

Regional Center Contract, Reporting and Cash Flow Overview

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Regional Center Contract with DDS

- ▶ The Regional Center is contracted with the Department of Developmental Services (DDS). This contract provides an allocation that is determined by DDS using the Governor's May Revise and the Regional Center's prior year expenditures. NBRC's annual contract has two (2) main budget elements:

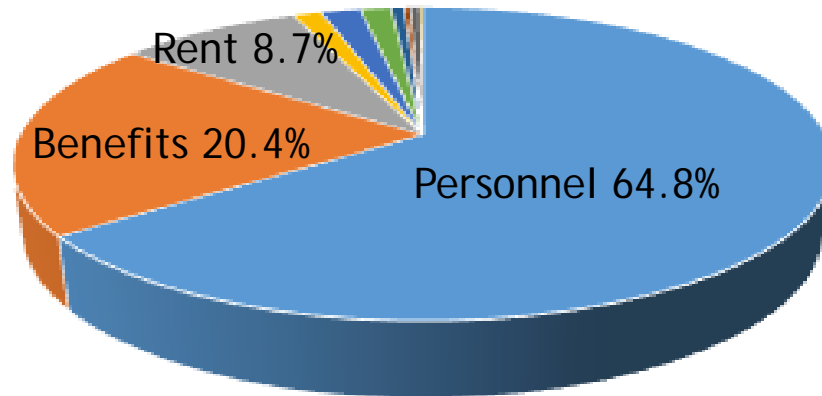
**OPERATIONS
BUDGET**
(fixed annual amount)

**PURCHASE OF SERVICE
BUDGET**
(entitlement)

OPERATIONS BUDGET

- The Operations Budget is a fixed amount that covers all Regional Center expenses.

OPERATIONS BUDGET fy 2019

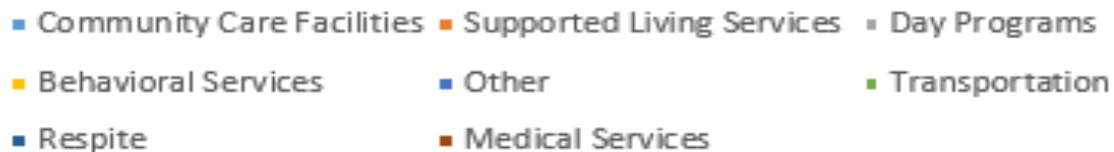
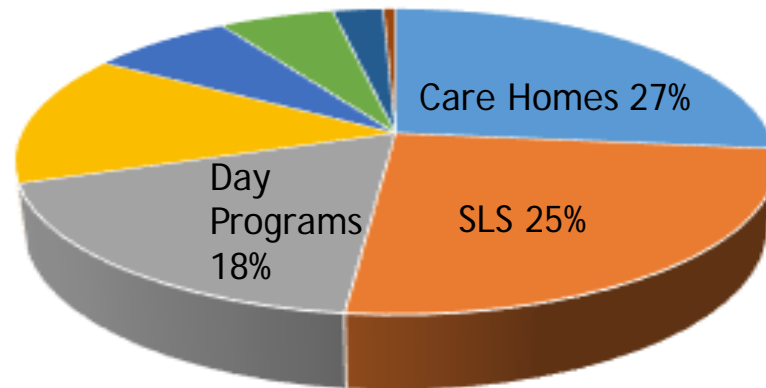


- Personnel
- Benefits
- Facilities/Insurance
- Equipment
- Consultants
- Mileage
- General Office
- Legal
- Communications
- Other Expenses

PURCHASE OF SERVICE (POS) BUDGET

- The POS Budget is an entitlement through the Lanterman Act and covers all services directly related to our clients.

POS BUDGET fy 2019



Client needs are determined

IPP/IFSP is developed
and services are
identified

Purchase of Service
(Authorization)

Services Provided
(Invoiced and Billed)

POS Expenditures
(Reported to the State)

POS BUDGET

DDS Contract and Amendments

- The contracts between DDS and Regional Centers are in effect for 5 years.
- The Regional Center receives contract amendments from DDS during the fiscal year to increase the amount based on projections.
- Each contract amendment allows the Regional Center to request cash advancements up to 25% to help with cash flow/availability.

Preliminary and Amendments

- The Preliminary is the initial contract and is estimated based on the May Revision and the Regional Center's prior year expenditures and represents 80% of the proposed base funds.
- The 1st Amendment typically includes an additional budget allocation for the Operations Budget for core staffing, Community Placement Programs (CPP), Grants, and Federal compliance.
- The 1st Amendment also typically includes POS Budget allocations for policy items, CPP project development, or vendor rate increases.

Regional Center Allocation and Cash Advancements

- The Regional Center contract establishes the allocation amount but is not fully funded at the beginning of the fiscal year.
- NBRC maintains cash availability by requesting the maximum cash advancement with each amendment.
- Each cash advancement is deducted from the contract balance available.

Preliminary Contract
Amount FY20

\$208,532,709

Advance Requested in
July 2019

Ops: \$4,460,520
POS: \$47,434,813
Total: \$51,895,333

Contract Balance

▶ \$156,637,376

Regional Center
Cash Availability

\$51,895,333

DDS Billing and Reporting

- ▶ Regional Center contracts are managed and monitored using two key DDS reporting processes.
- ▶ **State Claim** is submitted monthly to bill/invoice DDS for prior month expenditures for both Ops and POS.
- ▶ **Purchase of Service Expenditure Projections (PEP)** is submitted monthly to forecast expenditures.

State Claim and Reimbursement Process

July Expenditures State Claim

- RC invoices DDS by 08/25/2019
- DDS reimburses NBRC 100% by 09/10/2019

This process continues each month.

In March, DDS begins to 'offset' NBRC's reimbursement to repay the advancements provided

February Expenditures State Claim

- RC invoices DDS by 03/25/2020
- DDS reimburses NBRC 50% by 04/10/2020

Contract Balance Monitoring

Contract is \$100,000
State Claim is \$50,000
Advancement is \$25,000

State Claim + Advancement = \$75,000

$\$100,000 - \$75,000 = \underline{\$25,000 \text{ contract balance}}$

*This is the maximum DDS can reimburse the
Regional Center*

QUESTIONS?