ADMINISTRATOR'S REPORT
Board of Directors' Meeting, January 11th, 2019

State and Federal

1. State and DDS Budgets, FY 2019-20 – No news to report at this time.

Redwood Coast Regional Center

1. Fiscal Year 2019-20 Spending Authority – RCRC has received its "A-2" spending authority, or allocation, for FY 2019-20. The "a" refers to the 1st year of a 5 year contract and the "2" refers to the first amendment for this contract. It should be noted in my November report; I noted our POS funding was $138 million, which was incorrect as this reflected our total allocation for both POS and OPS. For Purchase of Service (POS) this is $128 million, which is $11 million or 9.5% more than we ended the 2018-19 FY. Our Operations (OPS) allocation is $11 million which is about $140,000 or 1.3% more than we ended the 2018-19 FY, excluding CPP funding. While this appears to be another very tight year, I am cautiously optimistic that we will again end the year with a small surplus in our OPS budget. We are looking at implementing a $1.00 per hour salary increase, for staff effective 1/1/19. This increase will provide RCRC to meet minimum wage and provide a small COLA.

1. Cash Flow – As of the writing of this report we have 50 days cash on hand. With the new FY, DDS has returned to reimbursing our claims at 100%. We are in the process of renewing our line of credit for the 2019-20 FY.

2. Financial Operations – Our financial reporting figures are based on expenses through the end of September, which is 42% of the way through the 2019-20 fiscal year.

In looking at the **handouts**, our client count can be seen on **pages 7 & 14. Page 7** notes 3 RCRC clients in the Developmental Center (DC), all of which are forensic placements ordered by a court of law. Both pages show that while the client count continues to increase, it is not increasing as quickly as in the recent past.

On **page 8** our "*Average*" Monthly year-to-date (YTD) POS Expenditures in the aggregate and on a per-person basis show a slight decrease from last fiscal year's *Average* figures. The "*Total*" Monthly POS Expenditures (**page 15**) and *Total* Monthly POS Expenditures Per Client, (**page 16**) show a decrease over last fiscal year, which is based on the late billings across all service provider categories.

"*Average*" Monthly Operations Expenditures YTD (**page 9**), both in the aggregate and on a *Per Client basis* show an increase this fiscal year, which is based on a change in our billing for CPP funding. CPP funding is not allocated until the second or third allocation. By waiting until the funding is allocated we are able to keep full reimbursement of our claims to DDS which increasing our Cash Flow.

Page 10 is a summary of the detail found on **page 11** (POS expenses) and **page 12** (OPS expenses). Mid-page is a summary of DDS' POS Expenditure Projection (PEP, formerly known as the SOAR), which estimates that RCRC fully funded for its POS expenditures for FY 2019-20. Service providers have until around March 2022 to submit their claims for the 2019-20 FY.

Page 11 lists our monthly and YTD POS expenditures. Most expense categories are within an acceptable and anticipated range.

OPS expenditures, both for the month and YTD can be seen on **page 12**. Please note:

- Insurance expense is relatively high YTD compared to budget as the majority of our premiums are paid earlier in the year.
- Data Processing is relatively high YTD compared to budget as the majority of our annual renewals are paid earlier in the year.
- Equipment Maintenance and Equipment Purchased are both relatively high YTD compared to budget. These numbers are small and so a small increase can result in a large % change.
- Travel expenses are relatively high YTD compared to budget based on increased travel to cover vacant southern office positions.
- Advertising expenses are high YTD compared to budget based on help wanted ads.

Graphs of POS Expenses for the general ledger categories for the current and last four fiscal years are included as **pages 14 through 32**. In addition to the pages and expense categories already referenced above, please see the category-specific notes on each of the graphs. Also, please note that many POS categories show a decrease over the last several months. This is due to both late billings and our moving up the time frame for when we run reports each month.

Miscellaneous Topics

Client Benefit Fund - The summary log of the Client Benefit Fund balance through November 30, 2019, and our most recent monthly statement, are included as **pages 33, 34, & 35**.

Audit Update – We are currently in the process of our DDS Audit for FY 2017-2018 & FY 2018-19.

Staffing – As of January 1st, 2020, we had a staff vacancy factor of 1.6% as compared to 2.5% a year ago. There are currently 2 staff vacancies which we are pursuing the backfilling of.

END