic PHI in possession of subcontractors or agents is returned or destroyed and that no copies of such information is retained.
  - 2) In the event Contractor determines that returning or destroying the PHI and/or electronic PHI is not feasible, Contractor shall notify DDS about the conditions that make return or destruction not feasible. If DDS agrees that the return or destruction of PHI and/or electronic PHI is not feasible, Contractor shall extend the protections of this Agreement to such information and limit further use and disclosures of such personal information to those purposes that



make the return or destruction infeasible, for so long as Contractor, or any of its agents or subcontractors, maintains such information.

**12. Judicial or Administrative Proceeding**

DDS may terminate this Agreement in accordance with the terms and conditions of this Agreement as written herein above if: (1) Contractor is found guilty in a criminal proceeding for a violation of the HIPAA, HIPAA Regulations, or the HITECH Act; or (2) a finding or stipulation that the Contractor has violated a privacy or security standard or requirement of the HITECH Act, HIPAA, HIPAA Regulations or any more stringent applicable state law protecting PHI in an administrative or civil proceeding in which Contractor is a party.

**13. Due Diligence**

Contractor shall exercise due diligence to ensure that it remains in compliance with this Agreement and is in compliance with the applicable provisions of HIPAA, HIPAA Regulations, the HITECH Act, and any more stringent applicable state law protecting PHI, and require its subcontractors and agents to be in compliance with the same.

**14. Sanctions and/or Penalties**

Contractor understands and acknowledges that it is required to comply with the provisions of HIPAA, HIPAA Regulations, the HITECH Act, and any more stringent applicable state law protecting PHI, and that failure to comply with these laws may result in the imposition of civil and/or criminal sanctions and/or other penalties on Contractor as set forth under HIPAA, HIPAA Regulations and the HITECH Act.

**15. Employee Training and Discipline**

- A. Contractor shall use reasonable measures to ensure compliance with the requirements of this Agreement. In doing so, Contractor shall provide annual security and privacy training on HIPAA to its employees who create, receive, maintain or transmit PHI or electronic PHI on behalf of Contractor in accordance with 45 CFR § 164.308(a)(5)(i). Contractor shall require each employee who receives this training to sign a certification indicating the employee's name and the date on which the training was completed. Contractor shall retain each employee's written certifications for DDS inspection for a period of three years following contract termination.
- B. Contractor also agrees to discipline employees who intentionally violate any provisions of this Agreement, including up to termination of employment.

**16. Audits, Inspection and Enforcement**

From time to time, DDS may inspect the facilities, systems, information security controls, books and records of Contractor to monitor compliance with this Agreement. Contractor shall promptly remedy any violation of any provision of this

Agreement and shall certify the same to the DDS Privacy Officer in writing. The fact that DDS inspects, or fails to inspect, or has the right to inspect, Contractor's facilities, systems and procedures does not relieve Contractor of its responsibility to comply with this Agreement, nor does DDS's:

- A. Failure to detect; or
- B. Detection, but failure to notify Contractor or require Contractor's remediation of any unsatisfactory practices, constitute acceptance of such practice or a waiver of DDS enforcement rights under this Agreement.

If Contractor is the subject of an audit, compliance review, or complaint investigation by the Secretary or the Office of Civil Rights, U.S. Department of Health and Human Services, that is related to the performance of its obligations pursuant to this Agreement, Contractor shall notify DDS and provide DDS with a copy of any PHI or electronic PHI that Contractor provides to the Secretary or the Office of Civil Rights concurrently with providing such PHI or electronic PHI to the Secretary. Contractor is responsible for any civil or criminal penalties assessed due to an audit or investigation of Contractor in accordance with 42 USC § 17934(c).

#### **17. Obligations of DDS**

- A. **Notice of Privacy Practices.** DDS shall provide Contractor with the Notice of Privacy Practices that DDS produces in accordance with 45 CFR § 164.520, as well as any changes to such notice. Visit [www.dds.ca.gov](http://www.dds.ca.gov) to view the most current Notice of Privacy Practices:
- B. **Permission by Individuals for Use and Disclosure of PHI.** DDS shall provide Contractor with any changes in, or revocation of, permission by an individual to use or disclose PHI or electronic PHI, if such changes affect the Contractor's permitted or required uses and disclosures.
- C. **Notification of Restrictions.** DDS shall notify Contractor of any restriction to the use or disclosure of PHI that DDS has agreed to in accordance with 45 CFR § 164.522, to the extent that such restriction may affect Contractor's use or disclosure of PHI.
- D. **Requests Conflicting with HIPAA Rules.** DDS shall not request Contractor to use or disclose PHI or electronic in any manner that would not be permissible under HIPAA, HIPAA Regulations, HITECH Act, or any more stringent applicable state law protecting PHI.

#### **18. Miscellaneous**

- A. **Disclaimer.** DDS makes no warranty or representation that compliance by Contractor with this Agreement, HITECH Act, HIPAA, or HIPAA Regulations will be adequate or satisfactory for Contractor's own purposes or any information in Contractor's possession or control, or transmitted or received by Contractor, is or

will be secure from unauthorized access, viewing, use, or disclosure. Contractor is solely responsible for all decisions made by Contractor regarding the safeguarding of PHI.

B. **Amendment.** The parties acknowledge that federal and state laws relating to electronic data security and privacy are rapidly evolving and that amendment of this Agreement may be required to provide for procedures to ensure compliance with such developments. The parties specifically agree to take such action as is necessary to implement the standards and requirements of HIPAA, the HITECH Act, the HIPAA Regulations, and other applicable laws relating to the security or privacy of PHI and/or electronic PHI. Upon DDS's request Contractor agrees to promptly enter into negotiations with DDS concerning an amendment to this Agreement embodying written assurances consistent with the standards and requirements of HIPAA, the HITECH Act, the HIPAA Regulations or other applicable laws. If informal attempts to negotiate are unsuccessful, DDS may move to terminate this Agreement in accordance with the Lanterman Act in the event:

- 1) Contractor does not promptly enter into negotiations to amend this Agreement when requested by DDS pursuant to this Section, or
- 2) Contractor does not enter into an amendment providing assurances regarding the safeguarding of PHI that DDS deems sufficient to satisfy the standards and requirements of HIPAA, the HITECH Act, and the HIPAA Regulations.

C. **Assistance in Litigation or Administrative Proceedings.** Contractor shall make available to DDS, at no cost to DDS, its employees, subcontractors and/or agents to testify as witnesses, or otherwise, in the event litigation or administrative proceedings are commenced against DDS, its officers or employees, based upon a claimed violation of HIPAA, HIPAA Regulations, HITECH Act or any more stringent applicable state law protecting PHI, which involve the inactions or actions by Contractor. This provision does not apply where Contractor or its subcontractor, employee or agent is a named adverse party to DDS.

D. **No Third-Party Beneficiaries.** Nothing express or implied in the terms and conditions of this Agreement is intended to confer, nor shall anything herein confer, upon any person other than DDS or Contractor and their respective successors or assignees, any rights, remedies, obligations or liabilities whatsoever.

E. **Interpretation.** The terms and conditions in this Agreement shall be interpreted as broadly as necessary to implement and comply with HIPAA, the HITECH Act, the HIPAA Regulations and any more stringent applicable state law protecting PHI. The parties agree that any ambiguity in the terms and conditions of this

Agreement shall be resolved in favor of a meaning that complies and is consistent with HIPAA, the HITECH Act, HIPAA Regulations, and any more stringent applicable state law protecting PHI.

- F. **References.** A reference in the terms and conditions of this Agreement to a section in HIPAA, HIPAA Regulations, and/or HITECH Act means the section currently in effect or as amended.
- G. **Survival.** The respective rights and obligations of Contractor in this Agreement shall survive the termination or expiration of this Agreement.
- H. **No Waiver of Obligations.** No change, waiver or discharge of any liability or obligation hereunder on any one or more occasions shall be deemed a waiver of performance of any continuing or other obligation, or shall prohibit enforcement of any obligation, on any other occasion.

---

**References:**

United States Department of Health and Human Services, Office for Civil Rights, Medical Privacy - National Standards to Protect the Privacy of Personal Health Information: <https://www.hhs.gov/hipaa/index.html>

United States Department of Health and Human Services, Centers for Medicare and Medicaid Services – Security Standards  
[www.cms.hhs.gov/SecurityStandard/](http://www.cms.hhs.gov/SecurityStandard/)

National Institute of Standards and Technology (NIST)  
[nist.gov/](http://nist.gov/)

FEDERAL INFORMATION PROCESSING STANDARDS (FIPS)  
[csrc.nist.gov/publications/PubsFIPS.html](http://csrc.nist.gov/publications/PubsFIPS.html)

**CONFIDENTIALITY AGREEMENT**

***Regional Center of Orange County***

***Required for Release of DDS Data  
Per the State Administrative Manual Section (5310)***

Contractor hereby acknowledges that Department of Developmental Services (DDS) records and documents are subject to strict confidentiality requirements imposed by State and Federal laws including, but not limited to, Health Insurance Portability and Accountability Act in Title 42 of the United States Code, Section 1320d *et seq.* and its implementing law and regulations such as the Health Information Technology for Economic and Clinical Health Act of 2009, (Public Law 111-005, Title XIII, Subtitle D, 13400 *et seq.*, Feb. 17, 2009), 45 CFR Parts 160 and 164, Sections 56 and following and 1798.24 through 1798.24b of the California Civil Code; California Welfare and Institutions Code sections 4514, 5328, and 15633 and following; California Penal Code Section 11167.5; and any other applicable State or Federal law pertaining to confidentiality.

Contractor assures that the appropriate provisions of both State and Federal law have been met and further assures that all agents of the organization, including subcontractors and agents, understand that unauthorized use, dissemination or distribution of PHI is a crime and that breaches of confidentiality and security may be subject to civil and criminal penalties by the State or Federal government.

Contractor assures that its agents, including subcontractors, will not use, disseminate or otherwise distribute records or documents containing PHI, either on paper or by electronic means, other than as required in the performance of their duties per this contract.

Contractor agrees that unauthorized use, dissemination or distribution of DDS records, documents or information is grounds for immediate termination of any contracts with the DDS and may subject Contractor to penalties, both civil and criminal.

\_\_\_\_\_  
Signature of Contractor's Authorized Representative

Date: \_\_\_\_\_

\_\_\_\_\_  
Name/Title (Print)

## MEDICAID ENROLLMENT REQUIREMENTS

### 1. PURPOSE

Regional centers coordinate services for consumers for which federal funding is received from the Centers for Medicare and Medicaid Services, and are therefore required to enroll as a Medicaid provider in a manner mutually agreed upon with the State. This exhibit sets forth the terms and conditions under which the Contractor shall enroll as a Medicaid provider.

### 2. CONTRACT PRACTICES

For the purposes of this Agreement, Contractor agrees to comply with all Medicaid provider enrollment requirements in accordance with Title 42 Code of Federal Regulations (CFR) Sections 455.104 (a), (b)(1)(2)(3)(4), (c), (d), (e); 455.105, (a), (b), (c); 455.106 (a), (b), (c); 455.410; 431.107 (b)(3); 424.302 (d); 424.304 (a)(1); and 424.535 (d)(1).

### 3. PROCEDURES FOR ENROLLMENT AND RE-ENROLLMENT

Contractor shall adhere to the following enrollment and re-enrollment assurances and procedures:

- a. Disclosure information required for all members of the Contractor's Board of Directors as well as the Regional Center Executive Director:
  - 1) The name, address, date of birth, and social security number of the board member or Executive Director/Interim Executive Director identified above.
  - 2) If the board member or Executive Director/Interim Executive Director is related to any of the other individuals above (as a spouse, sibling, parent or child).
  - 3) The name of any other enrolled Medicaid provider in which the individual has an ownership or control interest.
  - 4) The name of any "Excluded Individuals", defined as those that have been placed on either the U.S. Department of Health and Human Services Office of Inspectors' General (OIG) List of Excluded Individuals/Entities or the Department of Health Care Services (DHCS) Medi-Cal Suspended and Ineligible Provider List of persons, or individuals and entities that have been convicted of a criminal offense related to involvement in any program under Medicare, Medicaid or the Title XX services program, or meet the criteria included in Title 17, Section 54311(a)(6).

- b. The disclosure information identified in paragraph a. 1) through 4) must be submitted to the State:
- 1) Upon execution of this contract.
  - 2) Within 35 days of the individuals identified in paragraph a. becoming a member of the Board of Directors or becoming the Regional Center Executive Director/Interim Executive Director.
  - 3) Upon request of the State during revalidation of enrollment requirements every five years or sooner when any of the following circumstances apply:
    - a) A new Taxpayer Identification (ID) Number is issued by the IRS.
    - b) There is a cumulative change of 50 percent or more in the person(s) with an ownership or control interest (executive directors or board members) since the information provided in the last complete application package that was approved for enrollment.
    - c) The two examples above are the most likely circumstances for a regional center to complete a new application, an exhaustive list can be found at Title 22 CCR Section 51000.30.
- c. Individuals that either fail to disclose the required information or meet the “Excluded Individuals” criteria shall be prohibited from serving in the roles identified in paragraph b.

## GENERAL TERMS AND CONDITIONS

1. VALIDITY: Contractor is aware of the provisions of Public Contract Code, Sections 10295 and 10335, and acknowledges that this contract is void unless approved by the Department of General Services.
2. AMENDMENT: No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.
3. ASSIGNMENT: This Agreement is not assignable by the Contractor, either in whole or in part, without the consent of the State in the form of a formal written amendment.
4. AUDIT: Contractor agrees that the awarding department, the Department of General Services, the Bureau of State Audits, federal auditor, any other State agency, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Contractor agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Contractor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (Gov. Code §8546.7, Pub. Contract Code §10115 et seq., CCR Title 2, Section 1896).
5. INDEMNIFICATION: Contractor agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by Contractor in the performance of this Agreement.
6. DISPUTES: Contractor shall continue with the responsibilities under this Agreement during any dispute.
7. TERMINATION FOR CAUSE: The State may terminate this Agreement and be relieved of any payments should the Contractor fail to perform the requirements of this Agreement at the time and in the manner herein provided. In the event of such termination the State may proceed with the work in any manner deemed proper by the State. All costs to the State shall be deducted from any sum due the Contractor under this Agreement and the balance, if any, shall be paid to the Contractor upon written demand.



8. INDEPENDENT CONTRACTOR: Contractor, and the agents and employees of Contractor, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State.
9. NON-DISCRIMINATION CLAUSE: During the performance of this Agreement, Contractor and its subcontractors shall not deny the contract's benefits to any person on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. Contractor shall insure that the evaluation and treatment of employees and applicants for employment are free of such discrimination. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12900 et seq.), the regulations promulgated thereunder (Cal. Code Regs., tit. 2, §11000 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Gov. Code §§11135-11139.5), and the regulations or standards adopted by the awarding state agency to implement such article. Contractor shall permit access by representatives of the Department of Fair Employment and Housing and the awarding state agency upon reasonable notice at any time during the normal business hours, but in no case less than 24 hours' notice, to such of its books, records, accounts, and all other sources of information and its facilities as said Department or Agency shall require to ascertain compliance with this clause. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. (See Cal. Code Regs., tit. 2, §11105.)

Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.

10. CERTIFICATION CLAUSES: The CONTRACTOR CERTIFICATION CLAUSES contained in Exhibit I are made a part of this Agreement and attached hereto.
11. TIMELINESS: Time is of the essence in this Agreement.
12. COMPENSATION: The consideration to be paid Contractor, as provided herein, shall be in compensation for all of Contractor's expenses incurred in the performance hereof, including travel, per diem, and taxes, unless otherwise expressly so provided.

13. GOVERNING LAW: This contract is governed by and shall be interpreted in accordance with the laws of the State of California.
14. CHILD SUPPORT COMPLIANCE ACT: For any Agreement in excess of \$100,000, the contractor acknowledges in accordance with Public Contract Code 7110, that:
- a. The contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and
  - b. The contractor, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.
15. UNENFORCEABLE PROVISION: In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

## CONTRACTOR CERTIFICATION CLAUSES

### CERTIFICATION

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective Contractor to the clause(s) listed below. This certification is made under the laws of the State of California.

Contractor Name (Printed)	Federal ID Number
By (Authorized Signature)	
Printed Name and Title of Person Signing	
Date Executed	Executed in County of

### CONTRACTOR CERTIFICATION CLAUSES

1. **STATEMENT OF COMPLIANCE:** Contractor has, unless exempted, complied with the nondiscrimination program requirements. (Gov. Code §12990 (a-f) and CCR, Title 2, Section 11102) (Not applicable to public entities.)
2. **DRUG-FREE WORKPLACE REQUIREMENTS:** Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:
  - a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.
  - b. Establish a Drug-Free Awareness Program to inform employees about
    - 1) the dangers of drug abuse in the workplace
    - 2) the person's or organization's policy of maintaining a drug-free workplace
    - 3) any available counseling, rehabilitation and employee assistance programs; and
    - 4) penalties that may be imposed upon employees for drug abuse violations
  - c. Every employee who works on the proposed Agreement will
    - 1) receive a copy of the company's drug-free workplace policy statement; and
    - 2) agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and Contractor may be ineligible for award of any future State agreements if the department determines that any of the following has occurred: the Contractor has made false certification, or violated the certification by failing to carry out the requirements as noted above. (Gov. Code §8350 et seq.)

3. NATIONAL LABOR RELATIONS BOARD CERTIFICATION: Contractor certifies that no more than one (1) final unappealable finding of contempt of court by a Federal court has been issued against Contractor within the two years period immediately preceding execution of the contract because of Contractor's failure to comply with an order of a Federal court, which orders Contractor to comply with an order of the National Labor Relations Board. (Pub. Contract Code §10296) (Not applicable to public entities.)
4. EXPATRIATE CORPORATIONS: Contractor hereby declares that it is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of Public Contract Code Section 10286 and 10286.1, and is eligible to contract with the State of California.
5. DOMESTIC PARTNERS: For contracts of \$100,000 or more, Contractor certifies that Contractor is in compliance with Public Contract Code section 10295.3.
6. GENDER IDENTITY: For contracts of \$100,000 or more, Contractor certifies that Contractor is in compliance with Public Contract Code section 10295.35.

### **DOING BUSINESS WITH THE STATE OF CALIFORNIA**

The following laws apply to persons or entities doing business with the State of California.

1. CONFLICT OF INTEREST: Contractor needs to be aware of the following provisions regarding current or former state employees. If Contractor has any questions on the status of any person rendering services or involved with the Agreement, the awarding agency must be contacted immediately for clarification.

Current State Employees (Pub. Contract Code §10410):

- 1) No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.
- 2) No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

Former State Employees (Pub. Contract Code §10411):

- 1) For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency.
- 2) For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving state service.

If Contractor violates any provisions of above paragraphs, such action by Contractor shall render this Agreement void. (Pub. Contract Code §10420)

Members of boards and commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem. (Pub. Contract Code §10430 (e))

2. LABOR CODE/WORKERS' COMPENSATION AND INSURANCE: Contractor shall maintain insurance coverage for the entire period of this contract that will protect the financial assets provided to Contractor from the State to fulfill the terms and obligations of this contract. Insurance coverage shall include, but not be limited to: workers' compensation insurance; non-owned automobile insurance including personal injury and property damage; property insurance including personal injury, supplies, equipment and other property furnished by or acquired under or allocatable to this contract; employment practices liability insurance to cover discrimination complaints and other similar employment claims; and, Directors', Trustees' and Officers' liability insurance. Contractor shall maintain Fidelity Bonding.

Contractor shall immediately notify the State, in writing, when Contractor is unable to obtain any of the required insurance coverage or any of the required policies are cancelled. (Labor Code Section 3700)

3. AMERICANS WITH DISABILITIES ACT: Contractor assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 et seq.)
4. CONTRACTOR NAME CHANGE: An amendment is required to change the Contractor's name as listed on this Agreement. Upon receipt of legal documentation of the name change the State will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.
5. PAYEE DATA RECORD FORM STD. 204: This form must be completed by all contractors that are not another state agency or other governmental entity.

REGIONAL CENTER OF ORANGE COUNTY

BOARD OF DIRECTORS

AGENDA ITEM DETAIL SHEET

---

ACTION   X    
ACTION/CONSENT         
DISCUSSION         
INFO ONLY       

---

DATE: May 2, 2024

TO: Board of Directors

FROM: Budget and Finance Committee

SUBJECT: **Approval of Budget Amendment E-2, Fiscal Year 2023-24**

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., E-1, E-2, etc.

REASON FOR CURRENT ITEM:

The Department of Developmental Services will allocate additional funds for Operations, Purchase of Services and the Community Placement Plan (CPP).

FISCAL IMPACT:

Operations .....	\$1,168,541
Purchase of Services .....	\$76,391,646
Purchase of Services for CPP Placement.....	\$3,130,244
 Total .....	 \$80,690,431

RECOMMENDATION:

That the Board authorize the Chairperson to execute the budget amendment upon receipt.

REGIONAL CENTER OF ORANGE COUNTY

BOARD OF DIRECTORS

AGENDA ITEM DETAIL SHEET

---

ACTION   X    
ACTION/CONSENT         
DISCUSSION         
INFO ONLY       

---

DATE: May 2, 2024

TO: Board of Directors

FROM: Budget and Finance Committee

SUBJECT: **Approval of Line of Credit for Fiscal Year 2023-24**

BACKGROUND:

Last year's line of credit commitment from U.S. Bank was for \$44,500,000, which was available for drawing from June 1, 2023 to September 29, 2023.

REASON FOR CURRENT ITEM:

The new commitment from U.S. Bank is \$65,000,000 at reference rate (currently 8.5%); and the term is from June 3, 2024 to September 30, 2024.

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

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

FISCAL IMPACT:

If RCOC borrowed \$15 million for 15 days, the interest expense would be approximately \$53,125 at the current interest rate of 8.5%. The interest rate may change.

RECOMMENDATION:

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

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

This CREDIT AND SECURITY AGREEMENT (REVOLVING LOAN FACILITY) (this “*Agreement*”) is dated as of June 3, 2024 (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 \$65,000,000.00 (the “*Commitment*”) for its operating cash needs for its fiscal year and for Reimbursable Amounts (as hereinafter defined), such Commitment to be available for drawing for the period from June 3, 2024, through September 30, 2024 (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, 2023, 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 any the Borrower denies that it has any or further liability or obligation under any Related Document, or purports to revoke, terminate, or rescind any Related Document or any provision thereof;

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



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

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

#### SECTION 11. DEFINITIONS.

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

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

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

*“Availability Period”* has the meaning set forth in the recitals hereof.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“*UCC*” the Uniform Commercial Code of the State of California.

SECTION 12. MISCELLANEOUS.

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

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

If to the Borrower:

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

If to the Lender for Advances:

U.S. Bank National Association  
Cupertino De Anza



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

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

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

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

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

If to the Lender for all other matters:

U.S. Bank National Association  
Attention: Diane Henry  
Email: diane.henry1@usbank.com

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

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

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

and agents (each, an “*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: Brian D. Richter  
Title: Senior Vice President

**EXHIBIT A**

**FORM OF BORROWING NOTICE AND CERTIFICATION**

\_\_\_\_\_, 2024

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

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

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

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

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

Ladies and Gentlemen:

REGIONAL CENTER OF ORANGE COUNTY, INC., a nonprofit corporation organized under the laws of the State of California (the "*Borrower*"), refers to that certain Credit and Security Agreement (Revolving Loan Facility) dated as of June 3, 2024 (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 \_\_\_\_\_, 2024.
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 \_\_\_\_\_, 2024, 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

---

ACTION   X    
ACTION/CONSENT         
DISCUSSION         
INFO ONLY       

---

DATE: May 2, 2024

TO: Board of Directors

FROM: Budget and Finance Committee

SUBJECT: **Approval of CalPERS Requirement for a Publicly Available Pay Schedule Effective May 13, 2024**

BACKGROUND:

Since August 10, 2011, The California Code of Regulations, Title 2, Section 570.5, has required California Public Employees' Retirement System's (CalPERS's) employers to have pay rates approved by the employer's governing body and pay schedules publicly available. Since February 2, 2011, RCOC has posted its pay schedule on its website and the Board last approved the pay schedule at its meeting on January 11, 2024

REASON FOR CURRENT ITEM:

The following two titles were added: Foster System Care Coordinator and Operations Coordinator.

The Foster System Care Coordinator is a new position for administrative functions associated with working with counties on memorandum of understanding development and implementation. Some of the activities include collaborating and sharing information with counties, state agencies and other specified entities to identify and coordinate services for youth in foster care and youth served by regional centers, who have experienced severe trauma.

The Operations Coordinator is a new entry level position that will assist with duties as a result of the Administrator's vacant position.

FISCAL IMPACT:

The Foster System Care Coordinator is a new title: the annual salary range is from \$68,710 to 97,699.

The Operations Coordinator is a new title; the annual salary range is from \$55,521 to \$78,295.

RECOMMENDATION:

That the Board approve the salary schedule for RCOC's employee's effective May 13, 2024.

Agenda Item III.D.-2.f.

		Minimum	Midpoint	Maximum
EXECUTIVE DIRECTOR	HR	<b>107.74</b>	<b>125.67</b>	<b>143.61</b>
	BW	8,618.93	10,053.86	11,488.78
	MO	18,674.35	21,783.35	24,892.36
	YR	224,092.16	261,400.24	298,708.32
MEDICAL DIRECTOR PHYSICIAN	HR	<b>74.73</b>	<b>101.22</b>	<b>127.72</b>
	BW	5,978.66	8,097.99	10,217.32
	MO	12,953.77	17,545.65	22,137.53
	YR	155,445.22	210,547.81	265,650.39
CHIEF FINANCIAL OFFICER GENERAL COUNSEL	HR	<b>74.73</b>	<b>91.53</b>	<b>108.34</b>
	BW	5,978.66	7,322.77	8,666.88
	MO	12,953.77	15,866.00	18,778.23
	YR	155,445.22	190,391.99	225,338.76
CONSULTING PHARMACIST DIRECTOR: Case Management, Community Services, Clinical, Finance, HR, IT Services and Supports	HR	<b>63.52</b>	<b>74.82</b>	<b>86.13</b>
	BW	5,081.71	5,985.99	6,890.28
	MO	11,010.37	12,969.65	14,928.94
	YR	132,124.47	155,635.85	179,147.23
MANAGER, AREA ASSOCIATE DIRECTOR: Finance, Housing, IT, Risk Management	HR	<b>47.63</b>	<b>58.69</b>	<b>69.75</b>
	BW	3,810.36	4,695.25	5,580.13
	MO	8,255.78	10,173.03	12,090.29
	YR	99,069.30	122,076.40	145,083.50
PSYCHOLOGIST MANAGER: Nursing	HR	<b>44.34</b>	<b>54.63</b>	<b>64.93</b>
	BW	3,547.17	4,370.77	5,194.36
	MO	7,685.54	9,470.00	11,254.46
	YR	92,226.53	113,640.00	135,053.46
THERAPIST: Occupational, Physical Speech NURSE CONSULTANT	HR	<b>44.34</b>	<b>52.23</b>	<b>60.12</b>
	BW	3,547.17	4,178.39	4,809.60
	MO	7,685.54	9,053.17	10,420.79
	YR	92,226.53	108,638.02	125,049.50
CHIEF COUNSELOR, ADMINISTRATOR MANAGER: Custodian of Records, Employment Fair Hearings, HR, Network, Organizational Devt. Risk, Safety Net	HR	<b>38.58</b>	<b>46.46</b>	<b>54.35</b>
	BW	3,086.04	3,717.19	4,348.35
	MO	6,686.42	8,053.92	9,421.42
	YR	80,236.99	96,646.99	113,056.99
CLERK TO THE BOARD, MANAGER: Family Support/Comm. Outreach COORDINATOR: PCT, Self-Determination SPECIALIST: Federal Programs and Benefits	HR	<b>40.15</b>	<b>46.72</b>	<b>53.29</b>
	BW	3,212.09	3,737.47	4,262.86
	MO	6,959.52	8,097.86	9,236.19
	YR	83,514.23	97,174.26	110,834.30
BCBA Masters	HR	<b>37.98</b>	<b>42.68</b>	<b>47.37</b>
	BW	3,038.19	3,414.08	3,789.97
	MO	6,582.74	7,397.17	8,211.60
	YR	78,992.93	88,766.09	98,539.26
AREA and QA SUPERVISOR, RESOURCE GROUP LEADER, TRAINING PROGRAMMER ANALYST, MANAGER Accounting and IT, ASST. MAN. Fair Hearings	HR	<b>34.07</b>	<b>42.90</b>	<b>51.74</b>
	BW	2,725.27	3,432.27	4,139.27
	MO	5,904.76	7,436.58	8,968.41
	YR	70,857.07	89,239.01	107,620.96
COORDINATOR: Lead Service Federal Programs and Benefits Deaf and Hard of Hearing Coordinator Foster System Care	HR	<b>33.03</b>	<b>39.95</b>	<b>46.97</b>
	BW	2,642.69	3,195.97	3,757.67
	MO	5,725.82	6,924.59	8,141.61
	YR	68,709.89	83,095.14	97,699.35
SERVICE COORDINATOR, HCBS COOR. ACCOUNTANT, ACCOUNTING SUP. CULTURAL SPECIALIST/COMM. OUT. EXECUTIVE LIAISON; HR SPECIALIST	HR	<b>32.00</b>	<b>37.16</b>	<b>42.32</b>
	BW	2,560.00	2,972.99	3,385.98
	MO	5,546.67	6,441.48	7,336.30
	YR	66,560.00	77,297.80	88,035.61
ASSOCIATE PROGRAMMER ANALYST COORDINATOR: Emergency, IT, Operations Quality Assurance, Systems	HR	<b>26.69</b>	<b>32.17</b>	<b>37.64</b>
	BW	2,135.42	2,573.39	3,011.36
	MO	4,626.74	5,575.67	6,524.61
	YR	55,520.89	66,908.09	78,295.29
COORDINATOR: Fiscal, SIR, Vendor SPECIALIST: HRG, Intake Community Navigator, PEER ADVOCATE	HR	<b>25.54</b>	<b>28.25</b>	<b>30.96</b>
	BW	2,043.15	2,259.99	2,476.84
	MO	4,426.82	4,896.65	5,366.48
	YR	53,121.85	58,759.79	64,397.73
COORDINATOR: Community Resources, Fair Hearing, Imaging, Operations, Payables Support Services SPECIALIST: IT	HR	<b>23.76</b>	<b>25.76</b>	<b>27.76</b>
	BW	1,900.96	2,060.98	2,221.00
	MO	4,118.76	4,465.46	4,812.16
	YR	49,425.07	53,585.50	57,745.93
TECHNICIAN: Accounting, Area, IT, Intake Scanning, Technical Assistant, Receptionist Account Clerk	HR	<b>19.56</b>	<b>22.37</b>	<b>25.19</b>
	BW	1,564.62	1,789.78	2,014.95
	MO	3,390.01	3,877.86	4,365.72
	YR	40,680.13	46,534.36	52,388.59
OFFICE AIDE	HR	<b>16.00</b>	<b>16.57</b>	<b>17.14</b>
	BW	1,280.00	1,325.70	1,371.40
	MO	2,773.33	2,872.35	2,971.37
	YR	33,280.00	34,468.25	35,656.49

REGIONAL CENTER OF ORANGE COUNTY

BOARD OF DIRECTORS

AGENDA ITEM DETAIL SHEET

---

ACTION   X    
ACTION/CONSENT         
DISCUSSION         
INFO ONLY       

---

DATE: May 2, 2024  
TO: Board of Directors  
FROM: Budget and Finance Committee  
SUBJECT: **Approval of Audited Financial Statements for the Year Ended June 30, 2023**

BACKGROUND:

Audited financial statements are required in California’s Welfare and Institutions Code Section 4639, and Article III, section 8 of RCOC’s contract with the Department of Developmental Services.

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.

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

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

**FINANCIAL STATEMENTS  
JUNE 30, 2023  
(WITH COMPARATIVE TOTALS FOR 2022)**

**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 .....8-26

Supplementary Information:

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* ..... 27-28



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

**INDEPENDENT AUDITORS' REPORT**

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

***Opinion***

We have audited the accompanying financial statements of Regional Center of Orange County, Inc., which comprise the statement of financial position as of June 30, 2023, 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, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

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

***Emphasis of Matter***

As discussed in Note 1, beginning July 1, 2022, the Center adopted Accounting Standards Update No. 2016-02, *Leases (Topic 842)* and its related amendments using the modified-retrospective transition method. Our opinion is not modified with respect to this matter.

***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.

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

***Responsibilities of Management for the Financial Statements (Continued)***

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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

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

***Report on Summarized Comparative Information***

We have previously audited the Center's 2022 financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 1, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

***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 STAMP**  
**Subject to Change**  
**For Management Review Only**

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

**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2023**  
**(WITH COMPARATIVE TOTALS FOR 2022)**

	<b>June 30,</b>	
	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>		
<b>ASSETS</b>		
Cash and cash equivalents	\$ 43,736,121	\$ 33,146,465
Cash – client trust funds	144,074	178,097
Contracts receivable - state of California	-	17,391,305
Receivables from Intermediate Care Facility vendors	4,409,293	8,326,109
Deposits and prepaid expenses	600,199	583,806
Other assets	398,514	440,526
Unbilled reimbursable contract costs receivables - state of California	44,389,698	61,458,292
Operating lease right-of-use asset	18,762,094	-
<b>TOTAL ASSETS</b>	<b>\$ 112,439,993</b>	<b>\$ 121,524,600</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 37,531,272	\$ 58,084,056
Due to state of California	-	52,523
Contract advances - state of California	9,652,838	-
Net assets held for clients	171,668	171,668
Accrued vacation and other leave benefits	4,449,315	4,164,417
Operating lease liability	23,235,450	-
Deferred rent liability	-	4,694,734
Unfunded pension benefit obligations	37,183,632	54,153,683
	112,224,175	121,321,081
<b>COMMITMENTS AND CONTINGENCIES (Note 8)</b>		
<b>NET ASSETS</b>		
Unrestricted	215,818	203,519
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 112,439,993</b>	<b>\$ 121,524,600</b>

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

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

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

**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2023**  
**(WITH COMPARATIVE TOTALS FOR 2022)**

	For the Year Ended June 30,	
	2023	2022
<b>CHANGE IN UNRESTRICTED NET ASSETS</b>		
<b>SUPPORT AND REVENUE</b>		
Contracts – state of California	\$ 549,255,235	\$ 467,520,093
Intermediate Care Facility supplemental services income	7,805,492	8,899,685
Interest income	1,086,645	45,151
Contributions	19,180	35,998
Total Support and Revenue	558,166,552	476,500,927
<b>EXPENSES</b>		
Program services	561,739,987	526,886,404
Management and general	13,977,338	12,396,385
Total Expenses	575,717,325	539,282,789
<b>CHANGE IN NET ASSETS BEFORE CHANGES IN PENSION BENEFIT OBLIGATION</b>	(17,550,773)	(62,781,862)
<b>CHANGE IN PENSION BENEFIT OBLIGATION OTHER THAN PERIODIC BENEFIT COSTS</b>	17,563,072	62,806,003
<b>CHANGE IN NET ASSETS</b>	12,299	24,141
<b>NET ASSETS AT BEGINNING OF YEAR</b>	203,519	179,378
<b>NET ASSETS AT END OF YEAR</b>	\$ 215,818	\$ 203,519

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

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

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

**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2023**  
**(WITH COMPARATIVE TOTALS FOR 2022)**

	For the Year Ended June 30,			
	Program Services	Management and General	2023 Total Expenses	2022 Total Expenses
<b>PURCHASE OF SERVICES</b>				
Community and intermediate care facilities	\$ 168,654,201	\$ -	\$ 168,654,201	\$ 157,418,619
Day training and day program services	93,914,056	-	93,914,056	94,934,129
Transportation services	12,040,207	-	12,040,207	7,047,641
Respite care services	48,056,009	-	48,056,009	42,420,880
Medical care services	11,412,038	-	11,412,038	10,173,310
Nonmedical services	23,937,892	-	23,937,892	18,961,312
Other purchased services	<u>153,592,567</u>	<u>-</u>	<u>153,592,567</u>	<u>146,883,563</u>
Total Purchase of Services	<u>511,606,970</u>	<u>-</u>	<u>511,606,970</u>	<u>477,839,454</u>
<b>OPERATING</b>				
Salaries and related expenses	50,078,347	4,354,639	54,432,986	53,265,108
Office occupancy	-	3,197,929	3,197,929	3,189,480
Data processing	-	2,295,806	2,295,806	1,792,418
Office expenses	-	649,730	649,730	512,575
Communications	-	800,407	800,407	531,189
Other operating expenses	<u>54,670</u>	<u>2,678,827</u>	<u>2,733,497</u>	<u>2,152,565</u>
Total Operating	<u>50,133,017</u>	<u>13,977,338</u>	<u>64,110,355</u>	<u>61,443,335</u>
<b>TOTAL EXPENSES</b>	<u>\$ 561,739,987</u>	<u>\$ 13,977,338</u>	<u>\$ 575,717,325</u>	<u>\$ 539,282,789</u>

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

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

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

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2023  
(WITH SUMMARIZED TOTALS FOR 2022)**

	<b>For the Year Ended June 30,</b>	
	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 12,299	\$ 24,141
Adjustments to reconcile change in net assets to net cash from operating activities:		
Changes in operating assets and liabilities:		
Contracts receivable -state of California	17,391,305	5,879,946
Receivables from Intermediate Care Facility vendors	3,916,816	(1,095,869)
Deposits and prepaid expenses	(16,393)	(10,748)
Other assets	42,012	90,211
Unbilled reimbursable contract costs receivables - state of California	17,068,594	57,289,862
Accounts payable	(20,552,784)	5,882,617
Due from state of California	(52,523)	-
Contract advances - state of California	9,652,838	-
Net assets held for clients	-	(154,685)
Accrued vacation and other leave benefits	284,898	1,627,173
Operating lease right-of-use asset and lease liability	(221,378)	-
Deferred rent liability	-	(125,671)
Unfunded pension benefit obligations	(16,970,051)	(57,236,822)
Net Cash Provided By Operating Activities	<u>10,555,633</u>	<u>12,170,155</u>
<b>NET CHANGE IN CASH, CASH EQUIVALENTS, AND CASH HELD FOR CLIENTS</b>	10,555,633	12,170,155
<b>CASH, CASH EQUIVALENTS, AND CASH HELD FOR CLIENTS AT BEGINNING OF YEAR</b>	<u>33,324,562</u>	<u>21,154,407</u>
<b>CASH, CASH EQUIVALENTS, AND CASH HELD FOR CLIENTS AT END OF YEAR</b>	<u>\$ 43,880,195</u>	<u>\$ 33,324,562</u>
<b>STATEMENT OF FINANCIAL POSITION PRESENTATION</b>		
Cash and cash equivalents	\$ 43,736,121	\$ 33,146,465
Cash held for clients	<u>144,074</u>	<u>178,097</u>
<b>TOTAL CASH, CASH EQUIVALENTS, AND CASH HELD FOR CLIENTS</b>	<u>\$ 43,880,195</u>	<u>\$ 33,324,562</u>

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**  
**(WITH COMPARATIVE TOTALS FOR 2022)**

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

***Purpose and Organization***

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

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

The Center contracts with DDS to operate a regional center for the developmentally disabled, and their families. Under the terms of these contracts, funded expenditures are not to exceed \$716,113,718 for the 2022-2023 contract year. Amounts received from DDS contracts are recognized as revenue when the Center has incurred qualifying expenditures per the DDS contracts. Amounts received prior to incurring qualifying operational expenditures are recorded as contract advances and are included with contracts receivable – state of California and the net receivable or advance amount is reported on the statement of financial position.

As of June 30, 2023, actual net expenditures for the 2022-2023 contract year were \$537,782,849. The remaining amounts on the 2022-2023 contract year where the Center can be reimbursed for qualifying expenditures is approximately \$178,331,000, subject to any future budget amendments.



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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(WITH COMPARATIVE TOTALS FOR 2022)**

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

***State of California Contract***

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

***Basis of Accounting***

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

***Classification of Net Assets***

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

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

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

As of June 30, 2023, and for the year then ended, the Center did not have any net assets with donor restrictions.

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**  
**(WITH COMPARATIVE TOTALS FOR 2022)**

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

***Fair Value of Financial Instruments***

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

***Use of Estimates***

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

***Cash and Cash Equivalents***

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

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

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

***Receivables from Intermediate Care Facility Vendors***

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(WITH COMPARATIVE TOTALS FOR 2022)**

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

***Receivables from Intermediate Care Facility Vendors (Continued)***

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

***State Equipment***

Pursuant to the terms of the contract with DDS, equipment purchases become the property of the state of California and, accordingly, are charged as expenses when incurred. The Center tracks items, which cost more than \$5,000 and have an estimated useful life of more than one year. The aggregate equipment costs for the year ended June 30, 2023, totaled \$2,382,213.

***Leasehold Improvements***

Leasehold improvements are capitalized and are amortized over the shorter of the asset's life or the term of the lease. As of June 30, 2023, leasehold improvements net of amortization were \$366,778 and are included in other assets on the statement of financial position.

***Client Trust Assets and Liabilities***

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**  
**(WITH COMPARATIVE TOTALS FOR 2022)**

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

***Accrued Vacation and Other Leave Benefits***

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

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

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

***Contributions***

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(WITH COMPARATIVE TOTALS FOR 2022)**

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

***Contributions (Continued)***

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

***Income Taxes***

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

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

***Defined Benefit Pension Plan***

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(WITH COMPARATIVE TOTALS FOR 2022)**

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

***Functional Expenses Allocation***

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

***Concentrations of Credit Risk***

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

***Summarized Comparative Financial Information***

The financial statements include certain prior year summarized comparative financial information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Center's financial statements as of June 30, 2022, and for the year then ended, from which the summarized information was derived.

***Leasing Arrangements***

In February 2016, the FASB issued new lease accounting guidance in Accounting Standards Update (ASU) 2016-02 *Leases* (Topic 842) (ASU 2016-02), which modifies lease accounting for lessees to increase transparency and comparability by requiring the Center to recognize a lease liability and related right-of-use assets for all leases (with the exception of short-term leases) at the commencement date of the lease and to disclose key information about leasing arrangements.

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(WITH COMPARATIVE TOTALS FOR 2022)**

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

***Leasing Arrangements (Continued)***

Effective July 1, 2022, the Center adopted ASU 2016-02. The Center determines if an arrangement contains a lease at inception based on whether the Center has the right to control the asset during the contract period and other facts and circumstances. The Center elected the package of practical expedients permitted under the transition guidance within the new standard, which among other things, allowed it to carry forward the historical lease classification.

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.

The Center adopted ASU 2016-02 utilizing the modified-retrospective transition method through a cumulative-effect adjustment. The adoption of ASU 2016-02 resulted in the recognition of right-of-use assets, net of prepaid lease payments and lease incentives, of \$21,120,429 and operating lease liabilities of \$25,815,163, and derecognition of deferred rent of \$4,694,734 as of July 1, 2022. Results for periods beginning prior to June 30, 2022 continue to be reported in accordance with the Center's historical accounting treatment. The adoption of ASU 2016-02 did not have a material impact on the Center's results of operations, cash flows, or debt covenants.

***Deferred Rent***

Prior to 2016-02, the Center accounted for leases under Accounting Standards Codification 840, *Leases*. The deferred rent liability of \$4,694,734 at June 30, 2022, represents the accumulated difference between the cash payments made and the amount expensed since inception of the lease. DDS reimburses the Center for rent cost after it is paid. Therefore, deferred rent is recognized on the statement of financial position as part of the unbilled reimbursable contract costs receivables - state of California.

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**  
**(WITH COMPARATIVE TOTALS FOR 2022)**

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

***Recently Issued Accounting Pronouncements***

In June 2016, FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326: Measurement of Credit Losses on Financial Instruments)*. The standards' main goal is to improve financial reporting by requiring earlier recognition of credit losses on financing receivables and other financial assets in scope. The standard is effective for fiscal years beginning after December 31, 2022. Early adoption is permitted. Management is evaluating the impact of this guidance.

***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, 2023, and determined there are no other items to disclose.

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

The Center acts as fiduciary for the client support funds received directly on behalf of clients from certain governmental agencies. At June 30, 2023, \$144,074 were held on behalf of clients by the Center for such purchase of services. These cash balances are segregated from the operating cash accounts of the Center and are restricted for consumer support. Since the Center is acting as an agent in processing these transactions, no revenue or expense is reflected on the accompanying statement of activities. The following is a summary of operating activity not reported in the statement of activities for the year ended June 30, 2023:

Support:	
Social Security and other client support	<u>\$ 457,700</u>
Disbursements:	
Living out of home	\$ 218,383
Other disbursements	<u>239,317</u>
	<u>\$ 457,700</u>



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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**  
**(WITH COMPARATIVE TOTALS FOR 2022)**

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

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

As of June 30, 2023, the DDS had advanced the Center \$172,687,624 under the regional center contracts. For financial statement presentation, to the extent there are claims receivable, these advances have been offset against the claims receivable from the DDS contracts as follows:

Contracts receivable	\$ 163,034,785
Contract advances	<u>(172,687,624)</u>
Net contract advances	<u>\$ (9,652,839)</u>

The Center has renewed its contract with the state for the fiscal year ending June 30, 2024. This contract provides for initial funding of \$673,754,897.

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

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

Unbilled reimbursable contract costs receivables as of June 30, 2023, consist of the following:

Unfunded defined benefit plan obligations	\$ 37,183,632
Deferred costs for rent liability	4,473,357
Deferred costs for accrued vacation and other leave benefits	<u>2,732,710</u>
Total	<u>\$ 44,389,698</u>

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**  
**(WITH COMPARATIVE TOTALS FOR 2022)**

**NOTE 4 – Intermediate Care Facilities – State Plan Amendment**

The receivable from ICFs in the amount of \$4,409,293 represents the amount owed to the Center based for day and related transportation services. Revenue from ICFs for the year ended June 30, 2023, was \$7,805,492.

**NOTE 5 – Line of Credit**

The Center established a revolving line of credit with a financial institution for \$44,500,000. The line of credit matured on September 30, 2023 and was secured by substantially all assets of the Center with interest due monthly at the bank's reference rate (8.50% at June 30, 2023). As of June 30, 2023, 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 California. Substantially all of the Center's employees participate in CalPERS.

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**  
**(WITH COMPARATIVE TOTALS FOR 2022)**

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

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

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

Net periodic benefit cost consists of the following components:

Service cost	\$ 8,745,751
Interest cost	8,223,431
Expected return on plan assets	(8,530,097)
Amortization of prior service cost	16,969
Recognized net actuarial gain	<u>(365,979)</u>
Net periodic benefit cost	<u>\$ 8,090,075</u>

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

Pension benefit changes other than net periodic benefit costs during the year ended June 30, 2023, are as follows:

Assumption gain	\$ (18,585,750)
Experience gain	(356,182)
Recognized net actuarial loss	1,029,850
Investment experience	<u>349,010</u>
Changes Other than Net Periodic Benefit Costs	<u>\$ 17,563,072</u>

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**  
**(WITH COMPARATIVE TOTALS FOR 2022)**

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

Benefit obligation and unfunded status as of June 30, 2023, are as follows:

Benefit obligation	\$ 172,058,237
Market value of assets	<u>(134,874,605)</u>
Unfunded Pension Benefit Obligation	<u>\$ 37,183,632</u>

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

***Reconciliation of Benefit Obligations***

Change in benefit obligations	
Obligations at beginning of year	\$ 177,882,411
Service cost	8,745,751
Interest cost	8,223,431
Experience gain	(356,182)
Assumptions gain	(18,367,867)
Benefits and expenses paid	<u>(4,069,307)</u>
Obligations at end of year	<u>\$ 172,058,237</u>

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

Fair value of plan assets at beginning of year	\$ 123,728,728
Actual return on plan assets	7,718,130
Total contributions	7,497,054
Benefits and expenses paid	<u>(4,069,307)</u>
Fair value of plan assets at end of year	<u>134,874,605</u>
Net amount recognized in the statements of financial position	<u>\$ (37,183,632)</u>

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**  
**(WITH COMPARATIVE TOTALS FOR 2022)**

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

The discount rate was derived from the Above Median FTSE Pension Discount Curve as of June 30, 2023, 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 5.24%. Below is a comparison of the effect on the benefit obligation with a 1% change in the discount rate:

Increase of 1% (6.24%)	\$ 10,166,830
Current discount rate (5.24%)	\$ 37,183,632
Decrease of 1% (4.24%)	\$ 72,549,642

The assumptions used in the measurement of the benefit obligations at June 30, 2023, are as follows:

Discount Rate	5.24%
Long-term rate of return	6.80%
Salary Scale (annual increase)	4.00%
Maximum benefit and annual compensation limit increases	2.50%

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

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**  
**(WITH COMPARATIVE TOTALS FOR 2022)**

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

The actual allocations for the pension assets and target allocations by asset class as of June 30, 2023, are as follows:

<u>Asset Class</u>	<u>Current Allocation</u>	<u>Target Allocation</u>
Global Equity	45.1 %	48.8 %
Private Equity	12.9	10.0
Global Fixed Income	26.4	27.4
Real Assets	15.2	13.8
Other	0.4	0.0
	100.0 %	100.0 %

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

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

**Level 2**            Inputs to the valuation methodology include

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**  
**(WITH COMPARATIVE TOTALS FOR 2022)**

**NOTE 6 – Defined Benefit Pension Plan (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 \$134,874,605 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:

<b>For the Year Ended June 30,</b>	
2024	\$ 4,376,106
2025	4,789,543
2026	5,228,207
2027	5,614,359
2028	6,205,692
2029-2033	<u>39,212,185</u>
	<u>\$ 65,426,092</u>

**NOTE 7 – Leasing Arrangements**

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**  
**(WITH COMPARATIVE TOTALS FOR 2022)**

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

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

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

	<b>For the Year Ended</b>	
	<b>June 30,</b>	
	<b>2023</b>	<b>2022</b>
Operating lease costs	\$ 3,064,622	\$ 3,064,622
Variable lease costs	<u>592,463</u>	<u>480,716</u>
	<u><b>\$ 3,657,085</b></u>	<u><b>\$ 3,545,338</b></u>

The following table summarizes the supplemental cash flow information for the year ended June 30, 2023:

Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	\$ 3,285,995
Right-of-use assets obtained in exchange for lease liabilities:	
Operating leases obtained from adoption of ASC 842	\$ 21,120,429

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

Weighted-average remaining lease term - operating leases	7.17 years
Weighted-average discount rate - operating leases	2.90%



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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**  
**(WITH COMPARATIVE TOTALS FOR 2022)**

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

The maturities of operating lease liabilities as of June 30, 2023 are as follows:

<u>Year Ending</u> <u>June 30,</u>	
2024	\$ 3,384,578
2025	3,486,116
2026	3,590,699
2027	3,698,420
2028	3,238,846
Thereafter	<u>8,400,390</u>
Total minimum lease payments	25,799,049
Less amount representing interest	<u>(2,563,599)</u>
Present value of minimum lease payments	<u>\$ 23,235,450</u>

**NOTE 8 – Commitments and Contingencies**

***Commitments***

In accordance with the terms of the contract with DDS, an audit may be performed by an authorized DDS representative. Should such audit disclose any unallowable costs, the Center may be liable to DDS for reimbursement of such costs. In the opinion of the Center's management, the effect of any disallowed costs would be immaterial to the financial statements at June 30, 2023, and for the year then ended.

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

The Center has elected to self-insure its unemployment insurance using the prorated cost-of-benefits method. Under this method, the Center is required to reimburse DDS for benefits paid to certain former employees. The Center had \$838,391 in a reserve cash account to pay for any potential unemployment claims at June 30, 2023.

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**  
**(WITH COMPARATIVE TOTALS FOR 2022)**

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

***Legal Proceedings***

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

**NOTE 9 – Financial Assets and Liquidity Resources**

As of June 30, 2023, financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, were as follows:

Financial Assets:

Cash and cash equivalents	\$ 43,736,121
Receivable from Intermediate Care Facility vendors	<u>4,409,293</u>
Total financial assets available within one year	<u>\$ 48,145,414</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.

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

**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, 2023, 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].

**Reporting 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 audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

**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]

REGIONAL CENTER OF ORANGE COUNTY

BOARD OF DIRECTORS

AGENDA ITEM DETAIL SHEET

---

ACTION \_\_\_\_\_  
ACTION/CONSENT \_\_\_\_\_  
DISCUSSION \_\_\_\_\_  
INFO ONLY   X   \_\_\_\_\_

---

DATE: May 2, 2024

TO: Board of Directors

FROM: Budget and Finance Committee

SUBJECT: **Review of the Department of Developmental Services' (DDS') Audit Report for the Fiscal Years Ended June 30, 2022 and June 30, 2023**

BACKGROUND:

The Department of Developmental Services (DDS) conducted an audit under the authority of the Welfare and Institutions Code, Section 4780.5.

REASON FOR CURRENT ITEM:

The Board reviews RCOC's compliance with federal and state requirements.

FISCAL IMPACT:

None.

RECOMMENDATION:

This is an information item for the Board's review.

Agenda Item III.D.-2.h.



NANCY BARGMANN  
DIRECTOR

State of California—Health and Human Services Agency  
**Department of Developmental Services**  
1215 O Street, Sacramento, CA 95814  
[www.dds.ca.gov](http://www.dds.ca.gov)



GAVIN NEWSOM  
GOVERNOR

March 12, 2024

John “Chip” Wright, Board Chairperson  
Regional Center of Orange County, Inc.  
P.O. Box 22010  
Santa Ana, CA 92702-2010

Dear Mr. Wright:

The Department of Developmental Services’ (DDS) Audit Section has completed the audit of the Regional Center of Orange County (RCOC). The period of review was from July 1, 2021 through June 30, 2023, with follow-up as needed into prior and subsequent periods. The enclosed report discusses the areas reviewed along with the finding and recommendation. The audit report includes the response submitted by RCOC as Appendix B and DDS’ reply on page 5.

The cooperation of RCOC’s staff in completing the audit is appreciated. We would like to thank RCOC for resolving the single finding in the draft report timely once identified, prior to the issuance of this final report.

If you have any questions regarding the audit report, please contact Edward Yan, Manager, Audit Section, at (916) 651-8207.

Sincerely,

DocuSigned by:  
  
38BD4A5930324CE...  
PETE CERVINKA  
Chief Deputy Director  
Data Analytics and Strategy

John "Chip" Wright, Board Chairperson  
March 12, 2024  
Page two

Enclosure(s)

cc: Larry Landauer, RCOC  
Marta Vasquez, RCOC  
Bob Sands, DHCS  
Carla Castañeda, DDS  
Brian Winfield, DDS  
Hiren Patel, DDS  
Jim Knight, DDS  
Ernie Cruz, DDS  
Ann Nakamura, DDS  
Christine Bagley, DDS  
Edward Yan, DDS  
Luciah Ellen Nzima, DDS  
Dong Le, DDS

**California Code of Regulations**  
**Title 17, Division 2**  
**Chapter 1 - General Provisions**  
**Subchapter 7 - Fiscal Audit Appeals**  
**Article 2 - Administrative Review**

**§50730.** Request for Administrative Review.

a) An individual, entity, or organization which disagrees with any portion or aspect of an audit report issued by the Department or regional center may request an administrative review. The appellant's written request shall be submitted to the Department within 30 days after the receipt of the audit report. The request may be amended at any time during the 30-day period.

(b) If the appellant does not submit the written request within the 30-day period, the appeals review officer shall deny such request, and all audit exceptions or findings in the report shall be deemed final unless the appellant establishes good cause for late filing.

(c) The request shall be known as a "Statement of Disputed Issues." It shall be in writing, signed by the appellant or his/her authorized agent, and shall state the address of the appellant and of the agent, if any agent has been designated. An appellant shall specify the name and address of the individual authorized on behalf of the appellant to receive any and all documents, including the final decision of the Director, relating to proceedings conducted pursuant to this subchapter. The Statement of Disputed Issues need not be formal, but it shall be both complete and specific as to each audit exception or finding being protested. In addition, it shall set forth all of the appellant's contentions as to those exceptions or findings, and the estimated dollar amount of each exception or finding being appealed.

(d) If the appeals review officer determines that a Statement of Disputed Issues fails to state the grounds upon which objections to the audit report are based, with sufficient completeness and specificity for full resolution of the issues presented, he/she shall notify the appellant, in writing, that it does not comply with the requirements of this subchapter.

(e) The appellant has 15 days after the date of mailing of such notice within which to file an amended Statement of Disputed Issues. If the appellant does not amend his/her appeal to correct the stated deficiencies within the time permitted, all audit exceptions or findings affected shall be dismissed from the appeal, unless good cause is shown for the noncompliance.

(f) The appellant shall attach to the Statement of Disputed Issues all documents which he/she intends to introduce into evidence in support of stated contentions. An appellant that is unable to locate, prepare, or compile such documents within the appeal period specified in Subsection (a) above, shall include a statement to this effect in the Statement of Disputed Issues. The appellant shall have an additional 30 days after the expiration of the initial 30-day period in which to submit the documents. Documents that are not submitted within this period shall not be accepted into evidence at any stage of the appeal process unless good cause is shown for the failure to present the documents within the prescribed period.





NANCY BARGMANN  
DIRECTOR

State of California—Health and Human Services Agency  
**Department of Developmental Services**

1215 O Street, Sacramento, CA 95814

[www.dds.ca.gov](http://www.dds.ca.gov)



GAVIN NEWSOM  
GOVERNOR

# AUDIT OF THE REGIONAL CENTER OF ORANGE COUNTY FOR FISCAL YEARS 2021-22 AND 2022-23

March 12, 2024

---

## DDS TEAM

Pete Cervinka, Chief Deputy Director, Data Analytics and Strategy  
Ann Nakamura, Branch Chief, Research, Audit, and Evaluation Branch  
Edward Yan, Manager, Audit Section  
Luciah Ellen Nzima, Chief, Regional Center Audit Unit  
Dong Le, Supervisor, Regional Center Audit Unit  
Audit Staff: Rajiv Raman, Ikechukwu Uche, and Shoua Vue

# TABLE OF CONTENTS

	Page
RESTRICTED USE .....	1
EXECUTIVE SUMMARY.....	1
BACKGROUND .....	2
AUTHORITY .....	2
CRITERIA .....	2
VIEWS OF RESPONSIBLE OFFICIALS .....	3
CONCLUSIONS .....	3
FINDING AND RECOMMENDATION .....	4
EVALUATION OF RESPONSE.....	5
ATTACHMENT .....	A
SECTIONS AUDITED .....	Appendix A
REGIONAL CENTER'S RESPONSE .....	Appendix B

## **RESTRICTED USE**

This audit report is solely for the information and use of DDS, CMS, Department of Health Care Services, and the regional center. This restriction does not limit distribution of this audit report, which is a matter of public record.

## **EXECUTIVE SUMMARY**

The Department of Developmental Services (DDS) conducted a fiscal compliance audit of Regional Center of Orange County (RCOC) to assess compliance with the requirements set forth in the Lanterman Developmental Disabilities Services Act and Related Laws/Welfare and Institutions (W&I) Code; the Home and Community-based Services (HCBS) Waiver for the Developmentally Disabled; California Code of Regulations (CCR), Title 17; Federal Office of Management and Budget (OMB) Circulars A-122 and A-133; and the contract with DDS. Overall, the audit indicated that the regional center maintains accounting records and supporting documentation for transactions in an organized manner.

The audit period was July 1, 2021, through June 30, 2023, with follow-up, as needed, into prior and subsequent periods. This report identifies an area where the regional center's administrative and operational controls could be strengthened, but the finding was not of a nature that would indicate systemic issues or constitute major concerns regarding the regional center's operations.

A follow-up review was performed to determine whether the regional center has taken corrective action to resolve the findings identified in the prior DDS audit reports. The results of the follow-up can be found in the Conclusions section.

### **Finding that has been addressed:**

Finding 1: Overstated Claims – RCOC overstated claims totaling \$33,359.76 to 10 vendors. RCOC has since recovered the overstated claims. Therefore, this issue is considered resolved.

## **BACKGROUND**

DDS and Regional Center of Orange County, Inc. entered into State Contract HD199014, effective July 1, 2019, through June 30, 2026. This contract specifies that Regional Center of Orange County, Inc. will operate an agency known as RCOC to provide services to individuals with DD and their families. The contract is funded by state and federal funds that are dependent upon the regional center performing certain tasks, providing services to eligible consumers, and submitting billings to DDS.

This audit was conducted from October 2, 2023, through November 16, 2023, by the Audit Section of DDS.

## **AUTHORITY**

The audit was conducted under the authority of the W&I Code, Section 4780.5 and the State Contract between DDS and the regional center.

## **CRITERIA**

The following criteria were used for this audit:

- W&I Code,
- “Approved Application for the HCBS Waiver for the Developmentally Disabled,”
- CCR, Title 17,
- OMB Circulars A-122 and A-133, and
- The State Contract between DDS and the regional center, effective July 1, 2019.

## **VIEWS OF RESPONSIBLE OFFICIALS**

DDS issued the draft audit report on January 31, 2024. The finding in the draft audit report was discussed at a formal exit conference on February 5, 2024. The views of responsible officials are included in this final audit report.

## **CONCLUSIONS**

Based upon the audit procedures performed, DDS has determined that the regional center was in compliance with applicable audit criteria.

The costs claimed during the audit period were for program purposes and adequately supported.

From our review of the two prior audit findings, it has been determined that the regional center has taken appropriate corrective action to resolve both findings.

## FINDING AND RECOMMENDATION

**Finding that has been addressed.**

**Finding 1: Overstated Claims**

The review of the Operational Indicator Reports revealed 10 instances in which RCOC overpaid 10 vendors a total of \$33,359.76 due to duplicate payments or overlapping authorizations. RCOC indicated this occurred due to a lack of oversight on its part when its staff did not identify the erroneous payments during the review of the Operational Indicator Reports. RCOC has since recovered this full amount. (See Attachment A)

CCR, Title 17, Section 57300(c)(2) states:

“(c) Regional Centers shall not reimburse vendors:

- (2) For services in an amount greater than the rate established pursuant to these regulations.”

**Recommendation:**

RCOC should ensure its staff accurately reviews all Operational Indicator Reports and promptly correct all erroneous payments that may have occurred while conducting business with its vendors.

## EVALUATION OF RESPONSE

---

As part of the audit report process, the regional center was provided with a draft audit report and requested to provide a response to the finding. Its response is provided as Appendix B. DDS' Audit Section has evaluated the response and will confirm the appropriate corrective actions have been taken during the next scheduled audit, unless otherwise described.

**Finding 1: Overstated Claims**

RCOC provided documentation with its response indicating that it recovered the remainder of outstanding overstated claims totaling \$4,257.58 from the vendor on February 29, 2024. Therefore, this issue is considered resolved.

**Regional Center of Orange County  
Overstated Claims  
Fiscal Years 2021-22 and 2022-23**

<b>No.</b>	<b>Vendor Number</b>	<b>Unique Client Identification Number</b>	<b>Service Code</b>	<b>Authorization Number</b>	<b>Payment Period</b>	<b>Overpayment</b>	<b>Corrected</b>
1	HM0882	5364914	515	22809836	10/1/2021	\$1,594.67	\$1,594.67
2	HM0996	6880246	862	23851768	10/1/2022	\$3,732.75	\$3,732.75
3	HM1052	6872962	854	22777690	10/1/2021	\$4,257.58	\$4,257.58
4	HM1244	5418082	862	22665865	7/1/2021	\$597.36	\$597.36
5	HM1433	7580806	862	23836952	12/1/2021	\$6,569.95	\$6,569.95
6	PM0590	7512916	896	22776370	10/1/2021	\$7,785.65	\$7,785.65
7	PM0939	5371786	109	22771381	8/1/2021	\$1,867.80	\$1,867.80
8	PM1674	1948090	63	23842028	8/1/2022	\$1,500.00	\$1,500.00
9	PM2455	6808234	109	23837819	9/1/2022	\$3,636.00	\$3,636.00
10	PM3022	6816269	109	23836569	12/1/2021	\$1,818.00	\$1,818.00
<b>Total Overstated Claims</b>						<b>\$33,359.76</b>	<b>\$33,359.76</b>



## APPENDIX A

### SCOPE, OBJECTIVES, AND METHODOLOGY

DDS is responsible, under the W&I Code, for ensuring that persons with intellectual and developmental disabilities receive the services and supports they need to lead more independent, productive, and integrated lives. To secure these services and supports, DDS contracts with 21 private, nonprofit community agencies/corporations that provide fixed points of contact in the community for serving eligible individuals and their families in California. These fixed points of contact are referred to as regional centers. The regional centers are responsible under State law to help ensure that such persons receive access to the programs and services that are best suited to them throughout their lifetime.

DDS also is responsible for providing assurance to the federal Department of Health and Human Services, Centers for Medicare, and Medicaid Services (CMS), that services billed under California's HCBS Waiver program are provided and that criteria set forth for receiving funds have been met. As part of providing this assurance, the Audit Section conducts fiscal compliance audits of each regional center no less than every two years and completes follow-up reviews in alternate years.

In addition to the fiscal compliance audit, each regional center also is monitored by the DDS Federal Programs Operations Section to assess overall programmatic compliance with HCBS Waiver requirements. The HCBS Waiver compliance monitoring review has its own criteria and processes. These audits and program reviews are an essential part of an overall DDS monitoring system that provides information on the regional centers' fiscal, administrative, and program operations.

This audit was conducted as part of the overall DDS monitoring system that provides information on the regional centers' fiscal, administrative, and program operations. The objectives of this audit were:

- To determine compliance with the W&I Code,
- To determine compliance with the provisions of the HCBS Waiver Program for the Developmentally Disabled,
- To determine compliance with CCR, Title 17 regulations,
- To determine compliance with OMB Circulars A-122 and A-133, and
- To determine that costs claimed were in compliance with the provisions of the State Contract between DDS and the regional center.

The audit was conducted in accordance with the Generally Accepted Government Auditing Standards issued by the Comptroller General of the United States. However, the procedures do not constitute an audit of the regional center's financial statements. DDS limited the scope to planning and performing audit procedures necessary to obtain reasonable assurance that the regional center was in compliance with the objectives identified above.

DDS' review of the regional center's internal control structure was conducted to gain an understanding of the transaction flow and the policies and procedures, as necessary, to develop appropriate auditing procedures.

DDS reviewed available annual audit report(s) that were conducted by an independent CPA firm. This review was performed to determine the impact, if any, upon the DDS audit and, as necessary, develop appropriate audit procedures.

The audit procedures performed included the following:

**I. Purchase of Service**

DDS selected a sample of Purchase of Service (POS) claims billed to DDS. The sample included consumer services and vendor rates. The sample also included consumers who were eligible for the HCBS Waiver Program. For POS claims, the following procedures were performed:

- DDS tested the sample items to determine if the payments made to service providers were properly claimed and could be supported by appropriate documentation.
- DDS selected a sample of invoices for service providers with daily and hourly rates, standard monthly rates, and mileage rates to determine if supporting attendance documentation was maintained by the regional center. The rates charged for the services provided to individual consumers were reviewed to ensure compliance with the provision of the W&I Code; the HCBS Waiver for the Developmentally Disabled; CCR, Title 17, OMB Circulars A-122 and A-133; and the State Contract between DDS and the regional center.
- If applicable to this audit, DDS selected a sample of individual Consumer Trust Accounts to determine if there were any unusual activities and whether any account balances exceeded \$2,000, as prohibited by the Social Security Administration. In addition, DDS determined if any retroactive Social Security benefit payments received exceeded the \$2,000 resource limit for longer than nine months. DDS also reviewed these accounts to ensure that the interest earnings were distributed quarterly, personal and incidental funds were paid before the 10th of each month, and proper documentation for expenditures was maintained.
- If applicable to this audit, the Client Trust Holding Account, an account used to hold unidentified consumer trust funds, was tested to determine whether funds received were properly identified to a consumer or returned to the Social Security Administration in a timely manner. An interview with the regional center staff revealed that the regional center has procedures in place to determine the correct recipient of unidentified consumer trust

funds. If the correct recipient cannot be determined, the funds are returned to the Social Security Administration or other sources in a timely manner.

- If applicable to this audit, DDS selected a sample of Uniform Fiscal Systems (UFS) reconciliations to determine if any accounts were out of balance or if there were any outstanding items that were not reconciled.
- DDS analyzed all bank accounts to determine whether DDS had signatory authority, as required by the State Contract with DDS.
- DDS selected a sample of bank reconciliations for Operations (OPS) accounts and Consumer Trust bank accounts to determine if the reconciliations were properly completed on a monthly basis.

## **II. Regional Center Operations**

DDS selected a sample of OPS claims billed to DDS to determine compliance with the State Contract. The sample included various expenditures claimed for administration that were reviewed to assure that accounting staff properly input data, transactions were recorded on a timely basis, and expenditures charged to various operating areas were valid and reasonable. The following procedures were performed:

- A sample of the personnel files, timesheets, payroll ledgers, and other support documents were selected to determine if there were any overpayments or errors in the payroll or the payroll deductions.
- A sample of OPS expenses, including, but not limited to, purchases of office supplies, consultant contracts, insurance expenses, and lease agreements were tested to determine compliance with CCR, Title 17, and the State Contract.
- A sample of equipment was selected and physically inspected to determine compliance with requirements of the State Contract.
- DDS reviewed the regional center's policies and procedures for compliance with the DDS Conflict of Interest regulations, and DDS selected a sample of personnel files to determine if the policies and procedures were followed.

### **III. Targeted Case Management (TCM) and Regional Center Rate Study**

The TCM Rate Study determines the DDS rate of reimbursement from the federal government. The following procedures were performed upon the study:

- DDS examined the two TCM Rate Studies submitted to DDS during the audit period and traced the reported information to source documents.
- A review of the recent Case Management Time Study (required to be submitted every three years) is conducted if the study was not reviewed during the prior audit. DDS selected a sample of the Case Management Time Study Forms (DS 1916) for examination and reconciled them to the corresponding payroll timesheets to ensure that the forms were properly completed and supported.

### **IV. Service Coordinator Caseload Survey**

Under the W&I Code, Section 4640.6(e), regional centers are required to provide service coordinator caseload data to DDS. The following average service coordinator-to-consumer ratios apply per W&I Code Section 4640.6(c)(1)(2)(3)(A)(B)(C):

“(c) Contracts between the department and regional centers shall require regional centers to have service coordinator-to-consumer ratios, as follows:

- (1) An average service coordinator-to-consumer ratio of 1 to 62 for all consumers who have not moved from the developmental centers to the community since April 14, 1993. In no case shall a service coordinator for these consumers have an assigned caseload in excess of 79 consumers for more than 60 days.
- (2) An average service coordinator-to-consumer ratio of 1 to 45 for all consumers who have moved from a developmental center to the community since April 14, 1993. In no case shall a service coordinator for these consumers have an assigned caseload in excess of 59 consumers for more than 60 days.
- (3) The following coordinator-to-consumer ratios shall apply:
  - (A) All consumers enrolled in the Home and Community-based Services Waiver program for persons with developmental disabilities, an average service coordinator-to-consumer ratio of 1 to 62.

- (B) All consumers who have moved from a developmental center to the community since April 14, 1993, and have lived continuously in the community for at least 12 months, an average service coordinator-to-consumer ratio of 1 to 62.
- (C) All consumers who have not moved from the developmental centers to the community since April 14, 1993, and who are not described in subparagraph (A), an average service coordinator-to-consumer ratio of 1 to 66.
- (4) Notwithstanding paragraphs (1) to (3), inclusive, an average service coordinator-to-consumer ratio of 1 to 40 for all consumers five years of age and younger.
- (5) (A) Notwithstanding paragraphs (1) to (3), inclusive, enhanced service coordination, including a service coordinator-to-consumer ratio of 1 to 40, shall be available to consumers identified as having low or no purchase-of-service expenditures, as identified in the annual Budget Act.
- (6) (A) Notwithstanding paragraphs (1) to (3), inclusive, an average service coordinator-to-consumer ratio of 1 to 25 for all consumers with complex needs.
- (7) For purposes of paragraph (3), service coordinators may have a mixed caseload of consumers three years of age and younger, consumers enrolled in the Home and Community-based Services Waiver program for persons with developmental disabilities, and other consumers if the overall average caseload is weighted proportionately to ensure that overall regional center average service coordinator-to-consumer ratios as specified in paragraph (3) are met. For purposes of paragraph (3), in no case shall a service coordinator have an assigned caseload in excess of 84 for more than 60 days.”

DDS also reviewed the Service Coordinator Caseload Survey methodology used in calculating the caseload ratios to determine reasonableness and that supporting documentation is maintained to support the survey and the ratios as required by W&I Code, Section 4640.6(e).

**V. Early Intervention Program (EIP; Part C Funding)**

For the EIP, there are several sections contained in the Early Start Plan. However, only the Part C section was applicable for this review.

## **VI. Family Cost Participation Program (FCPP)**

The FCPP was created for the purpose of assessing consumer costs to parents based on income level and dependents. The family cost participation assessments are only applied to respite, day care, and camping services that are included in the child's Individual Program Plan (IPP)/Individualized Family Services Plan (IFSP). To determine whether the regional center was in compliance with CCR, Title 17, and the W&I Code, Section 4783, DDS performed the following procedures during the audit review:

- Reviewed the list of consumers who received respite, day care, and camping services, for ages 0 through 17 years who live with their parents and are not Medi-Cal eligible, to determine their contribution for the FCPP.
- Reviewed the parents' income documentation to verify their level of participation based on the FCPP Schedule.
- Reviewed copies of the notification letters to verify that the parents were notified of their assessed cost participation within 10 working days of receipt of the parents' income documentation.
- Reviewed vendor payments to verify that the regional center was paying for only its assessed share of cost.

## **VII. Annual Family Program Fee (AFPF)**

The AFPF was created for the purpose of assessing an annual fee of up to \$200 based on the income level of families with children between the ages of 0 through 17 years receiving qualifying services through the regional center. The AFPF fee shall not be assessed or collected if the child receives only respite, day care, or camping services from the regional center and a cost for participation was assessed to the parents under FCPP. To determine compliance with the W&I Code, Section 4785, DDS requested a list of AFPF assessments and verified the following:

- The adjusted gross family income is at or above 400 percent of the federal poverty level based upon family size.
- The child has a DD or is eligible for services under the California Early Intervention Services Act.
- The child is less than 18 years of age and lives with his or her parent.
- The child or family receives services beyond eligibility determination, needs assessment, and service coordination.

- The child does not receive services through the Medi-Cal program.
- Documentation was maintained by the regional center to support reduced assessments.

**VIII. Parental Fee Program (PFP)**

The PFP was created for the purpose of prescribing financial responsibility to parents of children under the age of 18 years who are receiving 24-hour, out-of-home care services through a regional center or who are residents of a state hospital or on leave from a state hospital. Parents shall be required to pay a fee depending upon their ability to pay, but not to exceed (1) the cost of caring for a child without DD at home, as determined by the Director of DDS, or (2) the cost of services provided, whichever is less. To determine compliance with the W&I Code Section 4784, DDS requested a list of PFP assessments and verified the following:

- Identified all children with DD who are receiving the following services:
  - (a) All 24-hour, out-of-home community care received through a regional center for children under the age of 18 years;
  - (b) 24-hour care for such minor children in state hospitals;
  - (c) provided, however, that no ability to pay determination may be made for services required by state or federal law, or both, to be provided to children without charge to their parents.
- Provided DDS with a listing of new placements, terminated cases, and client deaths for those clients. Such listings must be provided not later than the 20th day of the month following the month of such occurrence.
- Informed parents of children who will be receiving services that DDS is required to determine parents' ability to pay and to assess, bill, and collect parental fees.
- Provided parents a package containing an informational letter, a Family Financial Statement (FFS), and a return envelope within 10 working days after placement of a minor child.
- Provided DDS a copy of each informational letter given or sent to parents, indicating the addressee and the date given or mailed.

## **IX. Procurement**

The Request for Proposal (RFP) process was implemented so that regional centers outline the vendor selection process when using the RFP process to address consumer service needs. As of January 1, 2011, DDS requires regional centers to document their contracting practices, as well as how particular vendors are selected to provide consumer services. By implementing a procurement process, regional centers will ensure that the most cost-effective service providers, amongst comparable service providers, are selected, as required by the Lanterman Act and the State Contract. To determine whether the regional center implemented the required RFP process, DDS performed the following procedures during the audit review:

- Reviewed the regional center's contracting process to ensure the existence of a Board-approved procurement policy and to verify that the RFP process ensures competitive bidding, as required by Article II of the State Contract, as amended.
- Reviewed the RFP contracting policy to determine whether the protocols in place included applicable dollar thresholds and comply with Article II of the State Contract, as amended.
- Reviewed the RFP notification process to verify that it is open to the public and clearly communicated to all vendors. All submitted proposals are evaluated by a team of individuals to determine whether proposals are properly documented, recorded, and authorized by appropriate officials at the regional center. The process was reviewed to ensure that the vendor selection process is transparent and impartial and avoids the appearance of favoritism. Additionally, DDS verified that supporting documentation is retained for the selection process and, in instances where a vendor with a higher bid is selected, written documentation is retained as justification for such a selection.

DDS performed the following procedures to determine compliance with the State Contract:

- Selected a sample of Operations, Community Placement Plan (CPP), and negotiated POS contracts subject to competitive bidding to ensure the regional center notified the vendor community and the public of contracting opportunities available.
- Reviewed the contracts to ensure that the regional center has adequate and detailed documentation for the selection and evaluation process of vendor proposals and written justification for final vendor selection decisions and that those contracts were properly signed and executed by both parties to the contract.



In addition, DDS performed the following procedures:

- To determine compliance with the W&I Code, Section 4625.5: Reviewed to verify that the regional center has a written policy requiring the Board to review and approve any of its contracts of two hundred fifty thousand dollars (\$250,000) or more before entering into a contract with the vendor.
- Reviewed the regional center Board-approved Operations, Start-Up, and POS vendor contracts of \$250,000 or more, to verify that the inclusion of a provision for fair and equitable recoupment of funds for vendors that cease to provide services to consumers; verified that the funds provided were specifically used to establish new or additional services to consumers, the usage of funds is of direct benefit to consumers, and the contracts are supported with sufficiently detailed and measurable performance expectations and results.

The process above was conducted in order to assess the current RFP process and Board approval for contracts of \$250,000 or more, as well as to determine whether the process in place satisfies the W&I Code and State Contract requirements.

#### **X. Statewide/Regional Center Median Rates**

The Statewide and Regional Center Median Rates were implemented on July 1, 2008, and amended on December 15, 2011, July 1, 2016, and April 1, 2022. Regional centers may not negotiate rates higher than the set median rates for services. Despite the median rate requirement, rate increases can be obtained from DDS under health and safety exemptions where regional centers demonstrate the exemption is necessary for the health and safety of the consumers.

To determine compliance with the Lanterman Act, DDS performed the following procedures during the audit review:

- Reviewed sample vendor files to determine whether the regional center is using appropriately vendorized service providers and correct service codes, and is paying authorized contract rates and complying with the median rate requirements of W&I Code Section 4691.9.
- Reviewed vendor contracts to verify that the regional center is reimbursing vendors using authorized contract median rates and verified that rates paid represented the lower of the statewide or regional center median rate set after June 30, 2008. Additionally, DDS verified that providers vendorized before June 30, 2008, did not receive any unauthorized rate increases, except in situations where required by regulation, or health and safety exemptions were granted by DDS.

- Reviewed vendor contracts to verify that the regional center did not negotiate rates with new service providers for services which are higher than the regional center's median rate for the same service code and unit of service, or the statewide median rate for the same service code and unit of service, whichever is lower. DDS also verified that units of service designations conformed with existing regional center designations or, if none exists, checked that units of service conformed to a designation used to calculate the statewide median rate for the same service code.

#### **XI. Other Sources of Funding from DDS**

Regional centers may receive other sources of funding from DDS. DDS performed sample tests on identified sources of funds from DDS to ensure the regional center's accounting staff were inputting data properly, and that transactions were properly recorded and claimed. In addition, tests were performed to determine if the expenditures were reasonable and supported by documentation. The sources of funding from DDS identified in this audit may include:

- CPP;
- Part C – Early Start Program;
- Family Resource Center;
- Foster Grandparent (FGP);
- Senior Companion (SC);
- Self Determination;
- Mental Health Services Act; and
- First Five.

#### **XII. Follow-up Review on Prior DDS Audit Finding(s)**

As an essential part of the overall DDS monitoring system, a follow-up review of prior DDS audit finding(s) was conducted, if applicable. DDS identified prior audit finding(s) and reviewed supporting documentation to determine the degree of completeness of implementation of corrective actions.

## **APPENDIX B**

### **REGIONAL CENTER OF ORANGE COUNTY'S RESPONSE TO THE AUDIT FINDING**

**(Certain documents provided by the Regional Center of Orange County as attachments to its response are not included in this report due to the detailed and sometimes confidential nature of the information).**



March 5, 2024

Mr. Edward Yan, Manager  
Audit Branch  
Department of Developmental Services  
1215 O Street, MS 9-20  
Sacramento, CA 95814

Dear Ed:

The Regional Center of Orange County's (RCOC's) response to the draft report of the audit conducted by the Department of Developmental Services (DDS) for fiscal years 2021-22 and 2022-23, is as follows.

There were no findings or exceptions noted in the following areas:

- POS payment rates
- Consumer trust accounts
- Uniform Fiscal Systems reconciliations
- Signatory authority
- Bank reconciliations
- Regional Center Operations, including
  - Personnel files,
  - Time sheets,
  - Payroll ledgers,
  - Operating expenses,
  - Equipment inventory and
  - Conflict of Interest.
- Targeted Case Management and Regional Center Rate Study
- Service Coordinator Caseload Survey calculations
- Early Intervention Program (Part C funding)
- Family Cost Participation Program (FCPP)
- Annual Family Program Fee (AFPF)
- Parental Fee Program (PFP)
- Procurement
- Board approval of contracts over \$250,000
- Statewide/Regional Center Median rates, and
- Other Sources of Funding from DDS, including Community Placement Plan, Part C – Early Start Program and Family Resource Center.

March 5, 2024

RCOC's Response to DDS' Draft Audit Report for Fiscal Years 2021-22 and 2022-23

There was a finding in the following area.

DDS Finding 1: Overstated Claims

“The review of the Operational Indicator Reports revealed 10 instances where RCOC overpaid 10 vendors a total of \$33,359.76 due to duplicate payments or overlapping authorizations. RCOC indicated this occurred due to a lack of oversight on its part when its staff did not identify the erroneous payments during the review of the Operational Indicator Reports. RCOC has since recovered \$29,102.18 of the overstated claims, with \$4,257.58 still outstanding. (See Attachment A) CCR, Title 17, Section 57300(c)(2) states: “(c) Regional Centers shall not reimburse vendors: (2) For services in an amount greater than the rate established pursuant to these regulations.”

RCOC's Response to Finding 1

On February 29, 2024, RCOC recovered the outstanding overpayment from the vendor in the amount of \$4,257.58. The documentation was emailed to Shawn Vue. A copy is also enclosed.

Please call me if you have any questions at (714) 796-5230.

Sincerely,



Marta Vasquez  
CFO

c: Larry Landauer  
Raudel Perez  
Liliana Castillo  
Linda Pham  
Karina Crosby

Enclosure: Finding 1 Recovery Documentation

REGIONAL CENTER OF ORANGE COUNTY

BOARD OF DIRECTORS

AGENDA ITEM DETAIL SHEET

---

ACTION \_\_\_\_\_  
ACTION/CONSENT \_\_\_\_\_  
DISCUSSION \_\_\_\_\_  
INFO ONLY   X  

---

DATE: May 2, 2024

TO: Board of Directors

FROM: Budget and Finance Committee

SUBJECT: **Review Draft Form, 990 Return of Organization Exempt from Income Tax for the Year Ended June 30, 2023**

BACKGROUND:

Most organizations that are exempt from income tax are required to file Form 990 each year with the Internal Revenue Service.

REASON FOR CURRENT ITEM:

Best practice is for the boards of tax-exempt organizations to receive a draft of Form 990 prior to filing. The filing deadline is May 15, 2024. Staff will send a draft of the 990 return to the Board for review prior to filing.

FISCAL IMPACT:

None

RECOMMENDATION:

That the Board review the draft.

REGIONAL CENTER OF ORANGE COUNTY

BOARD OF DIRECTORS

AGENDA ITEM DETAIL SHEET

DATE: May 2, 2024  
TO: Board of Directors  
FROM: Larry Landauer  
Executive Director

ACTION	X
ACTION/CONSENT	
DISCUSSION	
INFO ONLY	

SUBJECT: **Approval of Request for Waiver of Potential Conflict of Interest and Conflict Resolution Plan for Frank Flaherty, Intake Service Coordinator**

BACKGROUND:

The prohibition against Regional Center employee conflicts of interest has its origin in section 4626 of the Welfare & Institutions Code. Subsection (d) of said section 4626 provides:

“The department shall ensure that no regional center employee or board member has a conflict of interest with an entity that receives regional center funding....”

That general prohibition is explained in more detail in Title 17 of the California Code of Regulations, sections 54526 “Positions Creating Conflicts of Interest for Employees, Contractors, Agents and Consultants” and 54527 “Financial Interests in Decisions Creating a Conflict of Interest for Employees, Contractors, Agents or Consultants” which provides in pertinent part:

“(a) A regional center employee, contractor, agent or consultant shall not make, participate in making or in any way attempt to use his or her position to influence a regional center decision, in which he or she knows or has reason to know that he or she, or his or her family member has a financial interest.

Section 54533 “Present or Potential Conflict of Interest Identified, Proposed Conflict Resolution Plan Content, Timelines for Submission of Proposed Conflict Resolution Plan” states that:

(a)When a present or potential conflict of interest is identified for a regional center board member, executive director, employee, contractor, agent or consultant, the present or potential conflict shall be either eliminated or mitigated and managed through a Conflict Resolution Plan, or the individual shall resign his or her position with the regional center or regional center governing board.” (emphasis added)

REASON FOR CURRENT ITEM:

Mr. Frank Flaherty is RCOC's Intake Service Coordinator. Mr. Flaherty's brother has a financial interest in Regional Center operations by virtue of his role as a Personal Attendant with No Ordinary Moments, Inc., an RCOC provider. For this reason, Mr. Flaherty appears to have a conflict of interest under the above statute and regulations.

RCOC has developed a Conflict Resolution Plan to address any potential conflict of interest.

FISCAL IMPACT:

None.

RECOMMENDATIONS:

That the Board approve the Request for Waiver of Potential Conflict of Interest and Conflict Resolution Plan for Frank Flaherty, Intake Service Coordinator.



**DISCLOSURE OF POTENTIAL CONFLICT OF INTEREST,  
REQUEST FOR WAIVER AND CONFLICT RESOLUTION PLAN  
FOR  
FRANK FLAHERTY – INTAKE SERVICE COORDINATOR  
REGIONAL CENTER OF ORANGE COUNTY**

**I. Law Governing Conflicts of Interest**

The prohibition against Regional Center employee conflicts of interest has its origin in section 4626 of the Welfare & Institutions Code. Subsection (d) of said section 4626 provides:

"The department shall ensure that no regional center employee or board member has a conflict of interest with an entity that receives regional center funding ...."

That general prohibition is explained in more detail in Title 17 of the California Code of Regulations, sections 54526 "Positions Creating Conflicts of Interest for Employees, Contractors, Agents and Consultants" and 54527 "Financial Interests in Decisions Creating Conflict of Interest for Employees, Contractors, Agents or Consultants" which provides in pertinent part:

"(a) A regional center employee, contractor, agent or consultant shall not make, participate in making or in any way attempt to use his or her position to influence a regional center decision, in which he or she knows or has reason to know that he or she, or his or her family member has a financial interest.

(b) Financial interest, as used in this section, includes any current or contingent ownership, equity, or security interest that could result directly or indirectly, in receiving a pecuniary gain or sustaining a pecuniary loss as a result of the interest in any of the following:

- (1) business entity worth two thousand dollars (\$2,000) or more.
- (2) real or personal property worth two thousand dollars (\$2,000) or more in fair market value.
- (3) stocks or bonds worth two thousand dollars (\$2,000) or more.
- (4) intellectual property rights worth five hundred dollars (\$500) or more.
- (5) sources of gross income aggregating five hundred dollars (\$500) or more within prior 12 months.
- (6) future interests for compensation of five hundred dollars (\$500) or more.
- (7) personal finances of two hundred fifty dollars (\$250) or more.

Section 54533 "Present or Potential Conflict of Interest Identified, Proposed Conflict Resolution Plan Content, Timelines for Submission of Proposed Conflict Resolution Plan" states that:

(a) When a present or potential conflict of interest is identified for a regional center board member, executive director, employee, contractor, agent or consultant, the present or potential conflict shall be either eliminated or mitigated and managed through a Conflict Resolution Plan, or the individual shall resign his or her position with the regional center or regional center governing board." (emphasis added)

## **II. Potential Conflict of Mr. Frank Flaherty**

Frank Flaherty, is an Intake Service Coordinator for the Regional Center of Orange County (hereinafter "RCOC" or "the Regional Center"). RCOC's Executive Director, Larry Landauer, confirms that Mr. Flaherty is a loyal, effective, productive, and greatly valued employee.

Mr. Flaherty's brother, Andrew Colector, has a financial interest in Regional Center operations by virtue of his role as a Personal Attendant with No Ordinary Moments, Inc. (hereinafter "NOM"), an RCOC provider. For this reason, Mr. Flaherty appears to have a conflict of interest under the above discussed statute and regulations.

This document constitutes a Disclosure of Potential Conflict, a Conflict Resolution Plan to eliminate any adverse consequences from this relationship, and a Request for Waiver of the conflict from DDS.

### **A. Mr. Flaherty's Position and Duties**

As an Intake Service Coordinator, Mr. Flaherty is responsible for coordinating and facilitating the intake process for an increased awareness of the eligibility requirements and services available to individuals with developmental delays/disabilities. Performs various functions, such as: Case consultation, completion of social assessments or intake summaries, coordination of developmental or transdisciplinary assessments, and informs families of their right to appeal an eligibility determination. A copy of his job description is attached as **Exhibit A**.

Mr. Flaherty has no role or involvement whatsoever with any matter that might conceivably impact NOM which serves both children and adults.

### **B. Andrew Colector's Role at NOM**

As stated above, Mr. Flaherty's brother, Andrew Colector, is a Personal Attendant at NOM, a vendor of the Regional Center. NOM provides supported living, personal assistance and crisis services to our persons served with developmentally disabilities. NOM's first service was vendored on May 1, 1996. RCOC paid \$30,671,437 for NOM's 6 services which served approximately 265 person served in 2023. As a Personal Attendant, Mr. Colector's duties consist of providing personal assistance and supported living services for individuals with developmental disabilities.

## **III. Conflict Resolution Plan**

The Regional Center Executive Director and Board of Directors have concluded that Mr. Flaherty provides great value to the Intake Department of RCOC. After consideration of the totality of the circumstances and a careful review of the facts, the Executive Director and Board of Directors believe it is in the best interests of the Regional Center to create and implement a Conflict Resolution Plan to eliminate any adverse consequences from this relationship and seek a waiver from DDS.

Mr. Flaherty has no duties that relate to NOM.

The Regional Center's and Mr. Flaherty's suggested Conflict Resolution Plan of this potential conflict of interest is as follows:

Mr. Flaherty will continue as an Intake Service Coordinator.

1. Mr. Flaherty will, in every conceivable manner, cease interacting with NOM or those who do interact with NOM.
2. Mr. Flaherty will not participate in the consideration, preparation, review, presentation, formulation or approval of any report, plan, opinion, recommendation or action regarding RCOC vendor NOM.
3. Mr. Flaherty will not review or participate in any discussions, recommendations or decisions about Purchase of Service authorizations for this vendor.
4. Ms. Flaherty will not review or in any way participate in the preparation, consideration, or any follow-up related to Special Incident Reports from or about this vendor.
5. Mr. Flaherty will not create, review, or in any way participate in, any corrective action plans for this vendor.
6. Mr. Flaherty will not participate in any discussions, recommendations, actions, or resolutions of any regarding complaints about this vendor.
7. The Regional Center and Mr. Flaherty agree that Mr. Flaherty will take no part in vendor appeals or fair hearings involving NOM.
8. The Regional Center and Mr. Flaherty will ensure that Mr. Flaherty will not access vendor files to NOM either in their electronic or hard copy form.
9. Mr. Flaherty will not be involved in the negotiation, discussion, obligation or commitment of RCOC to a course of action involving RCOC vendor NOM.
10. Further, if Mr. Flaherty has matters relating to NOM, Intake Area Manager, Rachel Khorana, will take on such matters.
11. The RCOC management staff will be informed about this Conflict Resolution Plan, and they will be informed of the need to ensure that Mr. Flaherty has no involvement whatsoever in any action or business involving or affecting RCOC vendor NOM.
12. RCOC will communicate to the employees Mr. Flaherty's Conflict Resolution Plan and the need to ensure that Mr. Flaherty plays no role whatsoever in any action involving or affecting RCOC vendor NOM.
13. The RCOC Board of Directors has been informed of, and supports, this Conflict Resolution Plan and Request for Waiver of Potential Conflict of Interest.

#### **IV. Request For Waiver**

For the reasons provided above, and in accordance with the Conflict Resolution Plan set forth above, the Regional Center of Orange County hereby requests that DDS grant a waiver of the conflict in this matter.

Respectfully submitted,

By: \_\_\_\_\_  
Frank Flaherty, Intake Service Coordinator

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Rachel Khorana, Intake Area Manager

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Jennifer Montanez, Director, Case Management

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Larry Landauer, Executive Director

Date: \_\_\_\_\_



**Summary of Information About Persons Served - February 2024**

<b>NUMBER OF PERSONS SERVED</b>	<b>25,934</b>	<b>100%</b>
Children - Birth to Age Three Receiving Early Start Services	3,472	13%
Children - Ages Three to Five Receiving Provisional Services	460	2%
Children - Ages Three to 17 Receiving Lanterman Services	8,462	33%
Adults - Ages 18 and Older Receiving Lanterman Services	13,540	52%

<b>Children - Birth to Age Three Receiving Prevention Resource and Referral Services</b>	<b>463</b>
--	------------

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

Intellectual Disability	11,516	60%
Epilepsy	2,862	14%
Cerebral Palsy	2,533	13%
Autism	10,319	44%
Fifth Category*	1,982	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>515</b>
Early Start / Under Age Three / 45 days to complete determination	314 / 61%
Lanterman / Over Age Three / 120 days to complete determination	93 / 18%
Provisional / Up to Age Five / 90 days to complete determination	1 / 0%

<b>NUMBER OF PERSONS DETERMINED ELIGIBLE</b>	<b>159</b>
Children - Birth to Age Three Eligible for Early Start Services	9
Children and Adults - Ages Three and Older Eligible for Lanterman Services	87
<ul style="list-style-type: none"> <li>• Number of children who received Early Start services</li> </ul>	35
<ul style="list-style-type: none"> <li>• Number of children who received Early Start services and had a diagnosis of autism</li> </ul>	28
Children - Birth to Age Three Eligible for Prevention Resource and Referral Services	0

<b>NUMBER OF CHILDREN NO LONGER ELIGIBLE FOR EARLY START OR PREVENTION RESOURCE AND REFERRAL SERVICES</b>	<b>141</b>
Children - Age Three No Longer Eligible for Early Start Services	141
Children - Age Three No Longer Eligible for Prevention Resource and Referral Services	0

# REGIONAL CENTER OF ORANGE COUNTY



## OPERATIONS REPORT

### FEBRUARY 2024 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 2023-24

Type and Number of Reviews	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
Annual Review	43	34	33	40	40	38
Unannounced	92	70	53	74	55	61
<b>Total Number of Reviews</b>	<b>135</b>	<b>104</b>	<b>86</b>	<b>114</b>	<b>95</b>	<b>99</b>

Provider Trainings	0	0	0	0	0	0
Technical Support	325	211	133	326	283	274
Corrective Action Plans	0	7	0	5	14	2
Special Incident Investigations*	9	3	4	38	41	56
COVID-19 Checklist	0	0	0	0	0	0

Type and Number of Reviews	Jan.	Feb.	Mar.	Apr.	May	June	Total
Annual Review	38	27					<b>293</b>
Unannounced	57	56					<b>518</b>
<b>Total Number of Reviews</b>	<b>95</b>	<b>83</b>					<b>811</b>

Provider Trainings	0	0					<b>0</b>
Technical Support	242	214					<b>2,008</b>
Corrective Action Plans	0	1					<b>29</b>
Special Incident Investigations*	37	30					<b>218</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.

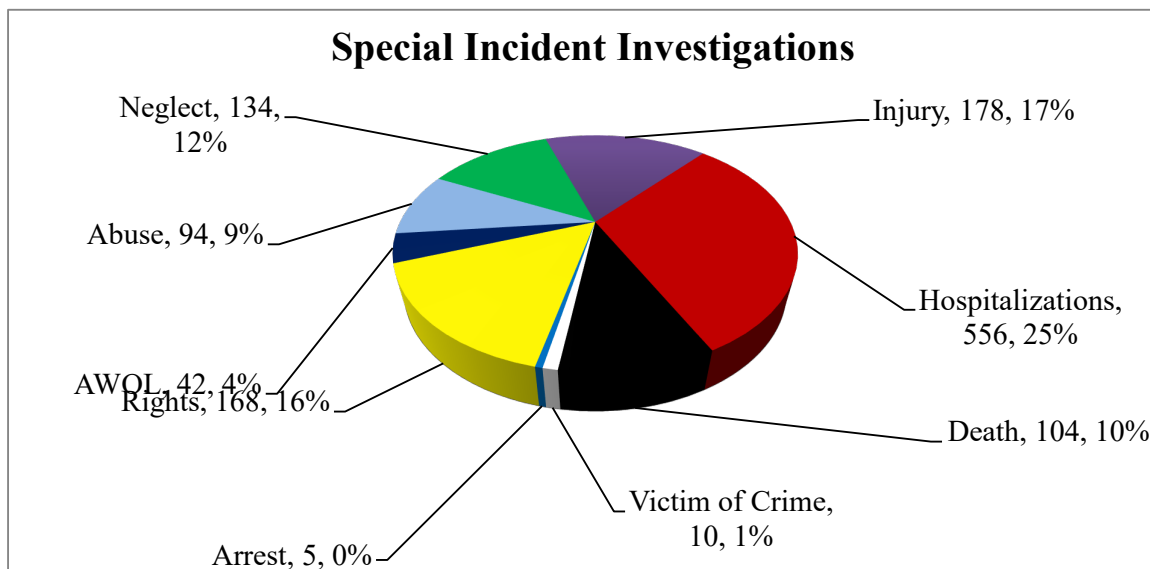
Title 17 does not require reporting on arrest or consumer rights violations; however, RCOC includes arrest and rights violations as reportable incidents.



**Type and Number of Special Incident Investigations**  
*Fiscal Year 2023-24*

Type of Incident	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
AWOL	4	9	2	4	3	4
Abuse	9	16	11	15	12	12
Neglect	44	16	17	17	15	6
Injury	16	25	15	21	15	20
Hospitalizations - Total	28	29	27	44	46	42
<i>Psychiatric</i>	7	3	2	8	6	9
<i>Medical</i>	21	26	25	36	35	33
Death	17	11	16	12	14	13
Victim of crime	1	1	0	0	0	3
Arrest	1	0	0	0	0	2
Rights	69	7	31	8	6	6
<b>Total</b>	<b>189</b>	<b>114</b>	<b>119</b>	<b>121</b>	<b>111</b>	<b>108</b>

Type of Incident	Jan.	Feb.	Mar.	Apr.	May	June	Total
AWOL	9	7					42
Abuse	10	9					94
Neglect	7	12					134
Injury	32	34					178
Hospitalizations - Total	68	45					329
<i>Psychiatric</i>	19	7					61
<i>Medical</i>	49	38					263
Death	14	7					104
Victim of Crime	2	3					10
Arrest	1	1					5
Rights	6	35					168
<b>Total</b>	<b>149</b>	<b>153</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,064</b>



**COMMUNITY LIFE continued**

**Provider Audits**  
**Fiscal Year 2023-24**

**Number of Audits / Appeals / Recoveries**

Type of Audit	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
Service Billing	0	1	0	0	0	0
Staffing	0	3	0	0	0	0
Level 4I Consultant	0	1	0	0	2	0
P&I (consumer funds)	0	2	0	0	0	0
<b>Total Number of Audits</b>	<b>0</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>

**Number of Appeals / Recoveries (Vendors may appeal after monthly data is reported)**

State Appeal		0			0	
Recovery		4			2	

**Audit Findings (Dollar Amount)**

Amount of Recovery	\$0.00	\$62,604.00	\$0.00	\$0.00	\$8,013.81	\$0.00
--------------------	--------	-------------	--------	--------	------------	--------

Type of Audit	Jan.	Feb.	Mar.	Apr.	May	June	Total
Service Billing	0	2					<b>1</b>
Staffing	0	0					<b>3</b>
Level 4I Consultant	0	0					<b>1</b>
P&I (consumer funds)	0	2					<b>2</b>
<b>Total Number of Audits</b>	<b>0</b>	<b>4</b>					<b>7</b>

**Number of Appeals / Recoveries**

State Appeal							<b>0</b>
Recovery		3					<b>4</b>

**Audit Findings (Dollar Amount)**

Amount of Recovery	\$0.00	\$1,282.67	\$0.00	\$0.00	\$0.00	\$0.00	<b>\$71,900.48</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 2023-24*

#### Number of Authorizations for Voucher Services

Type of Service	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
Day Care - Family Member	81	84	78	81	78	77
Diapers - Family Member	7	3	3	4	2	2
Nursing Service - Family Member	47	51	52	51	49	48
Respite Service - Family Member	665	656	661	666	675	676
Transportation - Family Member	202	208	210	224	234	236
<b><i>Total Number of Voucher Authorizations</i></b>	<b><i>1,002</i></b>	<b><i>1,002</i></b>	<b><i>1,004</i></b>	<b><i>1,026</i></b>	<b><i>1,038</i></b>	<b><i>1,039</i></b>

#### Number of Authorizations for Voucher Services

Type of Service	Jan.	Feb.	Mar.	Apr.	May	June
Day Care - Family Member	76	82				
Diapers - Family Member	3	3				
Nursing Service - Family Member	46	47				
Respite Service - Family Member	674	681				
Transportation - Family Member	240	244				
<b><i>Total Number of Voucher Authorizations</i></b>	<b><i>1,039</i></b>	<b><i>1,057</i></b>	<b><i>0</i></b>	<b><i>0</i></b>	<b><i>0</i></b>	<b><i>0</i></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 2023-24*

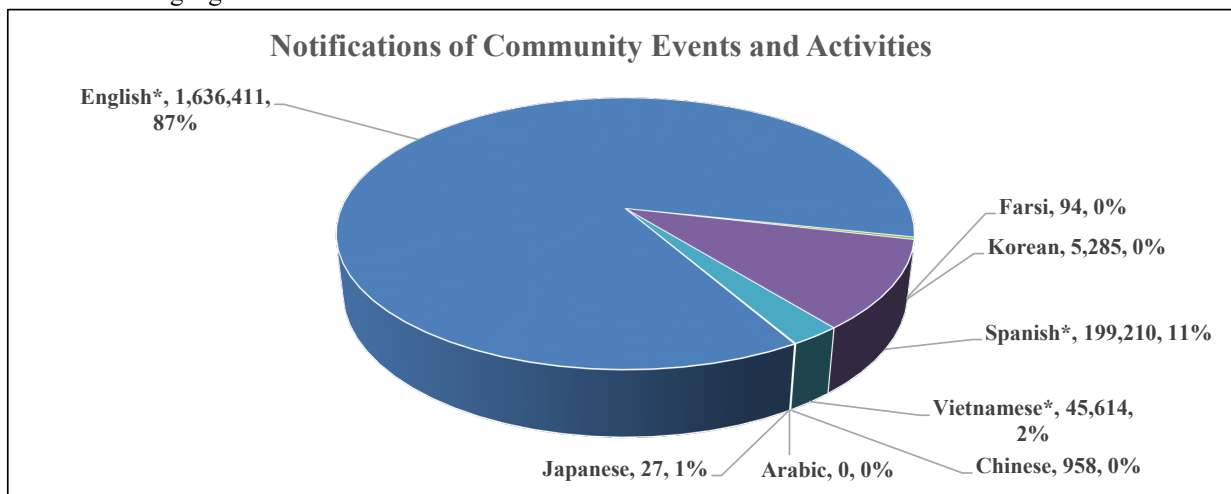
#### Number of Notifications

Language	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
English*	153,968	221,278	263,897	307,942	166,093	118,852
Farsi						0
Korean	555	200	1,839	82	932	1,075
Spanish*	8,000	39,791	36,187	31,942	23,200	11,763
Vietnamese*	9,234	2,792	12,351	3,666	2,551	4,532
Chinese			376	582		0
Japanese			27			
Arabic						
<b>Total Number of Notifications</b>	<b>171,757</b>	<b>264,061</b>	<b>314,677</b>	<b>344,214</b>	<b>192,776</b>	<b>136,222</b>

#### Number of Notifications

Language	Jan.	Feb.	Mar.	Apr.	May	June	Total
English*	186,155	218,226					1,636,411
Farsi	94	0					94
Korean	469	133					5,285
Spanish*	32,495	15,832					199,210
Vietnamese*	4,880	5,608					45,614
Chinese	0	0					958
Japanese	0	0					27
Arabic							0
<b>Total Number of Notifications</b>	<b>224,093</b>	<b>239,799</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,887,599</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 2023-24*

#### Number of Outreach Events

Type of Outreach / Language	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
<b>In Person/Zoom</b>						
English	13	7	7	12	12	10
Spanish	1	3	3	3	1	
Vietnamese		3	2			
Other Languages			1	1 (Korean)		
<b>In Print</b>						
English		2		1	1	1
Spanish		1				
Vietnamese		1				
Other Languages						
<b>TV / Radio</b>						
English	2					
Spanish						
Vietnamese	5	4	4	5	5	5
Other Languages						
<b>Total Number of Outreach Events</b>	<b>21</b>	<b>21</b>	<b>17</b>	<b>22</b>	<b>19</b>	<b>16</b>

#### Number of Outreach Events

Language	Jan.	Feb.	Mar.	Apr.*	May*	June*	Total
<b>In Person</b>							
English	6	4					71
Spanish	2	3					16
Vietnamese		3					8
Other Languages							2
<b>In Print</b>							
English	1						6
Spanish							1
Vietnamese							1
Other Languages							0
<b>TV / Radio</b>							
English							2
Spanish							0
Vietnamese	4	5					37
Other Languages							0
<b>Total Number of Outreach Events</b>	<b>13</b>	<b>15</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>144</b>

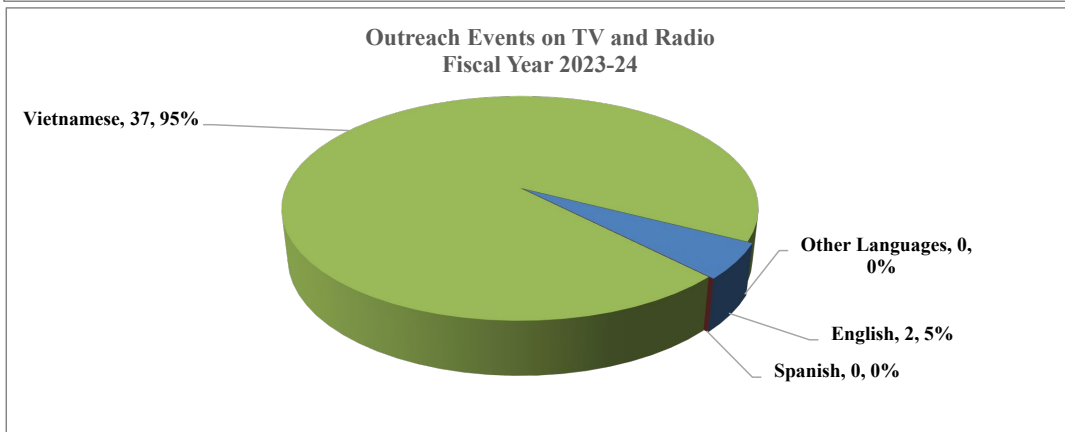
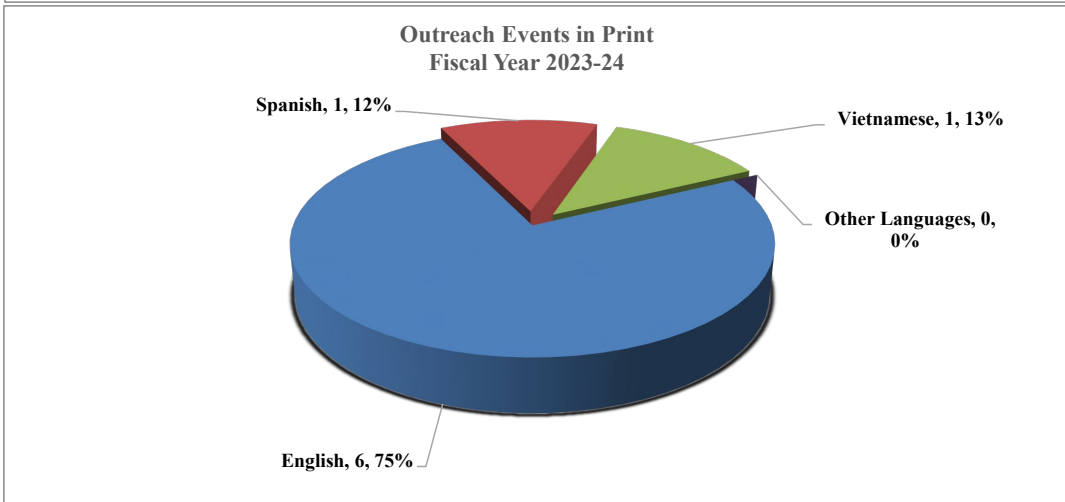
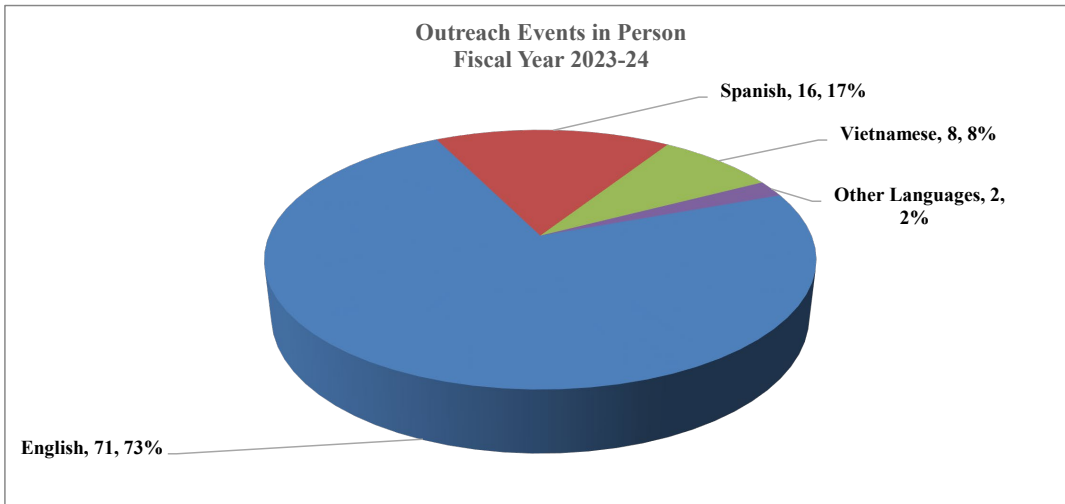
\* Virtual Meetings

## 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 2023-24



## EARLY INTERVENTION / PREVENTION

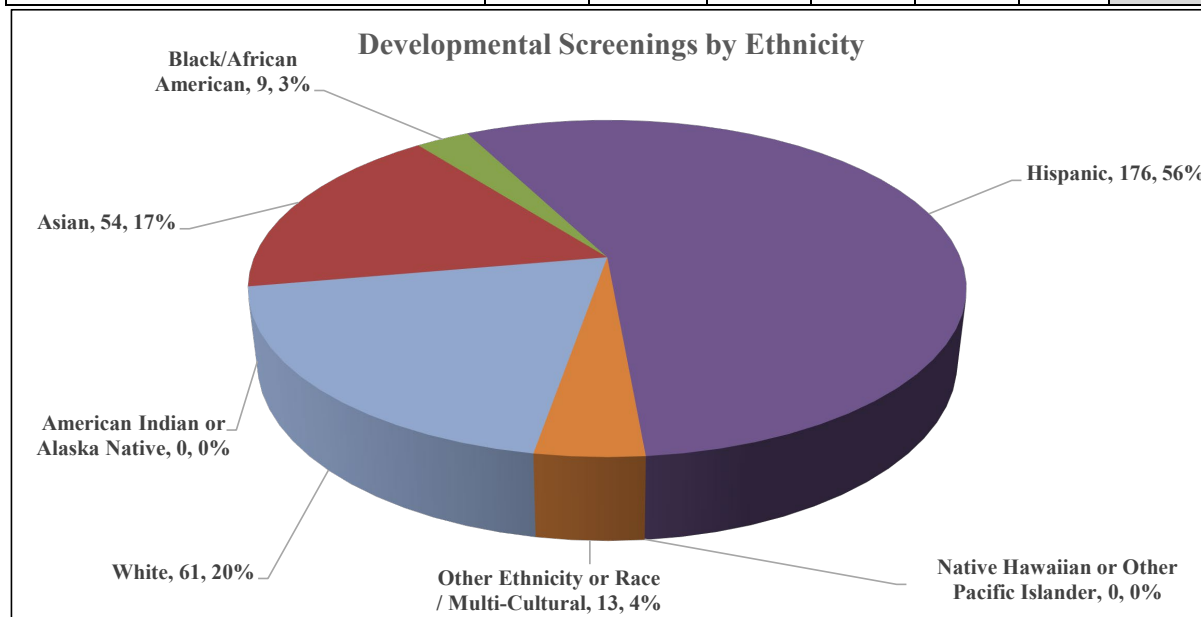
### Related Guiding Principles

- 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 2023-24

Developmental Screenings by Ethnicity	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
American Indian or Alaska Native	0	0	0	0	0	0
Asian	1	0	7	16	11	0
Black/African American	0	0	3	0	1	1
Hispanic	13	17	54	7	36	12
Native Hawaiian or Other Pacific Islander	0	0	0	0	0	0
Other Ethnicity or Race / Multi-Cultural	2	2	3	0	2	1
White	3	3	14	0	14	5
<b>Total Number Screened</b>	<b>19</b>	<b>22</b>	<b>81</b>	<b>23</b>	<b>64</b>	<b>19</b>
<b>Total Number Referred to RCOC</b>	<b>7</b>	<b>9</b>	<b>24</b>	<b>7</b>	<b>25</b>	<b>6</b>

Developmental Screenings by Ethnicity	Jan.	Feb.	Mar.	Apr.	May	June	Total
American Indian or Alaska Native	0	0					0
Asian	8	11					54
Black/African American	2	2					9
Hispanic	27	10					176
Native Hawaiian or Other Pacific Islander	0	0					0
Other Ethnicity or Race / Multi-Cultural	2	1					13
White	20	2					61
<b>Total Number Screened</b>	<b>59</b>	<b>26</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>313</b>
<b>Total Number Referred to RCOC</b>	<b>11</b>	<b>3</b>					<b>92</b>

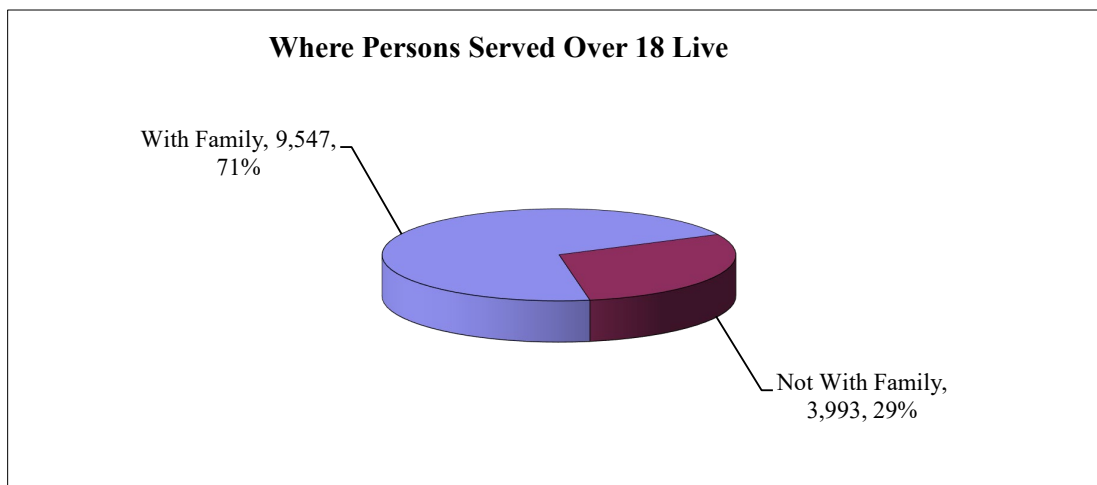
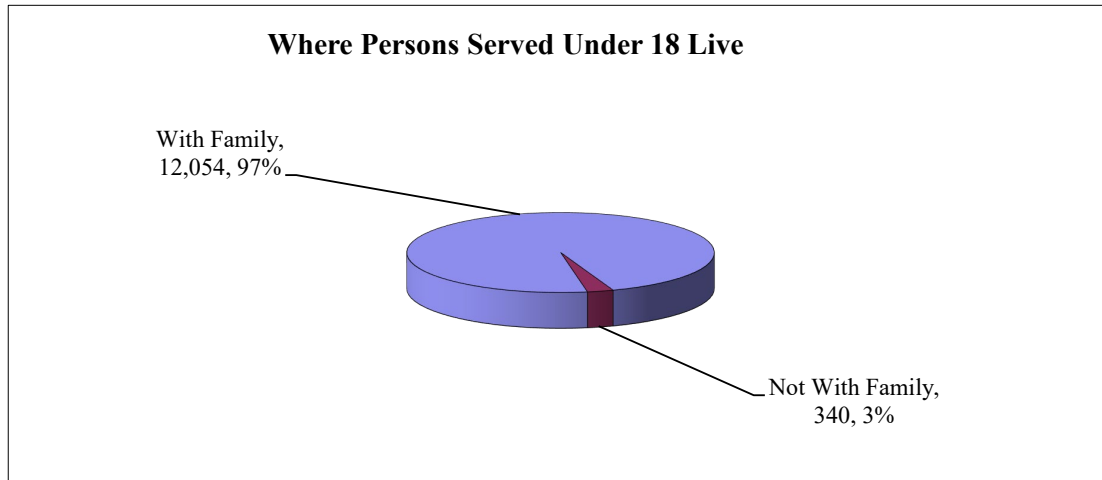


## LIVING OPTIONS

### 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	21,601	12,054	9,547
Not With Family	4,333	340	3,993
<b>Totals</b>	<b>25,934</b>	<b>12,394</b>	<b>13,540</b>

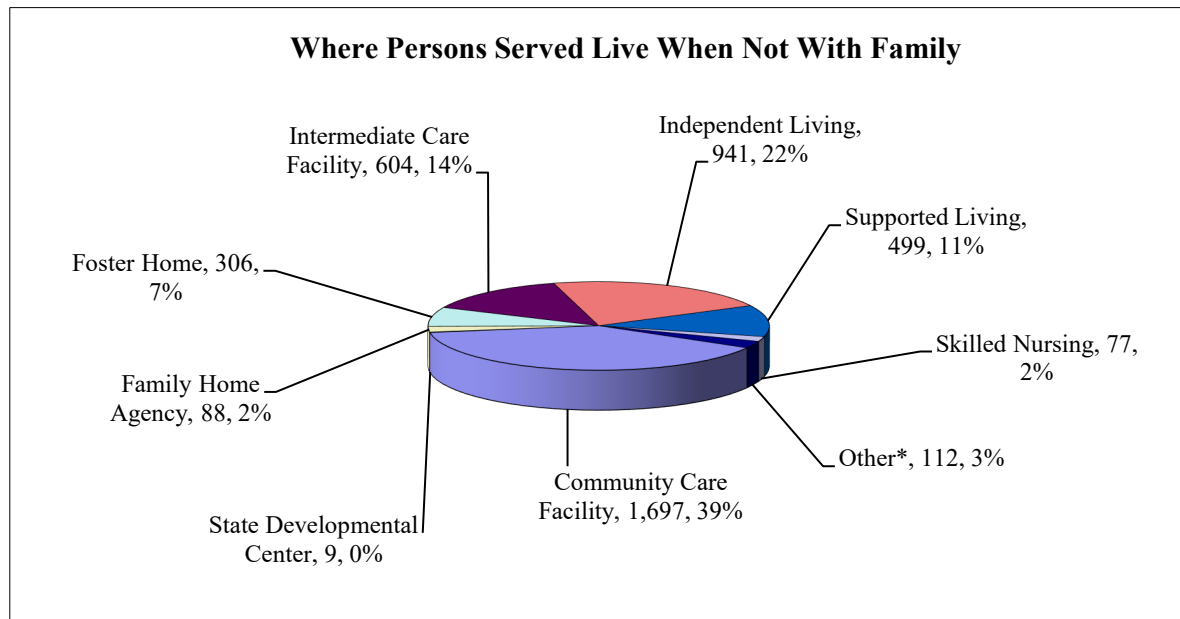




**LIVING OPTIONS, continued**

Where Persons Served Live	All Persons Served	Persons Served Under 18	Persons Served Over 18
Family Home	21,601	12,054	9,547
Community Care Facility	1,697	18	1,679
State Developmental Center	9	0	9
Family Home Agency	88	0	88
Foster Home	306	299	7
Intermediate Care Facility	604	2	602
Independent Living	941	0	941
Supported Living	499	0	499
Skilled Nursing	77	0	77
Other*	112	21	91
<b>Total</b>	<b>25,934</b>	<b>12,394</b>	<b>13,540</b>

<b>Other*</b>			
Acute General Hospital	8	0	8
California Youth Authority	1	0	1
Community Treatment	3	1	2
Correctional Institution	1	0	1
County Jail	2	1	1
Other	0	0	0
Out of State	3	1	2
Psychiatric Treatment	20	3	17
Rehabilitation Center	8	1	7
SDC / State Hospital	8	0	8
Sub-Acute	40	11	29
Transient / Homeless	12	2	10
<b>Total, Other*</b>	<b>106</b>	<b>20</b>	<b>86</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.

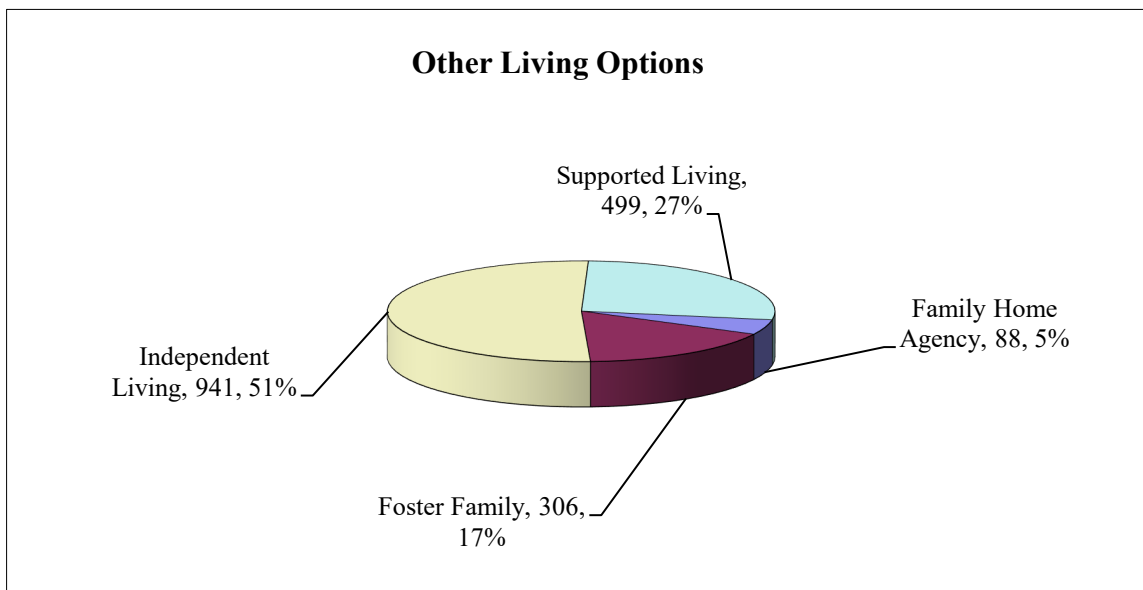
#### Independent Living

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	88	0	88
Foster Family	306	299	7
Independent Living	941	0	941
Supported Living	499	0	499
<b>Total</b>	<b>1,834</b>	<b>299</b>	<b>1,535</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 2023-24*

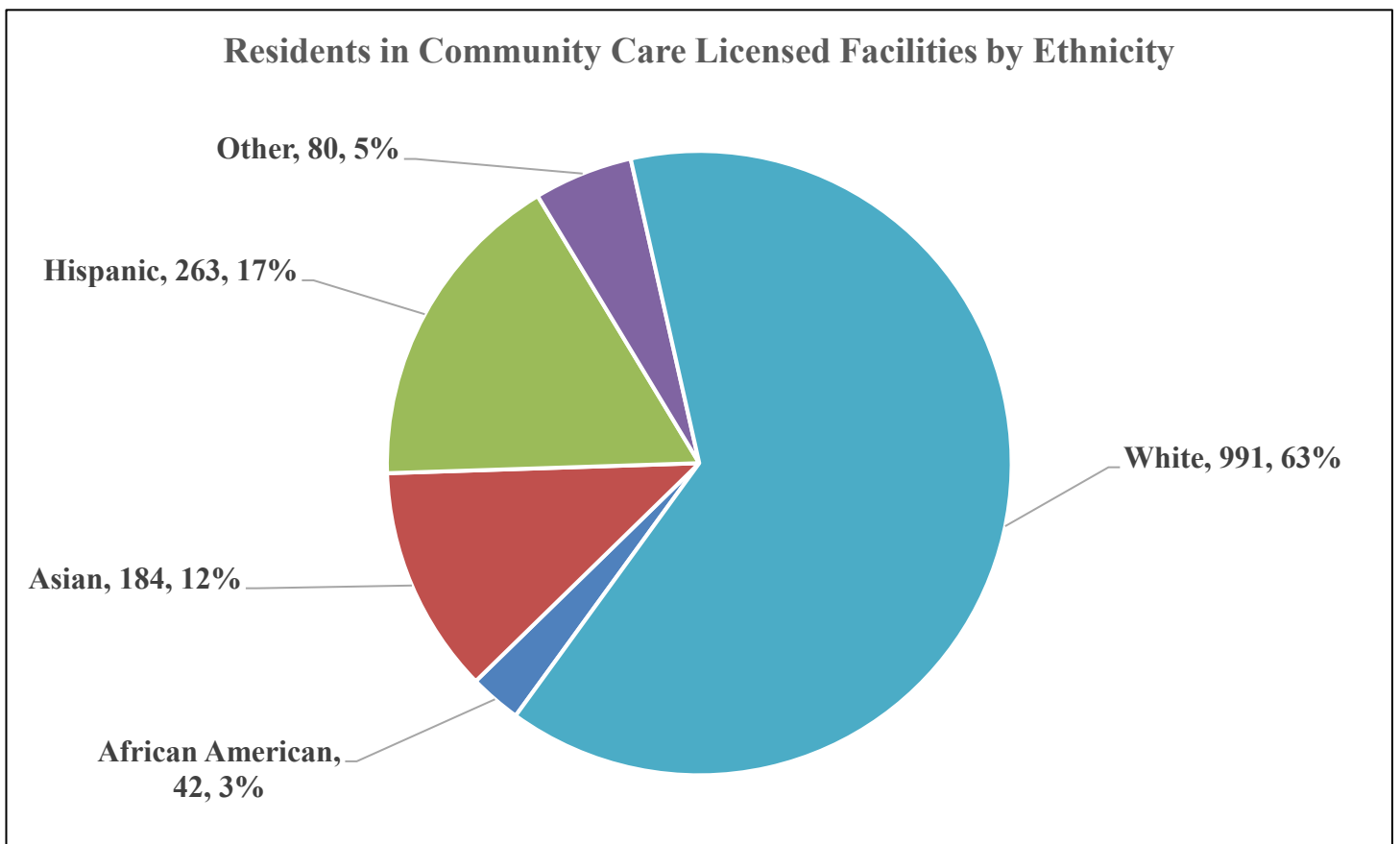
<b>Licensed Facilities</b>	<b>Total</b>	<b>Over 18</b>	<b>Under 18</b>
Level 2	167	167	0
Level 3	250	250	0
Level 4A	30	30	0
Level 4B	5	5	0
Level 4C	47	47	0
Level 4D	34	34	0
Level 4E	15	15	0
Level 4F	54	54	0
Level 4G	32	32	0
Level 4H	1	1	0
Level 4I	344	344	0
Elderly	5	5	0
ICF/DD-H	2	2	0
ICF/DD-N	5	5	0
ICF/DD	0	0	0
Skilled Nursing	0	0	0
<b>Total</b>	<b>991</b>	<b>991</b>	<b>0</b>

<b>Licensed Facilities Summary</b>	<b>Total</b>	<b>Over 18</b>	<b>Under 18</b>
Level 2	167	167	0
Level 3	250	250	0
Level 4	562	562	0
ICF/DD-H	2	2	0
ICF/DD-N	5	5	0
Elderly	5	5	0
Skilled Nursing	0	0	0
<b>Total</b>	<b>991</b>	<b>991</b>	<b>0</b>

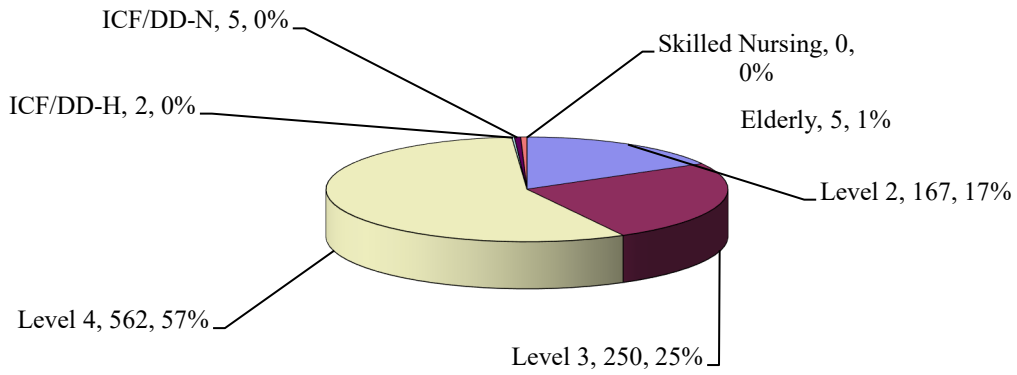
## LIVING OPTIONS, continued

### Persons Served Who Reside in Licensed Facilities Funded by RCOC by Ethnicity Fiscal Year 2023-24

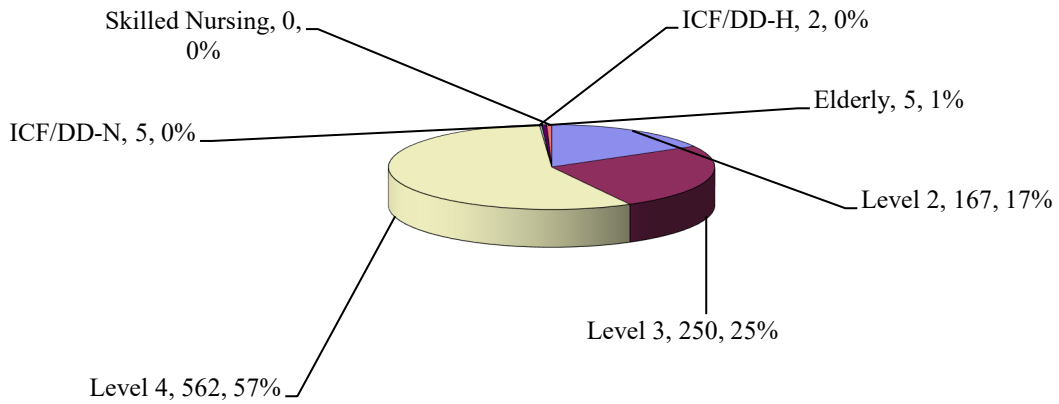
Licensed Facilities	African American	Asian	Hispanic	Other	White	Total
Level 2	7	22	54	12	206	301
Level 3	13	32	66	20	219	350
Level 4A	0	5	7	1	23	36
Level 4B	0	1	0	0	7	8
Level 4C	5	15	10	2	60	92
Level 4D	0	10	5	1	26	42
Level 4E	0	5	8	2	17	32
Level 4F	3	12	8	2	37	62
Level 4G	0	8	3	3	44	58
Level 4H	0	0	2	0	1	3
Level 4I	14	74	100	37	351	576
<b>Total</b>	<b>42</b>	<b>184</b>	<b>263</b>	<b>80</b>	<b>991</b>	<b>1,560</b>



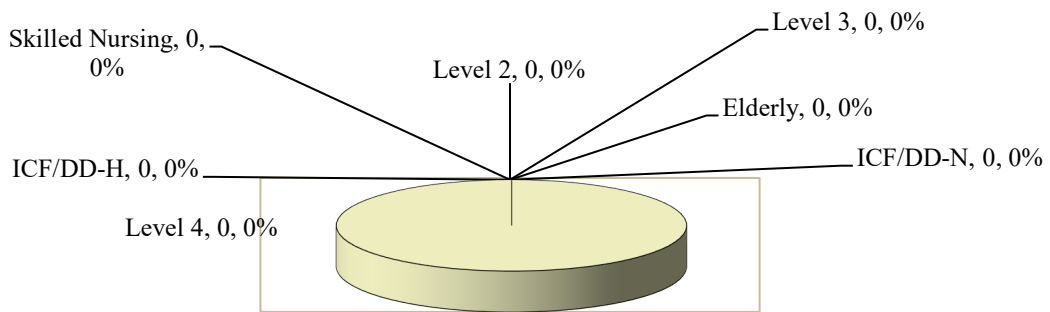
**Persons Served Who Reside in Licensed Facilities  
Services Funded by RCOG**



**Persons Served Over Age 18 Who Reside in Licensed Facilities  
Services Funded by RCOG**



**Persons Served Under Age 18 Who Reside in Licensed Facilities  
Services Funded by RCOG**

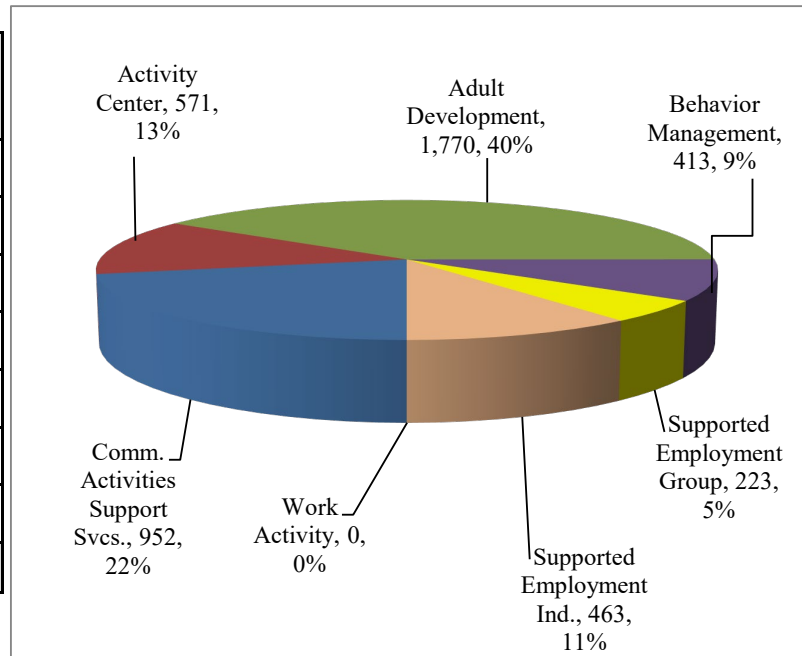


## WORK

### 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.	952
Activity Center	571
Adult Development	1,770
Behavior Management	413
Supported Employment Group	223
Supported Employment Ind.	463
Work Activity	0
<b>Total</b>	<b>4,392</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 2023-24*

<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)	322.0	359.4	355.8	364.5	370.8	368.8
Number of Case-Carrying SCs	296.4	328.8	325.3	335.0	342.3	339.6
Number of Intake SCs	25.7	30.7	30.7	29.7	28.7	29.3
Number of Active Persons Served	23,980	25,484	25,600	25,688	25,734	25,798
Caseload Ratio, # of Active Persons Served/SCs	80.9	77.5	78.7	76.7	75.2	76.0

<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)	381.4	388.4				
Number of Case-Carrying SCs	349.2	357.2				
Number of Intake SCs	32.3	31.3				
Number of Active Persons Served	25,826	25,897				
Caseload Ratio, # of Active Persons Served/SCs	74.0	72.5				



**SERVICE PLANNING AND COORDINATION continued**

**Fair Hearings**  
**Fiscal Year 2023-24**

	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
<b>Number of Unsettled Hearing Requests*</b>	<b>26</b>	<b>22</b>	<b>20</b>	<b>17</b>	<b>15</b>	<b>15</b>	<b>17</b>	<b>15</b>				
Eligibility - Lanterman	10	6	6	6	7	8	11	8				
Behavioral services	1					1	1	1				
Respite	1		1	1	2							
Day Care												
Self Determination Budget	2	3	4	4	2	1		1				
Personal Assistance						1	3	3				
Other**	6	3	3	3	2	1	1	3				

\* 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>13</b>	<b>7</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>11</b>	<b>8</b>				
Eligibility - Lanterman	6	4	2	4	3	3	6	2				
Eligibility - Early Start												
Behavioral services	1						1					
Respite					2							
Day Care												
Social/Recreational							1					
Social Skills Training												
SDP	2	1	1									
Personal Assistance						1	2					
Other**	4	2	1	1	1	1		3				

\* 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>4</b>	<b>9</b>	<b>8</b>	<b>8</b>	<b>6</b>	<b>4</b>	<b>7</b>	<b>9</b>				
Number of Informal Meetings Held	4	6	5	4	5	2	6	8				
Number of Mediations Held		3	3	4	1	2	1	1				
Number of SLFHs Held												

<b>Number of Requests in Scheduling*</b>	<b>13</b>	<b>6</b>	<b>4</b>	<b>0</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>0</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>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>				
------------------------------------	----------	----------	----------	----------	----------	----------	----------	----------	--	--	--	--

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

<b>Number of Requests Settled</b>	<b>9</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>4</b>	<b>7</b>	<b>7</b>	<b>7</b>				
Withdrawn by Person Served/Family	1		1	2	1	2	4	1				
Settled in Informal	6	5	4	3	3	3	3	5				
Settled after further follow-up by RCOC								0				
Settled in Mediation	1	2	3	3		2		1				
SLFH Decision	1			1				0				

**State Level Fair Hearing Decisions**

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

## ADMINISTRATION AND GOVERNANCE

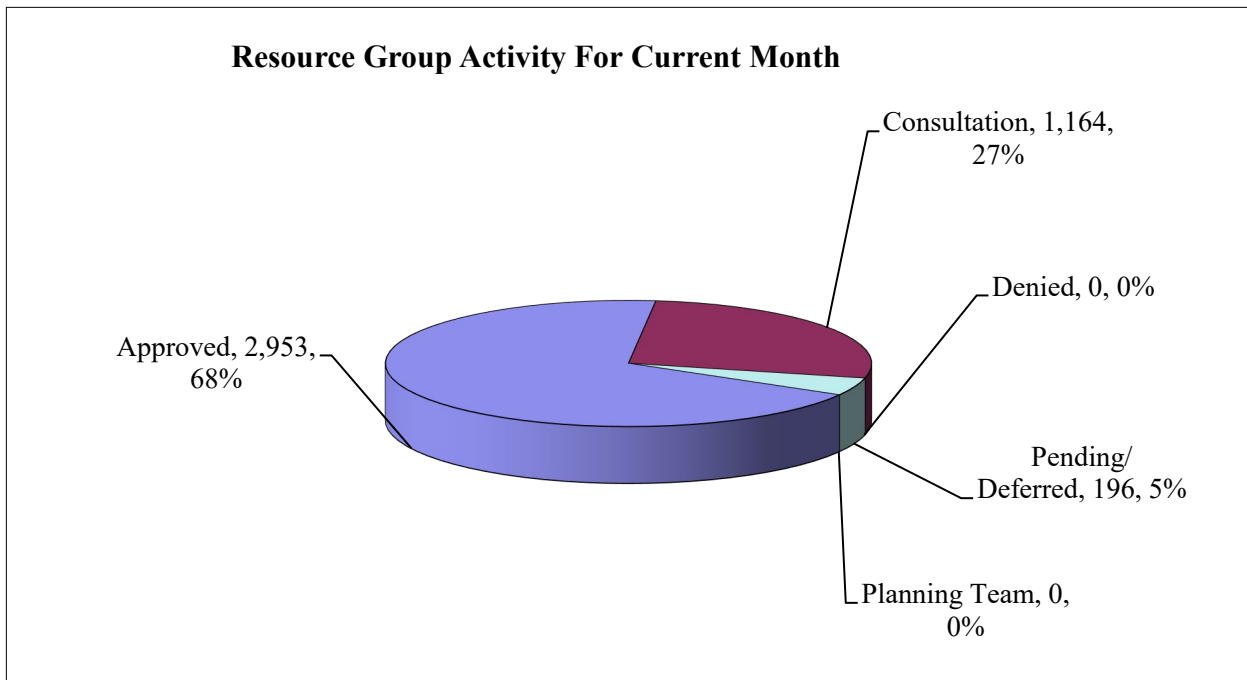
### Guiding Principle

- *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 February 2024 and Fiscal Year to Date

Disposition	Approved	Consultation	Denied	Pending/Deferred	Planning Team	Total
Adult Day	690	374	0	65	0	1,129
Behavioral	96	68	0	18	0	182
Education	0	0	0	0	0	0
Eligibility/Health	74	6	0	6	0	86
Early Start	555	151	0	30	0	736
Living Options	254	180	0	4	0	438
Supported/Ind.	258	163	0	29	0	450
All Others	1026	222	0	44	0	1,292
<b>Monthly Total</b>	<b>2,953</b>	<b>1,164</b>	<b>0</b>	<b>196</b>	<b>0</b>	<b>4,313</b>

<b>FY 2022-23 Total to Date</b>	31,845	13,985	0	2,063	0	<b>47,893</b>
-------------------------------------	--------	--------	---	-------	---	---------------



## Operations Report Summary - February 2024

About Persons Served	Early Start	Medicaid Waiver	All Other	SDC	Total	Under 18	Over 18
Number of Persons Served	3,472	8,781	11,726	9	<b>23,988</b>	12,394	13,540
<i>Percentage of Total</i>	<i>14%</i>	<i>37%</i>	<i>49%</i>	<i>0%</i>	<i>100%</i>	<i>52%</i>	<i>56%</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	21,601	12,054	9,547
Community Care Facility	1,697	18	1,679
State Developmental Center	9	0	9
Family Home Agency	88	0	88
Foster Home	306	299	7
Intermediate Care Facility	604	2	602
Independent Living	941	0	941
Supported Living	499	0	499
Skilled Nursing	77	0	77
Other	112	21	91
<b>Total</b>	<b>25,934</b>	<b>12,394</b>	<b>13,540</b>

Special Incident Investigations	Year to Date
AWOL	42
Abuse	94
Neglect	134
Injury	178
Hospitalizations - Total	329
Death	104
Victim of crime	10
Arrest	5
Rights	168
<b>Total</b>	<b>1,064</b>

### Number of Licensed Facilities

<i>Community Care Facilities</i>	Total	Under 18	Over 18
Level 2	71	0	71
Level 3	81	0	81
Level 4	215	12	203
<b>Total Community Care Facilities</b>	<b>367</b>	<b>12</b>	<b>355</b>

Licensed Facility Monitoring	Year to Date
Annual Review	293
Unannounced	518
Total Number of Reviews	811
Provider Trainings	0
Technical Support	2,008
Corrective Action Plans	29

### *Intermediate Care Facilities (ICF)*

ICF-DD	0
ICF-DD/Habilitation	71
ICF-DD/Nursing	41
<b>Total ICF Facilities</b>	<b>112</b>

<b>Number of Audits</b>	<b>7</b>
<b>Amount of Recovery from Audits</b>	<b>\$71,900</b>

<b>Total Licensed Facilities</b>	<b>479</b>
----------------------------------	------------



**Summary of Information About Persons Served - March 2024**

<b>NUMBER OF PERSONS SERVED</b>	<b>26,005</b>	<b>100%</b>
Children - Birth to Age Three Receiving Early Start Services	3,428	13%
Children - Ages Three to Five Receiving Provisional Services	460	2%
Children - Ages Three to 17 Receiving Lanterman Services	8,546	33%
Adults - Ages 18 and Older Receiving Lanterman Services	13,571	52%

<b>Children - Birth to Age Three Receiving Prevention Resource and Referral Services</b>	<b>459</b>
--	------------

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

Intellectual Disability	11,502	60%
Epilepsy	2,862	14%
Cerebral Palsy	2,533	13%
Autism	10,419	44%
Fifth Category*	1,983	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>515</b>
Early Start / Under Age Three / 45 days to complete determination	312 / 61%
Lanterman / Over Age Three / 120 days to complete determination	75 / 15%
Provisional / Up to Age Five / 90 days to complete determination	0 / 0%

<b>NUMBER OF PERSONS DETERMINED ELIGIBLE</b>	<b>125</b>
Children - Birth to Age Three Eligible for Early Start Services	0
Children and Adults - Ages Three and Older Eligible for Lanterman Services	56
<ul style="list-style-type: none"> <li>• Number of children who received Early Start services</li> </ul>	37
<ul style="list-style-type: none"> <li>• Number of children who received Early Start services and had a diagnosis of autism</li> </ul>	31
Children - Birth to Age Three Eligible for Prevention Resource and Referral Services	1

<b>NUMBER OF CHILDREN NO LONGER ELIGIBLE FOR EARLY START OR PREVENTION RESOURCE AND REFERRAL SERVICES</b>	<b>132</b>
Children - Age Three No Longer Eligible for Early Start Services	132
Children - Age Three No Longer Eligible for Prevention Resource and Referral Services	0

# REGIONAL CENTER OF ORANGE COUNTY



## OPERATIONS REPORT

### MARCH 2024 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 2023-24

Type and Number of Reviews	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
Annual Review	43	34	33	40	40	38
Unannounced	92	70	53	74	55	61
<b>Total Number of Reviews</b>	<b>135</b>	<b>104</b>	<b>86</b>	<b>114</b>	<b>95</b>	<b>99</b>

Provider Trainings	0	0	0	0	0	0
Technical Support	325	211	133	326	283	274
Corrective Action Plans	0	7	0	5	14	2
Special Incident Investigations*	9	3	4	38	41	56
COVID-19 Checklist	0	0	0	0	0	0

Type and Number of Reviews	Jan.	Feb.	Mar.	Apr.	May	June	Total
Annual Review	38	27	43				<b>336</b>
Unannounced	57	56	117				<b>635</b>
<b>Total Number of Reviews</b>	<b>95</b>	<b>83</b>	<b>160</b>				<b>338</b>

Provider Trainings	0	0	0				<b>0</b>
Technical Support	242	214	364				<b>2,372</b>
Corrective Action Plans	0	1	5				<b>34</b>
Special Incident Investigations*	37	30	61				<b>279</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)

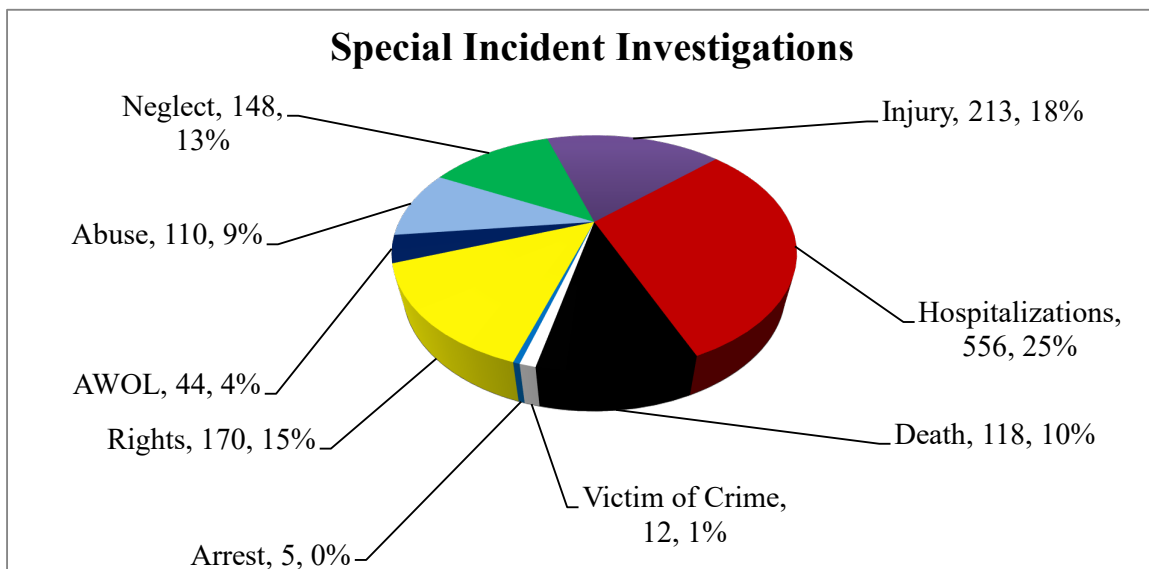
- (A) The consumer is missing and the vendor or long-term health care facility has filed a missing persons report with a law enforcement agency;
- (B) Reasonably suspected abuse/exploitation including:
  - 1. Physical;
  - 2. Sexual;
  - 3. Fiduciary;
  - 4. Emotional/mental; or
  - 5. Physical and/or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

**Type and Number of Special Incident Investigations**  
*Fiscal Year 2023-24*

Type of Incident	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
AWOL	4	9	2	4	3	4
Abuse	9	16	11	15	12	12
Neglect	44	16	17	17	15	6
Injury	16	25	15	21	15	20
Hospitalizations - Total	28	29	27	44	46	42
<i>Psychiatric</i>	7	3	2	8	6	9
<i>Medical</i>	21	26	25	36	35	33
Death	17	11	16	12	14	13
Victim of crime	1	1	0	0	0	3
Arrest	1	0	0	0	0	2
Rights	69	7	31	8	6	6
<b>Total</b>	<b>189</b>	<b>114</b>	<b>119</b>	<b>121</b>	<b>111</b>	<b>108</b>

Type of Incident	Jan.	Feb.	Mar.	Apr.	May	June	Total
AWOL	9	7	2				44
Abuse	10	9	16				110
Neglect	7	12	14				148
Injury	32	34	35				213
Hospitalizations - Total	68	45	28				357
<i>Psychiatric</i>	19	7	7				68
<i>Medical</i>	49	38	21				284
Death	14	7	14				118
Victim of Crime	2	3	2				12
Arrest	1	1	0				5
Rights	6	35	2				170
<b>Total</b>	<b>149</b>	<b>153</b>	<b>113</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,177</b>





**COMMUNITY LIFE continued**

**Provider Audits**  
**Fiscal Year 2023-24**

**Number of Audits / Appeals / Recoveries**

Type of Audit	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
Service Billing	0	1	0	0	0	0
Staffing	0	3	0	0	0	0
Level 4I Consultant	0	1	0	0	2	0
P&I (consumer funds)	0	2	0	0	0	0
<b>Total Number of Audits</b>	<b>0</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>

**Number of Appeals / Recoveries (Vendors may appeal after monthly data is reported)**

State Appeal		0			0	
Recovery		4			2	

**Audit Findings (Dollar Amount)**

Amount of Recovery	\$0.00	\$62,604.00	\$0.00	\$0.00	\$8,013.81	\$0.00
--------------------	--------	-------------	--------	--------	------------	--------

Type of Audit	Jan.	Feb.	Mar.	Apr.	May	June	Total
Service Billing	0	2	0				<b>1</b>
Staffing	0	0	0				<b>3</b>
Level 4I Consultant	0	0	0				<b>1</b>
P&I (consumer funds)	0	2	0				<b>2</b>
<b>Total Number of Audits</b>	<b>0</b>	<b>4</b>	<b>0</b>				<b>7</b>

**Number of Appeals / Recoveries**

State Appeal							<b>0</b>
Recovery		3					<b>4</b>

**Audit Findings (Dollar Amount)**

Amount of Recovery	\$0.00	\$1,282.67	\$0.00	\$0.00	\$0.00	\$0.00	<b>\$71,900.48</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 2023-24*

#### Number of Authorizations for Voucher Services

Type of Service	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
Day Care - Family Member	81	84	78	81	78	77
Diapers - Family Member	7	3	3	4	2	2
Nursing Service - Family Member	47	51	52	51	49	48
Respite Service - Family Member	665	656	661	666	675	676
Transportation - Family Member	202	208	210	224	234	236
<b>Total Number of Voucher Authorizations</b>	<b>1,002</b>	<b>1,002</b>	<b>1,004</b>	<b>1,026</b>	<b>1,038</b>	<b>1,039</b>

#### Number of Authorizations for Voucher Services

Type of Service	Jan.	Feb.	Mar.	Apr.	May	June
Day Care - Family Member	76	82	86			
Diapers - Family Member	3	3	3			
Nursing Service - Family Member	46	47	46			
Respite Service - Family Member	674	681	692			
Transportation - Family Member	240	244	251			
<b>Total Number of Voucher Authorizations</b>	<b>1,039</b>	<b>1,057</b>	<b>1,078</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 2023-24*

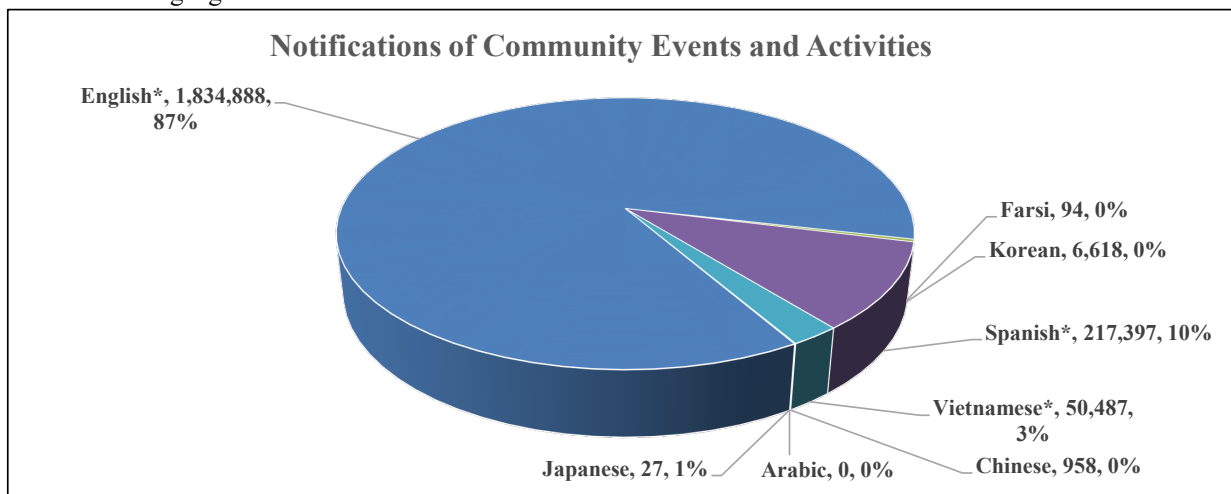
#### Number of Notifications

Language	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
English*	153,968	221,278	263,897	307,942	166,093	118,852
Farsi						0
Korean	555	200	1,839	82	932	1,075
Spanish*	8,000	39,791	36,187	31,942	23,200	11,763
Vietnamese*	9,234	2,792	12,351	3,666	2,551	4,532
Chinese			376	582		0
Japanese			27			
Arabic						
<b>Total Number of Notifications</b>	<b>171,757</b>	<b>264,061</b>	<b>314,677</b>	<b>344,214</b>	<b>192,776</b>	<b>136,222</b>

#### Number of Notifications

Language	Jan.	Feb.	Mar.	Apr.	May	June	Total
English*	186,155	218,226	198,477				1,834,888
Farsi	94	0	0				94
Korean	469	133	1,333				6,618
Spanish*	32,495	15,832	18,187				217,397
Vietnamese*	4,880	5,608	4,873				50,487
Chinese	0	0	0				958
Japanese	0	0	0				27
Arabic							0
<b>Total Number of Notifications</b>	<b>224,093</b>	<b>239,799</b>	<b>222,870</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,110,469</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 2023-24*

#### Number of Outreach Events

Type of Outreach / Language	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
<b>In Person/Zoom</b>						
English	13	7	7	12	12	10
Spanish	1	3	3	3	1	
Vietnamese		3	2			
Other Languages			1	1 (Korean)		
<b>In Print</b>						
English		2		1	1	1
Spanish		1				
Vietnamese		1				
Other Languages						
<b>TV / Radio</b>						
English	2					
Spanish						
Vietnamese	5	4	4	5	5	5
Other Languages						
<b>Total Number of Outreach Events</b>	<b>21</b>	<b>21</b>	<b>17</b>	<b>22</b>	<b>19</b>	<b>16</b>

#### Number of Outreach Events

Language	Jan.	Feb.	Mar.	Apr.*	May*	June*	Total
<b>In Person</b>							
English	6	4	13				<b>84</b>
Spanish	2	3	3				<b>19</b>
Vietnamese		3	4				<b>12</b>
Other Languages			2				<b>2</b>
<b>In Print</b>							
English	1						<b>6</b>
Spanish							<b>1</b>
Vietnamese							<b>1</b>
Other Languages							<b>0</b>
<b>TV / Radio</b>							
English							<b>2</b>
Spanish							<b>0</b>
Vietnamese	4	5	5				<b>42</b>
Other Languages							<b>0</b>
<b>Total Number of Outreach Events</b>	<b>13</b>	<b>15</b>	<b>27</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>171</b>

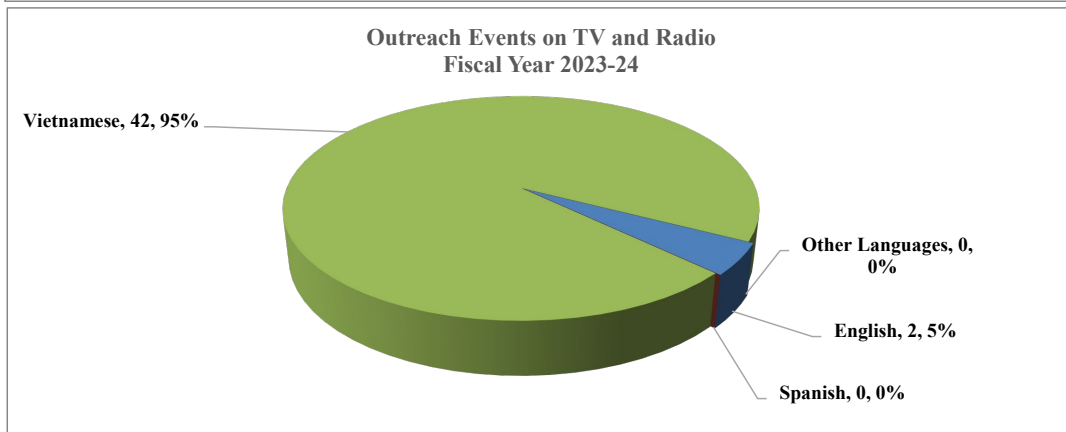
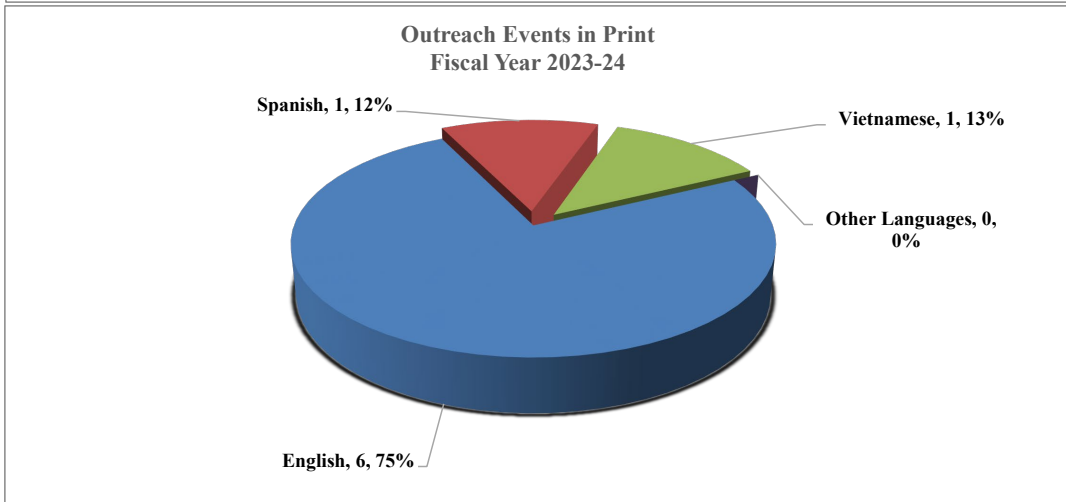
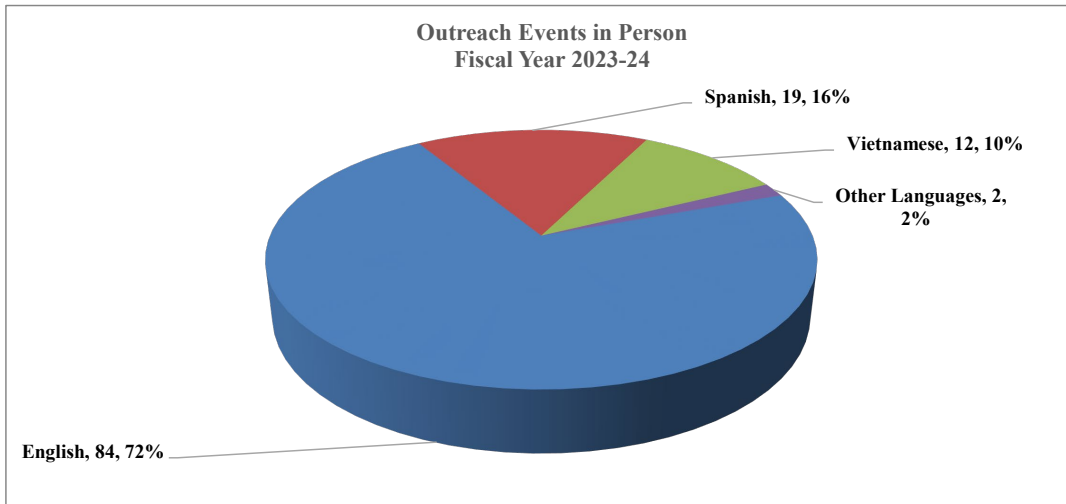
\* Virtual Meetings

## 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 2023-24



## EARLY INTERVENTION / PREVENTION

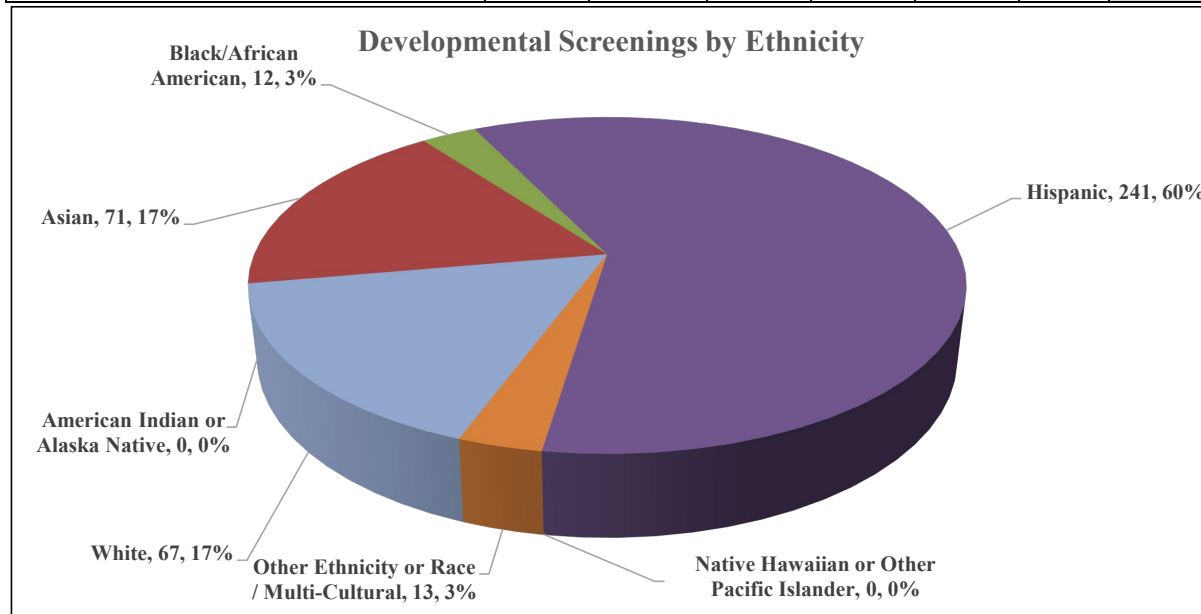
### Related Guiding Principles

- 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 2023-24

Developmental Screenings by Ethnicity	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
American Indian or Alaska Native	0	0	0	0	0	0
Asian	1	0	7	16	11	0
Black/African American	0	0	3	0	1	1
Hispanic	13	17	54	7	36	12
Native Hawaiian or Other Pacific Islander	0	0	0	0	0	0
Other Ethnicity or Race / Multi-Cultural	2	2	3	0	2	1
White	3	3	14	0	14	5
<b>Total Number Screened</b>	<b>19</b>	<b>22</b>	<b>81</b>	<b>23</b>	<b>64</b>	<b>19</b>
<b>Total Number Referred to RCOC</b>	<b>7</b>	<b>9</b>	<b>24</b>	<b>7</b>	<b>25</b>	<b>6</b>

Developmental Screenings by Ethnicity	Jan.	Feb.	Mar.	Apr.	May	June	Total
American Indian or Alaska Native	0	0	0				0
Asian	8	11	17				71
Black/African American	2	2	3				12
Hispanic	27	10	65				241
Native Hawaiian or Other Pacific Islander	0	0	0				0
Other Ethnicity or Race / Multi-Cultural	2	1	0				13
White	20	2	6				67
<b>Total Number Screened</b>	<b>59</b>	<b>26</b>	<b>91</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>404</b>
<b>Total Number Referred to RCOC</b>	<b>11</b>	<b>3</b>	<b>29</b>				<b>121</b>

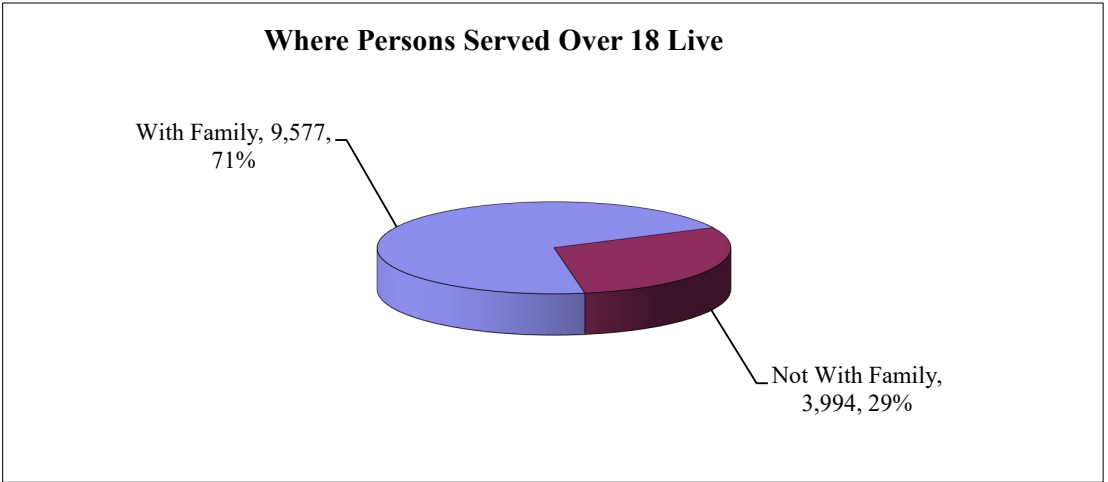
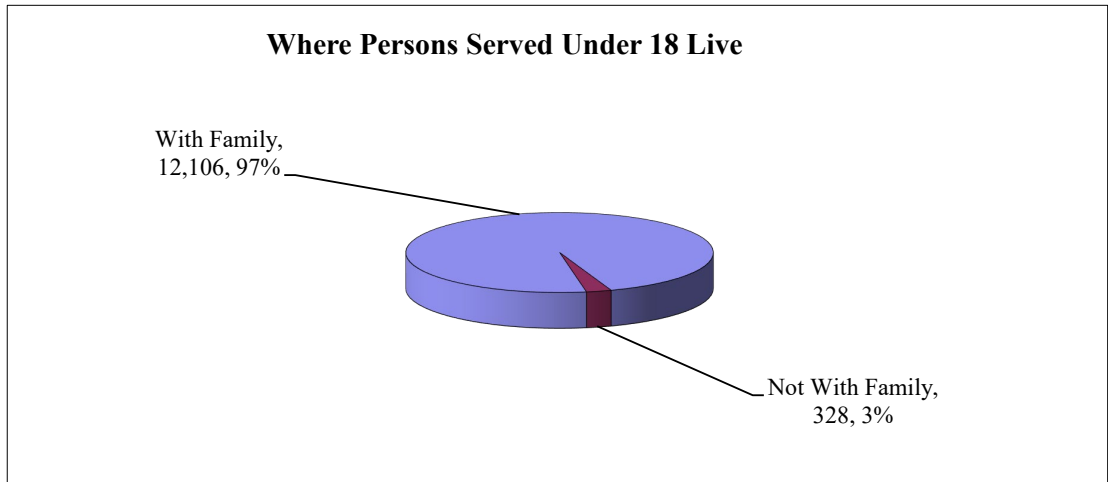


## LIVING OPTIONS

### 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.*

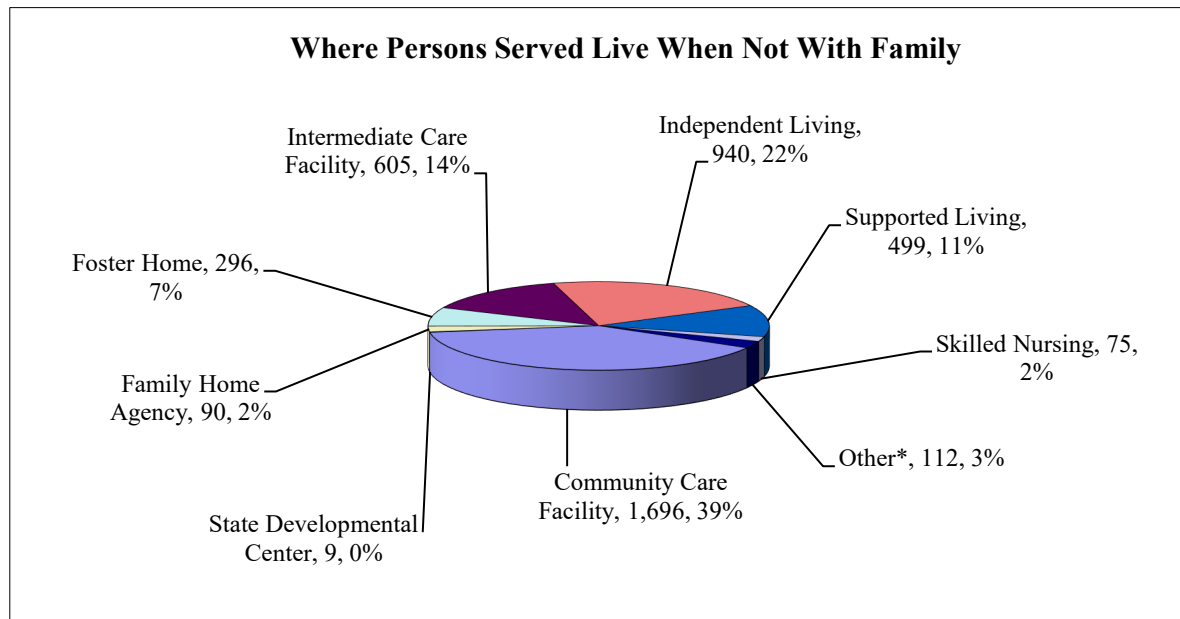
Where Persons Served Live	Persons Served All	Persons Served Under 18	Persons Served Over 18
With Family	21,683	12,106	9,577
Not With Family	4,322	328	3,994
<b>Totals</b>	<b>26,005</b>	<b>12,434</b>	<b>13,571</b>



**LIVING OPTIONS, continued**

Where Persons Served Live	All Persons Served	Persons Served Under 18	Persons Served Over 18
Family Home	21,683	12,106	9,577
Community Care Facility	1,696	17	1,679
State Developmental Center	9	0	9
Family Home Agency	90	0	90
Foster Home	296	289	7
Intermediate Care Facility	605	1	604
Independent Living	940	0	940
Supported Living	499	0	499
Skilled Nursing	75	0	75
Other*	112	21	91
<b>Total</b>	<b>26,005</b>	<b>12,434</b>	<b>13,571</b>

<b>Other*</b>			
Acute General Hospital	6	0	6
California Youth Authority	1	0	1
Community Treatment	3	1	2
Correctional Institution	1	0	1
County Jail	2	1	1
Other	0	0	0
Out of State	4	2	2
Psychiatric Treatment	24	5	19
Rehabilitation Center	5	0	5
SDC / State Hospital	9	0	9
Sub-Acute	42	13	29
Transient / Homeless	12	2	10
<b>Total, Other*</b>	<b>109</b>	<b>24</b>	<b>85</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.

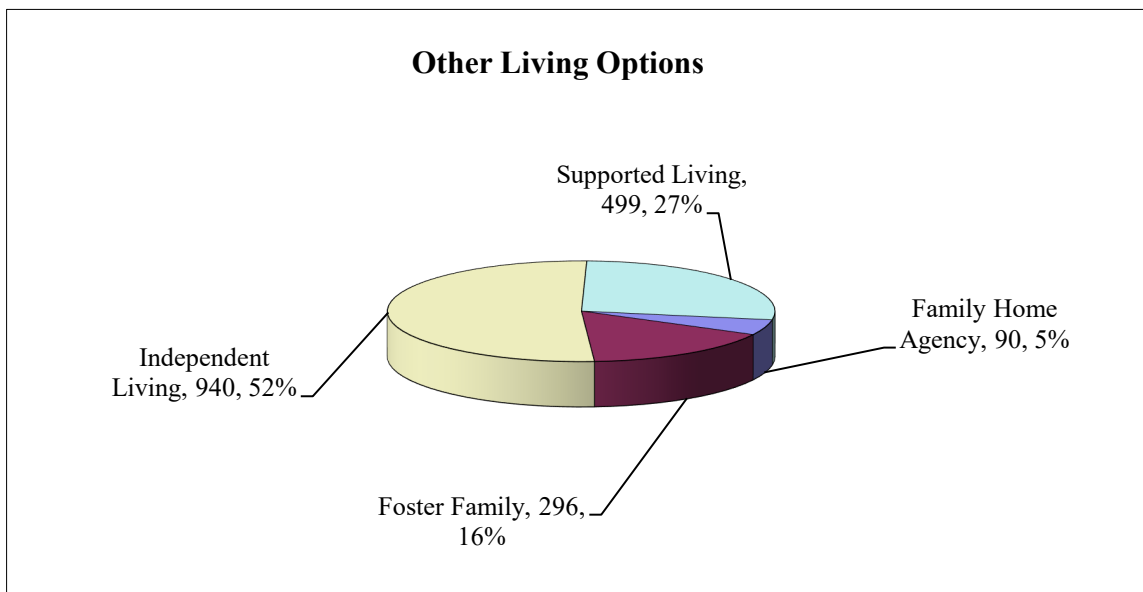
#### Independent Living

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	90	0	90
Foster Family	296	289	7
Independent Living	940	0	940
Supported Living	499	0	499
<b>Total</b>	<b>1,825</b>	<b>289</b>	<b>1,536</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 2023-24*

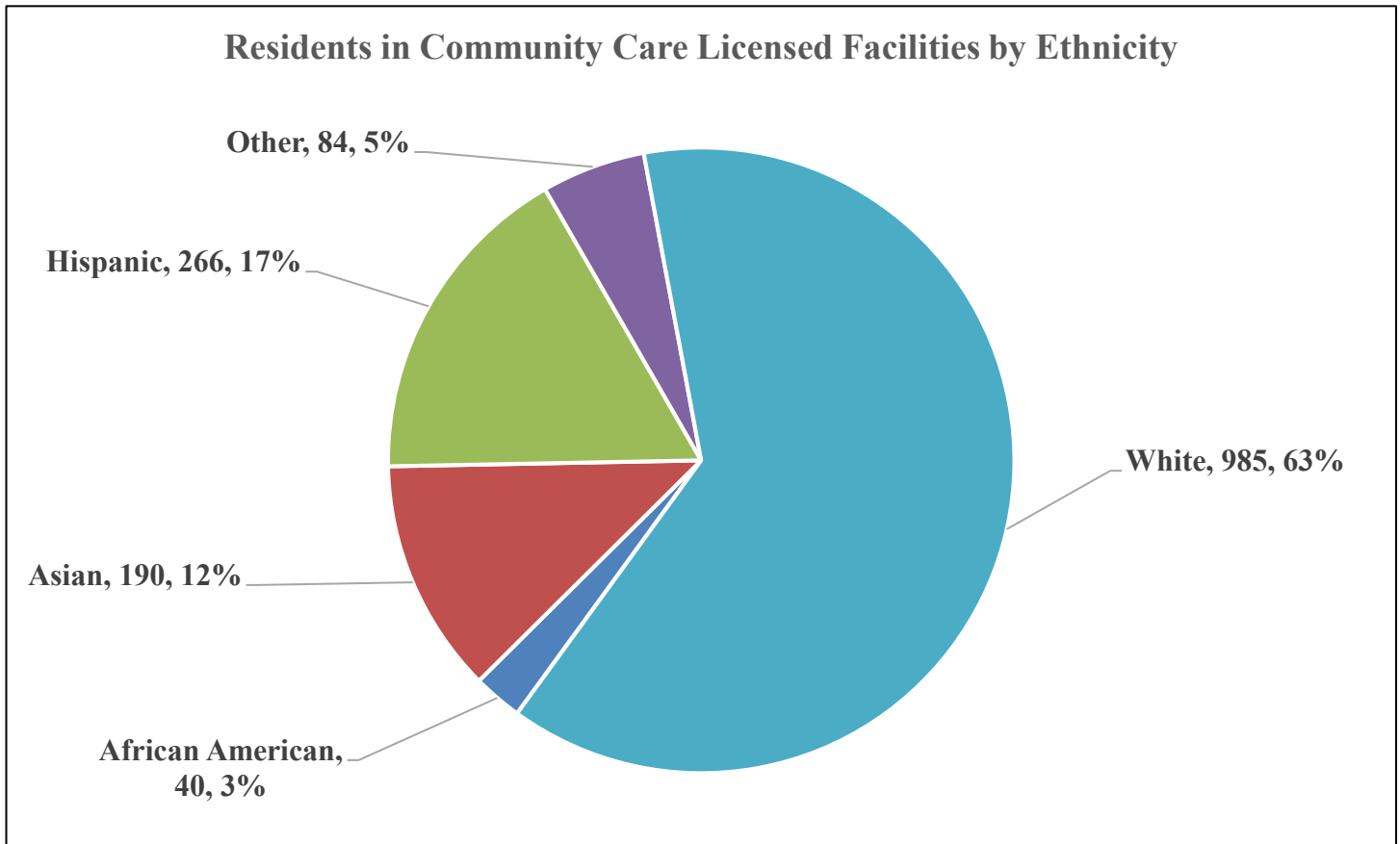
<b>Licensed Facilities</b>	<b>Total</b>	<b>Over 18</b>	<b>Under 18</b>
Level 2	167	167	0
Level 3	253	253	0
Level 4A	28	28	0
Level 4B	4	4	0
Level 4C	47	47	0
Level 4D	35	35	0
Level 4E	15	15	0
Level 4F	54	54	0
Level 4G	32	32	0
Level 4H	1	1	0
Level 4I	344	344	0
Elderly	6	6	0
ICF/DD-H	3	3	0
ICF/DD-N	6	6	0
ICF/DD	0	0	0
Skilled Nursing	0	0	0
<b>Total</b>	<b>995</b>	<b>995</b>	<b>0</b>

<b>Licensed Facilities Summary</b>	<b>Total</b>	<b>Over 18</b>	<b>Under 18</b>
Level 2	167	167	0
Level 3	253	253	0
Level 4	560	560	0
ICF/DD-H	3	3	0
ICF/DD-N	6	6	0
Elderly	6	6	0
Skilled Nursing	0	0	0
<b>Total</b>	<b>995</b>	<b>995</b>	<b>0</b>

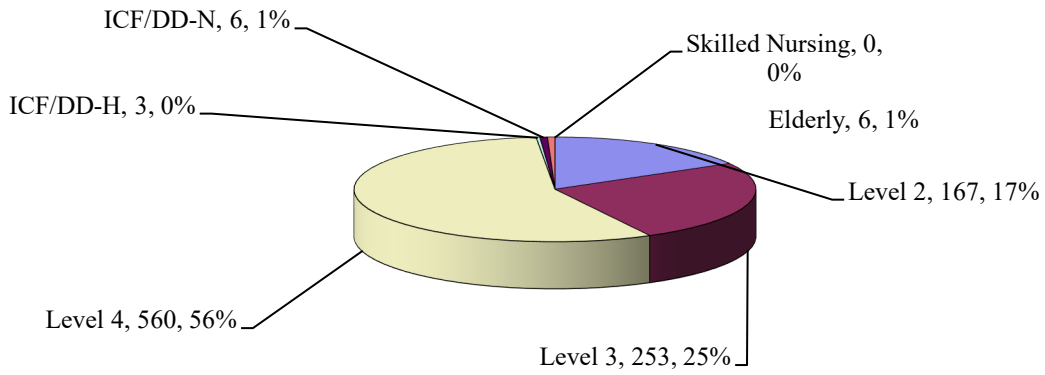
**LIVING OPTIONS, continued**

**Persons Served Who Reside in Licensed Facilities Funded by RCOC by Ethnicity**  
*Fiscal Year 2023-24*

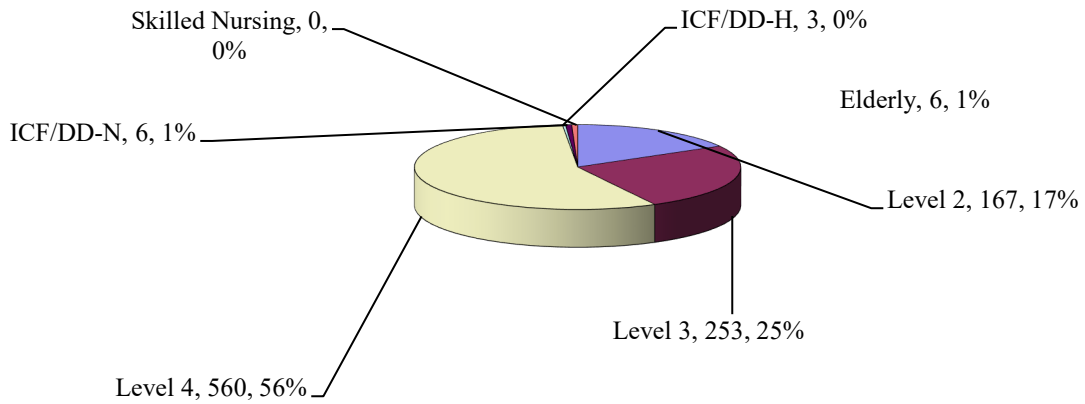
Licensed Facilities	African American	Asian	Hispanic	Other	White	Total
Level 2	7	24	55	12	204	302
Level 3	13	33	68	22	221	357
Level 4A	0	5	6	2	24	37
Level 4B	0	1	0	0	5	6
Level 4C	4	15	10	1	59	89
Level 4D	0	8	6	2	27	43
Level 4E	0	5	8	2	17	32
Level 4F	3	12	8	2	36	61
Level 4G	0	9	3	3	44	59
Level 4H	0	0	2	0	1	3
Level 4I	13	78	100	38	347	576
<b>Total</b>	<b>40</b>	<b>190</b>	<b>266</b>	<b>84</b>	<b>985</b>	<b>1,565</b>



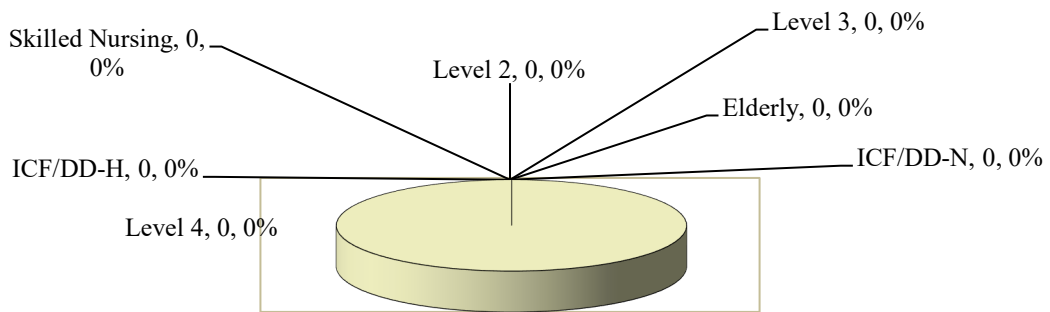
**Persons Served Who Reside in Licensed Facilities  
Services Funded by RCOC**



**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**

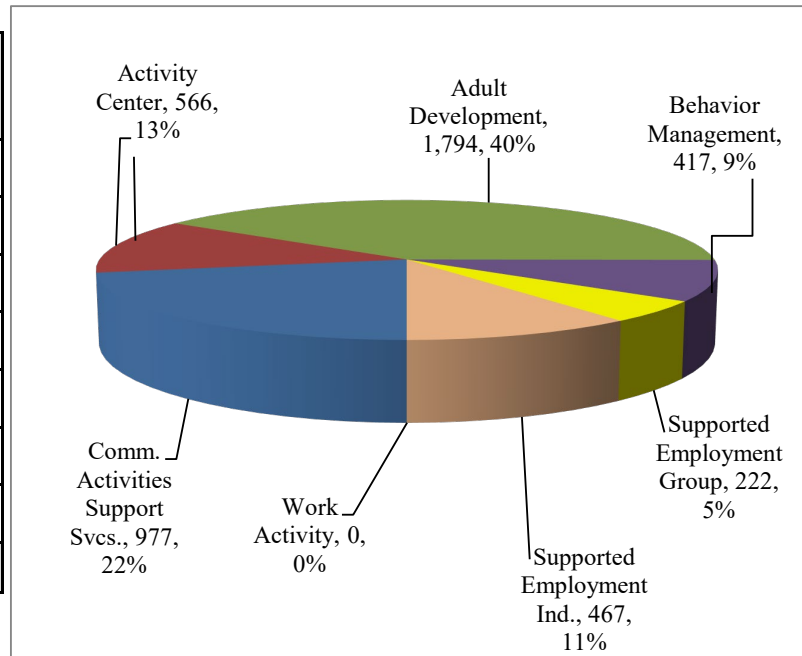


## WORK

### 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.	977
Activity Center	566
Adult Development	1,794
Behavior Management	417
Supported Employment Group	222
Supported Employment Ind.	467
Work Activity	0
<b>Total</b>	<b>4,443</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 2023-24*

<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)	322.0	359.4	355.8	364.5	370.8	368.8
Number of Case-Carrying SCs	296.4	328.8	325.3	335.0	342.3	339.6
Number of Intake SCs	25.7	30.7	30.7	29.7	28.7	29.3
Number of Active Persons Served	23,980	25,484	25,600	25,688	25,734	25,798
Caseload Ratio, # of Active Persons Served/SCs	80.9	77.5	78.7	76.7	75.2	76.0

<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)	381.4	388.4	393.3			
Number of Case-Carrying SCs	349.2	357.2	361.5			
Number of Intake SCs	32.3	31.3	32.3			
Number of Active Persons Served	25,826	25,897	25,995			
Caseload Ratio, # of Active Persons Served/SCs	74.0	72.5	71.9			

**SERVICE PLANNING AND COORDINATION continued**

**Fair Hearings**  
**Fiscal Year 2023-24**

	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
<b>Number of Unsettled Hearing Requests*</b>	<b>26</b>	<b>22</b>	<b>20</b>	<b>17</b>	<b>15</b>	<b>15</b>	<b>17</b>	<b>15</b>	<b>17</b>			
Eligibility - Lanterman	10	6	6	6	7	8	11	8	7			
Behavioral services	1					1	1	1	1			
Respite	1		1	1	2				2			
Day Care												
Self Determination Budget	2	3	4	4	2	1		1	1			
Personal Assistance						1	3	3	3			
Other**	6	3	3	3	2	1	1	3	4			

\* 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>13</b>	<b>7</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>11</b>	<b>8</b>	<b>12</b>			
Eligibility - Lanterman	6	4	2	4	3	3	6	2	4			
Eligibility - Early Start												
Behavioral services	1						1					
Respite					2				2			
Day Care												
Social/Recreational							1					
Social Skills Training												
SDP	2	1	1									
Personal Assistance						1	2		1			
Other**	4	2	1	1	1	1		3	2			

\* 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>4</b>	<b>9</b>	<b>8</b>	<b>8</b>	<b>6</b>	<b>4</b>	<b>7</b>	<b>9</b>	<b>5</b>			
Number of Informal Meetings Held	4	6	5	4	5	2	6	8	2			
Number of Mediations Held		3	3	4	1	2	1	1	3			
Number of SLFHs Held												

<b>Number of Requests in Scheduling*</b>	<b>13</b>	<b>6</b>	<b>4</b>	<b>0</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>0</b>	<b>11</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>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>			
------------------------------------	----------	----------	----------	----------	----------	----------	----------	----------	----------	--	--	--

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

<b>Number of Requests Settled</b>	<b>9</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>4</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>1</b>			
Withdrawn by Person Served/Family	1		1	2	1	2	4	1				
Settled in Informal	6	5	4	3	3	3	3	5	1			
Settled after further follow-up by RCOC								0				
Settled in Mediation	1	2	3	3		2		1				
SLFH Decision	1			1				0				

**State Level Fair Hearing Decisions**

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



## ADMINISTRATION AND GOVERNANCE

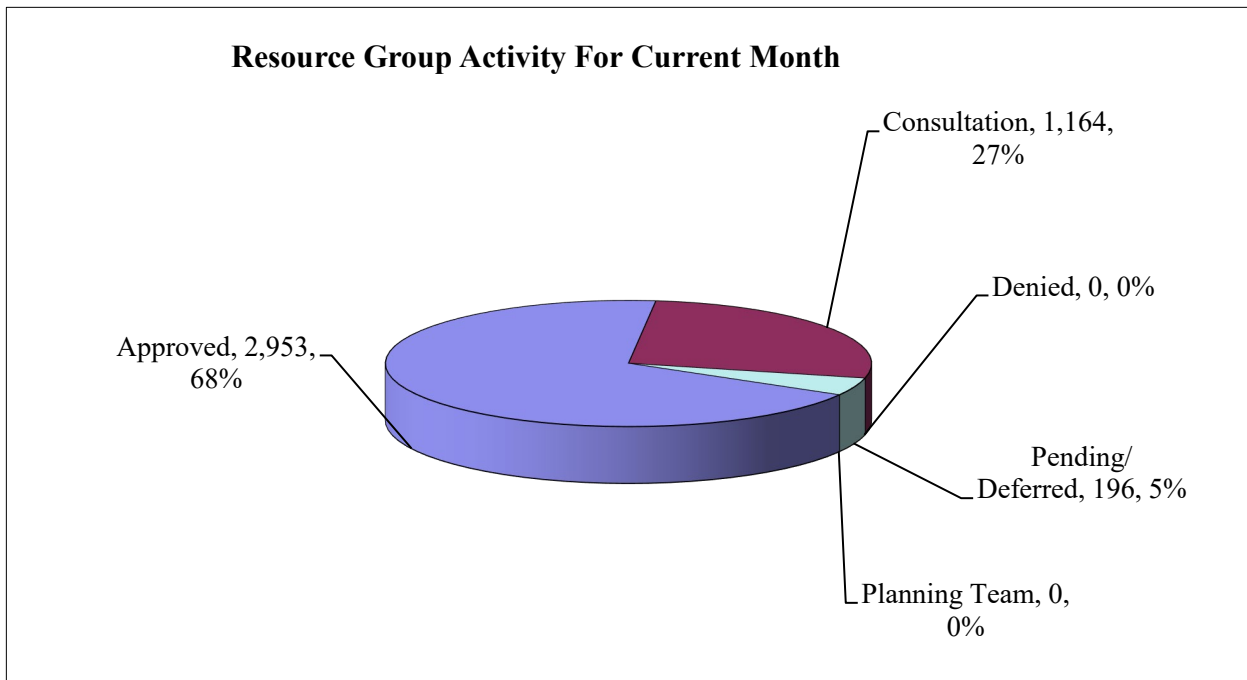
### Guiding Principle

- *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 March 2024 and Fiscal Year to Date

Disposition	Approved	Consultation	Denied	Pending/Deferred	Planning Team	Total
Adult Day	690	374	0	65	0	1,129
Behavioral	96	68	0	18	0	182
Education	0	0	0	0	0	0
Eligibility/Health	74	6	0	6	0	86
Early Start	555	151	0	30	0	736
Living Options	254	180	0	4	0	438
Supported/Ind.	258	163	0	29	0	450
All Others	1026	222	0	44	0	1,292
<b>Monthly Total</b>	<b>2,953</b>	<b>1,164</b>	<b>0</b>	<b>196</b>	<b>0</b>	<b>4,313</b>

<b>FY 2022-23 Total to Date</b>	31,845	13,985	0	2,063	0	<b>47,893</b>
-------------------------------------	--------	--------	---	-------	---	---------------



## Operations Report Summary - March 2024

About Persons Served	Early Start	Medicaid Waiver	All Other	SDC	Total	Under 18	Over 18
Number of Persons Served	3,428	8,797	11,754	9	<b>23,988</b>	12,434	13,571
<i>Percentage of Total</i>	<i>14%</i>	<i>37%</i>	<i>49%</i>	<i>0%</i>	<i>100%</i>	<i>52%</i>	<i>57%</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	21,683	12,106	9,577
Community Care Facility	1,696	17	1,679
State Developmental Center	9	0	9
Family Home Agency	90	0	90
Foster Home	296	289	7
Intermediate Care Facility	605	1	604
Independent Living	940	0	940
Supported Living	499	0	499
Skilled Nursing	75	0	75
Other	112	21	91
<b>Total</b>	<b>26,005</b>	<b>12,434</b>	<b>13,571</b>

Special Incident Investigations	Year to Date
AWOL	44
Abuse	110
Neglect	148
Injury	213
Hospitalizations - Total	357
Death	118
Victim of crime	12
Arrest	5
Rights	170
<b>Total</b>	<b>1,177</b>

### Number of Licensed Facilities

<i>Community Care Facilities</i>	Total	Under 18	Over 18
Level 2	71	0	71
Level 3	81	0	81
Level 4	215	12	203
<b>Total Community Care Facilities</b>	<b>367</b>	<b>12</b>	<b>355</b>

Licensed Facility Monitoring	Year to Date
Annual Review	336
Unannounced	635
Total Number of Reviews	338
Provider Trainings	0
Technical Support	2,372
Corrective Action Plans	34

### *Intermediate Care Facilities (ICF)*

ICF-DD	0
ICF-DD/Habilitation	70
ICF-DD/Nursing	41
<b>Total ICF Facilities</b>	<b>111</b>

<b>Number of Audits</b>	<b>7</b>
<b>Amount of Recovery from Audits</b>	<b>\$71,900</b>

<b>Total Licensed Facilities</b>	<b>478</b>
----------------------------------	------------



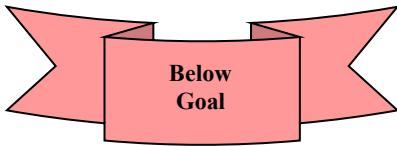
## Performance Contract Summary

RCOC as of 3/01/2024	All	RCOC #	Goal	Percentage	# Attained
Developmental Center (DC)	25,891	9	0	0.03%	-9
Children in Foster Homes (FH)	12,382	295	315	2.38%	-20
Children Own Home Parent/Guardian	12,382	12,049	11,300	97.31%	749
Total # Children (FH,Parent/Guardian)	12,382	12,344	11,615	99.69%	729
Adult FHA	13,500	88	110	0.65%	-22
Independent Living (IL)	13,500	930	924	6.89%	6
Adults Residing Own Home - Parent	13,500	9,546	9,150	70.71%	396
Supported Living (SL)	13,500	493	512	3.65%	-19
Total # Adults (FHA, IL,Parent/Guardian, SL)	13,500	11,057	10,696	81.90%	361
Children Residing in a CCF (7+ beds)	12,382	0	0	0.00%	0
Children Residing in a ICF (7+ beds)	12,382	0	0	0.00%	0
Children Residing in a Nursing Facility (7+ beds)	12,382	0	0	0%	0
Total Children Residing in 7+ bed facilities	12,382	0	0	0.00%	0
Adults Residing in a CCF (7+ beds)	13,500	119	114	0.88%	-5
Adults Residing in a ICF (7+ beds)	13,500	15	6	0.11%	-9
Adults Residing in a Nursing Facility (7+ beds)	13,500	77	74	0.57%	-3
Total Adults Residing in 7+ bed facilities	13,500	211	194	1.56%	-17
Total Individuals Over Age 3 with <=120 days	242	239	100%	100.00%	98.76%
Total Individuals Over Age 3 with 121-240 days	242	2	0%	0.83%	0.83%
Total Individuals Over Age 3 Over 240 days	242	1	0%	0.41%	0.41%
Adults with Integrated Employment Goal	13,500	48%	65%		
Total Number of Incentive Payments Made	13,500	207			
Avg. Wage per Hour After Incentive Payment	13,500	\$14.40			
Number of Persons Served with Earned Income	13,500	1,726			
Percentage of 16-64 Earned Income	13,500	22%			
Annual Earnings of 16-64	13,500	\$7,656			
Number of Adults in CIE After Paid Intern	13,500	0			
Percentage Adults Transitioned Internship to CIE	13,500	0%			
Total Annual Expenditures Race/Ethnicity	25,882				

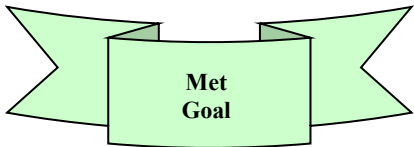
**Performance Contract 2023-2024 Cover Sheet**



= 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 2023-2024**

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

Compliance Measure	Outcome
Unqualified audit with no material findings	Yes
Substantial compliance with DDS fiscal audit	Yes
Operates within OPS budget	Yes
Certified to participate in Waiver	Yes
Compliance with vendor audit requirements per contract, Article III, sec. 10	Met
CDER/ESR current	95.75
Intake/Assessment and IFSP (0-2)	99.52
IPP development biennial	Annual, 99.46
IFSP development	69.28



## Performance Contract 2023-2024

### I. Developmental Center

#### Planned Activities

**Statement:** The Regional Center of Orange County (RCOC) is committed to providing assistance to individuals and their families who choose to move from a State Developmental Center (SDC) into a less restrictive environment within their home communities.

**Objective:** RCOC will continue to seek new and innovative methods of utilizing available resources, developing non-existing resources, and creating and implementing transition plans that will allow individuals to establish themselves and participate successfully in their home community living arrangements.

- Implementation of Community Placement Plan/Resource Development Plan for FYs 2021-2022 and 2022-2023.

**Progress:** In FY 2019-2020, RCOC moved the last persons served from Fairview Developmental Center into the community. The remaining individuals are served at Porterville Developmental Center where they remain for competency issues. During Public Meetings in August 2022, RCOC had 8 persons served, or 0.03%, in Developmental Centers.

#### A. Total number and % of regional center caseload in developmental centers.

	Percentage	All Consumers	Consumers in DC			
Statewide Average	0.06%	384,188	233			
RCOC Public Hearing 8/17/22	0.03%	23,394	8	Goal	%	# Attained
RCOC 3/01/24	0.03%	25,891	9	0	0.03%	-9
Analysis as of Public Hearing	RCOC % of DD pop		6.09%	RCOC % of DC pop		3.43%

Number of Persons Served Residing DC's



	Total Active Caseload	Goal	DC	%	Number Attained
Jan-23	24,544	0	10	0.04%	-10
Feb-23	24,616	0	10	0.04%	-10
Mar-23	24,769	0	10	0.04%	-10
Apr-23	24,906	0	9	0.04%	-9
May-23	25,035	0	10	0.04%	-10
Jun-23	25,232	0	10	0.04%	-10
Jul-23	25,350	0	10	0.04%	-10
Aug-23	25,477	0	10	0.04%	-10
Sep-23	25,600	0	10	0.04%	-10
Oct-23	25,677	0	10	0.04%	-10
Nov-23	25,722	0	9	0.03%	-9
Dec-23	25,754	0	8	0.03%	-8
Jan-24	25,813	0	9	0.03%	-9
Feb-24	25,891	0	9	0.03%	-9
Mar-24		0			
Apr-24		0			
May-24		0			
Jun-24		0			



## Performance Contract 2023-2024

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

#### Planned Activities

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

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



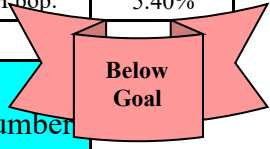
Progress: A. During public meetings, RCOC had 284, or 2.64%, of children in foster homes.

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

	Percentage	All Children	Children in FH	Goal	%	# Attained
Statewide Average	2.66%	197,711	5,256			
RCOC Public Hearing 8/17/22	2.64%	10,752	284			
RCOC 3/01/24	2.38%	12,382	295	315	2.38%	-20
Analysis as of Public Hearing	RCOC % of DD pop.		5.44%		RCOC % of FH pop.	5.40%



	Total Children Status 1&2	Goal	Children in Foster Homes	%	Number Attained
Jan-23	11,574	315	316	2.73%	1
Feb-23	11,616	315	313	2.69%	-2
Mar-23	11,706	315	308	2.63%	-7
Apr-23	11,832	315	315	2.66%	0
May-23	11,915	315	312	2.62%	-3
Jun-23	12,053	315	323	2.68%	8
Jul-23	12,129	315	321	2.65%	6
Aug-23	12,217	315	322	2.64%	7
Sep-23	12,295	315	323	2.63%	8
Oct-23	12,323	315	313	2.54%	-2
Nov-23	12,332	315	315	2.55%	0
Dec-23	12,325	315	305	2.47%	-10
Jan-24	12,344	315	311	2.52%	-4
Feb-24	12,382	315	295	2.38%	-20
Mar-24		315			
Apr-24		315			
May-24		315			
Jun-24		315			



Progress: B. During public meetings, RCOC had 10,425, or 96.96%, 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	96.94%	197,711	191,657			
RCOC Public Hearing 8/17/22	96.96%	10,752	10,425	Goal	%	# Attained
RCOC 3/01/24	97.31%	12,382	12,049	11,300	97.31%	749
Analysis as of Public Hearing	RCOC % of DD pop.		5.44%	RCOC % of Home		96.96%



	Total Children	Children in own home Parent/Guardian	Children in Own Home Parent/Guardian	%	Number Attained
Jan-23	11,574	11,300	11,220	96.94%	-80
Feb-23	11,616	11,300	11,264	96.97%	-36
Mar-23	11,706	11,300	11,359	97.04%	59
Apr-23	11,832	11,300	11,475	96.89%	175
May-23	11,915	11,300	11,561	97.03%	261
Jun-23	12,053	11,300	11,688	96.97%	388
Jul-23	12,129	11,300	11,765	97.00%	465
Aug-23	12,217	11,300	11,850	97.00%	550
Sep-23	12,295	11,300	11,926	97.00%	626
Oct-23	12,323	11,300	11,963	97.08%	663
Nov-23	12,332	11,300	11,972	97.08%	672
Dec-23	12,325	11,300	11,980	97.20%	680
Jan-24	12,344	11,300	11,994	97.16%	694
Feb-24	12,382	11,300	12,049	97.31%	749
Mar-24		11,300			
Apr-24		11,300			
May-24		11,300			
Jun-24		11,300			





Progress: C. During public meetings, RCOC had 10,079, or 99.46%, of children in homes.

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

	%	All Children	Total Number Children in Homes	Goal	%	# Attained
Statewide Average	99.65%	197,611	196,913			
RCOC Public Hearing 8/17/22	99.60%	10,752	10,709	11,615	99.69%	729
RCOC 3/01/24	99.69%	12,382	12,344			
Analysis of Public Hearing	RCOC % of DD pop		5.44%	RCOC % Homes		86.75%

	Total Children Status 1&2	Goal	Total Number Children in Homes	%	Number Attained
Jan-23	11,574	11,615	11,536	99.67%	-79
Feb-23	11,616	11,615	11,577	99.66%	-38
Mar-23	11,706	11,615	11,667	99.67%	52
Apr-23	11,832	11,615	11,790	99.65%	175
May-23	11,915	11,615	11,873	99.65%	258
Jun-23	12,053	11,615	12,011	99.65%	396
Jul-23	12,129	11,615	12,086	99.65%	471
Aug-23	12,217	11,615	12,172	99.63%	557
Sep-23	12,295	11,615	12,249	99.63%	634
Oct-23	12,323	11,615	12,276	99.62%	661
Nov-23	12,332	11,615	12,287	99.64%	672
Dec-23	12,325	11,615	12,285	99.68%	670
Jan-24	12,344	11,615	12,305	99.68%	690
Feb-24	12,382	11,615	12,344	99.69%	729
Mar-24		11,615			
Apr-24		11,615			
May-24		11,615			
Jun-24		11,615			



## Performance Contract 2023-2024

### III. Adults Residing in Home Settings

#### Planned Activities

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

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

- RCOC will provide service coordinator training to assist families in establishing maintenance plans in the event of temporary caregiver illness/incapacity and for eventual transition plans.
- RCOC will request vendors to include 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 99, or 0.78%, 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	0.82%	186,242	1,529			
RCOC Public Hearing 8/17/22	0.78%	12,634	99	110	0.65%	-22
RCOC 3/01/24	0.65%	13,500	88			
Analysis as of Public Hearing	RCOC % of DD pop		6.78%	RCOC % of FHA pop		6.47%



	Total Adults Status 2	Goal	Adults in FHA	%	Number Attained
Jan-23	12,970	110	91	0.70%	-19
Feb-23	12,990	110	90	0.69%	-20
Mar-23	13,053	110	90	0.69%	-20
Apr-23	13,065	110	90	0.69%	-20
May-23	13,110	110	90	0.69%	-20
Jun-23	13,179	110	89	0.68%	-21
Jul-23	13,211	110	90	0.68%	-20
Aug-23	13,250	110	89	0.67%	-21
Sep-23	13,295	110	87	0.65%	-23
Oct-23	13,344	110	86	0.64%	-24
Nov-23	13,381	110	86	0.64%	-24
Dec-23	13,421	110	86	0.64%	-24
Jan-24	13,460	110	87	0.65%	-23
Feb-24	13,500	110	88	0.65%	-22
Mar-24		110			
Apr-24		110			
May-24		110			
Jun-24		110			



**Progress:** B. During public meetings, RCOC had 903, or 7.15%, 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	Goal	%	# Attained
Statewide Average	9.48%	186,242	17,651			
RCOC Public Hearing 8/17/22	7.15%	12,634	903			
RCOC 3/01/24	6.89%	13,500	930	924	6.89%	6
Analysis of Public Hearing	RCOC % of DD pop		6.78%	RCOC % of IL pop		5.12%



	Total Adults Status 2	Goal	Adults in Independent Living	%	Attained
Jan-23	12,970	924	907	6.99%	-17
Feb-23	12,990	924	912	7.02%	-12
Mar-23	13,053	924	917	7.03%	-7
Apr-23	13,065	924	924	7.07%	0
May-23	13,110	924	930	7.09%	6
Jun-23	13,179	924	935	7.09%	11
Jul-23	13,211	924	937	7.09%	13
Aug-23	13,250	924	934	7.05%	10
Sep-23	13,295	924	935	7.03%	11
Oct-23	13,344	924	937	7.02%	13
Nov-23	13,381	924	935	6.99%	11
Dec-23	13,421	924	928	6.91%	4
Jan-24	13,460	924	932	6.92%	8
Feb-24	13,500	924	930	6.89%	6
Mar-24		924			
Apr-24		924			
May-24		924			
Jun-24		924			

**Progress:** C. During public meetings, RCOC had 8,719, or 69.01%, 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	Goal	%	# Attained
Statewide Average	67.43%	186,242	125,589			
RCOC Public Hearing 8/17/22	69.01%	12,634	8,719			
RCOC 3/01/24	70.71%	13,500	9,546	9,150	70.71%	396
Analysis of Public Hearing	RCOC % of DD pop		6.78%	RCOC % of own home		6.94%



	Total Adults Status 2	Goal	Adults Residing Own Home - Parent	%	Number Attained
Jan-23	12,970	9,150	9,052	69.79%	-98
Feb-23	12,990	9,150	9,072	69.84%	-78
Mar-23	13,053	9,150	9,120	69.87%	-30
Apr-23	13,065	9,150	9,132	69.90%	-18
May-23	13,110	9,150	9,181	70.03%	31
Jun-23	13,179	9,150	9,241	70.12%	91
Jul-23	13,211	9,150	9,263	70.12%	113
Aug-23	13,250	9,150	9,305	70.23%	155
Sep-23	13,295	9,150	9,346	70.30%	196
Oct-23	13,344	9,150	9,401	70.45%	251
Nov-23	13,381	9,150	9,440	70.55%	290
Dec-23	13,421	9,150	9,475	70.60%	325
Jan-24	13,460	9,150	9,510	70.65%	360
Feb-24	13,500	9,150	9,546	70.71%	396
Mar-24		9,150			
Apr-24		9,150			
May-24		9,150			
Jun-24		9,150			



**Progress:** D. During public meetings, RCOC had 496, or 3.93%, of adults residing in supported living.

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

	Percentage	Total Adults Status 2	Adults Residing in Supported Living			
Statewide Average	5.02%	186,242	9,359			
RCOC Public Hearing 8/17/22	3.93%	12,634	496	Goal	%	# Attained
RCOC 3/01/24	3.65%	13,500	493	512	3.65%	-19
Analysis of Public Hearing	RCOC % of DD pop		6.78%	RCOC % of SL pop		5.30%

	Total Adults Status 2	Goal	Adults Residing Supported Living	%	Number Attained
Jan-23	12,970	512	492	3.79%	-20
Feb-23	12,990	512	493	3.80%	-19
Mar-23	13,053	512	499	3.82%	-13
Apr-23	13,065	512	498	3.81%	-14
May-23	13,110	512	498	3.80%	-14
Jun-23	13,179	512	500	3.79%	-12
Jul-23	13,211	512	499	3.78%	-13
Aug-23	13,250	512	495	3.74%	-17
Sep-23	13,295	512	495	3.72%	-17
Oct-23	13,344	512	491	3.68%	-21
Nov-23	13,381	512	492	3.68%	-20
Dec-23	13,421	512	491	3.66%	-21
Jan-24	13,460	512	492	3.66%	-20
Feb-24	13,500	512	493	3.65%	-19
Mar-24		512			
Apr-24		512			
May-24		512			
Jun-24		512			







Progress: E. During public meetings, RCOC had 10,217, or 80.97%, of adults residing in home settings.

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

	Percentage	Total Adults Status 2	Total Number Adults in Home Settings	Goal	%	# Attained
Statewide Average	82.75%	186,242	154,119			
RCOC Public Hearing 8/17/22	80.97%	12,634	10,217	10,696	81.90%	361
RCOC 3/01/24	81.90%	13,500	11,057			
Analysis of Public Hearing	RCOC % of DD pop		6.78%	RCOC % of Home		6.63%

	Total Adults Status 2	Goal	Total Number Adults in Home Settings	%	Number Attained
Jan-23	12,970	10,696	10,542	81.28%	-154
Feb-23	12,990	10,696	10,567	81.35%	-129
Mar-23	13,053	10,696	10,626	81.41%	-70
Apr-23	13,065	10,696	10,644	81.47%	-52
May-23	13,110	10,696	10,699	81.61%	3
Jun-23	13,179	10,696	10,765	81.68%	69
Jul-23	13,211	10,696	10,789	81.67%	93
Aug-23	13,250	10,696	10,823	81.68%	127
Sep-23	13,295	10,696	10,863	81.71%	167
Oct-23	13,344	10,696	10,915	81.80%	219
Nov-23	13,421	10,696	10,980	81.81%	284
Dec-23	13,421	10,696	11,013	81.83%	317
Jan-24	13,460	10,696	11,021	81.88%	325
Feb-24	13,500	10,696	11,057	81.90%	361
Mar-24		10,696			
Apr-24		10,696			
May-24		10,696			
Jun-24		10,696			



## Performance Contract 2023-2024

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

#### Planned Activities

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

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

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

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

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

	Percentage	Total Children Status 1&2	Children Residing in CCF 7+ Beds			
Statewide Average	0.01%	197,711	13			
RCOC Public Hearing 8/17/22	0.00%	10,752	0	Goal	%	# Attained
RCOC 3/01/24	0.00%	12,382	0	0	0.00%	0
Analysis of Public Hearing	RCOC % of DD pop		5.44%	RCOC % of CCF 7+		0.00%



	Total Children Status 1&2	Goal	Children Residing CCF 7+ Beds	%	Number Attained
Jan-23	11,574	0	1	0.01%	-1
Feb-23	11,616	0	1	0.01%	-1
Mar-23	11,706	0	1	0.01%	-1
Apr-23	11,832	0	1	0.01%	-1
May-23	11,915	0	1	0.01%	-1
Jun-23	12,053	0	1	0.01%	-1
Jul-23	12,129	0	1	0.01%	-1
Aug-23	12,217	0	1	0.01%	-1
Sep-23	12,295	0	0	0.00%	0
Oct-23	12,323	0	0	0.00%	0
Nov-23	12,332	0	0	0.00%	0
Dec-23	12,325	0	0	0.00%	0
Jan-24	12,344	0	0	0.00%	0
Feb-24	12,382	0	0	0.00%	0
Mar-24		0			
Apr-24		0			
May-24		0			
Jun-24		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	Goal	%	# Attained
Statewide Average	0.02%	197,711	34			
RCOC Public Hearing 8/17/22	0.00%	10,752	0	0	0.00%	0
RCOC 3/01/24	0.00%	12,382	0			
Analysis of Public Hearing	RCOC % of DD pop		5.44%	RCOC % of ICF 7+		0.00%



	Total Children Status 1&2	Goal	Children Residing ICF 7+ Beds	%	Number Attained
Jan-23	12,574	0	0	0.00%	0
Feb-23	11,616	0	0	0.00%	0
Mar-23	11,706	0	0	0.00%	0
Apr-23	11,832	0	0	0.00%	0
May-23	11,915	0	0	0.00%	0
Jun-23	12,053	0	0	0.00%	0
Jul-23	12,129	0	0	0.00%	0
Aug-23	12,217	0	0	0.00%	0
Sep-23	12,295	0	0	0.00%	0
Oct-23	12,323	0	0	0.00%	0
Nov-23	12,332	0	0	0.00%	0
Dec-23	12,325	0	0	0.00%	0
Jan-24	12,344	0	0	0.00%	0
Feb-24	12,382	0	0	0.00%	0
Mar-24		0			
Apr-24		0			
May-24		0			
Jun-24		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	0.00%	197,711	7			
RCOC Public Hearing 8/17/22	0.00%	10,752	0	Goal	%	# Attained
RCOC 3/01/24	0.00%	12,382	0	0	0.00%	0
Analysis of Public Hearing	RCOC % of DD pop		5.44%	RCOC % of NF		0.00%



	Total Children Status 1&2	Goal	Children Residing in a Nursing Facility (NF)	%	Number Attained
Jan-23	12,574	0	0	0.00%	0
Feb-23	11,616	0	0	0.00%	0
Mar-23	11,706	0	0	0.00%	0
Apr-23	11,832	0	0	0.00%	0
May-23	11,915	0	0	0.00%	0
Jun-23	12,053	0	0	0.00%	0
Jul-23	12,129	0	0	0.00%	0
Aug-23	12,217	0	0	0.00%	0
Sep-23	12,295	0	0	0.00%	0
Oct-23	12,323	0	0	0.00%	0
Nov-23	12,332	0	0	0.00%	0
Dec-23	12,325	0	0	0.00%	0
Jan-24	12,344	0	0	0.00%	0
Feb-24	12382	0	0	0.00%	0
Mar-24		0			
Apr-24		0			
May-24		0			
Jun-24		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%	197,711	54			
RCOC Public Hearing 8/17/22	0.00%	10,752	0	0	0.00%	0
RCOC 3/01/24	0.00%	12,382	0			
Analysis of Public Hearing	RCOC % of DD pop		5.44%		RCOC % 7+ Bed	0.00%



	Total Children Status 1&2	Goal	Total Children Residing in 7+ Bed	%	Number Attained
Jan-23	11,574	0	1	0.01%	-1
Feb-23	11,616	0	1	0.01%	-1
Mar-23	11,706	0	1	0.01%	-1
Apr-23	11,832	0	1	0.01%	-1
May-23	11,915	0	1	0.01%	-1
Jun-23	12,053	0	1	0.01%	-1
Jul-23	12,129	0	1	0.01%	-1
Aug-23	12,217	0	1	0.01%	-1
Sep-23	12,295	0	0	0.00%	0
Oct-23	12,323	0	0	0.00%	0
Nov-23	12,332	0	0	0.00%	0
Dec-23	12,325	0	0	0.00%	0
Jan-24	12,344	0	0	0.00%	0
Feb-24	12,382	0	0	0.00%	0
Mar-24		0			
Apr-24		0			
May-24		0			
Jun-24		0			

**Performance Contract 2023-2024**

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

**Planned Activities**

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

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

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



**Progress:** A. During public meetings, RCOC had 122, or 0.97%, of adults residing in a CCF 7+ bed. Placements to 7+ CCF are at family request and/or due to specialized services. RCOC has several long term vendors with 7+ bed homes, and will continue to work together to implement Trailer Bill Language regarding the use of these homes.

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

	Percentage	Total Adults Status 2	Adults in CCF 7+ Beds			
Statewide Average	0.79%	186,242	1,466			
RCOC Public Hearing 8/17/22	0.97%	12,634	122	Goal	%	# Attained
RCOC 3/01/24	0.88%	13,500	119	114	0.88%	-5
Analysis of Public Hearing	RCOC % of DD pop		6.78%	RCOC % Adult 7+ CCF		8.32%

	Total Adults Status 2	Goal	Adults Residing in CCF 7+ Beds	%	Number Attained
Jan-23	12,970	114	120	0.93%	-6
Feb-23	12,990	114	121	0.93%	-7
Mar-23	13,053	114	119	0.91%	-5
Apr-23	13,065	114	118	0.90%	-4
May-23	13,110	114	118	0.90%	-4
Jun-23	13,179	114	117	0.89%	-3
Jul-23	13,211	114	115	0.87%	-1
Aug-23	13,250	114	115	0.87%	-1
Sep-23	13,295	114	113	0.85%	1
Oct-23	13,344	114	113	0.85%	1
Nov-23	13,381	114	112	0.84%	2
Dec-23	13,421	114	114	0.85%	0
Jan-24	13,460	114	119	0.88%	-5
Feb-24	13,500	114	119	0.88%	-5
Mar-24		114			
Apr-24		114			
May-24		114			
Jun-24		114			





**Progress:** B. During public meetings, RCOC had 12, or 0.09%, 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%	186,242	755			
RCOC Public Hearing 8/17/22	0.09%	12,634	12			
RCOC 3/01/24	0.11%	13,500	15	6	0.11%	-9
Analysis of Public Hearing	RCOC % of DD pop		6.78%	RCOC % ICF 7+		1.59%



	Total Adults Status 2	Goal	Adults Residing ICF 7+ Beds	%	Number Attained
Jan-23	12,970	6	14	0.11%	-8
Feb-23	12,990	6	13	0.10%	-7
Mar-23	13,053	6	13	0.10%	-7
Apr-23	13,065	6	14	0.11%	-8
May-23	13,110	6	14	0.11%	-8
Jun-23	13,179	6	15	0.11%	-9
Jul-23	13,211	6	15	0.11%	-9
Aug-23	13,250	6	15	0.11%	-9
Sep-23	13,295	6	16	0.12%	-10
Oct-23	13,344	6	16	0.12%	-10
Nov-23	13,381	6	16	0.12%	-10
Dec-23	13,421	6	15	0.11%	-9
Jan-24	13,421	6	15	0.11%	-9
Feb-24	13,500	6	15	0.11%	-9
Mar-24		6			
Apr-24		6			
May-24		6			
Jun-24		6			



**Progress:** C. During public meetings, RCOC had 78, or 0.62%, 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	0.52%	186,242	967			
RCOC Public Hearing 8/17/22	0.62%	12,634	78	74	0.57%	-3
RCOC 3/01/24	0.57%	13,500	77			
Analysis of Public Hearing	RCOC % DD pop		6.78%	RCOC % NF		8.07%



	Total Adults Status 2	Goal	Adults Residing in NF	%	Number Attained
Jan-23	12,970	74	79	0.61%	-5
Feb-23	12,990	74	80	0.62%	-6
Mar-23	13,053	74	91	0.70%	-17
Apr-23	13,065	74	91	0.70%	-17
May-23	13,110	74	81	0.62%	-7
Jun-23	13,179	74	79	0.60%	-5
Jul-23	13,211	74	75	0.57%	-1
Aug-23	13,250	74	75	0.57%	-1
Sep-23	13,295	74	74	0.56%	0
Oct-23	13,344	74	74	0.55%	0
Nov-23	13,381	74	75	0.56%	-1
Dec-23	13,421	74	79	0.59%	-5
Jan-24	13,460	74	74	0.55%	0
Feb-24	13,500	74	77	0.57%	-3
Mar-24		74			
Apr-24		74			
May-24		74			
Jun-24		74			

**Progress:** D. During public meetings, RCOC had 212, or 1.68%, of adults residing in a facility with 7+ beds. Placements to 7+ bed facilities are at family request and/or due to specialized services.

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

	Percentage	Total Adults Status 2	Total Adults Residing in 7+ Bed			
Statewide Average	1.71%	186,242	3,188			
RCOC Public Hearing 8/17/22	1.68%	12,634	212	Goal	%	# Attained
RCOC 3/01/24	1.56%	13,500	211	194	1.56%	-17
Analysis of Public Meeting	RCOC % of DD pop		6.78%	RCOC % 7+ Bed		6.65%



	Total Adults Status 2	Goal	Total Adults Residing in 7+ Beds	%	Number Attained
Jan-23	12,970	194	194	1.64%	-19
Feb-23	12,990	194	214	1.65%	-20
Mar-23	13,053	194	223	1.71%	-29
Apr-23	13,065	194	223	1.71%	-29
May-23	13,110	194	213	1.62%	-19
Jun-23	13,179	194	211	1.60%	-17
Jul-23	13,211	194	205	1.55%	-11
Aug-23	13,250	194	205	1.55%	-11
Sep-23	13,295	194	203	1.53%	-9
Oct-23	13,344	194	203	1.52%	-9
Nov-23	13,381	194	203	1.52%	-9
Dec-23	13,421	194	208	1.55%	-14
Jan-24	13,460	194	208	1.55%	-14
Feb-24	13,500	194	211	1.56%	-17
Mar-24		194			
Apr-24		194			
May-24		194			
Jun-24		194			



## Performance Contract 2023 - 2024

### VI. Intake Duration

#### Planned Activities

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

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

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

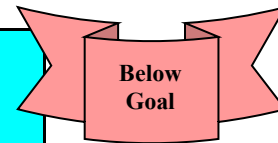
**Progress:** A. During public meetings, RCOC had 222, or 98.23%, of regional center individuals over age 3 with <=120 days.

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
Statewide Average	95.05%	9,095	8,645		
RCOC Public Hearing 8/17/22	98.00%	226	222	Goal	% Attained
RCOC 3/01/24	98.76%	242	239	100.00%	98.76%



	Total Number Individuals Age 3 or Over	Goal	Total Number Individuals Over Age 3 with <=120 Days	% Attained
Jan-23	242	100%	240	99.17%
Feb-23	262	100%	260	99.24%
Mar-23	237	100%	237	100%
Apr-23	285	100%	285	100%
May-23	317	100%	317	100%
Jun-23	290	100%	290	100%
Jul-23	297	100%	295	99.33%
Aug-23	283	100%	283	100%
Sep-23	273	100%	269	98.53%
Oct-23	247	100%	247	100%
Nov-23	274	100%	274	100%
Dec-23	270	100%	270	100%
Jan-24	260	100%	259	99.62%
Feb-24	242	100%	239	98.76%
Mar-24		100%		
Apr-24		100%		
May-24		100%		
Jun-24		100%		



**Progress:** B. During public meetings, RCOC had 4, or 1.77%, of regional center individuals over age 3 with 121-240 days.

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

	Percentage	Total Number Individual s Age 3 and Over	Total Number of Individuals Over Age 3 With 121-240 Days	Goal	% Attained
Statewide Average	3.83%	9,095	348		
RCOC Public Hearing 8/17/22	2.00%	226	4		
RCOC 3/01/24	0.83%	242	2	0.00%	0.83%



	Total Number of Individuals Age 3 or Over	Goal	Total Number Individuals Over Age 3 With 121-240 Days	%
Jan-23	242	0.00%	1	0.41%
Feb-23	262	0.00%	1	0.38%
Mar-23	237	0.00%	0	0.00%
Apr-23	285	0.00%	0	0.00%
May-23	317	0.00%	0	0.00%
Jun-23	290	0.00%	0	0.00%
Jul-23	297	0.00%	2	0.67%
Aug-23	283	0.00%	0	0.00%
Sep-23	273	0.00%	4	1.47%
Oct-23	247	0.00%	0	0.00%
Nov-23	274	0.00%	0	0.00%
Dec-23	270	0.00%	0	0.00%
Jan-24	260	0.00%	1	0.38%
Feb-24	242	0.00%	2	0.83%
Mar-24		0.00%		
Apr-24		0.00%		
May-24		0.00%		
Jun-24		0.00%		



**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
Statewide Average	1.12%	9,095	102		
RCOC Public Meeting 8/17/22	0.00%	226	0		
RCOC 3/01/24	0.00%	242	1	0.00%	0.41%



	Total Number Individuals Age 3 or Over	Goal	Total Number Individuals Over Age 3 Over 240 Days	% Attained
Jan-23	242	0%	1	0.41%
Feb-23	262	0%	1	0.38%
Mar-23	237	0%	0	0.00%
Apr-23	285	0%	0	0.00%
May-23	317	0%	0	0.00%
Jun-23	290	0%	0	0.00%
Jul-23	297	0%	0	0.00%
Aug-23	283	0%	0	0.00%
Sep-23	273	0%	0	0.00%
Oct-23	247	0%	0	0.00%
Nov-23	274	0%	0	0.00%
Dec-23	270	0%	0	0.00%
Jan-24	260	0%	0	0.00%
Feb-24	242	0%	1	0.41%
Mar-24		0%		
Apr-24		0%		
May-24		0%		
Jun-24		0%		



**Performance Contract 2023-2024**

**VII. National Core Indicators (NCI) Employment**

**Planned Activities**

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

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

**Progress:** A. Results from the National Core Indicator surveys conducted in FY 2014-15, 47% of those interviewed indicated a desire for work in the community. For FY 2021-22, 48% of those interviewed also expressed a desire for employment in their community.

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

	Percentage	
RCOC FY 2011-12	46%	Goal
RCOC FY 2014-15	47%	50%
RCOC FY 2018-19	57%	65%
RCOC FY 2020-21	48%	70%





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

B. Total number of 30 day, 6 month, and 12 month incentive payments made within the fiscal year.

Fiscal Year	30 Day	6 Month	12 Month
2017-18	155	97	78
2018-19	151	128	83
2019-20	131	115	90
2020-21	84	63	60
Goal	110	85	75

**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
Goal	24	\$15.50

**Performance Contract 2023-2024**

**VIII. Employment Development Department (EDD) Employment**

**Planned Activities**

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

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

**Progress:** A. Results from the Employment Development Department (EDD) conducted in 2019 indicate that 2,335 persons served ages 16-64 had earned income. In 2020, 1,726 persons served ages 16-64 had earned income.

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



	RCOC	Statewide Avg.
2016	2,085	1,201
2017	2,341	1,294
2018	3,336	1,311
2019	2,335	1,341
2020	1,726	1,082

**Progress:** B. Results from the EDD in 2019 indicate that 20% of persons served ages 16-64 reported having earned income. In 2020, the percentage of persons served ages 16-64 reporting earned income was 22.22%.

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



	RCOC	Statewide Avg.
2017	21%	17%
2018	21%	16%
2019	20%	16%
2020	22%	19%

**Progress:** C. Results from the EDD in 2018 indicate that average annual wages for persons served ages 16-64 was \$8,806. In 2019, the average annual wage for persons served ages 16-64 was \$9,578. 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.
2017	\$7,580	\$9,033
2018	\$8,806	\$10,317
2019	\$9,578	\$11,327
2020	\$7,656	\$9,733



**Progress:** D. In FY 2016-17, RCOC began working with service providers to place individuals into Paid Internship Program (PIP) opportunities to help develop employment interests and lead into CIE opportunities. In 2020 RCOC had 11 individuals within a PIP that resulted in employment, and for 2021 that number decreased to 0 individuals.

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

	Total
2017-18	1
2018-19	7
2019-20	11
2020-21	0

**Progress:** E. RCOC will obtain data related to the overall percentage of adults participating in a paid internship who transition into a competitive employment setting. This program began in FY 2016-17. In FY 2020-21, 0% of adults transitioned from an Internship to Competitive Employment.

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

	% Adults
2018-19	21%
2019-20	14%
2020-21	0%

**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
2018-19	18	\$12.34
2019-20	13	\$13.43
2020-21	13	\$13.98

## Performance Contract 2023-2024

### IX. Reducing Disparities and Improving Equity in Purchase of Service Expenditures.

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

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



**Progress:** A. Review of fiscal year 2017-18 purchase of service data and client master file (CMF) for initial data source. Fiscal year 2020-21 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>Birth to Age 2</b>				
<b>Ethnicity</b>	<b>Total Persons</b>	<b>Percentage of Expenditures</b>	<b>Total Authorized</b>	<b>Utilized</b>
American Indian or Alaska Native	7 ↑	0.08% ↑	\$27,709 ↑	46.8% ↓
Asian	888 ↑	19% ↑	\$6,974,303 ↓	62.3% ↓
Black/African American	78 ↑	1.42% ↑	\$521,436 ↑	57.1% ↑
Hispanic	1,808 ↓	32.71% ↓	\$11,986,479 ↓	58.1% ↓
Native Hawaiian or Other Pacific Islander	12 ↑	0.24% ↑	\$89,096 ↑	64.6% ↑
Other Ethnicity or Race / Multi-Cultural	1,314 ↓	27.2% ↑	\$9,968,093 ↓	60.8% ↑
White	1,067 ↑	19.31% ↑	\$7,075,012 ↓	57% ↓
<b>Totals</b>	<b>5,174 ↓</b>	<b>100.0%</b>	<b>\$36,642,130 ↓</b>	

<b>Age 3 to 21 Years</b>				
<b>Ethnicity</b>	<b>Total Persons</b>	<b>Percentage of Expenditures</b>	<b>Total Authorized</b>	<b>Utilized</b>
American Indian or Alaska Native	15 ↑	0.9% ↑	\$94,851 ↓	49.9% ↓
Asian	1,913 ↑	16.68% ↓	\$17,881,688 ↑	51.6% ↓
Black/African American	199 ↑	2% ↑	\$2,162,089 ↑	55.1% ↓
Hispanic	3,974 ↑	28.43% ↓	\$30,489,363 ↑	56.7% ↓
Native Hawaiian or Other Pacific Islander	18 ↓	0.2% ↑	\$217,214 ↑	57% ↓
Other Ethnicity or Race / Multi-Cultural	1,933 ↑	19.97% ↑	\$21,410,236 ↑	53.5% ↓
White	2,213 ↓	32.62% ↓	\$34,978,597 ↑	63.8% ↓
<b>Totals</b>	<b>10,265 ↑</b>	<b>100.0%</b>	<b>\$107,234,038 ↑</b>	



<b>Age 22 and Over</b>				
<b>Ethnicity</b>	<b>Total Persons</b>	<b>Percentage of Expenditures</b>	<b>Total Authorized</b>	<b>Utilized</b>
American Indian or Alaska Native	22 ↓	0.3% ↔	\$1,474,983 ↑	82.8% ↓
Asian	1,442 ↑	11.3% ↓	\$53,498,601 ↑	74.6% ↓
Black/African American	261 ↑	2.7% ↓	\$12,799,478 ↑	80.7% ↓
Hispanic	2,793 ↑	18.76% ↓	\$88,798,778 ↑	76.7% ↓
Native Hawaiian or Other Pacific Islander	12 ↑	1%	\$349,818 ↑	71.6% ↓
Other Ethnicity or Race / Multi-Cultural	848 ↑	7.5% ↑	\$35,244,572 ↑	78% ↓
White	4,757 ↑	59.39% ↑	\$281,084,614 ↑	79.3% ↓
<b>Totals</b>	<b>10,135 ↑</b>	<b>100.0%</b>	<b>\$473,250,844 ↑</b>	



**Progress:** B. Review of fiscal year 2020-21 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>Birth to 2 Years</b>			
<b>Ethnicity</b>	<b>Total Eligible</b>	<b>Case Management</b>	<b>Percent No Services</b>
American Indian or Alaska Native	7 ↑	0 ↓	0.0% ↓
Asian	888 ↑	77 ↑	8.7% ↑
Black/African American	78 ↑	4 ↑	5.1% ↑
Hispanic	1,808 ↓	181 ↑	10% ↑
Native Hawaiian or Other Pacific Islander	12 ↑	0	0.0%
Other Ethnicity or Race / Multi-Cultural	1,314 ↓	70 ↑	8.6% ↑
White	1,067 ↑	70 ↑	6.6% ↑
<b>Totals</b>	<b>5,174↓</b>	<b>445 ↑</b>	<b>8.6% ↑</b>

<b>Age 3 to 21 Years</b>			
<b>Ethnicity</b>	<b>Total Eligible</b>	<b>Case Management</b>	<b>Percent No Services</b>
American Indian or Alaska Native	15	7 ↑	46.7% ↑
Asian	1,913 ↑	779 ↑	40.7% ↑
Black/African American	199 ↑	83 ↑	41.7% ↑
Hispanic	3,974 ↑	1,984 ↑	46.9% ↓
Native Hawaiian or Other Pacific Islander	18 ↓	11	61.1% ↑
Other Ethnicity or Race / Multi-Cultural	1,933 ↑	742 ↑	38.4% ↑
White	2,213 ↑	789 ↑	35.7% ↑
<b>Totals</b>	<b>10,265 ↑</b>	<b>4,395 ↑</b>	<b>42.8% ↑</b>





<b>Age 22 and Older</b>			
<b>Ethnicity</b>	<b>Total Eligible</b>	<b>Case Management</b>	<b>Percent No Services</b>
American Indian or Alaska Native	22 ↓	3 ↓	13.6% ↓
Asian	1,442 ↑	337 ↑	23.4% ↑
Black/African American	261 ↑	58 ↑	22.2% ↑
Hispanic	2,793 ↑	712 ↑	25.5% ↑
Native Hawaiian or Other Pacific Islander	12 ↑	4 ↑	33.3% ↑
Other Ethnicity or Race / Multi-Cultural	848 ↑	192 ↑	22.6% ↑
White	4,757 ↑	716 ↑	15.1% ↑
<b>Totals</b>	<b>10,135 ↑</b>	<b>2,022 ↑</b>	<b>20% ↑</b>



**Progress:** C. Review of fiscal year 2020-21 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).

Primary Language	Total People	POS Authorized Per Capita	Percentage Utilized
ASL (American Sign Language)	30 ↑	\$47,662 ↓	84.1% ↑
English	19,553 ↑	\$20,140 ↓	74.2% ↓
Spanish	4,499 ↓	\$9,146 ↑	68.3% ↓
Mandarin Chinese	67 ↓	\$7,105 ↓	58.7% ↓
Vietnamese	1,084 ↑	\$9,421 ↓	69.3% ↓
Korean	141 ↑	\$23,888 ↑	77.8% ↓
Tagalog	20 ↓	\$29,933 ↑	81.2% ↓
Arabic	47 ↑	\$7,363 ↑	61.4% ↓
Farsi	51	\$9,545	64%



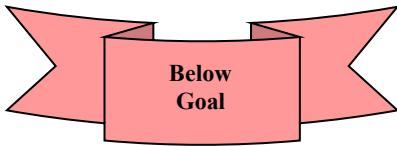
## Performance Contract Summary

RCOC as of 4/01/2024	All	RCOC #	Goal	Percentage	# Attained
Developmental Center (DC)	25,962	9	0	0.03%	-9
Children in Foster Homes (FH)	12,427	288	315	2.32%	-27
Children Own Home Parent/Guardian	12,427	12,099	11,300	97.36%	799
Total # Children (FH,Parent/Guardian)	12,427	12,387	11,615	99.68%	772
Adult FHA	13,526	90	110	0.67%	-20
Independent Living (IL)	13,526	929	924	6.87%	5
Adults Residing Own Home - Parent	13,526	9,571	9,150	70.76%	421
Supported Living (SL)	13,526	495	512	3.66%	-17
Total # Adults (FHA, IL,Parent/Guardian, SL)	13,526	11,085	10,696	81.95%	389
Children Residing in a CCF (7+ beds)	12,427	0	0	0.00%	0
Children Residing in a ICF (7+ beds)	12,427	0	0	0.00%	0
Children Residing in a Nursing Facility (7+ beds)	12,427	0	0	0%	0
Total Children Residing in 7+ bed facilities	12,427	0	0	0.00%	0
Adults Residing in a CCF (7+ beds)	13,526	118	114	0.87%	-4
Adults Residing in a ICF (7+ beds)	13,526	15	6	0.11%	-9
Adults Residing in a Nursing Facility (7+ beds)	13,526	75	74	0.55%	-1
Total Adults Residing in 7+ bed facilities	13,526	208	194	1.54%	-14
Total Individuals Over Age 3 with <=120 days	274	273	100%	99.64%	99.64%
Total Individuals Over Age 3 with 121-240 days	274	1	0%	0.36%	0.36%
Total Individuals Over Age 3 Over 240 days	274	0	0%	0.00%	0.00%
Adults with Integrated Employment Goal	13,526	48%	65%		
Total Number of Incentive Payments Made	13,526	207			
Avg. Wage per Hour After Incentive Payment	13,526	\$14.40			
Number of Persons Served with Earned Income	13,526	1,726			
Percentage of 16-64 Earned Income	13,526	22%			
Annual Earnings of 16-64	13,526	\$7,656			
Number of Adults in CIE After Paid Intern	13,526	0			
Percentage Adults Transitioned Internship to CIE	13,526	0%			
Total Annual Expenditures Race/Ethnicity	25,962				

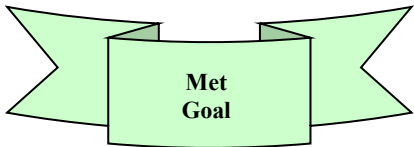
**Performance Contract 2023-2024 Cover Sheet**



= 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 2023-2024**

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

Compliance Measure	Outcome
Unqualified audit with no material findings	Yes
Substantial compliance with DDS fiscal audit	Yes
Operates within OPS budget	Yes
Certified to participate in Waiver	Yes
Compliance with vendor audit requirements per contract, Article III, sec. 10	Met
CDER/ESR current	95.35
Intake/Assessment and IFSP (0-2)	99.52
IPP development biennial	Annual, 99.46
IFSP development	69.28



## Performance Contract 2023-2024

### I. Developmental Center

#### Planned Activities

**Statement:** The Regional Center of Orange County (RCOC) is committed to providing assistance to individuals and their families who choose to move from a State Developmental Center (SDC) into a less restrictive environment within their home communities.

**Objective:** RCOC will continue to seek new and innovative methods of utilizing available resources, developing non-existing resources, and creating and implementing transition plans that will allow individuals to establish themselves and participate successfully in their home community living arrangements.

- Implementation of Community Placement Plan/Resource Development Plan for FYs 2021-2022 and 2022-2023.

**Progress:** In FY 2019-2020, RCOC moved the last persons served from Fairview Developmental Center into the community. The remaining individuals are served at Porterville Developmental Center where they remain for competency issues. During Public Meetings in August 2022, RCOC had 8 persons served, or 0.03%, in Developmental Centers.

#### A. Total number and % of regional center caseload in developmental centers.

	Percentage	All Consumers	Consumers in DC			
Statewide Average	0.06%	384,188	233			
RCOC Public Hearing 8/17/22	0.03%	23,394	8	Goal	%	# Attained
RCOC 4/01/24	0.03%	25,962	9	0	0.03%	-9
Analysis as of Public Hearing	RCOC % of DD pop		6.09%	RCOC % of DC pop		3.43%

Number of Persons Served Residing DC's



	Total Active Caseload	Goal	DC	%	Number Attained
Jan-23	24,544	0	10	0.04%	-10
Feb-23	24,616	0	10	0.04%	-10
Mar-23	24,769	0	10	0.04%	-10
Apr-23	24,906	0	9	0.04%	-9
May-23	25,035	0	10	0.04%	-10
Jun-23	25,232	0	10	0.04%	-10
Jul-23	25,350	0	10	0.04%	-10
Aug-23	25,477	0	10	0.04%	-10
Sep-23	25,600	0	10	0.04%	-10
Oct-23	25,677	0	10	0.04%	-10
Nov-23	25,722	0	9	0.03%	-9
Dec-23	25,754	0	8	0.03%	-8
Jan-24	25,813	0	9	0.03%	-9
Feb-24	25,891	0	9	0.03%	-9
Mar-24	25,962	0	9	0.03%	-9
Apr-24		0			
May-24		0			
Jun-24		0			



## Performance Contract 2023-2024

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

#### Planned Activities

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

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



Progress: A. During public meetings, RCOC had 284, or 2.64%, 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	2.66%	197,711	5,256			
RCOC Public Hearing 8/17/22	2.64%	10,752	284			
RCOC 4/01/24	2.32%	12,427	288	315	2.32%	-27
Analysis as of Public Hearing	RCOC % of DD pop.		5.44%		RCOC % of FH pop.	5.40%



	Total Children Status 1&2	Goal	Children in Foster Homes	%	Number Attained
Jan-23	11,574	315	316	2.73%	1
Feb-23	11,616	315	313	2.69%	-2
Mar-23	11,706	315	308	2.63%	-7
Apr-23	11,832	315	315	2.66%	0
May-23	11,915	315	312	2.62%	-3
Jun-23	12,053	315	323	2.68%	8
Jul-23	12,129	315	321	2.65%	6
Aug-23	12,217	315	322	2.64%	7
Sep-23	12,295	315	323	2.63%	8
Oct-23	12,323	315	313	2.54%	-2
Nov-23	12,332	315	315	2.55%	0
Dec-23	12,325	315	305	2.47%	-10
Jan-24	12,344	315	311	2.52%	-4
Feb-24	12,382	315	295	2.38%	-20
Mar-24	12,427	315	288	2.32%	-27
Apr-24		315			
May-24		315			
Jun-24		315			



Progress: B. During public meetings, RCOC had 10,425, or 96.96%, 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	96.94%	197,711	191,657			
RCOC Public Hearing 8/17/22	96.96%	10,752	10,425	Goal	%	# Attained
RCOC 4/01/24	97.36%	12,427	12,099	11,300	97.36%	799
Analysis as of Public Hearing	RCOC % of DD pop.		5.44%	RCOC % of Home		96.96%



	Total Children	Children in own home Parent/Guardian	Children in Own Home Parent/Guardian	%	Number Attained
Jan-23	11,574	11,300	11,220	96.94%	-80
Feb-23	11,616	11,300	11,264	96.97%	-36
Mar-23	11,706	11,300	11,359	97.04%	59
Apr-23	11,832	11,300	11,475	96.89%	175
May-23	11,915	11,300	11,561	97.03%	261
Jun-23	12,053	11,300	11,688	96.97%	388
Jul-23	12,129	11,300	11,765	97.00%	465
Aug-23	12,217	11,300	11,850	97.00%	550
Sep-23	12,295	11,300	11,926	97.00%	626
Oct-23	12,323	11,300	11,963	97.08%	663
Nov-23	12,332	11,300	11,972	97.08%	672
Dec-23	12,325	11,300	11,980	97.20%	680
Jan-24	12,344	11,300	11,994	97.16%	694
Feb-24	12,382	11,300	12,049	97.31%	749
Mar-24	12,427	11,300	12,099	97%	799
Apr-24		11,300			
May-24		11,300			
Jun-24		11,300			

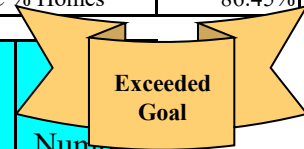


Progress: C. During public meetings, RCOC had 10,079, or 99.46%, of children in homes.

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

	%	All Children	Total Number Children in Homes	Goal	%	# Attained
Statewide Average	99.65%	197,611	196,913			
RCOC Public Hearing 8/17/22	99.60%	10,752	10,709	11,615	99.68%	772
RCOC 4/01/24	99.68%	12,427	12,387			
Analysis of Public Hearing	RCOC % of DD pop		5.44%	RCOC % Homes		86.45%

	Total Children Status 1&2	Goal	Total Number Children in Homes	%	Number Attained
Jan-23	11,574	11,615	11,536	99.67%	-79
Feb-23	11,616	11,615	11,577	99.66%	-38
Mar-23	11,706	11,615	11,667	99.67%	52
Apr-23	11,832	11,615	11,790	99.65%	175
May-23	11,915	11,615	11,873	99.65%	258
Jun-23	12,053	11,615	12,011	99.65%	396
Jul-23	12,129	11,615	12,086	99.65%	471
Aug-23	12,217	11,615	12,172	99.63%	557
Sep-23	12,295	11,615	12,249	99.63%	634
Oct-23	12,323	11,615	12,276	99.62%	661
Nov-23	12,332	11,615	12,287	99.64%	672
Dec-23	12,325	11,615	12,285	99.68%	670
Jan-24	12,344	11,615	12,305	99.68%	690
Feb-24	12,382	11,615	12,344	99.69%	729
Mar-24	12,427	11,615	12,387	99.68%	772
Apr-24		11,615			
May-24		11,615			
Jun-24		11,615			



## Performance Contract 2023-2024

### III. Adults Residing in Home Settings

#### Planned Activities

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

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

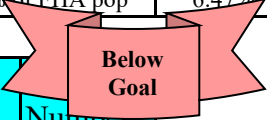
- RCOC will provide service coordinator training to assist families in establishing maintenance plans in the event of temporary caregiver illness/incapacity and for eventual transition plans.
- RCOC will request vendors to include successional maintenance and transitional plans in the event of temporary 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 99, or 0.78%, 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	0.82%	186,242	1,529			
RCOC Public Hearing 8/17/22	0.78%	12,634	99			
RCOC 4/01/24	0.67%	13,526	90	110	0.67%	-20
Analysis as of Public Hearing	RCOC % of DD pop		6.78%	RCOC % of FHA pop		6.47%



	Total Adults Status 2	Goal	Adults in FHA	%	Number Attained
Jan-23	12,970	110	91	0.70%	-19
Feb-23	12,990	110	90	0.69%	-20
Mar-23	13,053	110	90	0.69%	-20
Apr-23	13,065	110	90	0.69%	-20
May-23	13,110	110	90	0.69%	-20
Jun-23	13,179	110	89	0.68%	-21
Jul-23	13,211	110	90	0.68%	-20
Aug-23	13,250	110	89	0.67%	-21
Sep-23	13,295	110	87	0.65%	-23
Oct-23	13,344	110	86	0.64%	-24
Nov-23	13,381	110	86	0.64%	-24
Dec-23	13,421	110	86	0.64%	-24
Jan-24	13,460	110	87	0.65%	-23
Feb-24	13,500	110	88	0.65%	-22
Mar-24	13,526	110	90	0.67%	-20
Apr-24		110			
May-24		110			
Jun-24		110			



**Progress:** B. During public meetings, RCOC had 903, or 7.15%, 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	Goal	%	# Attained
Statewide Average	9.48%	186,242	17,651			
RCOC Public Hearing 8/17/22	7.15%	12,634	903			
RCOC 4/01/24	6.87%	13,526	929	924	6.87%	5
Analysis of Public Hearing	RCOC % of DD pop		6.78%	RCOC % of IL pop		5.12%



	Total Adults Status 2	Goal	Adults in Independent Living	%	Attained
Jan-23	12,970	924	907	6.99%	-17
Feb-23	12,990	924	912	7.02%	-12
Mar-23	13,053	924	917	7.03%	-7
Apr-23	13,065	924	924	7.07%	0
May-23	13,110	924	930	7.09%	6
Jun-23	13,179	924	935	7.09%	11
Jul-23	13,211	924	937	7.09%	13
Aug-23	13,250	924	934	7.05%	10
Sep-23	13,295	924	935	7.03%	11
Oct-23	13,344	924	937	7.02%	13
Nov-23	13,381	924	935	6.99%	11
Dec-23	13,421	924	928	6.91%	4
Jan-24	13,460	924	932	6.92%	8
Feb-24	13,500	924	930	6.89%	6
Mar-24	13,526	924	929	6.87%	5
Apr-24		924			
May-24		924			
Jun-24		924			

**Progress:** C. During public meetings, RCOC had 8,719, or 69.01%, 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	Goal	%	# Attained
Statewide Average	67.43%	186,242	125,589			
RCOC Public Hearing 8/17/22	69.01%	12,634	8,719			
RCOC 4/01/24	70.76%	13,526	9,571	9,150	70.76%	421
Analysis of Public Hearing	RCOC % of DD pop		6.78%	RCOC % of own home		6.94%



	Total Adults Status 2	Goal	Adults Residing Own Home - Parent	%	Number Attained
Jan-23	12,970	9,150	9,052	69.79%	-98
Feb-23	12,990	9,150	9,072	69.84%	-78
Mar-23	13,053	9,150	9,120	69.87%	-30
Apr-23	13,065	9,150	9,132	69.90%	-18
May-23	13,110	9,150	9,181	70.03%	31
Jun-23	13,179	9,150	9,241	70.12%	91
Jul-23	13,211	9,150	9,263	70.12%	113
Aug-23	13,250	9,150	9,305	70.23%	155
Sep-23	13,295	9,150	9,346	70.30%	196
Oct-23	13,344	9,150	9,401	70.45%	251
Nov-23	13,381	9,150	9,440	70.55%	290
Dec-23	13,421	9,150	9,475	70.60%	325
Jan-24	13,460	9,150	9,510	70.65%	360
Feb-24	13,500	9,150	9,546	70.71%	396
Mar-24	13,526	9,150	9,571	70.76%	421
Apr-24		9,150			
May-24		9,150			
Jun-24		9,150			



**Progress:** D. During public meetings, RCOC had 496, or 3.93%, of adults residing in supported living.

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

	Percentage	Total Adults Status 2	Adults Residing in Supported Living			
Statewide Average	5.02%	186,242	9,359			
RCOC Public Hearing 8/17/22	3.93%	12,634	496	Goal	%	# Attained
RCOC 4/01/24	3.66%	13,526	495	512	3.66%	-17
Analysis of Public Hearing	RCOC % of DD pop		6.78%	RCOC % of SL pop		5.30%

	Total Adults Status 2	Goal	Adults Residing Supported Living	%	Number Attained
Jan-23	12,970	512	492	3.79%	-20
Feb-23	12,990	512	493	3.80%	-19
Mar-23	13,053	512	499	3.82%	-13
Apr-23	13,065	512	498	3.81%	-14
May-23	13,110	512	498	3.80%	-14
Jun-23	13,179	512	500	3.79%	-12
Jul-23	13,211	512	499	3.78%	-13
Aug-23	13,250	512	495	3.74%	-17
Sep-23	13,295	512	495	3.72%	-17
Oct-23	13,344	512	491	3.68%	-21
Nov-23	13,381	512	492	3.68%	-20
Dec-23	13,421	512	491	3.66%	-21
Jan-24	13,460	512	492	3.66%	-20
Feb-24	13,500	512	493	3.65%	-19
Mar-24	13,526	512	495	3.66%	-17
Apr-24		512			
May-24		512			
Jun-24		512			







Progress: E. During public meetings, RCOC had 10,217, or 80.97%, of adults residing in home settings.

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

	Percentage	Total Adults Status 2	Total Number Adults in Home Settings	Goal	%	# Attained
Statewide Average	82.75%	186,242	154,119			
RCOC Public Heaing 8/17/22	80.97%	12,634	10,217	10,696	81.95%	389
RCOC 4/01/24	81.95%	13,526	11,085			
Analysis of Public Hearing	RCOC % of DD pop		6.78%	RCOC % of Home		6.63%

	Total Adults Status 2	Goal	Total Number Adults in Home Settings	%	Number Attained
Jan-23	12,970	10,696	10,542	81.28%	-154
Feb-23	12,990	10,696	10,567	81.35%	-129
Mar-23	13,053	10,696	10,626	81.41%	-70
Apr-23	13,065	10,696	10,644	81.47%	-52
May-23	13,110	10,696	10,699	81.61%	3
Jun-23	13,179	10,696	10,765	81.68%	69
Jul-23	13,211	10,696	10,789	81.67%	93
Aug-23	13,250	10,696	10,823	81.68%	127
Sep-23	13,295	10,696	10,863	81.71%	167
Oct-23	13,344	10,696	10,915	81.80%	219
Nov-23	13,421	10,696	10,980	81.81%	284
Dec-23	13,421	10,696	11,013	81.83%	317
Jan-24	13,460	10,696	11,021	81.88%	325
Feb-24	13,500	10,696	11,057	81.90%	361
Mar-24	13,526	10,696	11,085	81.95%	389
Apr-24		10,696			
May-24		10,696			
Jun-24		10,696			



## Performance Contract 2023-2024

### IV. Children Residing in Facilities with Seven or More Beds *(Excluding Developmental Centers)*

#### Planned Activities

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

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

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

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

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

	Percentage	Total Children Status 1&2	Children Residing in CCF 7+ Beds	Goal	%	# Attained
Statewide Average	0.01%	197,711	13			
RCOC Public Hearing 8/17/22	0.00%	10,752	0			
RCOC 4/01/24	0.00%	12,427	0	0	0.00%	0
Analysis of Public Hearing	RCOC % of DD pop		5.44%	RCOC % of CCF 7+		0.00%



	Total Children Status 1&2	Goal	Children Residing CCF 7+ Beds	%	Number Attained
Jan-23	11,574	0	1	0.01%	-1
Feb-23	11,616	0	1	0.01%	-1
Mar-23	11,706	0	1	0.01%	-1
Apr-23	11,832	0	1	0.01%	-1
May-23	11,915	0	1	0.01%	-1
Jun-23	12,053	0	1	0.01%	-1
Jul-23	12,129	0	1	0.01%	-1
Aug-23	12,217	0	1	0.01%	-1
Sep-23	12,295	0	0	0.00%	0
Oct-23	12,323	0	0	0.00%	0
Nov-23	12,332	0	0	0.00%	0
Dec-23	12,325	0	0	0.00%	0
Jan-24	12,344	0	0	0.00%	0
Feb-24	12,382	0	0	0.00%	0
Mar-24	12,427	0	0	0.00%	0
Apr-24		0			
May-24		0			
Jun-24		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	Goal	%	# Attained
Statewide Average	0.02%	197,711	34			
RCOC Public Hearing 8/17/22	0.00%	10,752	0	0	0.00%	0
RCOC 4/01/24	0.00%	12,427	0	0	0.00%	0
Analysis of Public Hearing	RCOC % of DD pop		5.44%	RCOC % of ICF 7+		0.00%



	Total Children Status 1&2	Goal	Children Residing ICF 7+ Beds	%	Number Attained
Jan-23	12,574	0	0	0.00%	0
Feb-23	11,616	0	0	0.00%	0
Mar-23	11,706	0	0	0.00%	0
Apr-23	11,832	0	0	0.00%	0
May-23	11,915	0	0	0.00%	0
Jun-23	12,053	0	0	0.00%	0
Jul-23	12,129	0	0	0.00%	0
Aug-23	12,217	0	0	0.00%	0
Sep-23	12,295	0	0	0.00%	0
Oct-23	12,323	0	0	0.00%	0
Nov-23	12,332	0	0	0.00%	0
Dec-23	12,325	0	0	0.00%	0
Jan-24	12,344	0	0	0.00%	0
Feb-24	12,382	0	0	0.00%	0
Mar-24	12,427	0	0	0.00%	0
Apr-24		0			
May-24		0			
Jun-24		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	0.00%	197,711	7			
RCOC Public Hearing 8/17/22	0.00%	10,752	0	Goal	%	# Attained
RCOC 4/01/24	0.00%	12,427	0	0	0.00%	0
Analysis of Public Hearing	RCOC % of DD pop		5.44%	RCOC % of NF		0.00%



	Total Children Status 1&2	Goal	Children Residing in a Nursing Facility (NF)	%	Number Attained
Jan-23	12,574	0	0	0.00%	0
Feb-23	11,616	0	0	0.00%	0
Mar-23	11,706	0	0	0.00%	0
Apr-23	11,832	0	0	0.00%	0
May-23	11,915	0	0	0.00%	0
Jun-23	12,053	0	0	0.00%	0
Jul-23	12,129	0	0	0.00%	0
Aug-23	12,217	0	0	0.00%	0
Sep-23	12,295	0	0	0.00%	0
Oct-23	12,323	0	0	0.00%	0
Nov-23	12,332	0	0	0.00%	0
Dec-23	12,325	0	0	0.00%	0
Jan-24	12,344	0	0	0.00%	0
Feb-24	12,382	0	0	0.00%	0
Mar-24	12,427	0	0	0.00%	0
Apr-24		0			
May-24		0			
Jun-24		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%	197,711	54			
RCOC Public Hearing 8/17/22	0.00%	10,752	0	0	0.00%	0
RCOC 4/01/24	0.00%	12,427	0			
Analysis of Public Hearing	RCOC % of DD pop		5.44%	RCOC % 7+ Bed		0.00%



	Total Children Status 1&2	Goal	Total Children Residing in 7+ Bed	%	Number Attained
Jan-23	11,574	0	1	0.01%	-1
Feb-23	11,616	0	1	0.01%	-1
Mar-23	11,706	0	1	0.01%	-1
Apr-23	11,832	0	1	0.01%	-1
May-23	11,915	0	1	0.01%	-1
Jun-23	12,053	0	1	0.01%	-1
Jul-23	12,129	0	1	0.01%	-1
Aug-23	12,217	0	1	0.01%	-1
Sep-23	12,295	0	0	0.00%	0
Oct-23	12,323	0	0	0.00%	0
Nov-23	12,332	0	0	0.00%	0
Dec-23	12,325	0	0	0.00%	0
Jan-24	12,344	0	0	0.00%	0
Feb-24	12,382	0	0	0.00%	0
Mar-24	12,427	0	0	0.00%	0
Apr-24		0			
May-24		0			
Jun-24		0			

**Performance Contract 2023-2024**

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

**Planned Activities**

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

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

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



**Progress:** A. During public meetings, RCOC had 122, or 0.97%, of adults residing in a CCF 7+ bed. Placements to 7+ CCF are at family request and/or due to specialized services. RCOC has several long term vendors with 7+ bed homes, and will continue to work together to implement Trailer Bill Language regarding the use of these homes.

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

	Percentage	Total Adults Status 2	Adults in CCF 7+ Beds			
Statewide Average	0.79%	186,242	1,466			
RCOC Public Hearing 8/17/22	0.97%	12,634	122	Goal	%	# Attained
RCOC 4/01/24	0.87%	13,526	118	114	0.87%	-4
Analysis of Public Hearing	RCOC % of DD pop		6.78%	RCOC % Adult 7+ CCF		8.32%

	Total Adults Status 2	Goal	Adults Residing in CCF 7+ Beds	%	Number Attained
Jan-23	12,970	114	120	0.93%	-6
Feb-23	12,990	114	121	0.93%	-7
Mar-23	13,053	114	119	0.91%	-5
Apr-23	13,065	114	118	0.90%	-4
May-23	13,110	114	118	0.90%	-4
Jun-23	13,179	114	117	0.89%	-3
Jul-23	13,211	114	115	0.87%	-1
Aug-23	13,250	114	115	0.87%	-1
Sep-23	13,295	114	113	0.85%	1
Oct-23	13,344	114	113	0.85%	1
Nov-23	13,381	114	112	0.84%	2
Dec-23	13,421	114	114	0.85%	0
Jan-24	13,460	114	119	0.88%	-5
Feb-24	13,500	114	119	0.88%	-5
Mar-24	13,526	114	118	0.87%	-4
Apr-24		114			
May-24		114			
Jun-24		114			





**Progress:** B. During public meetings, RCOC had 12, or 0.09%, 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%	186,242	755			
RCOC Public Hearing 8/17/22	0.09%	12,634	12			
RCOC 4/01/24	0.11%	13,526	15	6	0.11%	-9
Analysis of Public Hearing	RCOC % of DD pop		6.78%	RCOC % ICF 7+		1.59%



	Total Adults Status 2	Goal	Adults Residing ICF 7+ Beds	%	Number Attained
Jan-23	12,970	6	14	0.11%	-8
Feb-23	12,990	6	13	0.10%	-7
Mar-23	13,053	6	13	0.10%	-7
Apr-23	13,065	6	14	0.11%	-8
May-23	13,110	6	14	0.11%	-8
Jun-23	13,179	6	15	0.11%	-9
Jul-23	13,211	6	15	0.11%	-9
Aug-23	13,250	6	15	0.11%	-9
Sep-23	13,295	6	16	0.12%	-10
Oct-23	13,344	6	16	0.12%	-10
Nov-23	13,381	6	16	0.12%	-10
Dec-23	13,421	6	15	0.11%	-9
Jan-24	13,421	6	15	0.11%	-9
Feb-24	13,500	6	15	0.11%	-9
Mar-24	13,526	6	15	0.11%	-9
Apr-24		6			
May-24		6			
Jun-24		6			



**Progress:** C. During public meetings, RCOC had 78, or 0.62%, 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	0.52%	186,242	967			
RCOC Public Hearing 8/17/22	0.62%	12,634	78	74	0.55%	-1
RCOC 4/01/24	0.55%	13,526	75			
Analysis of Public Hearing	RCOC % DD pop		6.78%	RCOC % NF		8.07%



	Total Adults Status 2	Goal	Adults Residing in NF	%	Number Attained
Jan-23	12,970	74	79	0.61%	-5
Feb-23	12,990	74	80	0.62%	-6
Mar-23	13,053	74	91	0.70%	-17
Apr-23	13,065	74	91	0.70%	-17
May-23	13,110	74	81	0.62%	-7
Jun-23	13,179	74	79	0.60%	-5
Jul-23	13,211	74	75	0.57%	-1
Aug-23	13,250	74	75	0.57%	-1
Sep-23	13,295	74	74	0.56%	0
Oct-23	13,344	74	74	0.55%	0
Nov-23	13,381	74	75	0.56%	-1
Dec-23	13,421	74	79	0.59%	-5
Jan-24	13,460	74	74	0.55%	0
Feb-24	13,500	74	77	0.57%	-3
Mar-24	13,526	74	75	0.55%	-1
Apr-24		74			
May-24		74			
Jun-24		74			

**Progress:** D. During public meetings, RCOC had 212, or 1.68%, of adults residing in a facility with 7+ beds. Placements to 7+ bed facilities are at family request and/or due to specialized services.

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

	Percentage	Total Adults Status 2	Total Adults Residing in 7+ Bed			
Statewide Average	1.71%	186,242	3,188			
RCOC Public Hearing 8/17/22	1.68%	12,634	212	Goal	%	# Attained
RCOC 4/01/24	1.54%	13,526	208	194	1.54%	-14
Analysis of Public Meeting	RCOC % of DD pop		6.78%	RCOC % 7+ Bed		6.65%



	Total Adults Status 2	Goal	Total Adults Residing in 7+ Beds	%	Number Attained
Jan-23	12,970	194	194	1.64%	-19
Feb-23	12,990	194	214	1.65%	-20
Mar-23	13,053	194	223	1.71%	-29
Apr-23	13,065	194	223	1.71%	-29
May-23	13,110	194	213	1.62%	-19
Jun-23	13,179	194	211	1.60%	-17
Jul-23	13,211	194	205	1.55%	-11
Aug-23	13,250	194	205	1.55%	-11
Sep-23	13,295	194	203	1.53%	-9
Oct-23	13,344	194	203	1.52%	-9
Nov-23	13,381	194	203	1.52%	-9
Dec-23	13,421	194	208	1.55%	-14
Jan-24	13,460	194	208	1.55%	-14
Feb-24	13,500	194	211	1.56%	-17
Mar-24		194			
Apr-24		194			
May-24		194			
Jun-24		194			



## Performance Contract 2023-2024

### VI. Intake Duration

#### Planned Activities

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

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

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

**Progress:** A. During public meetings, RCOC had 222, or 98.23%, 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
Statewide Average	95.05%	9,095	8,645		
RCOC Public Hearing 8/17/22	98.00%	226	222	Goal	% Attained
RCOC 4/01/24	99.64%	274	273	100.00%	99.64%



	Total Number Individuals Age 3 or Over	Goal	Total Number Individuals Over Age 3 with <=120 Days	% Attained
Jan-23	242	100%	240	99.17%
Feb-23	262	100%	260	99.24%
Mar-23	237	100%	237	100%
Apr-23	285	100%	285	100%
May-23	317	100%	317	100%
Jun-23	290	100%	290	100%
Jul-23	297	100%	295	99.33%
Aug-23	283	100%	283	100%
Sep-23	273	100%	269	98.53%
Oct-23	247	100%	247	100%
Nov-23	274	100%	274	100%
Dec-23	270	100%	270	100%
Jan-24	260	100%	259	99.62%
Feb-24	242	100%	239	98.76%
Mar-24	274	100%	273	99.64%
Apr-24		100%		
May-24		100%		
Jun-24		100%		



**Progress:** B. During public meetings, RCOC had 4, or 1.77%, of regional center individuals over age 3 with 121-240 days.

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

	Percentage	Total Number Individual s Age 3 and Over	Total Number of Individuals Over Age 3 With 121-240 Days	Goal	% Attained
Statewide Average	3.83%	9,095	348		
RCOC Public Hearing 8/17/22	2.00%	226	4		
RCOC 4/01/24	0.36%	274	1	0.00%	0.36%



	Total Number of Individuals Age 3 or Over	Goal	Total Number Individuals Over Age 3 With 121-240 Days	%
Jan-23	242	0.00%	1	0.41%
Feb-23	262	0.00%	1	0.38%
Mar-23	237	0.00%	0	0.00%
Apr-23	285	0.00%	0	0.00%
May-23	317	0.00%	0	0.00%
Jun-23	290	0.00%	0	0.00%
Jul-23	297	0.00%	2	0.67%
Aug-23	283	0.00%	0	0.00%
Sep-23	273	0.00%	4	1.47%
Oct-23	247	0.00%	0	0.00%
Nov-23	274	0.00%	0	0.00%
Dec-23	270	0.00%	0	0.00%
Jan-24	260	0.00%	1	0.38%
Feb-24	242	0.00%	2	0.83%
Mar-24	274	0.00%	1	0.36%
Apr-24		0.00%		
May-24		0.00%		
Jun-24		0.00%		



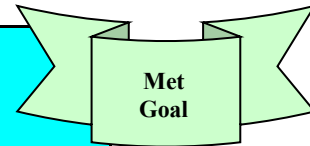
**Progress:** C. During public meetings, RCOC had 0, or 0.00%, of regional center individuals over age 3 with over 240 days.

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

	Percentage	Total Number Individuals Age 3 or Over	Total Number Individuals Over Age 3 Over 240 Days		
Statewide Average	1.12%	9,095	102		
RCOC Public Meeting 8/17/22	0.00%	226	0	Goal	% Attained
RCOC 4/01/24	0.00%	274	0	0.00%	0.00%



	Total Number Individuals Age 3 or Over	Goal	Total Number Individuals Over Age 3 Over 240 Days	% Attained
Jan-23	242	0%	1	0.41%
Feb-23	262	0%	1	0.38%
Mar-23	237	0%	0	0.00%
Apr-23	285	0%	0	0.00%
May-23	317	0%	0	0.00%
Jun-23	290	0%	0	0.00%
Jul-23	297	0%	0	0.00%
Aug-23	283	0%	0	0.00%
Sep-23	273	0%	0	0.00%
Oct-23	247	0%	0	0.00%
Nov-23	274	0%	0	0.00%
Dec-23	270	0%	0	0.00%
Jan-24	260	0%	0	0.00%
Feb-24	242	0%	1	0.41%
Mar-24	274	0%	0	0.00%
Apr-24		0%		
May-24		0%		
Jun-24		0%		



**Performance Contract 2023-2024**

**VII. National Core Indicators (NCI) Employment**

**Planned Activities**

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

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

**Progress:** A. Results from the National Core Indicator surveys conducted in FY 2014-15, 47% of those interviewed indicated a desire for work in the community. For FY 2021-22, 48% of those interviewed also expressed a desire for employment in their community.

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

	Percentage	
RCOC FY 2011-12	46%	Goal
RCOC FY 2014-15	47%	50%
RCOC FY 2018-19	57%	65%
RCOC FY 2020-21	48%	70%





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

B. Total number of 30 day, 6 month, and 12 month incentive payments made within the fiscal year.

Fiscal Year	30 Day	6 Month	12 Month
2017-18	155	97	78
2018-19	151	128	83
2019-20	131	115	90
2020-21	84	63	60
Goal	110	85	75

**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
Goal	24	\$15.50

**Performance Contract 2023-2024**

**VIII. Employment Development Department (EDD) Employment**

**Planned Activities**

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

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

**Progress:** A. Results from the Employment Development Department (EDD) conducted in 2019 indicate that 2,335 persons served ages 16-64 had earned income. In 2020, 1,726 persons served ages 16-64 had earned income.

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



	RCOC	Statewide Avg.
2016	2,085	1,201
2017	2,341	1,294
2018	3,336	1,311
2019	2,335	1,341
2020	1,726	1,082

**Progress:** B. Results from the EDD in 2019 indicate that 20% of persons served ages 16-64 reported having earned income. In 2020, the percentage of persons served ages 16-64 reporting earned income was 22.22%.

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



	RCOC	Statewide Avg.
2017	21%	17%
2018	21%	16%
2019	20%	16%
2020	22%	19%

**Progress:** C. Results from the EDD in 2018 indicate that average annual wages for persons served ages 16-64 was \$8,806. In 2019, the average annual wage for persons served ages 16-64 was \$9,578. 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.
2017	\$7,580	\$9,033
2018	\$8,806	\$10,317
2019	\$9,578	\$11,327
2020	\$7,656	\$9,733



**Progress:** D. In FY 2016-17, RCOC began working with service providers to place individuals into Paid Internship Program (PIP) opportunities to help develop employment interests and lead into CIE opportunities. In 2020 RCOC had 11 individuals within a PIP that resulted in employment, and for 2021 that number decreased to 0 individuals.

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

	Total
2017-18	1
2018-19	7
2019-20	11
2020-21	0

**Progress:** E. RCOC will obtain data related to the overall percentage of adults participating in a paid internship who transition into a competitive employment setting. This program began in FY 2016-17. In FY 2020-21, 0% of adults transitioned from an Internship to Competitive Employment.

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

	% Adults
2018-19	21%
2019-20	14%
2020-21	0%

**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
2018-19	18	\$12.34
2019-20	13	\$13.43
2020-21	13	\$13.98

## Performance Contract 2023-2024

### IX. Reducing Disparities and Improving Equity in Purchase of Service Expenditures.

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

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



**Progress:** A. Review of fiscal year 2017-18 purchase of service data and client master file (CMF) for initial data source. Fiscal year 2020-21 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>Birth to Age 2</b>				
<b>Ethnicity</b>	<b>Total Persons</b>	<b>Percentage of Expenditures</b>	<b>Total Authorized</b>	<b>Utilized</b>
American Indian or Alaska Native	7 ↑	0.08% ↑	\$27,709 ↑	46.8% ↓
Asian	888 ↑	19% ↑	\$6,974,303 ↓	62.3% ↓
Black/African American	78 ↑	1.42% ↑	\$521,436 ↑	57.1% ↑
Hispanic	1,808 ↓	32.71% ↓	\$11,986,479 ↓	58.1% ↓
Native Hawaiian or Other Pacific Islander	12↑	0.24% ↑	\$89,096 ↑	64.6% ↑
Other Ethnicity or Race / Multi-Cultural	1,314 ↓	27.2% ↑	\$9,968,093 ↓	60.8% ↑
White	1,067 ↑	19.31% ↑	\$7,075,012 ↓	57% ↓
<b>Totals</b>	<b>5,174 ↓</b>	<b>100.0%</b>	<b>\$36,642,130 ↓</b>	

<b>Age 3 to 21 Years</b>				
<b>Ethnicity</b>	<b>Total Persons</b>	<b>Percentage of Expenditures</b>	<b>Total Authorized</b>	<b>Utilized</b>
American Indian or Alaska Native	15 ↑	0.9% ↑	\$94,851 ↓	49.9% ↓
Asian	1,913 ↑	16.68% ↓	\$17,881,688 ↑	51.6% ↓
Black/African American	199 ↑	2% ↑	\$2,162,089 ↑	55.1% ↓
Hispanic	3,974 ↑	28.43% ↓	\$30,489,363 ↑	56.7% ↓
Native Hawaiian or Other Pacific Islander	18 ↓	0.2% ↑	\$217,214 ↑	57% ↓
Other Ethnicity or Race / Multi-Cultural	1,933 ↑	19.97% ↑	\$21,410,236 ↑	53.5% ↓
White	2,213 ↓	32.62% ↓	\$34,978,597 ↑	63.8% ↓
<b>Totals</b>	<b>10,265 ↑</b>	<b>100.0%</b>	<b>\$107,234,038 ↑</b>	



<b>Age 22 and Over</b>				
<b>Ethnicity</b>	<b>Total Persons</b>	<b>Percentage of Expenditures</b>	<b>Total Authorized</b>	<b>Utilized</b>
American Indian or Alaska Native	22 ↓	0.3% ↔	\$1,474,983 ↑	82.8% ↓
Asian	1,442 ↑	11.3% ↓	\$53,498,601 ↑	74.6% ↓
Black/African American	261 ↑	2.7% ↓	\$12,799,478 ↑	80.7% ↓
Hispanic	2,793 ↑	18.76% ↓	\$88,798,778 ↑	76.7% ↓
Native Hawaiian or Other Pacific Islander	12 ↑	1%	\$349,818 ↑	71.6% ↓
Other Ethnicity or Race / Multi-Cultural	848 ↑	7.5% ↑	\$35,244,572 ↑	78% ↓
White	4,757 ↑	59.39% ↑	\$281,084,614 ↑	79.3% ↓
<b>Totals</b>	<b>10,135 ↑</b>	<b>100.0%</b>	<b>\$473,250,844 ↑</b>	



**Progress:** B. Review of fiscal year 2020-21 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>Birth to 2 Years</b>			
<b>Ethnicity</b>	<b>Total Eligible</b>	<b>Case Management</b>	<b>Percent No Services</b>
American Indian or Alaska Native	7 ↑	0 ↓	0.0% ↓
Asian	888 ↑	77 ↑	8.7% ↑
Black/African American	78 ↑	4 ↑	5.1% ↑
Hispanic	1,808 ↓	181 ↑	10% ↑
Native Hawaiian or Other Pacific Islander	12 ↑	0	0.0%
Other Ethnicity or Race / Multi-Cultural	1,314 ↓	70 ↑	8.6% ↑
White	1,067 ↑	70 ↑	6.6% ↑
<b>Totals</b>	<b>5,174↓</b>	<b>445 ↑</b>	<b>8.6% ↑</b>

<b>Age 3 to 21 Years</b>			
<b>Ethnicity</b>	<b>Total Eligible</b>	<b>Case Management</b>	<b>Percent No Services</b>
American Indian or Alaska Native	15	7 ↑	46.7% ↑
Asian	1,913 ↑	779 ↑	40.7% ↑
Black/African American	199 ↑	83 ↑	41.7% ↑
Hispanic	3,974 ↑	1,984 ↑	46.9% ↓
Native Hawaiian or Other Pacific Islander	18 ↓	11	61.1% ↑
Other Ethnicity or Race / Multi-Cultural	1,933 ↑	742 ↑	38.4% ↑
White	2,213 ↑	789 ↑	35.7% ↑
<b>Totals</b>	<b>10,265 ↑</b>	<b>4,395 ↑</b>	<b>42.8% ↑</b>





<b>Age 22 and Older</b>			
<b>Ethnicity</b>	<b>Total Eligible</b>	<b>Case Management</b>	<b>Percent No Services</b>
American Indian or Alaska Native	22 ↓	3 ↓	13.6% ↓
Asian	1,442 ↑	337 ↑	23.4% ↑
Black/African American	261 ↑	58 ↑	22.2% ↑
Hispanic	2,793 ↑	712 ↑	25.5% ↑
Native Hawaiian or Other Pacific Islander	12 ↑	4 ↑	33.3% ↑
Other Ethnicity or Race / Multi-Cultural	848 ↑	192 ↑	22.6% ↑
White	4,757 ↑	716 ↑	15.1% ↑
<b>Totals</b>	<b>10,135 ↑</b>	<b>2,022 ↑</b>	<b>20% ↑</b>



**Progress:** C. Review of fiscal year 2020-21 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).

Primary Language	Total People	POS Authorized Per Capita	Percentage Utilized
ASL (American Sign Language)	30 ↑	\$47,662 ↓	84.1% ↑
English	19,553 ↑	\$20,140 ↓	74.2% ↓
Spanish	4,499 ↓	\$9,146 ↑	68.3% ↓
Mandarin Chinese	67 ↓	\$7,105 ↓	58.7% ↓
Vietnamese	1,084 ↑	\$9,421 ↓	69.3% ↓
Korean	141 ↑	\$23,888 ↑	77.8% ↓
Tagalog	20 ↓	\$29,933 ↑	81.2% ↓
Arabic	47 ↑	\$7,363 ↑	61.4% ↓
Farsi	51	\$9,545	64%

REGIONAL CENTER OF ORANGE COUNTY

BOARD OF DIRECTORS

AGENDA ITEM DETAIL SHEET

DATE: May 2, 2024  
TO: Board of Directors  
FROM: Sandy Martin  
Chair, Executive Committee

ACTION	X
ACTION/CONSENT	
DISCUSSION	
INFO ONLY	

SUBJECT: **Approval of Renewal of Board Membership for Hilda Mendez for a Three-Year Term Commencing July 1, 2024 and Ending June 30, 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 Services Act (Welfare and Institutions Code, §4622). In addition to the provisions of the Lanterman Act, the Board may also consider for membership persons whose skills include, but are not limited to, education, community service and public health.

REASON FOR CURRENT ITEM:

Ms. Hilda Mendez will complete her first three-year term on July 1, 2024. The Executive Committee recommends that the Board renew Ms. Mendez’s membership for a three-year term, commencing July 1, 2024 and ending June 30, 2027.

FISCAL IMPACT:

None.

RECOMMENDATIONS:

That the Board approve Ms. Hilda Mendez’s membership for a three-year term, commencing July 1, 2024 and ending June 30, 2027.

REGIONAL CENTER OF ORANGE COUNTY

BOARD OF DIRECTORS

AGENDA ITEM DETAIL SHEET

DATE: May 2, 2024  
TO: Board of Directors  
FROM: Sandy Martin  
Chair, Executive Committee

ACTION	X
ACTION/CONSENT	
DISCUSSION	
INFO ONLY	

SUBJECT: **Approval of Jacqueline Nguyen as Treasurer for a Term Commencing May 2, 2024 and Ending June 30, 2024**

BACKGROUND:

RCOC's Bylaws describe the Term of Office and Vacancies in Section 3.03, "An officer's term shall be for eighteen months and shall commence January 1 or July 1, whichever date first follows the election of the officer. In the event an office becomes vacant then the Board shall elect a successor who shall serve the unexpired portion of the term."

REASON FOR CURRENT ITEM:

The Executive Committee met on April 15, 2024, and proposed the nomination of Ms. Jacqueline Nguyen to serve the remaining two months of Ms. Sandy Martin's term as Treasurer. Ms. Nguyen's term would commence May 2, 2024 and end June 30, 2024.

FISCAL IMPACT:

None.

RECOMMENDATIONS:

That the Board approve Ms. Jacqueline Nguyen as Treasurer.

**Regional Center of Orange County  
Board Recruitment and Training Committee  
April 8, 2024  
Videoconference Minutes**

**Committee Members Present:** John “Chip” Wright, Chair  
Bruce Hall  
Sandy Martin  
Hilda Mendez (*joined at 5:09 p.m.*)  
Chinh Nguyen (*joined at 5:18 p.m.*)  
Fernando Peña

**Committee Member Absent:** Frances Hernandez

**RCOC Staff Present:** Larry Landauer, Executive Director  
Jerrod Bonner, Director of Information Technology (*joined at 5:15 p.m.*)  
Arturo Cazares, Director of Community Services  
Jennifer Montanez, Director of Case Management  
Marta Vasquez, Chief Financial Officer

Mr. Chip Wright called the videoconference meeting to order at 5:03 p.m.

**I. Board Recruitment**

**A. Review Board Members’ Terms of Office and Upcoming Turnover**

Mr. Wright reviewed the current Terms of Office and the Committee discussed upcoming term end dates.

**B. Discuss Recruitment Needs**

The Committee discussed recruitment efforts and the need to recruit new members to ensure compliance with the composition requirements of the Lanterman Act. Much discussion ensued about recruitment efforts and Committee members following up with potential Board applicants.

**II. Board Development and Training**

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

The Committee reviewed the educational training topics. Mr. Wright reported that the Board Retreat is scheduled for Saturday, July 13, 2024 from 8:30 a.m. to 2:00 p.m. at RCOC’s Central office. Mr. Wright requested that a preliminary outline for the retreat be available for the Committee to review at the next meeting.

***Board Recruitment and Training Committee Minutes***  
***April 8, 2024***

**III. Community Forum**

No community members were present at the meeting.

**IV. Other**

Mr. Landauer reported that the Spotlight Awards will be held on April 18, 2024 at 5:30 p.m. at the Embassy Suites Anaheim-South in Garden Grove. Tickets are still available for purchase through Integrity House.

Mr. Wright adjourned the meeting at 5:38 p.m.

*Recorder: Sandra Lomeli*

**Regional Center of Orange County  
Policies and Outcomes Committee  
April 15, 2024  
Videoconference Minutes**

**Committee Members Present:** Cliff Amsden, Chairperson  
Jacqueline Nguyen  
Sandy Martin  
John “Chip” Wright

**Committee Members Absent:** Meena Chockalingam

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

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

Mr. Cliff Amsden called the videoconference meeting to order at 6:05 p.m.

**I. Governance Policies**

**A. Review of the Employment First Policy**

The Committee reviewed and proposed revisions to the policy.

*M/S/C to recommend that the Board approve the Employment First Policy as proposed*

**B. Review of the Transportation Mobility Policy**

The Committee reviewed and did not propose any revisions to the policy.

**II. Outcomes**

**A. Person Centered Thinking (PCT) Update**

Ms. Jennifer Montanez, RCOC’s Director of Case Management, reported that RCOC continues to provide PCT trainings for new staff and refresher courses for those staff who received PCT training in the past. In addition, ten staff members have completed the PCT certification program.

**B. Health and Wellness Project Update**

Dr. Bonnie Ivers, RCOC's Clinical Director reported that there were no updates and more information will be provided at the Board meeting on May 2, 2024.

**C. Employment Update**

Mr. Arturo Cazares, RCOC's Director of Community Services, reported that there were no updates and more information will be provided at the Board meeting on May 2, 2024.

**D. Housing Update**

Mr. Jack Stanton, RCOC's Associate Director of Housing, reported that there were no updates and more information will be provided at the Board meeting on May 2, 2024.

**E. National Core Indicators (NCI) Update**

Mr. Landauer reported that there were no updates.

**III. Community Forum**

No community members were present.

Mr. Amsden adjourned the meeting at 6:11 p.m.

*Recorder: Sandra Lomeli*



REGIONAL CENTER OF ORANGE COUNTY

BOARD OF DIRECTORS

AGENDA ITEM DETAIL SHEET

DATE: May 2, 2024  
TO: Board of Directors  
FROM: Clifford Amsden, Chair  
Policies and Outcomes Committee  
SUBJECT: **Approval of the Employment First Policy**

ACTION	X
ACTION/CONSENT	
DISCUSSION	
INFO ONLY	

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 April 15, 2024, the Policies and Outcomes Committee reviewed the Employment First Policy.

REASON FOR CURRENT ITEM:

After review, the Policies and Outcomes Committee recommends revisions to the Employment First Policy, as indicated in the attachment.

FISCAL IMPACT:

None.

RECOMMENDATIONS:

That the Board approve the revisions to the Employment First Policy, as presented.

## XX. EMPLOYMENT FIRST POLICY

### BACKGROUND

The Regional Center of Orange County (RCOC) recognizes the importance of meaningful employment for the working age adults we serve. Assembly Bill 1041, also known as Employment First Policy, an act to amend Sections 4646.5 and 4868 of the Welfare and Institutions Code (WIC), and to add Section 4869 to WIC, was effective January 1, 2014. These statutory changes, in part, are as follows:

*4646.5 (a) (4) When developing an individual program plan for a transition age youth or working age adult, the planning team shall consider the Employment First Policy...*

*4869. (a) (1) In furtherance of the purposes of this division to make services and supports available to enable persons with developmental disabilities to approximate the pattern of everyday living available to people without disabilities of the same age, to support the integration of persons with developmental disabilities into the mainstream life of the community, and to bring about more independent, productive, and normal lives for the persons served, it is the policy of the state that opportunities for integrated, competitive employment shall be given the highest priority for working age individuals with developmental disabilities, regardless of the severity of their disabilities. This policy shall be known as the Employment First Policy.*

*(3) Integrated competitive employment is intended to be the first option considered by planning teams for working age individuals, but individuals may choose goals other than integrated competitive employment.*

*(c) Regional centers shall provide consumers 16 years of age or older, and, when appropriate, their parents, legal guardians, conservators, or authorized representative with information, in an understandable form, about the Employment First Policy, options for integrated competitive employment, and services and supports, including postsecondary education, that are available to enable the consumer to transition from school to work, and to achieve the outcomes of obtaining and maintaining integrated competitive employment.*

*4868. (d)(1), “Competitive employment” means work in the competitive labor market that is performed on a full–time or part–time basis in an integrated setting and for which an individual is compensated at or above the minimum wage, but not less than the customary wage and level of benefits paid by the employer for the same or similar work performed by individuals who are not disabled.*

*(2) “Integrated employment” means “integrated work” as defined in subdivision (o) of Section 4851.*

*4851. (o) “Integrated work” means the engagement of an employee with a disability in work in a setting typically found in the community in which individuals interact with individuals without disabilities other than those who are providing services to those individuals, to the same extent that individuals without disabilities in comparable positions interact with other persons.*

## **POLICY**

| ~~Integrated~~-Competitive integrated employment will be the first option considered by planning teams for every working age adult we serve.

## **GUIDING PRINCIPLES**

- 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.
- Persons served make decisions about all aspects of their lives.
- Persons served live, work, learn and socialize in settings that maximize opportunity to be with persons not paid to be with them.

REGIONAL CENTER OF ORANGE COUNTY

BOARD OF DIRECTORS

AGENDA ITEM DETAIL SHEET

DATE: May 2, 2024  
TO: Board of Directors  
FROM: Clifford Amsden, Chair  
Policies and Outcomes Committee  
SUBJECT: **Transportation Mobility Policy**

ACTION	
ACTION/CONSENT	
DISCUSSION	
INFO ONLY	X

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 April 15, 2024, the Policies and Outcomes Committee reviewed the Transportation Mobility Policy.

REASON FOR CURRENT ITEM:

The Policies and Outcomes Committee did not recommend any revisions to the Transportation Mobility Policy.

FISCAL IMPACT:

None.

RECOMMENDATIONS:

This is an information item; no action is required.

## **VII. TRANSPORTATION MOBILITY POLICY**

### **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 that the services and supports provided to those we serve maximize opportunities and choices, utilize all possible sources of funding, including generic resources, and result in the maximum benefit possible.

### **POLICY**

RCOC will serve the mobility needs of the individuals it serves by assuring an effective and efficient mix of accessible and safe transportation services to and from an eligible individual's primary day service/activity. These services shall enhance opportunities for persons served to access supports, services, and other community resources.

In meeting the mobility needs of those we serve, RCOC will:

- Use generic resources before expending regional center funds.
- Advocate for the maximum access to and utilization of public transit services for people with developmental disabilities.
- Encourage measurable improvement in the efficiency and effectiveness of transportation services by gathering feedback from persons served who use public and specialized transportation services.
- Improve access to services by improving communication about and coordination of available transportation resources.
- Promote the efficient use of resources by eliminating duplication wherever possible.
- Promote the consideration of transportation issues and costs in all decisions.

### **SERVICE CRITERIA**

The individual transportation needs of the person served will be determined by the Multidisciplinary/Planning Team.

The following criteria will be applied when authorizing transportation service. Exceptions may be made on a case-by-case basis.

1. Whenever feasible, public transportation will be utilized first.

2. All adults requesting transportation will be assessed for mobility training.
3. Transportation services are typically purchased for one primary day service/activity (e.g., place of employment, day program). However, additional transportation may be purchased on an individual basis, but not as part of the primary program's transportation obligation (e.g., day program and/or college classes).
4. Those served by RCOC, parents of minor children and residential service providers are expected to provide routine transportation to medical, dental, or other appointments or functions. RCOC may fund incidental transportation on an exception basis in the following circumstances:
  - An individual is not financially capable of independently funding their own or their child's transportation.
  - The parent or surrogate has a disability which prevents them from transporting the person served by RCOC.
  - The individual's medical and/or physical condition requires the use of specialized transportation to accommodate transport.

### **CHILDREN UNDER AGE THREE**

To maximize safety and quality assurance, parents and residential service providers are expected to transport infants to the primary day service/activity. Transportation for infants may be funded when there is documented exceptional need and the parent/residential service provider cannot accompany the child.

Authorized infant transportation will be reviewed every six months.

### **GUIDING PRINCIPALS**

- Persons served and their families have knowledge of, access to and opportunity for participation in any community activities and resources of their choosing.
- Persons served live, work, learn and socialize in settings that maximize opportunity to be with person not paid to be with them.
- Services and supports for families recognize, facilitate and build on family strengths, natural supports and existing community resources.
- RCOC will maximize all alternative sources of funding for necessary services and supports including federal and generic funding.

**Regional Center of Orange County  
Vendor Advisory Committee  
March 12, 2024  
Videoconference Minutes**

**Members:**

**Adult Behavior Management Programs**

Chair, Atrem Behmanesh, present  
Co-Chair, Ryan Perez, absent

**Adult Day Programs**

Chair, Rick Perez, absent  
Co-Chair, Member Pending

**Adult Family Home/Foster Family Agency**

Chair, Shari Panganiban, present  
Co-Chair, Member Pending

**Behavior Services**

Chair, Cindy Hebert, present  
Co-Chair, Junie Lazo-Pearson, present

**Community Care Facilities**

Chair, Member Pending  
Co-Chair, Member Pending

**Early Intervention**

Chair, Junie Lazo-Pearson, present  
Co-Chair, Pam Alexander, absent

**Habilitation**

Chair, Marina Margaryan, present  
Co-Chair, Jodean Hudson, present

**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, Andrew Velasco, absent  
Co-Chair, Alex Saldana, absent

**Liaisons:**

**CalOptima**

Liaison Pending

**Orange County Transit Authority**

Melissa Mungia, absent  
Christina Blanco, present (*joined at 2:02 p.m.*)

**RCOC Staff Present:**

Larry Landauer, Executive Director  
Liliana Castillo, Accounting Manager – Vendorization  
Arturo Cazares, Director of Community Services (*joined at 2:04 p.m.*)

***Vendor Advisory Committee Minutes***  
***March 12, 2024***

Karina Crosby, Accounting Manager - Payables  
Wayed Kabir, Peer Advocate  
Jennifer Montanez, Director of Case Management  
Jack Stanton, Associate Director of Housing  
Marta Vasquez, Chief Financial Officer

**Call to Order**

In Mr. Rick Perez's absence, Ms. June Lazo-Pearson welcomed all attendees and called the videoconference meeting to order at 2:01 p.m.

**I. RCOC Update**

Mr. Larry Landauer provided the following updates:

- *Statewide News.* Mr. Landauer reviewed some highlights from the Assembly Budget Subcommittee No. 2 on Human Services Hearing meeting report on February 28, 2024. Some of the issues heard under the topic of Department of Developmental Services were the Governor's proposed delay of service provider rate reform, the Governor's proposal for a Master Plan for Developmental Services, and Social Recreation and Camp Services Implementation oversight. Mr. Landauer reported that the hearing report in its entirety is available on RCOC's website.
- *Purchase of Service (POS) Expenditures for Fiscal Year 2023-24.* Mr. Landauer reported that there is a projected deficit statewide.

Mr. Landauer also reported that RCOC's POS Expenditure Public Meeting will be held on March 13, 2024 at 5:30 p.m. via Zoom.

**II. Subcommittee Chair and Co-Chair Selections**

Mr. Jack Stanton, RCOC's Associate Director of Housing, reminded the Committee that new chairs and co-chairs must be identified by the end of May 2024 for the following subcommittees: Adult Day Programs, Behavior Services, Early Intervention, Intermediate Care Facilities (ICF) and Support Services/Allied Health. The VAC Chair will then present nominees to the Board of Directors for approval; if approved, their terms will commence on June 6, 2024, in accordance with the VAC Commission.

**III. Board Report**

Mr. Landauer reported that the Board of Directors' met on March 7, 2024.

**IV. Peer Advisory Committee (PAC) Report**

Mr. Wayed Kabir, RCOC's Peer Advocate, reported that Mr. Arturo Cazares, RCOC's Director of Community Services will present *Let's Talk About Employment!* at their next meeting scheduled for March 20, 2024.



**Liaison Reports**

**A. CalOptima – Liaison pending**

No representative from CalOptima was present and no report was provided.

**B. Orange County Transportation Authority (OCTA) – Melissa Mungia (absent)**

In Ms. Melissa Mungia’s absence, Ms. Cristina Blanco reported that OCTA will be working with RCOC to streamline the subscription process.

**V. Member Reports**

**A. Adult Behavior Management – Atrem Behmanesh (present)**

**B. Adult Day Programs – Rick Perez (absent)**

Ms. Atrem Behmanesh reported that the two subcommittees met today and discussed the Home and Community-Based Services (HCBS) audits that RCOC will be conducting, RCOC’s Special Incident Report (SIR) requirements and the various trainings available through Get Safe.

**C. Adult Family Home Agency/Foster Family Agency (AFHA/FFA) – Shari Panganiban (present)**

Ms. Shari Panganiban reported that the subcommittee met on February 1, 2024 and discussed the Governor’s proposed delay of the final phase of service provider rate increases, preparing for RCOC’s HCBS audits and the Health and Wellness Quality Incentive Payments.

**D. Behavior Services – Cindy Hebert (present)**

Ms. Cindy Hebert reported that the subcommittee met on March 7, 2024 and discussed the process of transitioning from early start to behavior services and concerns with delayed authorizations from CalOptima.

**E. Community Care Facilities (CCF) – Member Pending**

Mr. Stanton reported that the subcommittee did not meet.

**F. Early Intervention – Junie Lazo-Pearson (present)**

Ms. Junie Lazo-Pearson reported that the next subcommittee meeting is scheduled for April 18, 2024.

**G. Habilitation – Marina Margaryan (present)**

Ms. Marina Margaryan reported that the next subcommittee meeting is scheduled for April 9, 2024.

**H. Independent Living/Supported Living (IL/SL) – Christine Molina (present)**

Ms. Christine Molina reported that the subcommittee met today and held a Special Incident Report (SIR) training with Mr. Jeremy Martin, RCOC’s Risk Manager.

**I. Intermediate Care Facilities (ICF) – Rich Mraule (absent)**

In Mr. Rich Mraule’s absence, Mr. Stanton reported that the subcommittee did not meet.

**J. Support Services/Allied Health – Andrew Velasco (absent)**

In Mr. Andrew Velasco’s absence, Mr. Stanton reported that the subcommittee did not meet.

**VI. Community Forum**

There were no speakers for community forum.

**VII. Adjournment**

Ms. Lazo-Pearson adjourned the meeting at 2:31 p.m.

The next VAC meeting is scheduled for April 9, 2024.

*Recorder: Sandra Lomeli*

**Regional Center of Orange County  
Vendor Advisory Committee  
April 9, 2024  
Videoconference Minutes**

**Members:**

**Adult Behavior Management Programs**

Chair, Atrem Behmanesh, absent  
Co-Chair, Ryan Perez, present

**Adult Day Programs**

Chair, Rick Perez, present  
Co-Chair, Member Pending

**Adult Family Home/Foster Family Agency**

Chair, Shari Panganiban, present  
Co-Chair, Member Pending

**Behavior Services**

Chair, Cindy Hebert, present  
Co-Chair, Junie Lazo-Pearson, present

**Community Care Facilities**

Chair, Member Pending  
Co-Chair, Member Pending

**Early Intervention**

Chair, Junie Lazo-Pearson, present  
Co-Chair, Pam Alexander, absent

**Habilitation**

Chair, Marina Margaryan, present  
Co-Chair, Jodean Hudson, absent

**Independent/Supported Living**

Chair, Christine Molina, absent  
Co-Chair, Ana Sandoval, absent

**Intermediate Care Facilities**

Chair, Rich Mraule, absent  
Co-Chair, Member Pending

**Support Services/Allied Health**

Chair, Andrew Velasco, present  
Co-Chair, Alex Saldana, present (*joined at 2:06 p.m.*)

**Liaisons:**

**CalOptima**

Liaison Pending

**Orange County Transit Authority**

Melissa Mungia, absent  
Christina Blanco, present

**RCOC Staff Present:**

Larry Landauer, Executive Director  
Jerrod Bonner, IT Director  
Liliana Castillo, Accounting Manager – Vendorization

*Vendor Advisory Committee Minutes*  
*April 9, 2024*

Arturo Cazares, Director of Community Services  
Karina Crosby, Accounting Manager – Payables  
Dr. Bonnie Ivers, Clinical Director  
Wayed Kabir, Peer Advocate  
Jennifer Montanez, Director of Case Management  
Jack Stanton, Associate Director of Housing  
Marta Vasquez, Chief Financial Officer

**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. Landauer reported that there is a projected statewide deficit for fiscal year 2023-24.

Mr. Landauer also reported that RCOC participated in the Association of Regional Center Agencies (ARCA) annual Grassroots Day in Sacramento held from April 1-3, 2024. The event provides an opportunity for regional center representatives to meet with state senators, assembly members and their staff to discuss service issues. At this year's event, Mr. Landauer along with a person served and two parents served by RCOC visited 12 legislative offices to discuss key topics, including the uninterrupted implementation of service provider rate increases, the state's general fund and federal dollars, and the regional center budget and demographic information.

**A. Vendor Update**

Ms. Liliana Castillo, RCOC's Accounting Manager, reported that the Applicant/Vendor Disclosure Statement (DS 1891) Form must be completed every two years. Service providers, who completed the form in calendar year 2022, are required to renew the form for calendar year 2024. Forms were sent via DocuSign on March 19, 2024.

Ms. Castillo also reported that the Department of Developmental Services (DDS) will launch an online Provider Directory by summer 2024. DDS will offer an incentive payment to participating service providers through the Quality Incentive Program. More information to follow as it becomes available.

**II. Subcommittee Chair and Co-Chair Selections**

Mr. Jack Stanton, RCOC's Associate Director of Housing, reminded the Committee that new chairs and co-chairs must be identified by the end of May 2024 for the following subcommittees: Adult Day Programs, Behavior Services, Early Intervention, Intermediate Care Facilities (ICF) and Support Services/Allied Health. The VAC Chair will then present nominees to the Board of Directors for approval; if approved, their terms will commence on June 6, 2024, in accordance with the VAC Commission.

**III. Board Report**

Mr. Perez reported that a Board of Directors training was held on April 4, 2024.

**IV. Peer Advisory Committee (PAC) Report**

Mr. Wayed Kabir, RCOC's Peer Advocate, reported that Mr. Arturo Cazares, RCOC's Director of Community Services provided a presentation on employment at their March 2024 meeting. Mr. Kabir also reported that their next meeting is scheduled for May 22, 2024 at 3:00 p.m. via Zoom.

**Liaison Reports**

**A. CalOptima – Liaison pending**

No representative from CalOptima was present and no report was provided.

**B. Orange County Transportation Authority (OCTA) – Melissa Mungia (absent)**

In Ms. Melissa Mungia's absence, Ms. Cristina Blanco reported that as of March 11, 2024, the OC Access service encountered significant delays due to an administrative oversight from Transdev, OCTA's subcontractor. The oversight resulted in the removal of drivers thus affecting timely service. As of April 8, 2024, the contractor recuperated about 75% of their driver resources and anticipates to be fully staffed by the end of the month.

Ms. Blanco also reported that discontinuation of the Not Ready Return (NRR) and large wheelchair accommodation services has been delayed until July 1, 2024.

**V. Member Reports**

**A. Adult Behavior Management – Atrem Behmanesh (present)**

**B. Adult Day Programs – Rick Perez (present)**

In Ms. Atrem Behmanesh's absence, Mr. Ryan Perez reported that the two subcommittees met today and discussed RCOC's Spotlight Awards scheduled for April 18, 2024, and the Home and Community-Based Services (HCBS) audits.

Mr. Rick Perez reported that he will continue as Chair of the Adult Day Program subcommittee.

**C. Adult Family Home Agency/Foster Family Agency (AFHA/FFA) – Shari Panganiban (present)**

Ms. Panganiban reported that the subcommittee met and discussed AFHA rates, HCBS audits and the vendor Person Centered Thinking (PCT) certification program.

**D. Behavior Services – Cindy Hebert (present)**

Ms. Cindy Hebert reported that the subcommittee did not meet, but corresponded through email regarding chair nominations. Ms. Hebert will continue as Chair and Ms. Junie Lazo-Pearson will continue as Co-Chair.

**E. Community Care Facilities (CCF) – Member Pending**

Mr. Stanton reported that the subcommittee did not meet.

**F. Early Intervention – Junie Lazo-Pearson (present)**

Ms. Junie Lazo-Pearson reported that the subcommittee is scheduled to meet on April 18, 2024.

**G. Habilitation – Marina Margaryan (present)**

Ms. Marina Margaryan reported that the subcommittee met today and discussed the Governor's proposed rate delay and the negative impact it would have on service providers. Ms. Margaryan also reported that Mr. Cazares provided information regarding the new Coordinated Career Pathways Program, PCT Training and the new Financial Management Service (FMS) agency for the Paid Internship Program (PIP).

Ms. Margaryan thanked Mr. Landauer and ARCA for their efforts in advocating for implementation of the final phase of the rate increases.

**H. Independent Living/Supported Living (IL/SL) – Christine Molina (absent)**

In Ms. Christine Molina's absence, Mr. Stanton reported that the subcommittee did not meet.

**I. Intermediate Care Facilities (ICF) – Rich Mraule (absent)**

In Mr. Rich Mraule's absence, Mr. Stanton reported that the subcommittee did not meet.

**J. Support Services/Allied Health – Andrew Velasco (present)**

Mr. Andrew Velasco reported that the subcommittee met today and discussed the final DDS Rate Model increase and the Governor's proposed delay. Mr. Velasco also reported that Ms. Kelly Araujo was selected as Chair of the subcommittee and Mr. Michael Toliver was selected as Co-Chair.

**VI. Community Forum**

There were no speakers for community forum.

**VII. Adjournment**

Mr. Perez adjourned the meeting at 2:20 p.m.

The next VAC meeting is scheduled for May 14, 2024.

*Recorder: Sandra Lomeli*

**Regional Center of Orange County  
Peer Advisory Committee  
March 20, 2024  
Videoconference Minutes**

**Committee Members Present:** Yvonne Kluttz, Chairperson (*joined at 3:10 p.m.*)  
Amy Jessee, Co-Chair  
Sylvia Delgado  
Wayed Kabir  
Peter Kuo  
Fernando Peña

**Committee Members Absent:** Kerri Adamic  
Marcell Bassett  
Cheryl Day  
Stephen Gersten

**RCOC Staff Members Present:** Arturo Cazares, Director of Community Services  
Jennifer Montanez, Director of Case Management

**Guest(s):** Maria Berumen  
Mary Nguyen

Ms. Amy Jessee called the meeting to order at 3:07 p.m.

**I. Welcome and Introductions**

Ms. Jessee welcomed everyone to the Peer Advisory Committee (PAC) meeting.

**II. RCOC's Peer Advocate Report**

Mr. Wayed Kabir, RCOC's Peer Advocate, reported that there were no updates.

**III. Employment**

Mr. Arturo Cazares, RCOC's Director of Community Services, presented on *Let's Talk about Employment!* that included information about Competitive Integrated Employment, employment services and transportation and mobility training.

**IV. Community Forum**

There were no speakers for community forum.



**V. Next Scheduled Meeting**

The next PAC meeting is scheduled for May 22, 2024.

Ms. Jessee adjourned the meeting at 3:53 p.m.

*Recorder: Sandra Lomeli*

**Regional Center of Orange County  
Legislative and Community Awareness Committee  
April 9, 2024  
Videoconference Minutes**

**Committee Members Present:** Bruce Hall, Chairperson  
Meena Chockalingam  
Sandy Martin  
Chinh Nguyen  
John “Chip” Wright

**Committee Member Absent:** Hilda Mendez

**RCOC Staff Members Present:** Larry Landauer, Executive Director  
Jerrod Bonner, Director of Informational Services  
Bonnie Ivers, Director of Clinical Services  
Kathleen McFarlin, Family Support and Community Outreach Manager  
Kaitlynn Truong, Cultural Specialist  
Marta Vasquez, Chief Financial Officer  
Stacy Wong, Director of Human Resources

**Guests:** Linda Blankenship, Consultant  
Anh Nguyen, Consultant

Mr. Bruce Hall called the meeting to order at 5:04 p.m.

**I. Public Relations**

**A. News Media Outreach**

Ms. Linda Blankenship reported that Mr. Larry Landauer and Ms. Kaitlynn Truong, FRC’s Cultural Specialist, were interviewed on Little Saigon TV’s, Community Engagement program regarding RCOC services. Ms. Blankenship stated that April 2024 issue of Exceptional Parent Magazine included an article on self-advocacy coauthored by Mr. Landauer and Mr. Wayed Kabir, RCOC’s Peer Advocate. In addition, their May 2024 issue will include an article bylined by Mr. Arturo Cazares, RCOC’s Director of Community Services, will be featured on U.S. Department of Housing and Urban Development (HUD) vouchers and how they can assist adults with disabilities secure affordable housing.

**B. Dialogue**

Ms. Blankenship reported that the spring issue of the *Dialogue* will highlight the 2024 Spotlight Awards honorees. It also includes the Executive Director’s report on the state budget and the Governor’s potential delay of vendor rate increases.

**C. Website Update**

Ms. Anh Nguyen reported that RCOC’s website continues to be updated to ensure accessibility to all pertinent information about the agency and its services.

**D. Social Media**

Ms. Nguyen shared that RCOC’s social media platforms continue to feature information on events, public meetings and trainings.

**II. Legislative Outreach**

**A. ARCA Update**

Ms. Sandy Martin reported that the Association of Regional Center Agencies (ARCA) Board of Directors met on March 22, 2024 in Sacramento. The Board delegates agreed to table the meeting in order to attend the Senate Budget Subcommittee No. 3 and provide public comment regarding vendor rates. The next Board of Directors’ meeting is scheduled for April 11, 2024 in Sacramento.

**B. Budget Update and Delegation Relationships**

Mr. Landauer reported that RCOC participated in ARCA’s annual Grassroots Day in Sacramento held from April 1-3, 2024. Mr. Landauer, Ms. Martin, Mr. Hall and Ms. Sylvia Delgado, past Board member and person served by RCOC, visited 12 legislative offices to discuss key topics including the uninterrupted implementation of service provider rate increases, the state’s general fund and federal dollars, and the regional center budget and demographic information.

**III. Community Outreach**

**A. Spotlight Awards**

Ms. Nguyen reported that the Spotlight Awards are scheduled for April 18, 2024 at the Embassy Suites Hotel in Anaheim and will be emceed by Ms. Leslie Marin, reporter at KCAL 9 and CBS 2 News. Tickets prices are set at \$75 for general admission.

**B. Disparity-Focused Activities**

Ms. Kathleen McFarlin, RCOC’s Family Support and Community Outreach Manager, reported that RCOC hosted a resource fair for the deaf and hard of hearing community. The event was coordinated with Mr. Brian Nesdale, RCOC’s Deaf and Hard of Hearing Coordinator. The event provided information and resources for families. Many attendees

***RCOC Legislative and Community Awareness Committee Minutes  
April 9, 2024***

were able to complete a survey on how RCOC is doing serving the deaf and hard of hearing community.

Ms. McFarlin shared that RCOC hosted a luncheon with the Japanese Speaking Parent Support Group on March 26, 2024. Discussions focused on RCOC services, obtaining CPR training, and translation of training materials in Japanese.

In addition, on March 27, 2024, RCOC hosted four concurrent presentations in English, Spanish, Vietnamese and Korean. The presentations covered CalOptima services available for persons served and their families.

Ms. McFarlin also reported that RCOC used funds allocated for Language Access and Cultural Competency (LACC) to survey Spanish, Vietnamese and Korean-speaking families. The Thompson Policy Institute on Disability at Chapman University conducted the survey and listening sessions with various communities and collaborating agencies. The final report has been completed and will be available on RCOC's website once it has been translated into Spanish, Vietnamese and Korean. LACC funding will also be used to provide cultural competency training to RCOC's vendor community and to produce a brochure in several languages regarding services provided within the community.

Ms. Blankenship reported that for the Asian American and Pacific Islander (AAPI) Heritage month, the City of Santa Ana's Mayor Pro Tem, Ms. Thai Viet Pham will honor RCOC with a proclamation to acknowledge its work within the Asian community at their City Council meeting on May 7, 2024.

Dr. Bonnie Ivers, RCOC's Clinical Director, reported that RCOC's internal Diversity and Inclusion Task Force continues to meet monthly. The Task Force is exploring options to improve communication with families of diverse backgrounds to ensure they have access to RCOC services and resources.

**C. Developmental Services Careers/Vendor Support**

Dr. Ivers reported that she and Mr. Arturo Cazares are continuing their efforts to partner with community colleges to speak with students about RCOC services and potential career opportunities in the developmental disabilities field.

**IV. Community Forum**

No community members were present at the meeting.

Mr. Hall adjourned the meeting at 5:45 p.m.

*Recorder: Sandra Lomeli*