

RCDSC BOARD OF DIRECTORS

REDWOOD COAST DEVELOPMENTAL SERVICES CORPORATION



What You Can Do About Conflicts of Interest

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AGENDA

- Welcome and Introduction
- Conflict of Interest – What It Is and Why It Is Important
- Possible Conflicts of Interest at RCRC
- What You Can Do About Conflicts of Interest
- Discussion



Conflict of Interest Has Two Parts: Who Makes the Decision and the Result

- Conflict of Interest means someone's participation in a **decision** *may seem like – or result in - playing favorites (also called favoritism)*.
- Regional Centers must make services accessible to **every** person and family who needs regional center services.
 - Accessible means people know where to find services and can meet with a service coordinator for an assessment of their needs.
- People on the Regional Center Board of Directors help make sure services are accessible to **every** person and family in the region.

Conflict of Interest in Laws and Policies

Accessible does not mean every person or family receives the same services. People and families receive services based on their unique and individual needs.

- Dr. Smalley has responsibility for overseeing client services.

The RCRC Board represents all people and families in the region. It does not make decisions about client services.

The Board makes decisions about:

- How the Regional Center makes sure services are accessible.
- The Regional Center budget.
- Regional Center policies.
- The Executive Director's (Dr. Smalley's) performance evaluation.

Conflict of Interest in Laws and Policies

- The Lanterman Act says Regional Center Boards **can not** include people who:
 - *Work for the State Department of Developmental Services*
 - *Work for another agency that can regulate the regional center*
 - *Are an employee or a member of the state council*
 - *Are an employee or board member of an organization from which the Regional Center purchases client services*
 - *Are a person with a financial interest in the Regional Center, except clients*

Conflict of Interest in Laws and Policies

- The Lanterman Act says Regional Center Boards **must** include people with developmental disabilities, their families and others who support them.
 - *This law protects your input in Board decisions that help guide the Regional Center.*
 - *It means people on the Board **do not automatically have a conflict of interest** because they have relationships with providers and others who work with or for RCRC.*
- RCRC's Bylaws and Conflict of Interest Policy help ensure compliance with the Lanterman Act and other laws and policies.

For example:

Let's say a Board Member participated in a **decision** to approve a large contract to build a housing complex. And let's say their partner works for the company doing the construction.

.... that might look to someone in the community like the Regional Center Board Member agreed to the contract to add to their own income.

■ The **possible perception the Board Member was playing favorites (favoritism)** for that specific construction company = a conflict of interest.

In that case, the Board member would **not participate** in the decision at all.

Conflict of Interest - Decisions Based on What People May Think is Favoritism

- Laws don't cover all possible Conflicts of Interest. When we make decisions, we need to think about *what would seem right* to most people in our community.
 - *Sometimes its not easy for Board members to tell, or if something we do will seem right or wrong in the future.*
- Good questions to ask are: “If I make this decision or behave this way, could it seem like favoritism? Could my decision or behavior hurt my reputation or RCRC’s reputation?”

Conflict of Interest – Making Decisions With No Clear Agreement on Right and Wrong



- Sometimes Board Members need to make decisions when it's not clear whether there could be a conflict of interest (i.e., whether it seems like the decision results in favoritism).
- Good questions to ask are “Who else could help make this decision? Do we need more information? If we try something now, can we change it later?”

Examples of Possible Conflicts of Interest at RCRC



The Board needs to decide whether to rent office space from the business partner of a Board member's sister.



The Board needs to decide whether to hire an organization for a large project and the organization asks a Board member to speak at an important event.



The Board needs to make a decision about Regional Center policies and a board member's sister works for DDS.

2025 Conflict of Interest Policy Updates



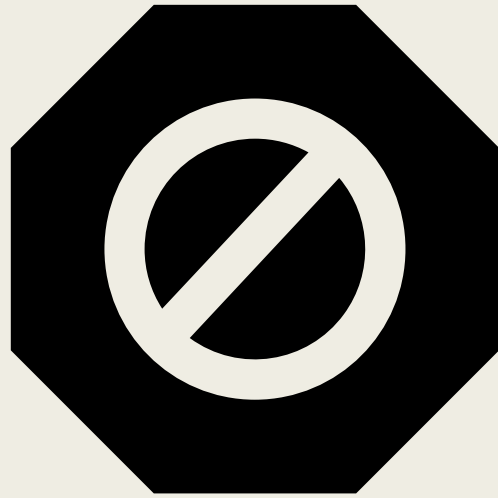
- Prohibits a regional center employee from accepting a gift or gifts from a service provider, consumer, or client's family member valued over fifteen dollars (\$15) per year.
- Prohibits regional center senior staff from hiring relatives at the center or any ancillary foundation and organization.
 - Executive Director and members of the regional center's executive team.
 - The highest-ranking staff position in each of the following disciplines (Case Management, Clinical Services, Community Services, Finance and Human Resources).

What You Can Do: Step 1

Help the Board Spot a Conflict of Interest

- Tell other Board Members if a decision you are asked to make involves:
 - *Your family or friends*
 - *Your financial interests (job, money, property)*
- Speak up if you think a decision might be confusing for people in the community because of your or another board member's relationships outside of RCRC.





What You Can Do: Step 2

Take a Step Back

- Even if there is a Conflict of Interest, the Board still needs to make a decision about RCRC business.
- If there is Conflict of Interest, the interested person **can not participate** in the discussion about the decision or vote on the decision.
- This helps others at RCRC and in the community trust the decision was made fairly.

What You Can Do: Step 3

Make a Plan for a Fair Result

- Once the Board makes a decision, the Board must make a *plan that shows how the result* of the decision will always be fair.
- The Board can usually make a plan to resolve a Conflict of Interest. Dr. Smalley will work with you to make the plan.
 - The plan will describe how future decisions and RCRC business will be handled fairly.
 - The plan must be signed by everyone involved in solving the Conflict of Interest.



The CA Department of Developmental Services (DDS) needs to review and approve all plans to solve Conflicts of Interest.

- RCRC posts reports to DDS that identify a current or potential conflict of interest to its website until the conflict is resolved or eliminated.

Be honest and let others know about the possible Conflict of Interest and that the Board has a plan to solve it.

Always be honest and do your part to stick to the plan.

What You Can Do: Step 4

Be Honest



What You Can Do: Step 5

Decide to Play a Different Role

- Sometimes, a Conflict of Interest can't be solved. This could happen if:
 - *The Board's decision involves RCRC business that will take a long time to decide.*
 - *The Board's decision is more important to ALL people than the participation of Board members who have the Conflict of Interest.*
- If this happens, the people who have the Conflict of Interest may need to move to another position or give up their decision-making duties on the Board.
- They can choose to play a different role to help RCRC.

What You Can Do: Step 6

Learn More About Conflicts of Interest

- Sometimes laws and policies change, and it's a good idea to check for new information regularly.
- Talk about Conflicts of Interest and complete RCRC's Conflict of Interest Policy form at least once a year.
- Be aware that RCRC employees also must follow the RCRC Conflict of Interest policy.
 - *Directors, managers, service coordinators and other staff at RCRC are decision-makers who can have conflicts of interest, too.*

Questions and Discussion

- Do you have questions about Conflict of Interest?
- Can you give an example of a Conflict of Interest that could happen on the Board of Directors?
- Can you give an example of a Conflict of Interest that could happen for an employee of RCRC?
- Do you know what to do when you think a Conflict of Interest might happen?

Good Work! Thank You!