

Harbor Regional Center
Audit Committee
November 9, 2015

In attendance: Kristine Engels, Wendy Sorel, LaVelle Gates, Judy Wada, Kaye Quintero, Ron Kulek (Windes, Inc.), and Tom Huey (Windes, Inc.)

Absent: None

Minutes:

The Audit Committee held a meeting on November 9, 2015 at 2:30 pm at the HRC Long Beach Office.

Fiscal Year 2014-15 Independent Audit

Ron Kulek and Tom Huey from Windes presented the committee with the draft audited financial statements for the Fiscal Year 2014-15. Mr. Kulek reported Windes is issuing an unmodified opinion in their Auditors' Report this year, which is the highest level of assurance that can be given. The Windes Report to the Audit Committee document is attached.

There was discussion regarding the presentation of the amended lease between Harbor Regional Center and the Del Harbor Foundation, which was effective July 2015. Judy Wada requested Note 5 be revised to explain the changes to the base rent and operating expenses in the new lease, which has reduced the total future rent payments HRC will make to Del Harbor.

Ms. Wada submitted a correction to the allocation percentage of the functional expenses to Windes subsequent to the draft being presented. Windes will update the Statement of Functional Expenses as appropriate.

Ms. Wada shared with the Committee the deadline for the financial statements to be finalized and submitted to Del Harbor was moved to March 1 (from December 31) when the bonds were refinanced. Although this deadline has been moved, HRC will continue to follow the schedule for completion of the independent audit and Form 990 as outlined in HRC's independent audit procedure.

The Audit Committee approved the draft financial statements pending the changes identified above. The updated draft is scheduled to be presented to the Executive Committee on November 17, 2015. The statements are then scheduled to be presented to the board on December 1, 2015.

Fiscal Year 2014-15 IRS Form 990

Ms. Quintero and Ms. Wada will begin working on gathering the information for the 990 after the financial statements have been finalized. A draft of the Form 990 will be presented to the Audit Committee in March or April. The filing deadline for the return is May 15, 2016.

Executive Session

The Audit Committee thanked and excused Ms. Wada and Ms. Quintero then went into Executive Session.

kq

Harbor Regional Center

Client Advisory Committee

November 21, 2015 Meeting Minutes

Members Present: David Gauthier-Chairperson; Deaka McClain-Co-Chairperson; Rita Teodore; Mead Duley ; Michelle Roach; Danielle Schorr; Mathew Cox; Wesley Dale; Daniel Angle; Jamie Martinez; Debbie Howard; Matt Cox; Thomas Basch; Kelly Sutton; Constance Leuck; Timothy Holmes

HRC Staff Present: Brent Fryhoff; Elizabeth Stroh

Life Steps Staff Present: Jenelle Reyes-Tenorio

Call to Order & Minutes Approved

Mr. David Gauthier, Chair called the meeting to order at 1:30 p.m. after members had an opportunity to enjoy some of the food brought for the Annual Potluck. He also introduced and reviewed with the members, the minutes of the August 15th meeting.

The minutes were unanimously approved by all committee members.

Regional Center Update

Mr. Brent Fryhoff reported that Regional Center staff, service providers, clients, and families continue to rally statewide in Sacramento at the Capital lobbying for a 10% across-the-board increase for developmental services. Sadly the legislators were not able to reach agreement on this bill; however they created a conference committee with members from both the Assembly and Senate, from both parties to continue work on this issue. Sadly, providers remain without any increases and have not had any type of increase for several years. Unfortunately many group home providers have had to close their doors recently due to the financial hardship this has brought. Elizabeth and Brent encouraged CAC members to write our lawmakers in Sacramento.

Brent also shared that Harbor Regional Center continues to have an employment initiative. We continue to have a huge push at HRC in getting our clients, who are capable, employed in competitive work making minimum wage or higher. This is a statewide initiative among all the Regional Centers.

Brent also shared that Harbor Regional Center continues to have an initiative to get our clients out of skilled nursing homes and into less restrictive living arrangements with the necessary supports put into place. When this initiative started HRC had over 73 clients in Skilled Nursing Homes and now we are down to 50 clients residing in skilled nursing homes and we continue to make progress.

HRC Client Advisory Committee Meeting
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Brent reported that Harbor Regional Center continues to work hard at providing living options in the community to the 25 clients we have who are currently living at Fairview Developmental Center. Last year we had 48 clients living there and continue to make progress at getting people out of institutions. DDS still plans on closing all of the developmental centers state wide over the next several years.

Brent shared a brief update on new day programs and some changes that have recently occurred. Integrated Life Torrance is now officially licensed and opened its doors to our clients last week. We also have a new transportation company, Comfort Transit, who will be assigned to Integrated Life for those clients who need contract transportation to get to and from this particular program. Brent reported that SVS Lakewood East will be opening early next year and this will be our 4th Partial Work Program. We continue to have clients leave the sheltered workshops and go to our partial work programs. In this setting, our clients have the opportunity to work in the community with job coaching in group settings making at least minimum wage or higher. Brent also shared that the agency Ambitions took over the previous Lotus House effective November 1st. Also, Cole Full Inclusion Center moved to where the old Cole Bixby Program used to be and Cole Bixby moved to a new building on Atlantic.

Elizabeth shared that the movement of new programs opening is very good news despite no increase to services. She also let CAC members know that HRC is involved in an Adopt-A-Family program each year and explained how the process works. CAC members discussed their interest in adopting a family in 2016. More discussion on adopting a family will follow at future CAC meetings.

CAC Outreach

CAC members discussed the possibility of volunteering at one of the Special Olympic events in 2016. Jaime Martinez is very involved in the Special Olympics and said he would bring the schedule of events for 2016 at the next CAC meeting in February. The Client Advisory Committee had such a great time volunteering at the recent World Games in August and would like to continue this type of community outreach.

Elizabeth and Brent let CAC members know that the upcoming Health Fair has been pushed back to sometime in the fall of 2016. A date and location has not been confirmed. The Client Advisory Committee will still play a huge part in the planning and coordination of this upcoming event.

CAC Training Schedule for 2016

The committee was provided with 8 different training topics including:

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- Emergency Preparedness
- Disability Rights of California
- Self Determination
- Voting Rights
- ADA Laws
- Managing your health with proper diet and nutrition
- Managing your general health
- Effective Self-Advocacy

Members voted on their top 3 topics at the November meeting. The top three chosen by the CAC were Emergency Preparedness, Voting Rights, and Managing your health with proper diet and nutrition. The committee will schedule at least two trainings from these 3 selected in the 2016 calendar year.

Adjournment

David Gauthier adjourned the meeting at 3:01 p.m.

Next CAC Meeting

The next Client Advisory Meeting will be held on Saturday February 13th 2016 at the Harbor Regional Center Long Beach Office from 1:00 p.m. – 3:00 p.m. It was discussed that the location of the next meeting may change if construction of the Long Beach office is started by then.



Client Services Committee

September 22, 2015

In attendance:

Patricia Jordon - Chair
Fu Tien Chiou - Parent
Deaka Mc Clean – Client
David Gauthier - Client
Mary Hernandez – Staff


Discussion on the newly expanded Adolescent teams: Mary Hernandez presented on the expansion of a new team within her department. Previously there were two Adolescent teams that focused on transition age youth (age 14 till 22 years) but in July another team was added. The three teams are focusing on working with the school districts and families to ensure that the clients are receiving quality transition services. School districts are required to start transition planning at age 16 but most school districts start at age 14. HRC Counselors are receiving training on how to work collaboratively with school districts during the IEP process. They are also receiving ongoing training on their roles within the IEP process. Mary shared that just recently LAUSD and HRC worked collaboratively to do a presentation to 50 HRC Counselors. LAUSD staff presented on the school district legal responsibilities during these transition years. On October 14th, HRC will do training to approximately 40 LAUSD special education teachers on a variety of topics. Our employment first policy will be discussed as well as how HRC staff can support families during the transition process. Mary reports that it is important for families to understand the importance of the transition years so that their son/daughter will exit the school district with skills that ensure they can participate in post-secondary options.

Discussion on the Health and Wellness fair – The committee continue to develop ideas and topics for the fair, the subcommittee will be meeting sometime in November to finalize the topics.

Next CSC meeting will be held on October 27, 2015 at 6 p.m.


HARBOR REGIONAL CENTER PERFORMANCE PLAN 2016

PUBLIC POLICY OUTCOMES

| Public Policy Measures | Statewide Average | HRC Outcomes | Planned Activities |
|--|--|---|--|
| <p>Clients who live in State Developmental Centers will live in the community. (Reduce Percentage of clients in State Developmental Centers)</p>  <p>Achieving Desired Outcome? YES</p> | <p>12/06 1.36%</p> <p>12/07 1.2%</p> <p>12/08 1.03%</p> <p>12/09 0.91%</p> <p>12/10 0.83%</p> <p>12/11 0.73%</p> <p>12/12 0.63%</p> <p>12/13 0.51%</p> <p>12/14 0.42%</p> <p>06/15 0.38%</p> | <p>12/06 1.5% 138 clients</p> <p>12/07 1.38% 125 clients</p> <p>12/08 1.12% 108 clients</p> <p>12/09 0.96% 93 clients</p> <p>12/10 0.78% 77 clients</p> <p>12/11 0.65% 68 clients</p> <p>12/12 0.54% 59 clients</p> <p>12/13 0.5% 56 clients</p> <p>12/14 0.36% 42 clients</p> <p>6/15 0.29% 34 clients</p> | <p>Continue to develop resources as Community Placement Plan funds allow.</p> <p>Continue to assist developmental center residents to move into the community.</p> |


Measures of Success: ●Maintain or show improved performance over prior year, and/or ●Equal to or better than statewide average.

HARBOR REGIONAL CENTER PERFORMANCE PLAN 2016

| Public Policy Measures | Statewide Average | HRC Outcomes | Planned Activities |
|---|--|---|---|
| <p>Children served by HRC will live with families. (Increase percentage of minors living with families: includes own family, foster family, and guardian).</p>  <p>Achieving Desired Outcome? YES</p> | <p>12/06 97.65% 12/07 98.06% 12/08 98.38% 12/09 98.48% 12/10 98.6% 12/11 98.71% 12/12 98.92% 12/13 98.98% 12/14 99.10% 6/15 99.11%</p> | <p>12/06 98.71% 12/07 99.21% 12/08 99.36% 12/09 99.37% 12/10 99.56% 12/11 99.60% 12/12 99.63% 12/13 99.78% 12/14 99.80% 6/15 99.78%</p> | <p>Continue to provide support, information, and training to families, to promote child development and family stability.</p> |
| <p>Children served by HRC who live in licensed homes shall live in small homes. (Maintain low percentage of minors living in licensed homes serving greater than 6).</p> <p>Achieving Desired Outcome? YES</p> | <p>12/06 0.17% 12/07 0.15% 12/08 0.14% 12/09 0.13% 12/10 0.13% 12/11 0.09% 12/12 0.08% 12/13 0.07% 12/14 0.07% 6/15 0.06%</p> | <p>12/06 0.02% 12/07 0.00% 12/08 0.00% 12/09 0.02% 12/10 0.00% 12/11 0.00% 12/12 0.00% 12/13 0.00% 12/14 0.00% 6/15 0.00%</p> | <p>Continue to avoid use of large licensed settings, and provide support for children to live with families (their own, foster, or guardian).</p> |


Measures of Success: ●Maintain or show improved performance over prior year, and/or ●Equal to or better than statewide average.

HARBOR REGIONAL CENTER PERFORMANCE PLAN 2016

| Public Policy Measures | Statewide Average | HRC Outcomes | Planned Activities |
|---|--|--|--|
| <p>Adults served by HRC will live in home settings.</p> <p>(Increase percentage of adults living in independent & supported living, with parent, or with adult family home agency).</p>  <p>Achieving Desired Outcome? YES</p> | <p>12/06 70.68%</p> <p>12/07 71.38%</p> <p>12/08 72.25%</p> <p>12/09 73.20%</p> <p>12/10 73.99%</p> <p>12/11 74.81%</p> <p>12/12 75.29%</p> <p>12/13 76.49%</p> <p>12/14 77.30%</p> <p>6/15 77.69%</p> | <p>12/06 72.64%</p> <p>12/07 73.13%</p> <p>12/08 73.67%</p> <p>12/09 75.33%</p> <p>12/10 76.51%</p> <p>12/11 77.39%</p> <p>12/12 78.36%</p> <p>12/13 79.05%</p> <p>12/14 80.07%</p> <p>6/15 80.30%</p> | <p>Continue to promote and maintain options for adults to live in home environments with families, or in their own homes, with supports as needed.</p> |


Measures of Success: ●Maintain or show improved performance over prior year, and/or ●Equal to or better than statewide average.

HARBOR REGIONAL CENTER PERFORMANCE PLAN 2016

| Public Policy Measures | Statewide Average | HRC Outcomes | Planned Activities |
|---|--|--|---|
| <p>Adults served by HRC who live in licensed homes shall live in small homes.</p> <p>(Reduce percentage of adults living in licensed homes serving greater than 6).</p>  <p>Achieving Desired Outcome? YES</p> | <p>12/06 5.36%</p> <p>12/07 4.94%</p> <p>12/08 4.55%</p> <p>12/09 4.10%</p> <p>12/10 3.80%</p> <p>12/11 3.50%</p> <p>12/12 3.31%</p> <p>12/13 3.12%</p> <p>12/14 2.96%</p> <p>6/15 2.85%</p> | <p>12/06 4.03%</p> <p>12/07 3.58%</p> <p>12/08 3.16%</p> <p>12/09 2.50%</p> <p>12/10 2.37%</p> <p>12/11 2.22%</p> <p>12/12 2.05%</p> <p>12/13 1.84%</p> <p>12/14 1.74%</p> <p>6/15 1.55%</p> | <p>Continue to avoid use of large licensed settings and to support adults moving from larger settings into more integrated/less restrictive living options.</p> |

Measures of Success: ●Maintain or show improved performance over prior year, and/or ●Equal to or better than statewide average.

HARBOR REGIONAL CENTER PERFORMANCE PLAN 2016

| Public Policy Measure | Planned Activities |
|---|---|
| <p>Percent of total annual purchase of service authorizations and expenditures by individual's ethnicity and age</p> <ul style="list-style-type: none"> • Birth to age two, inclusive • Age three to twenty-one, inclusive • Twenty-two and older <p>Percent of total annual purchase of service authorizations and expenditures by individual's primary language.</p>  | <p>Harbor Regional Center will provide services and supports in a culturally and linguistically sensitive manner.</p> <p>Continue to:</p> <ul style="list-style-type: none"> • Provide community outreach so that the ethnic, language and cultural demographics of our client population reflect that of the general population in our service area. • Recruit and maintain a culturally diverse staff whose ethnicity, language and cultural background reflect that of our client population. • Provide information and training for staff and service providers to promote culturally-competent service delivery. • Increase training and information for clients and families about available services and supports, and expand our library of translated materials. • Seek input from our community regarding barriers to access and utilization of services, and ways to overcome these barriers. |

Measures of Success: •Maintain or show improved performance over prior year, and/or •Equal to or better than statewide average.

HARBOR REGIONAL CENTER PERFORMANCE PLAN 2016

Compliance Measures

| | HRC Baseline | Planned Activities |
|---|--------------|---|
| Unqualified independent audit with no material findings | Yes | Continue generally accepted accounting principles Maintain good business practices Maintain compliance with state contract and Medicaid Waiver requirements |
| Substantial compliance with DDS fiscal audit | Yes | |
| Accuracy/percent of POS fiscal projections based on February Sufficiency of Allocation Report (SOAR) | Yes | |
| Operates within Operations budget | Yes | |
| Certified to participate in Waiver | Yes | |
| Compliance with vendor audit requirements | Yes | |
| Intake/IFSP development, ages 0-2 (Individual/Family Service Plan, Title 17 requirements) | 95.94% | Continue to provide timely completion of intake/assessment for infants and toddlers birth - 2 years of age. |
| Intake/assessment timelines, ages 3 and above - 142 days or less | 100% | Continue to provide timely completion of intake/assessment for children & adults 3 years of age and above. |
| IFSP development, ages 3 and above (Individual/Family Service Plan, Welfare and Institutions Code requirements) | 99.75% | Continue to provide timely completion of individual/family service plans for clients receiving services under the Lanterman Act. |
| Individuals with Current CDER or ESR (Client Development Evaluation Report or Early Start Report). | CDER 97.60% | Continue timely completion of the CDER/ESR. |

Measures of Success: ●Maintain or show improved performance over prior year, and/or ●Equal to or better than statewide average.

**Harbor Regional Center
Service Provider Advisory Committee
Minutes: November 3, 2015**

Members Present: Rhiannon Acree, Cambrian Homecare; Nancy Langdon, Canyon Verde; Rosalinda Garcia, Pediatric Therapy Network; Harry Van Loon, ARC-Long Beach; Sarah Sanders, Mentor Network; Kristy Glass, Arts and Services; Mary Cady, Shield Healthcare; Dee Prescott, Easter Seal Southern California; Mary Grace Lagasca, InJOY; Kayla Wright, Alliance Human Services

HRC Staff Present: Judy Wada, HRC Chief Financial Officer; Kris Zerhusen, HRC Resource and Technology Center Assistant Manager; Ashley Ayala, HRC Fiscal Monitor; Colleen Mock, HRC Community Services Director

Staff and Client Training Materials:

Ms. Zerhusen shared some popular videos: Monica and David; Strong Love (also available in Spanish); Riding the Bus with my Sister; Autism and Me.

There was a discussion of the sibling clubs and family support.

DDS Updates:

Ms. Colleen Mock announced that Santi Rodgers is retiring as DDS Director 12/1/15.

DDS announced that there will be a 2/1/16 implementation of the overtime regulations that will go back retroactively to 11/13/15.

There is concern that the Governor's budget to be released in January will not address service provider rate increases.

CMS-HCBS

Ms. Mock distributed the CMS "Guidance on Settings that have the Effect of Isolating Individuals Receiving HCBS From the Broader of Community" to use as a self appraisal of site-based services.

Rate Changes Due to Employee Sick Leave

Ms. Mock announced that these requests are being processed by HRC and DDS.

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Self-Determination Update

The self-determination waiver application was resubmitted to CMS on September 29, 2015 and the feds have 90 days to comment.

Legislative Informational Activities

The members discussed that they would like to host two legislative events per year, one in Torrance and one in the Long Beach.

Service Provider Training for FY 15-16

The members suggested the following topics for trainings: an open house for the HRC Resource Center to discuss what is available; cultural diversity; assistive technology and augmentative communication; generic resources such as 211, managed care and mental health; use of social media and evidence-based therapies.

There was also discussion regarding internet safety for clients, including cyber bullying and interactions with law enforcement.

The Service Provider Advisory Meeting Schedule for 2016 will be distributed to members.

**. Harbor Regional Center
Board Planning Committee
Minutes:
November 13, 2015**

Present: Wendy Sorel, Ron Bergman, MaryGrace Lagasca, Sarah Sanders, Nancy Spiegel

Performance Plan 2016

This committee approved a draft Performance Plan at our August meeting, that was presented at a Public Meeting and approved by the full Board on September 15th 2015. We noted at that time, however, that a new passage had been added to the Budget Act Trailer Bill Language requiring that regional center Performance Plans include planned activities for “reducing disparities and improving equity in purchase of service expenditures.” On October 8th, DDS issued an addendum to the Guidelines for Regional Center Performance Contracts for implementing this new requirement.

“Each regional center is required to choose at least two measures (provided) and develop activities for addressing/improving upon the chosen measures as part of its 2016 Performance Contract. These new measures shall be posted for at least ten days prior to the Board adopting them as part of the regional center’s 2016 Performance Contract. “

The committee felt what would be most meaningful would be to measure the efforts being made by the regional centers to promote utilization, etc.. If we could select performance measures that showed utilization as well as expenditures, the committee would be in support of such an option. Therefore the committee gave their support for the selection of the following two options:

Percent of total annual purchase of service authorizations and expenditures by individual’s ethnicity and age

- Birth to age two, inclusive
- Age three to twenty-one, inclusive
- Twenty-two and older

Percent of total annual purchase of service authorizations and expenditures by individual’s primary language.

The planned activities’ already identified by HRC will remain in the plan, to provide community outreach, recruit and maintain a culturally diverse staff, provide information and training for staff and service providers to promote culturally-competent service delivery, increase training and information for clients and families about available services and supports, expand our library of translated materials, and seek input from our community regarding barriers to access and utilization of services, and ways to overcome these barriers.

Community Survey

As a follow up to discussion at our last meeting, Nancy shared HRC's progress in preparing for a survey of our community. We have made plans to work with a contractor, Kinetic Flow Corp. to survey our clients' families regarding overall service access, usage, and satisfaction. Kinetic Flow has extensive experience and staff expertise in conducting surveys with regional center families including a capacity to interview families in our most prominent languages. A key focus of this survey will be to gain additional understanding of disparities, and barriers to service utilization by different cultural groups served by HRC. Families in the survey sample will be informed in advance through a letter from HRC, and offered the option of completing the survey online, or by telephone interview.

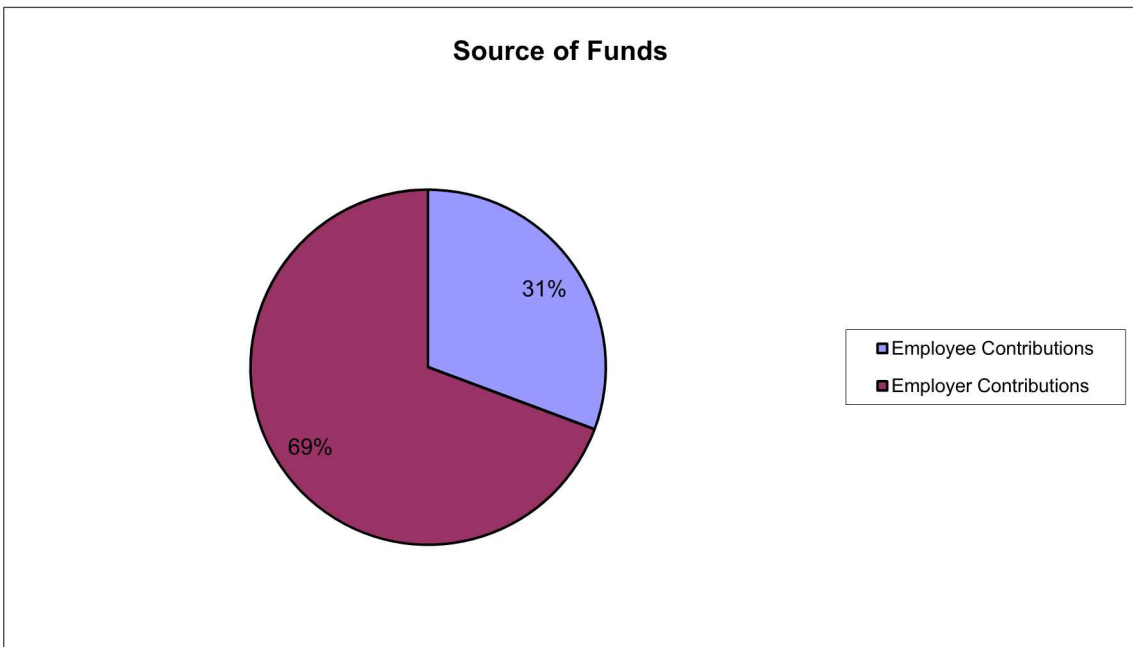
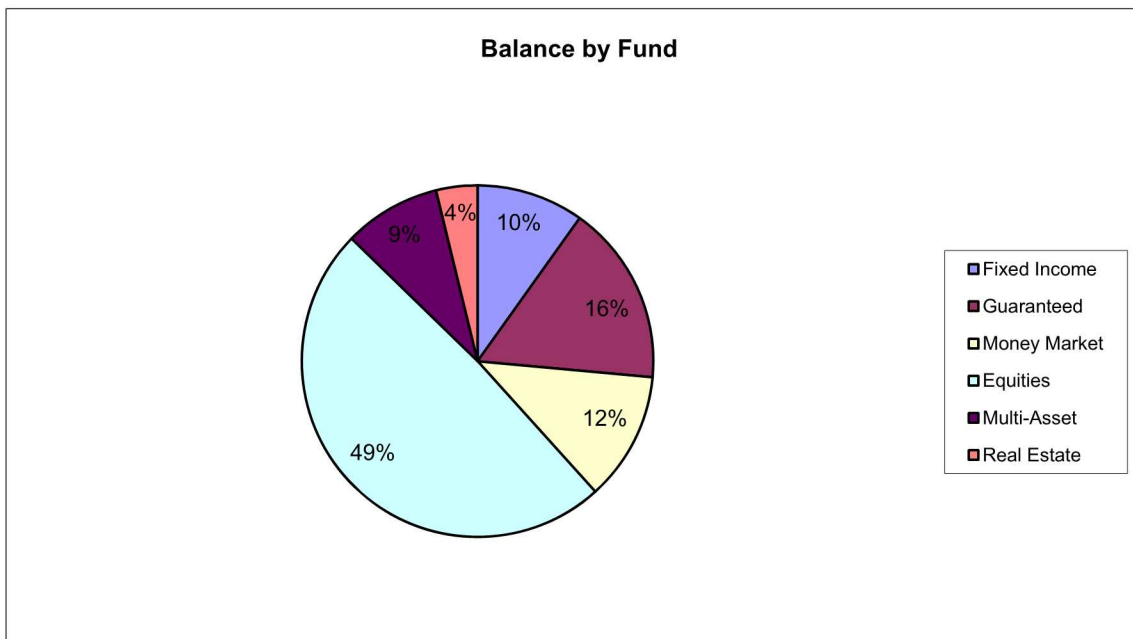
Committee members reviewed some of the potential survey questions being considered, and provided input on those that they felt were especially important.

After the survey results are analyzed, the next phase of this project will be to conduct focus groups to obtain more in- depth information. The committee members felt that consistent emphasis upon the anonymity of survey responses, the use of a skilled third party facilitator, and use of culturally familiar locations in the community would increase credibility and families' comfort with providing constructive feedback.

**Harbor Regional Center
Retirement Plan Balances as of 09-30-2015**

| | Employee Contributions | Employer Contributions | Total Balance |
|--------------|-------------------------------|-------------------------------|----------------------|
| Fixed Income | \$990,933 | \$2,602,383 | \$3,593,316 |
| Guaranteed | \$2,544,203 | \$3,500,419 | \$6,044,622 |
| Money Market | \$926,409 | \$3,389,274 | \$4,315,684 |
| Equities | \$5,392,698 | \$12,443,237 | \$17,835,935 |
| Multi-Asset | \$730,414 | \$2,514,600 | \$3,245,014 |
| Real Estate | <u>\$590,844</u> | <u>\$795,352</u> | <u>\$1,386,195</u> |
| Total | \$11,175,501 | \$25,245,264 | \$36,420,765 |

* Plan Balances include active and terminated employees still in the Retirement Plan.
 Plan Balances include 401(k) and 457(b) Plans.
 ** Employee Contributions include \$1,526,271 in Rollover funds.



**Harbor Regional Center
Retirement Plan Performance**

| | |
|--|---------------------|
| Fund Balance 6/30/15 | \$38,341,338 |
| Activity 7/1/15 - 9/30/15 | |
| Distributions | (\$881,176) |
| Contributions | <u>\$606,133</u> |
| Net | \$38,066,295 |
| Fund Balance 9/30/15 | \$36,420,765 |
| Gain/(Loss) | (\$1,645,530) |
| % Gain/(Loss) for the Period | -4.29% |
| Active Employees in Retirement Plan | 273 |

| Loan Information | as of 6/30/2015 | as of 9/30/2015 | Increase/ (Decrease) |
|---------------------------------|----------------------------|----------------------------|---------------------------------|
| Employees with Loans | | | |
| Active Employees with Loans | 47 | 47 | 0 |
| Terminated Employees with Loans | <u>9</u> | <u>11</u> | <u>2</u> |
| Total | 56 | 58 | 2 |
| Average Balance Amount | \$5,983 | \$6,074 | \$91 |
| Loan Value | | | |
| Employee Contributions | \$330,271 | \$348,789 | \$18,518 |
| Employer Contributions | <u>\$4,781</u> | <u>\$3,484</u> | <u>(\$1,297)</u> |
| Total | \$335,052 | \$352,273 | \$17,221 |