

# ADMINISTRATOR'S REPORT

## Board of Directors' Meeting

January 13<sup>th</sup>, 2021

Data Through November 30<sup>th</sup>, 2020

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**ADMINISTRATOR'S REPORT**  
**Board of Directors' Meeting, January 13<sup>th</sup>, 2021**

**State and Federal**

1. State and DDS Budgets, FY 2020-21 – No news to report at this time.
2. FY 2020-2021 Statewide POS Expenditure Projection (a.k.a., PEP, and formerly known as the SOAR---Sufficiency of Allocation Report) – There is no PEP reporting until January.
3. Alternative Service Delivery – On December 2<sup>nd</sup>, 2020 DDS issued guidance regarding the greatly anticipated Alternative Service Delivery monthly rates. These rates were calculated by Burns & Associates and will take effect January 1, 2021 for providers who have certified they will provide Alternative Services to clients should the client choose.

**Redwood Coast Regional Center**

1. Fiscal Year 2020-21 Spending Authority (the new fiscal year as of 7/1/20) – Since the last Board meeting RCRC has not received any additional funds. This does appear to be a very tight year though it is anticipated to end the year with a very small surplus. We are looking at implementing a change to our pay scale effective 1/1/21 which will offer our lowest paid positions a starting wage of \$16.418 per hour. This change also resulted in additional adjustments to keep the scale from compression and also meeting minimum wage requirements for the next two years.
2. Fiscal Year 2019-20 Spending Authority – RCRC received our A-7 allocation. There was a reduction of \$432,000 of CPP/CDRP projects however; our current POS spending authority appears to be funded through year-end. We received \$22,554 increase in our OPS spending authority for COVID-19 expenses. The remaining OPS funds are reserved for encumbered projects.
3. Cash Flow – As of the writing of this report, we have 56 days cash on hand. We are in the process of renewing our line of credit for the 2020-21 FY.
4. Financial Operations – Our financial reporting figures are based on expenses through the end of November, which is 42% of the way through the 2020-21 fiscal year.

In looking at the **handouts**, our client count can be seen on **pages 9 & 16**. **Page 9** notes 4 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 10** our "Average" Monthly year-to-date (YTD) POS Expenditures in the aggregate and on a per-person basis show a decrease from last fiscal year's *Average* figures. The "*Total*" Monthly POS Expenditures (**page 17**) and *Total* Monthly POS Expenditures Per Client, (**page 18**) show a decrease over last fiscal year.

“Average” Monthly Operations Expenditures YTD (page 11), both in the aggregate and on a *Per Client basis* show an increase this fiscal year, which is due to our paying CalPers Unfunded Liability for the year rather than on a per month basis as in the past. This transition resulted in a savings of about \$20,000.

**Page 12** is a summary of the detail found on **page 13** (POS expenses) and **page 14** (OPS expenses). Mid-page is a summary of DDS’ POS Expenditure Projection (PEP, formerly known as the SOAR). Service providers have until March 2023 to submit their claims for the 2020-21 FY.

**Page 13** 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 14**. Please note:

- Benefits is relatively high compared to the budget due to pre-paying our CalPers Unfunded Liability for the entire year. This change resulted in a savings of \$20,000.
- Insurance expense is relatively high compared to the budget as the majorities are based on a premium structure which pays more per month at the beginning of the year than at the end of the year.
- Board of Directors is high from payment of services for Executive Director Search. We are currently awaiting reimbursement of the expense to DDS. It is expected the funding to be received in the B-2 allocation.
- Fees. Licensees and misc is low do to applying for a Cares Act credit later found to be ineligible for. The amount will be corrected in a future claims.

Graphs of POS Expenses for the general ledger categories for the current and last four fiscal years are included as **pages 16 through 34**. 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 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 October 31, 2020, and our last received monthly statement, are included as **pages 35, 36, & 37**. Due to COVID-19 Humboldt Area Foundation is experiencing delays in issuing their monthly statements.

Audit Update – We are currently working with our CPA’s for our Independent Audit. Our next DDS Audit will not be until FY 2021-22 for FY 2019-20 and 2020-21.

Staffing – As of December 22nd, 2020, we have a staff vacancy factor of 6.3% as compared to 1.6% a year ago. There are currently 8 staff vacancies, which we are pursuing the backfilling of.

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