

ADMINISTRATOR'S REPORT
Board of Directors' Meeting, September 9th, 2020

State and Federal

1. State and DDS Budgets, FY 2020-21 – No news to report at this time
2. FY 2019-2020 Statewide POS Expenditure Projection (a.k.a., PEP, and formerly known as the SOAR---Sufficiency of Allocation Report) – As of the end of August is estimating a surplus of \$33 million for Purchase of Service (POS) expenditures state-wide. RCRC is projecting a surplus of \$7.8 million providing sufficient funding for POS expenditures.

Redwood Coast Regional Center

1. Fiscal Year 2020-21 Spending Authority (the new fiscal year as of 7/1/20) – RCRC has received its “B-1” spending authority, or allocation, for FY 2020-21. This authority has provided funding for POS at \$147.5 million (11.1% more than we ended the 2019-20 FY) and for OPS at \$11.9 million (4% less than we ended the 2019-20 FY). However, for OPS our FY 2019-20 allocation was higher due to a one time grant for technology improvements. This does appear to be a very tight year though it is anticipated to end the year with a very small surplus.
2. Fiscal Year 2019-20 Spending Authority – Since the last Board meeting RCRC has not received any additional funds. Our current POS spending authority appears to be funded through year-end and our OPS spending authority has a small surplus at year end.
3. Cash Flow – As of the writing of this report, we have 27 days cash on hand. With the new FY, DDS has returned to reimbursing our claims at 100%. We have also received our cash advances for the FY 2020-21. 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 July, which is 8% 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 2 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 increase 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 majority are based on a premium structure which pays more per month at the beginning of the year than at the end of the year.
- Consulting/Administration is relatively high compared to budget. These numbers are small and so a small increase can result in a large % change.
- 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 claim.

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 June 30, 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 preparing for our Independent Audit scheduled for December. Our next DDS Audit will not be until FY 2021-22 for FY 2019-20 and 2020-21.

Staffing – As of August 25th, 2020, we have a staff vacancy factor of 5.6% as compared to 4.9% a year ago. There are currently 7 staff vacancies, which we are pursuing the backfilling of.

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