WELCOME

Harbor Developmental Disabilities Foundation

January 20, 2026

HARBOR
REGIONAL CENTER

JANUARY MEETING OF THE BOARD OF TRUSTEES
TUESDAY, January 20, 2026 @ 6:00 pm
Torrance Location | 21309 Main Board Room

A G E N D A

1. **CALL TO ORDER & INTRODUCTIONS……..LAVELLE GATES, President**
2. **AUDIT PRESENTATION*……TOM HUEY, WINDES, INC.**
3. **CLOSED SESSION**
   - Labor Negotiations & Litigation
4. **PUBLIC COMMENT**
5. **MINUTES OF THE *NOVEMBER 18, 2025* MEETING……..DR. JAMES FLORES, Secretary**
6. **TREASURER'S REPORT……FU-TIEN CHIOU, Treasurer**
7. **EXECUTIVE REPORT*……PATRICK RUPPE, Executive Director**
   - Budget *update*
   - Board Approval: New Harbor Operations Policy | Document Retention & Destruction
   - 24-25 HCBS Audit *results*
   - 2026-2031 Strategic Plan *draft*
   - Harbor Annual Purchase of Service Meeting *flyer*
   - Community Engagement *highlights*
8. **COMMITTEE REPORTS:**
   a) **AUDIT……LAURIE ZALESKI, CHAIRPERSON**
   b) **BOARD DEVELOPMENT……JOE CZARSKE, CHAIRPERSON**
   c) **BOARD PLANNING……DAVID GAUTHIER, CHAIRPERSON**
   d) **CLIENT ADVISORY……PATRICIA JORDAN, CHAIRPERSON**
   e) **CLIENT SERVICES……DAVID GAUTHIER, CHAIRPERSON**
   f) **COMMUNITY RELATIONS……ANN LEE, Ph.D., CHAIRPERSON**
   g) **RETIREMENT……FU-TIEN CHIOU, CHAIRPERSON**
   h) **SELF DETERMINATION ADVISORY……ANTOINETTE PEREZ, LIAISON**
   i) **SERVICE PROVIDER ADVISORY……ANGELA RODRIGUEZ, CHAIRPERSON**
9. **ADJOURNMENT:** 8:00 PM

*indicates action

MINUTES

Dr. Jim Flores,
HDDF Secretary

MINUTES OF THE NOVEMBER 18, 2025 MEETING OF THE BOARD OF TRUSTEES OF THE HARBOR DEVELOPMENTAL DISABILITIES FOUNDATION

BOARD PRESENT: Mr. Gordon Cardona, Board Member Mr. Fu-Tien Chiou, *Treasurer* Mr. Joe Czarske, *Vice-President* Mr. LaVelle Gates, *President* Mr. David Gauthier, Board Member Mr. Ramon Gonzalez, Board Member Ms. Patricia Jordan, Board Member Mr. Chris Patay, Board Member Ms. Angela Rodriguez, Board Member Ms. Laurie Zaleski, Board Member **BOARD ABSENT**: Mr. Ron Bergmann, Board Member Dr. James Flores, *Secretary* Mr. Jeffrey Herrera, Board Member Ms. Ann Lee, Ph.D, Board Member **STAFF PRESENT:** Mr. Patrick Ruppe, Executive Director Ms. Judy Wada, Chief Financial Officer Ms. Elizabeth Garcia-Moya, Director of Community Services Ms. Mary Hernandez, Director of Case Management Support Services Ms. Eun Kim, Director of Intake & Clinical Services Ms. LaWanna Blair, Director of Early Childhood Services Ms. Antoinette Perez, Director of Children's Services Ms. Judy Samana Taimi, Director of Adult Services Ms. Jennifer Lauro, Executive Assistant Mr. Jesus Jimenez, Executive Office Department Assistant **STAFF ABSENT:** Ms. Thao Mailloux, Director of Strategic Communications & Engagement	**INTERPRETER:** Mr. Fernando Nunez, LRA Spanish Interpreter **GUESTS:** Ms. Monserrat Palacios, DDS Mr. Paul Quiroz, Service Provider Ms. Amalia Ceballos, HRC Parent Ms. Esmeralda Loreto, Union Rep Mr. Federico Nuno, Guest Ms. Isabel Nuno, Guest Ms. Jezebelle Rocna, Guest Mr. Jessie Lopez, Guest Ms. Sofia Garcia, HRC Staff Mr. Brian Carrillo, HRC Staff Ms. Lesly Nuno, HRC Staff Ms. Analyssa Luna, HRC Staff Mr. John King, HRC Staff Ms. Melissa Estrella, HRC Staff Ms. Rosana Preciado, HRC Staff Mr. Jesse Torres, HRC Staff Ms. Maria Reyes Melgar, HRC Staff Ms. Crystal Rodarte, HRC Staff Ms. La'Shelle Daisy, HRC Staff Ms. Cammy Rosset, HRC Staff Ms. Jessica Vega, HRC Staff Ms. Angeline Guerra, HRC Staff Ms. Claudia Menendez, HRC Staff Ms. Heidi Colon, HRC Staff Mr. Raphael Munoz, HRC Staff Ms. Janett Reyes, HRC Staff Ms. Alejandra Madrigal, HRC Staff Ms. Gizet Arellano, HRC Staff Ms. Isabel Castellanos, HRC Staff

CALL TO ORDER

Mr. Gates called the Board to order at 6:00 p.m.

PRESIDENT'S REPORT

Mr. Gates welcomed Board members, guests and staff, then led in the Pledge of Allegiance.

Mr. Gates took roll call of Board Members and a quorum was established.

Mr. Gates reminded the Board that our next regular business meeting will be on January 20, 2026.

Mr. Gates called on Board member Mr. David Gauthier to read Harbor's Mission, Vision and Guiding Values Statement.

PUBLIC COMMENT

Mr. Gates advised that public input was next on the agenda. Mr. Gates stated that he will call upon each person who submitted a Public Comment Request form to address the Board and requested that he or she limit their comments to two minutes in order to accommodate everyone. Mr. Gates indicated that we had received eight (8) Public Comment Request forms.

PRESENTATION OF MINUTES

In Dr. Flores absence, Mr. Gates presented the draft minutes of the September 16, 2025 meeting of our Board which were included in the Board packet and posted for the general public on the Harbor website. **The MINUTES OF THE SEPTEMBER 16, 2025 BOARD MEETING were received and filed.**

PRESENTATION OF FINANCIALS

Mr. Chiou reviewed the following financial statements, which were received and filed:

- Harbor Regional Center Monthly Financial Report Fiscal Year 2025-26, dated July 2025
- Harbor Regional Center Purchase of Service Line Item Report, dated July 2025
- Harbor Regional Center POS Contract Summary, dated July 2025
- Harbor Regional Center Operations Line Item Report, dated July 2025
- Harbor Regional Center Monthly Financial Report Fiscal Year 2025-26, dated August 2025
- Harbor Regional Center Purchase of Service Line Item Report, dated August 2025
- Harbor Regional Center POS Contract Summary, dated August 2025
- Harbor Regional Center Operations Line Item Report, dated August 2025
- Harbor Developmental Disabilities Foundation Harbor Help Fund Statement of Activities Fiscal Year 2025-2026

EXECUTIVE REPORT

1. **ARCA ACADEMY REPORT OUT:**
   Mr. Ruppe informed that the ARCA Academy was held on November 14-15 at Alta Regional Center in Sacramento where key note speakers addressed the main topics of the event. Specifically, Board members broke out into groups and learned about the history and future of Developmental Services, fiscal allocations, leadership, public policy, and new Board member onboarding, among other topics. Mr. Ruppe called upon the Board members who attended and asked them to share their experience. Discussion followed.

2. **FOR BOARD APPROVAL | RETIREMENT RESOLUTION:**
   Mr. Ruppe called the Board's attention to the Retirement Resolution requiring Board approval. Mr. Ruppe informed that the SECURE 2.0 Act passed in December 2022 aimed to enhance retirement savings and improve access to retirement plans and explained the key provisions in detail.

Mr. Ruppe asked that the Board have a motion to approve the Resolution that Harbor adopt a Roth feature to its Retirement Plans, which includes a Prototype Profit Sharing Plan with a 401(k) Feature and a 457(b) Deferred Compensation Plan. The plans will be amended in accordance with the SECURE 2.0 Act to allow after-tax contributions, including age-based catch-up contributions for eligible employees.

Mr. Chiou moved to approve Harbor's Retirement Plan with a Roth Feature, and Ms. Jordan seconded the motion, which was unanimously approved by the Board with no opposition or abstention.

3. **FOR BOARD APPROVAL | PURCHASE OF SERVICE CONTRACT | THE COLUMBUS ORGANIZATION:**

Mr. Ruppe advised that the Lanterman Act requires any regional center contract which exceeds $250,000 be approved by the regional center Board. Mr. Ruppe indicated that this contract is for professional services for The Columbus Organization. Mr. Ruppe advised that based on Harbor's needs, we are adding two (2) BCBAs to our current contract with Columbus to allow them to complete more internal consultations. The Board previously approved the contract in May 2024 through June 3, 2026. The increase in cost for the contract is $227,884 for the two (2) positions. A motion to approve is required by the Board.

Mr. Czarske moved to approve the Purchase of Service Contract for Professional Services with The Columbus Organization and Ms. Jordan seconded the motion, which was unanimously approved by the Board with no opposition or abstention.

4. **FOR BOARD APPROVAL | HARBOR OPERATIONS POLICY | CHECK SIGNATURE:**

Mr. Ruppe referred the Board to Harbor's Check Signature Policy which required updating to increase limits for purchase of service checks exceeding $150,000.00 and operations checks exceeding $100,000.00 requiring two (2) signatures, including one (1) Board Officer. Additionally, the Policy was updated to reflect purchase of services EFTs exceeding $150,000.00 and operations EFTs exceeding $100,000.00 will be reported to the Executive Finance Committee of the Board annually, following the close of the fiscal year. A motion to approve is required by the Board.

Mr. Chiou moved to approve the updated Harbor Check Signature Policy and Mr. Gauthier seconded the motion, which was unanimously approved by the Board with no opposition or abstention.

5. **FOR BOARD APPROVAL | HARBOR OPERATIONS POLICY | ZERO-TOLERANCE CLIENT ABUSE & NEGLECT:**

Mr. Ruppe referred the Board to Harbor's Zero-Tolerance Client Abuse and Neglect Policy which required updating to be in line with person-centered language.

Mr. Czarske moved to approve the updated Harbor Zero-Tolerance Client Abuse and Neglect Policy and Ms. Rodriguez seconded the motion, which was unanimously approved by the Board with no opposition or abstention.

6. **FOR BOARD APPROVAL | HARBOR SERVICE POLICY | SOCIAL RECREATIONAL, CAMPING, EDUCATIONAL AND NON-MEDICAL THERAPY SERVICES:**

Mr. Ruppe referred the Board to Harbor's Social Recreational Policy which required updating by DDS pursuant to Welfare and Institutions Code (WIC) Section 4434(d). Specifically, per WIC Section 4688.22(d)(2) states regional centers shall not exchange respite hours or any other service or support authorized by the regional center for social recreation or camping services or nonmedical therapy service hours. Therefore, Harbor updated this Policy to achieve compliance with the intent of the statute. A motion to approve is required by the Board.

Mr. Gauthier moved to approve the updated Harbor Social Recreational, Camping, Educational and Non-Medical Therapy Services Policy and Mr. Czarske seconded the motion, which was unanimously approved by the Board with no opposition or abstention.

7. **FOR BOARD APPROVAL | HARBOR SERVICE POLICY | AMERICAN SIGN LANGUAGE:**

MR. Ruppe informed that DDS has directed Regional Centers to adopt a service policy that addresses a new service, "American Sign Language Training and Supports". DDS provided a pre-approved standardized policy for all Centers to utilize. If a Center wans to modify the policy outside of unique "Exception" language, the policy would need to go through the Department's typical policy approval process. Mr. Ruppe recommended to the Board that Harbor utilize the standard policy template provided by DDS rather than craft a separate policy, which is the version presented this evening for Board approval.

Mr. Chiou moved to approve the new Harbor American Sign Language Training and Support Service Policy and Ms. Zaleski seconded the motion, which was unanimously approved by the Board with no opposition or abstention.

8. **FOR BOARD APPROVAL: 2026 HDDF BOARD MEETINGS, PRESENTATIONS & TRAINING SCHEDULE:**

Mr. Ruppe called the Board's attention to the 2026 HDDF Board Meetings, Presentations and Training schedule that was provided in their Board packets and asked the Board for a motion to approve.

Ms. Jordan moved to approve the 2026 HDDF Board Meetings, Presentations and Training Schedule and Ms. Rodriguez seconded the motion, which was unanimously approved by the Board with no opposition or abstention.

9. **INFORMATION ON: "INTER-REGIONAL CENTER TRANSFERS"**

Mr. Ruppe called upon Antoinette Perez, Director of Children and Adolescents, who provided a brief explanation on how Harbor conducts Inter-Regional Center Transfers.

10. **COMMUNITY ENGAGEMENT HIGHLIGHTS:**

Mr. Ruppe shared photos of the various community engagements Harbor has hosted over the past months, specifically Indigenous People's Day and Dia De Los Muertos where Assemblymember Jose Luis Solache and Senator Bob Archuleta attended. Mr. Ruppe then called upon Ms. LaWanna Blair, Director of Early Childhood Services who reported on Harbor's annual 'Trunk or Treat' event and shared photos of individuals we serve and their families attending this annual Halloween event.

Mr. Ruppe announced that Harbor's Holiday initiatives are in full swing working with the Carson/Gardena/Dominguez Rotary Club to provide up to 40 Thanksgiving boxes to our Harbor families. Harbor is also hosting the 'Rock for Tots Charity Concert' on November 23, 2025 in conjunction with Hermosa Beach's tree lighting ceremony with proceeds benefiting the Harbor Help Fund. Mr. Ruppe informed all who wish to donate to contact our Family Resource Center.

COMMITTEE REPORTS

A. BOARD DEVELOPMENT

Mr. Czarske reported that the Board Development Committee met virtually on October 8, 2025 and prepared the 2026 Board meeting, presentation and training schedule. The next meeting is scheduled for November 12, 2025.

B. CLIENT SERVICES

Ms. Taimi reported that the Committee met on September 23, 2025 and reviewed Harbor's current service policy on Supported Employment and Transportation Services Training. The next meeting is scheduled for November 25, 2025.

C. RETIREMENT

Mr. Chiou, Committee Chair, reported on the Retirement Plan Balances as of September 30, 2025.

D. SELF-DETERMINATION ADVISORY

Ms. Perez advised the Board that the Self-Determination Advisory Committee continues to meet monthly and provided an update on the October 1, 2025 meeting.

E. SERVICE PROVIDER ADVISORY

Ms. Rodriguez, Chair of the Committee, informed that the Committee met on October 7, 2025 and were updated on rate reform, emergency preparedness, cyber security, HCBS and the Public Records Act. The next meeting is scheduled for December 2, 2025.

ADJOURNMENT 7:36 p.m.

Mr. Gates thanked all those who participated in our Board meeting tonight and wished all Happy Holidays.

Submitted by: _____

Dr. James Flores, Secretary
Board of Trustees
Harbor Developmental Disabilities Foundation

FINANCIALS

Fu-Tien Chiou,

HDDF Treasurer

HARBOR REGIONAL CENTER
MONTHLY FINANCIAL REPORT
FISCAL YEAR 2025-26
Sep-25

	FY 2025-26 B-2*	Month Exp	Y-T-D Expenses	Projected Expenses	Proj. Annual Expenses	Proj. Funds Available
Purchase of Service						
Regular	$ 432,611,311	$ 45,026,839	$ 112,967,214	$ 346,306,786	$ 459,274,000	$ (26,662,689)
less other revenue	(1,822,000)	(138,494)	(449,032)	(1,372,968)	(1,822,000)	-
Subtotal Regular	430,789,311	44,888,345	112,518,181	344,933,819	457,452,000	(26,662,689)
CPP/CRDP	110,000	-	-	1,035,000	1,035,000	(925,000)
Compliance with HCBS Regulations	-	-	-	-	-	-
Total Purchase of Service	**430,899,311**	**44,888,345**	**112,518,181**	**345,968,819**	**458,487,000**	**(27,587,689)**
Operations						
Salaries & Benefits	53,497,301	4,982,212	13,249,440	40,247,861	53,497,301	-
Operating Expenses	11,882,061	844,352	3,253,445	8,628,616	11,882,061	-
less other revenue	(847,577)	(63,382)	(150,724)	(696,853)	(847,577)	-
Total Operations	**64,531,785**	**5,763,182**	**16,352,162**	**48,179,623**	**64,531,785**	**-**
TOTAL	**$ 495,431,096**	**$ 50,651,526**	**$ 128,870,343**	**$ 394,148,442**	**$ 523,018,785**	**$ (27,587,689)**
% of Budget	100.00%	10.22%	26.01%	79.56%	105.57%	

***** The intent letter for the B-2 Contract Amendment was received on September 12, 2025.

HARBOR REGIONAL CENTER
PURCHASE OF SERVICE
LINE ITEM REPORT
September-25

	FY 2025-26 B-2*	Net Expended Month	Y-T-D	Projected Expenses	Proj. Annual Expenses	Proj. Funds Available
REGULAR						
Out-Of-Home						
Community Care Facility	$ 134,416,655	$ 12,497,311	$ 36,376,293	$ 106,324,707	$ 142,701,000	$ (8,284,345)
ICF/SNF Facility	3,332,222	38,880	116,640	3,421,360	3,538,000	(205,778)
	137,748,877	12,536,191	36,492,932	109,746,068	146,239,000	(8,490,123)
Day Programs						
Day Care	7,852,060	76,480	174,024	8,161,976	8,336,000	(483,940)
Day Training	9,343,807	1,026,668	2,804,516	7,115,484	9,920,000	(576,193)
Supported Employment & WAP	6,691,718	628,648	1,584,036	5,520,964	7,105,000	(413,282)
Day Programs	63,380,580	5,870,170	17,003,497	50,283,503	67,287,000	(3,906,420)
	87,268,165	7,601,965	21,566,073	71,081,927	92,648,000	(5,379,835)
Transportation						
Transportation	7,133,731	773,475	2,006,348	5,566,652	7,573,000	(439,269)
Transportation Contract	7,485,231	705,243	1,822,028	6,124,972	7,947,000	(461,769)
	14,618,962	1,478,718	3,828,377	11,691,623	15,520,000	(901,038)
Respite						
Respite In Home	51,632,407	7,494,206	13,481,536	41,332,464	54,814,000	(3,181,593)
Respite Out-of-Home	436,449	-	27,215	435,785	463,000	(26,551)
	52,068,856	7,494,206	13,508,751	41,768,249	55,277,000	(3,208,144)
Other Services						
Non-Medical Services Professio	14,663,444	1,025,228	3,352,343	12,214,657	15,567,000	(903,556)
Non-Medical Services Program*	15,522,965	1,931,882	4,478,195	12,000,805	16,479,000	(956,035)
Home Care	1,592,836	94,184	219,142	1,471,858	1,691,000	(98,164)
Prevention Services	6,626,347	584,586	1,705,743	5,329,257	7,035,000	(408,653)
Other Authorized Services	42,195,143	5,323,579	12,670,854	32,125,146	44,796,000	(2,600,857)
Personal Assistance	34,729,221	4,345,782	8,121,069	28,748,931	36,870,000	(2,140,779)
SLS	18,017,132	1,778,954	4,752,378	14,374,622	19,127,000	(1,109,868)
P&I Expense	190,496	16,219	47,238	154,762	202,000	(11,504)
Hospital Care	140,368	-	-	149,000	149,000	(8,632)
Medical Equipment	153,928	10,900	37,826	125,174	163,000	(9,072)
Medical Care Professional	5,820,412	786,076	1,952,463	4,226,537	6,179,000	(358,588)
Medical Care Program Services	983,057	-	-	1,044,000	1,044,000	(60,943)
Camps	271,102	18,368	233,830	54,170	288,000	(16,898)
	140,906,451	15,915,758	37,571,080	112,018,920	149,590,000	(8,683,549)
TOTAL REGULAR POS*	**432,611,311**	**45,026,839**	**112,967,214**	**346,306,786**	**459,274,000**	**(26,662,689)**
Community Placement & Program Development						
Start Up**	-	-	-	925,000	925,000	(925,000)
Placement/Assessment	110,000	-	-	110,000	110,000	-
TOTAL CPP/CDRP	**110,000**	**-**	**-**	**1,035,000**	**1,035,000**	**(925,000)**
OTHER REVENUE						
ICF SPA Income	(1,822,000)	(138,494)	(449,032)	(1,372,968)	(1,822,000)	-
TOTAL PURCHASE OF SERVICE	**$ 430,899,311**	**$ 44,888,345**	**$ 112,518,181**	**$ 345,968,819**	**$ 458,487,000**	**$ (27,587,689)**
% of Budget	100.00%	10.42%	26.11%	80.29%	106.40%	-6.40%

Month End Caseload **20,190**

* The projection for Regular POS is very preliminary. Generally the first Purchase of Service Expenditure Projection (PEP) report is due to DDS on December 10th and is based on October actuals.Last fiscal year the PEP was delayed due to Rate Reform implementation. We are waiting for instructions from DDS regarding the current fiscal year PEP.

* On September 30, 2025, Harbor was notified by DDS of our approved CPP/CRDP Start-Up Plan. The funds will be allocated in a future amendment.

HARBOR REGIONAL CENTER
POS CONTRACT SUMMARY
September-25

Fiscal Year	Contract	Fund	POS Budget	POS Claimed	Current Balance/ (Deficit)	Projected Expenses	Projected Balance/ (Deficit)	
2025-26	**B-2**	Reg POS	$ 430,789,311	$ 112,518,238	$ 318,271,073	$ 346,755,762	$ (28,484,689)	
		CPP/CRDP	110,000	-	110,000	1,035,000	(925,000)	
		HCBS Compliance	-	-	-	-	-	
		TOTAL	$ 430,899,311	$ 112,518,238	$ 318,381,073	$ 347,790,762	$ (29,409,689)	
2024-25	**A-2**	Reg POS	$ 472,530,316	$ 437,353,673	$ 35,176,643	$ 20,000,000	$ 15,176,643	
		CPP/CRDP	650,000	56,555	593,445	268,445	325,000	*
		HCBS Compliance	675,401	83,117	592,284	592,284	-	
		TOTAL	$ 473,855,717	$ 437,493,346	$ 36,362,371	$ 20,860,728	$ 15,501,643	
2023-24	**E-4**	Reg POS	$ 376,553,743	$ 346,109,034	$ 30,444,709	$ 453,128	$ 29,991,581	
		CPP/CRDP	1,100,000	366,488	139,488	733,512	-	
		HCBS Compliance	633,401	317,675	45,000	315,726	-	
		TOTAL	$ 378,287,144	$ 346,793,196	$ 345,166,435	$ 1,502,367	$ 29,991,581	

***** In the FY 2024-25 CRDP, Harbor was unable to contract with a service provider within the required timeframe for two (2) projects--a licensed day program and a family home agency. DDS will deallocate the funds in the A-3 contract amendment.

HARBOR REGIONAL CENTER
OPERATIONS
LINE ITEM REPORT
September-25

	FY 2025-26 B-2*	Net Expended Month	Y-T-D	Projected Expenses	Proj. Annual Expenses	Proj. Funds Available
Salaries & Benefits						
Salaries and Wages	$ 41,445,266	$ 3,988,867	$ 10,028,332	$ 31,416,934	$ 41,445,266	$ -
Benefits	12,052,035	993,344	3,221,108	8,830,927	12,052,035	-
Subtotal Salaries & Benefits	53,497,301	4,982,212	13,249,440	40,247,861	53,497,301	-
Operating Expenses						
Equipment Maint	532,736	23,230	103,682	429,054	532,736	-
Facility Rental	6,307,449	536,244	2,144,032	4,163,417	6,307,449	-
Facility Maint	316,995	19,501	88,573	228,422	316,995	-
Communication	1,082,129	54,295	184,466	897,663	1,082,129	-
General Office Exp	163,238	4,549	31,276	131,962	163,238	-
Printing	49,278	7,322	8,000	41,278	49,278	-
Insurance	403,694	24,887	237,775	165,919	403,694	-
Utilities	33,871	5,493	14,080	19,791	33,871	-
Data Processing Maint	161,388	6,105	25,970	135,418	161,388	-
Interest/Bank Expense	12,884	-	11,553	1,331	12,884	-
Legal Fees	133,504	9,021	9,501	124,003	133,504	-
Board of Trustees Exp	7,691	2,432	3,641	4,050	7,691	-
Accounting Fees	67,500	-	-	67,500	67,500	-
Equipment Purchases	445,919	36,530	153,702	292,217	445,919	-
Contr/Consult Services	140,324	3,562	16,308	124,016	140,324	-
Clinical Services	158,592	-	22,385	136,207	158,592	-
Employee Conference	26,793	-	492	26,301	26,793	-
Travel	47,427	4,002	7,147	40,280	47,427	-
Staff Mileage	66,800	9,951	13,006	53,794	66,800	-
ARCA Dues	152,422	-	-	152,422	152,422	-
General Expenses	1,459,764	97,229	177,856	1,281,908	1,459,764	-
SDP Participant Supports	99,917	-	-	99,917	99,917	-
UFS/LOIS	-	-	-	-	-	-
FRC	11,746	-	-	11,746	11,746	-
Subtotal Operating Expenses	11,882,061	844,352	3,253,445	8,628,616	11,882,061	-
Other Revenue						
Interest Income	(759,457)	(55,947)	(122,586)	(636,871)	(759,457)	-
Other Income	(3,944)	-	(15)	(3,929)	(3,944)	-
Other Income-Subleases	(57,416)	(4,765)	(19,058)	(38,358)	(57,416)	-
ICF SPA Admin Fee	(26,760)	(2,670)	(9,065)	(17,695)	(26,760)	-
Subtotal Other Revenue	(847,577)	(63,382)	(150,724)	(696,853)	(847,577)	-
TOTAL OPERATIONS	**$ 64,531,785**	**$ 5,763,182**	**$ 16,352,162**	**$ 48,179,623**	**$ 64,531,785**	**$ -**
% of Budget	100.00%	8.93%	25.34%	74.66%	100.00%	0.00%

Month End Staff **466**

HARBOR REGIONAL CENTER
MONTHLY FINANCIAL REPORT
FISCAL YEAR 2025-26
Oct-25

	FY 2025-26 B-2*	Month Exp	Y-T-D Expenses	Projected Expenses	Proj. Annual Expenses	Proj. Funds Available
Purchase of Service						
Regular	$ 432,611,311	$ 44,531,398	$ 157,498,611	$ 301,775,389	$ 459,274,000	$ (26,662,689)
less other revenue	(1,822,000)	(160,845)	(609,877)	(1,212,123)	(1,822,000)	-
Subtotal Regular	430,789,311	44,370,553	156,888,734	300,563,266	457,452,000	(26,662,689)
CPP/CRDP	110,000	-	-	1,035,000	1,035,000	(925,000)
Compliance with HCBS Regulations	-	-	-	-	-	-
Total Purchase of Service	**430,899,311**	**44,370,553**	**156,888,734**	**301,598,266**	**458,487,000**	**(27,587,689)**
Operations						
Salaries & Benefits	53,497,301	3,742,601	16,992,042	36,505,259	53,497,301	-
Operating Expenses	11,882,061	848,000	4,101,445	7,780,616	11,882,061	-
less other revenue	(847,577)	(58,007)	(208,731)	(638,846)	(847,577)	-
Total Operations	**64,531,785**	**4,532,594**	**20,884,756**	**43,647,029**	**64,531,785**	**-**
TOTAL	**$ 495,431,096**	**$ 48,903,147**	**$ 177,773,490**	**$ 345,245,295**	**$ 523,018,785**	**$ (27,587,689)**
% of Budget	100.00%	9.87%	35.88%	69.69%	105.57%	

***** The intent letter for the B-2 Contract Amendment was received on September 12, 2025.

HARBOR REGIONAL CENTER
PURCHASE OF SERVICE
LINE ITEM REPORT
October-25

	FY 2025-26 B-2*	Net Expended Month	Y-T-D	Projected Expenses	Proj. Annual Expenses	Proj. Funds Available
REGULAR						
Out-Of-Home						
Community Care Facility	$ 134,416,655	$ 12,576,589	$ 48,952,882	$ 93,748,118	$ 142,701,000	$ (8,284,345)
ICF/SNF Facility	3,332,222	-	116,640	3,421,360	3,538,000	(205,778)
	137,748,877	12,576,589	49,069,522	97,169,478	146,239,000	(8,490,123)
Day Programs						
Day Care	7,852,060	56,764	230,788	8,105,212	8,336,000	(483,940)
Day Training	9,343,807	1,034,192	3,838,709	6,081,291	9,920,000	(576,193)
Supported Employment & WAP	6,691,718	657,642	2,241,678	4,863,322	7,105,000	(413,282)
Day Programs	63,380,580	6,119,653	23,123,150	44,163,850	67,287,000	(3,906,420)
	87,268,165	7,868,252	29,434,325	63,213,675	92,648,000	(5,379,835)
Transportation						
Transportation	7,133,731	1,295,754	3,302,102	4,270,898	7,573,000	(439,269)
Transportation Contract	7,485,231	556,270	2,378,298	5,568,702	7,947,000	(461,769)
	14,618,962	1,852,024	5,680,400	9,839,600	15,520,000	(901,038)
Respite						
Respite In Home	51,632,407	6,094,809	19,576,345	35,237,655	54,814,000	(3,181,593)
Respite Out-of-Home	436,449	-	27,215	435,785	463,000	(26,551)
	52,068,856	6,094,809	19,603,559	35,673,441	55,277,000	(3,208,144)
Other Services						
Non-Medical Services Professio	14,663,444	1,541,549	4,893,892	10,673,108	15,567,000	(903,556)
Non-Medical Services Program*	15,522,965	1,789,706	6,267,902	10,211,098	16,479,000	(956,035)
Home Care	1,592,836	91,213	310,355	1,380,645	1,691,000	(98,164)
Prevention Services	6,626,347	718,844	2,424,587	4,610,413	7,035,000	(408,653)
Other Authorized Services	42,195,143	4,956,700	17,627,554	27,168,446	44,796,000	(2,600,857)
Personal Assistance	34,729,221	4,561,297	12,682,366	24,187,634	36,870,000	(2,140,779)
SLS	18,017,132	1,708,132	6,460,510	12,666,490	19,127,000	(1,109,868)
P&I Expense	190,496	15,503	62,741	139,259	202,000	(11,504)
Hospital Care	140,368	-	-	149,000	149,000	(8,632)
Medical Equipment	153,928	31,546	69,372	93,628	163,000	(9,072)
Medical Care Professional	5,820,412	723,861	2,676,324	3,502,676	6,179,000	(358,588)
Medical Care Program Services	983,057	-	-	1,044,000	1,044,000	(60,943)
Camps	271,102	1,373	235,203	52,797	288,000	(16,898)
	140,906,451	16,139,725	53,710,805	95,879,195	149,590,000	(8,683,549)
TOTAL REGULAR POS*	**432,611,311**	**44,531,398**	**157,498,611**	**301,775,389**	**459,274,000**	**(26,662,689)**
Community Placement & Program Development						
Start Up**	-	-	-	925,000	925,000	(925,000)
Placement/Assessment	110,000	-	-	110,000	110,000	-
TOTAL CPP/CDRP	**110,000**	**-**	**-**	**1,035,000**	**1,035,000**	**(925,000)**
OTHER REVENUE						
ICF SPA Income	(1,822,000)	(160,845)	(609,877)	(1,212,123)	(1,822,000)	-
TOTAL PURCHASE OF SERVICE	**$ 430,899,311**	**$ 44,370,553**	**$ 156,888,734**	**$ 301,598,266**	**$ 458,487,000**	**$ (27,587,689)**
% of Budget	100.00%	10.30%	36.41%	69.99%	106.40%	-6.40%

Month End Caseload **20,350**

* The projection for Regular POS is very preliminary. Generally the first Purchase of Service Expenditure Projection (PEP) report is due to DDS on December 10th and is based on October actuals.Last fiscal year the PEP was delayed due to Rate Reform implementation. We are waiting for instructions from DDS regarding the current fiscal year PEP.

* On September 30, 2025, Harbor was notified by DDS of our approved CPP/CRDP Start-Up Plan. The funds will be allocated in a future amendment.

HARBOR REGIONAL CENTER
POS CONTRACT SUMMARY
October-25

Fiscal Year	Contract	Fund	POS Budget	POS Claimed	Current Balance/ (Deficit)	Projected Expenses	Projected Balance/ (Deficit)	
2025-26	**B-2**	Reg POS	$ 430,789,311	$ 156,888,791	$ 273,900,520	$ 302,385,209	$ (28,484,689)	
		CPP/CRDP	110,000	-	110,000	1,035,000	(925,000)	
		HCBS Compliance	-	-	-	-	-	
		TOTAL	$ 430,899,311	$ 156,888,791	$ 274,010,520	$ 303,420,209	$ (29,409,689)	
2024-25	**A-2**	Reg POS	$ 472,530,316	$ 439,223,786	$ 33,306,530	$ 20,000,000	$ 13,306,530	
		CPP/CRDP	650,000	66,671	583,329	258,329	325,000	*
		HCBS Compliance	675,401	78,500	596,901	596,901	-	
		TOTAL	$ 473,855,717	$ 439,368,958	$ 34,486,759	$ 20,855,230	$ 13,631,530	
2023-24	**E-4**	Reg POS	$ 376,553,743	$ 346,185,290	$ 30,368,453	$ 376,872	$ 29,991,581	
		CPP/CRDP	1,100,000	466,488	139,488	633,512	-	
		HCBS Compliance	633,401	317,675	45,000	315,726	-	
		TOTAL	$ 378,287,144	$ 346,969,452	$ 345,166,435	$ 1,326,111	$ 29,991,581	

***** In the FY 2024-25 CRDP, Harbor was unable to contract with a service provider within the required timeframe for two (2) projects--a licensed day program and a family home agency. DDS will deallocate the funds in the A-3 contract amendment.

HARBOR REGIONAL CENTER
OPERATIONS
LINE ITEM REPORT
October-25

	FY 2025-26 B-2*	Net Expended Month	Y-T-D	Projected Expenses	Proj. Annual Expenses	Proj. Funds Available
Salaries & Benefits						
Salaries and Wages	$ 41,445,266	$ 2,877,485	$ 12,905,817	$ 28,539,449	$ 41,445,266	$ -
Benefits	12,052,035	865,116	4,086,224	7,965,811	12,052,035	-
Subtotal Salaries & Benefits	53,497,301	3,742,601	16,992,042	36,505,259	53,497,301	-
Operating Expenses						
Equipment Maint	532,736	21,243	124,924	407,812	532,736	-
Facility Rental	6,307,449	536,539	2,680,571	3,626,878	6,307,449	-
Facility Maint	316,995	44,814	133,388	183,607	316,995	-
Communication	1,082,129	55,544	240,010	842,119	1,082,129	-
General Office Exp	163,238	20,548	51,823	111,415	163,238	-
Printing	49,278	-	8,000	41,278	49,278	-
Insurance	403,694	49,773	287,548	116,146	403,694	-
Utilities	33,871	6,777	20,858	13,013	33,871	-
Data Processing Maint	161,388	6,105	32,075	129,313	161,388	-
Interest/Bank Expense	12,884	343	11,897	987	12,884	-
Legal Fees	133,504	2,160	11,661	121,843	133,504	-
Board of Trustees Exp	7,691	7,586	11,226	(3,535)	7,691	-
Accounting Fees	67,500	21,000	21,000	46,500	67,500	-
Equipment Purchases	445,919	9,677	163,378	282,541	445,919	-
Contr/Consult Services	140,324	12,454	28,763	111,561	140,324	-
Clinical Services	158,592	12,738	35,122	123,470	158,592	-
Employee Conference	26,793	68	560	26,233	26,793	-
Travel	47,427	2,783	9,930	37,497	47,427	-
Staff Mileage	66,800	50	13,056	53,744	66,800	-
ARCA Dues	152,422	-	-	152,422	152,422	-
General Expenses	1,459,764	37,799	215,655	1,244,109	1,459,764	-
SDP Participant Supports	99,917	-	-	99,917	99,917	-
UFS/LOIS	-	-	-	-	-	-
FRC	11,746	-	-	11,746	11,746	-
Subtotal Operating Expenses	11,882,061	848,000	4,101,445	7,780,616	11,882,061	-
Other Revenue						
Interest Income	(759,457)	(44,045)	(166,631)	(592,826)	(759,457)	-
Other Income	(3,944)	-	(15)	(3,929)	(3,944)	-
Other Income-Subleases	(57,416)	(4,765)	(23,823)	(33,594)	(57,416)	-
ICF SPA Admin Fee	(26,760)	(9,198)	(18,263)	(8,497)	(26,760)	-
Subtotal Other Revenue	(847,577)	(58,007)	(208,731)	(638,846)	(847,577)	-
TOTAL OPERATIONS	**$ 64,531,785**	**$ 4,532,594**	**$ 20,884,756**	**$ 43,647,029**	**$ 64,531,785**	**$ -**
% of Budget	100.00%	7.02%	32.36%	67.64%	100.00%	0.00%

Month End Staff **466**

HARBOR REGIONAL CENTER
MONTHLY FINANCIAL REPORT
FISCAL YEAR 2025-26
Nov-25

	FY 2025-26 B-2*	Month Exp	Y-T-D Expenses	Projected Expenses	Proj. Annual Expenses	Proj. Funds Available
Purchase of Service						
Regular	$ 432,464,195	$ 39,894,579	$ 197,393,190	$ 328,435,883	$ 525,829,073	$ (93,364,878)
less other revenue	(1,674,881)	(87,990)	(697,867)	(977,014)	(1,674,881)	-
Subtotal Regular	430,789,314	39,806,589	196,695,324	327,458,868	524,154,192	(93,364,878)
CPP/CRDP	110,000	-	-	1,035,000	1,035,000	(925,000)
Compliance with HCBS Regulations	-	-	-	-	-	-
Total Purchase of Service	**430,899,314**	**39,806,589**	**196,695,324**	**328,493,868**	**525,189,192**	**(94,289,878)**
Operations						
Salaries & Benefits	53,497,301	4,558,705	21,550,747	31,946,554	53,497,301	-
Operating Expenses	11,882,061	796,708	4,898,153	6,983,908	11,882,061	-
less other revenue	(847,577)	(59,874)	(268,605)	(578,972)	(847,577)	-
Total Operations	**64,531,785**	**5,295,538**	**26,180,294**	**38,351,491**	**64,531,785**	**-**
TOTAL	**$ 495,431,099**	**$ 45,102,128**	**$ 222,875,618**	**$ 366,845,359**	**$ 589,720,977**	**$ (94,289,878)**
% of Budget	100.00%	9.10%	44.99%	74.05%	119.03%	

***** The intent letter for the B-2 Contract Amendment was received on September 12, 2025.

HARBOR REGIONAL CENTER
PURCHASE OF SERVICE
LINE ITEM REPORT
November-25

	FY 2025-26 B-2*	Net Expended Month	Y-T-D	Projected Expenses	Proj. Annual Expenses	Proj. Funds Available
REGULAR						
Out-Of-Home						
Community Care Facility	$ 123,705,460	$ 12,677,587	$ 61,630,468	$ 88,781,817	$ 150,412,285	$ (26,706,825)
ICF/SNF Facility	378,271	-	116,640	343,296	459,936	(81,665)
	124,083,731	12,677,587	61,747,108	89,125,113	150,872,221	(26,788,490)
Day Programs						
Day Care	570,593	38,284	269,072	424,706	693,778	(123,185)
Day Training	10,002,437	865,019	4,703,728	7,458,139	12,161,867	(2,159,430)
Supported Employment & WAP	5,874,363	496,429	2,738,107	4,404,475	7,142,582	(1,268,219)
Day Programs	54,514,330	4,494,955	27,618,105	38,665,347	66,283,452	(11,769,122)
	70,961,723	5,894,686	35,329,011	50,952,668	86,281,679	(15,319,956)
Transportation						
Transportation	9,378,287	601,783	3,903,886	7,499,083	11,402,969	(2,024,682)
Transportation Contract	6,461,343	662,148	3,040,447	4,815,838	7,856,285	(1,394,942)
	15,839,630	1,263,932	6,944,332	12,314,922	19,259,254	(3,419,624)
Respite						
Respite In Home	66,164,164	6,757,540	26,333,885	54,114,489	80,448,374	(14,284,210)
Respite Out-of-Home	93,198	-	27,215	86,103	113,318	(20,120)
	66,257,362	6,757,540	26,361,100	54,200,592	80,561,692	(14,304,330)
Other Services						
Non-Medical Services Professior	14,889,288	1,231,325	6,125,218	11,978,525	18,103,743	(3,214,455)
Non-Medical Services Program*	20,752,088	1,370,204	7,638,105	17,594,160	25,232,265	(4,480,177)
Home Care	914,826	113,115	423,470	688,858	1,112,328	(197,502)
Prevention Services	6,336,250	553,494	2,978,080	4,726,106	7,704,186	(1,367,936)
Other Authorized Services	55,728,647	3,764,155	21,391,709	46,368,218	67,759,927	(12,031,280)
Personal Assistance	32,684,350	3,876,213	16,558,579	23,182,010	39,740,589	(7,056,239)
SLS	15,946,933	1,618,541	8,079,051	11,310,672	19,389,723	(3,442,790)
P&I Expense	159,563	16,097	78,838	115,173	194,011	(34,448)
Hospital Care	39,477	-	-	48,000	48,000	(8,523)
Medical Equipment	172,198	7,873	77,245	132,129	209,374	(37,176)
Medical Care Professional	7,342,063	745,382	3,421,706	5,505,438	8,927,144	(1,585,081)
Medical Care Program Services	43,239	1,907	1,907	50,667	52,574	(9,335)
Camps	312,827	2,529	237,732	142,631	380,363	(67,536)
	155,321,749	13,300,834	67,011,639	121,842,588	188,854,227	(33,532,478)
REGULAR POS EXPENDITURES	**432,464,195**	**39,894,579**	**197,393,190**	**328,435,883**	**525,829,073**	**(93,364,878)**
OTHER REVENUE						
ICF SPA Income	(1,674,881)	(87,990)	(697,867)	(977,014)	(1,674,881)	-
TOTAL REGULAR POS*	**430,789,314**	**39,806,589**	**196,695,324**	**327,458,868**	**524,154,192**	**(93,364,878)**
Community Placement & Program Development						
Start Up**	-	-	-	925,000	925,000	(925,000)
Placement/Assessment	110,000	-	-	110,000	110,000	-
TOTAL CPP/CDRP	**110,000**	**-**	**-**	**1,035,000**	**1,035,000**	**(925,000)**
TOTAL PURCHASE OF SERVICE	**$ 430,899,314**	**$ 39,806,589**	**$ 196,695,324**	**$ 328,493,868**	**$ 525,189,192**	**$ (94,289,878)**
% of Budget	100.00%	9.24%	45.65%	76.23%	121.88%	-21.88%

Month End Caseload **20,422**

* Generally the first Purchase of Service Expenditure Projection (PEP) report is due to DDS on December 10th and is based on October actuals. Last fiscal year the PEP was delayed due to Rate Reform implementation. We are waiting for instructions from DDS regarding the current fiscal year PEP.

The Projected Annual Expenses for Regular POS was prepared using the PEP methodology. The estimate is based on expenditures through November 2025 and estimated costs of new programs and growth. POS includes an offset for other income for ICF SPA expenditures. ICF SPA expenditures are not funded through the contract with DDS but billed separately.

* On September 30, 2025, Harbor was notified by DDS of our approved CPP/CRDP Start-Up Plan. The funds will be allocated in a future amendment.

HARBOR REGIONAL CENTER
POS CONTRACT SUMMARY
November-25

Fiscal Year	Contract	Fund	POS Budget	POS Claimed	Current Balance/ (Deficit)	Projected Expenses	Projected Balance/ (Deficit)	
2025-26	**B-2**	Reg POS	$ 430,789,311	$197,845,516	$ 232,943,795	$ 327,983,557	$(95,039,762)	
		CPP/CRDP	110,000	-	110,000	1,035,000	(925,000)	
		HCBS Compliance	-	-	-	-	-	
		TOTAL	$ 430,899,311	$197,845,516	$ 233,053,795	$ 329,018,557	$(95,964,762)	
2024-25	**A-2**	Reg POS	$ 472,530,316	$439,687,792	$ 32,842,524	$ 20,000,000	$ 12,842,524	
		CPP/CRDP	650,000	66,671	583,329	258,329	325,000	*
		HCBS Compliance	675,401	116,500	558,901	558,901	-	
		TOTAL	$ 473,855,717	$439,870,964	$ 33,984,753	$ 20,817,230	$ 13,167,524	
2023-24	**E-4**	Reg POS	$ 376,553,743	$346,328,059	$ 30,225,684	$ 234,103	$ 29,991,581	
		CPP/CRDP	1,100,000	516,488	139,488	583,512	-	
		HCBS Compliance	633,401	332,675	45,000	300,726	-	
		TOTAL	$ 378,287,144	$347,177,221	$ 345,166,435	$ 1,118,342	$ 29,991,581	

***** In the FY 2024-25 CRDP, Harbor was unable to contract with a service provider within the required timeframe for two (2) projects--a licensed day program and a family home agency. DDS will deallocate the funds in the A-3 contract amendment.

HARBOR REGIONAL CENTER
OPERATIONS
LINE ITEM REPORT
November-25

	FY 2025-26 B-2*	Net Expended Month	Y-T-D	Projected Expenses	Proj. Annual Expenses	Proj. Funds Available
Salaries & Benefits						
Salaries and Wages	$ 41,445,266	$ 3,616,019	$ 16,521,836	$ 24,923,430	$ 41,445,266	$ -
Benefits	12,052,035	942,686	5,028,911	7,023,124	12,052,035	-
Subtotal Salaries & Benefits	53,497,301	4,558,705	21,550,747	31,946,554	53,497,301	-
Operating Expenses						
Equipment Maint	532,736	66,905	191,829	340,907	532,736	-
Facility Rental	6,307,449	540,328	3,220,898	3,086,551	6,307,449	-
Facility Maint	316,995	15,473	148,861	168,134	316,995	-
Communication	1,082,129	57,995	298,005	784,124	1,082,129	-
General Office Exp	163,238	6,336	58,160	105,078	163,238	-
Printing	49,278	8,720	16,720	32,558	49,278	-
Insurance	403,694	-	287,548	116,146	403,694	-
Utilities	33,871	660	21,518	12,353	33,871	-
Data Processing Maint	161,388	6,105	38,180	123,208	161,388	-
Interest/Bank Expense	12,884	-	11,897	987	12,884	-
Legal Fees	133,504	4,927	16,588	116,916	133,504	-
Board of Trustees Exp	15,691	152	11,378	4,313	15,691	-
Accounting Fees	67,500	7,500	28,500	39,000	67,500	-
Equipment Purchases	445,919	-	163,378	282,541	445,919	-
Contr/Consult Services	140,324	5,967	34,730	105,594	140,324	-
Clinical Services	158,592	24,253	59,376	99,216	158,592	-
Employee Conference	26,793	1,503	2,063	24,730	26,793	-
Travel	47,427	-	9,930	37,497	47,427	-
Staff Mileage	66,800	6,391	19,447	47,353	66,800	-
ARCA Dues	152,422	-	-	152,422	152,422	-
General Expenses	1,451,764	43,493	259,148	1,192,616	1,451,764	-
SDP Participant Supports	99,917	-	-	99,917	99,917	-
UFS/LOIS	-	-	-	-	-	-
FRC	11,746	-	-	11,746	11,746	-
Subtotal Operating Expenses	11,882,061	796,708	4,898,153	6,983,908	11,882,061	-
Other Revenue						
Interest Income	(759,457)	(46,830)	(213,461)	(545,996)	(759,457)	-
Other Income	(3,944)	(13)	(28)	(3,916)	(3,944)	-
Other Income-Subleases	(57,416)	(4,765)	(28,587)	(28,829)	(57,416)	-
ICF SPA Admin Fee	(26,760)	(8,267)	(26,530)	(230)	(26,760)	-
Subtotal Other Revenue	(847,577)	(59,874)	(268,605)	(578,972)	(847,577)	-
TOTAL OPERATIONS	**$ 64,531,785**	**$ 5,295,538**	**$ 26,180,294**	**$ 38,351,491**	**$ 64,531,785**	**$ -**
% of Budget	100.00%	8.21%	40.57%	59.43%	100.00%	0.00%

Month End Staff **464**

EXECUTIVE REPORT

Patrick Ruppe,

Harbor Executive Director

January 20, 2026

BUDGET UPDATE

For Board Approval:

HARBOR OPERATIONS POLICY

DOCUMENT RETENTION & DESTRUCTION

HARBOR
REGIONAL CENTER

Records Retention and Destruction Policy

Purpose: The purpose of this policy is to ensure that Harbor Regional Center (Harbor) maintains, protects, and appropriately disposes of its records in accordance with legal, contractual, and regulatory requirements. Proper retention of corporate records supports transparency, organizational accountability, cost-effective storage practices, and the preservation of information necessary for operations, audits, and compliance with the Department of Developmental Services (DDS).

Scope: This policy applies to all members of the Board of Trustees, all employees, contractors and any individual acting on behalf of Harbor who creates, receives, maintains or stores corporate records in any format, including paper and electronic media.

Definition of Corporate Records: Corporate records include all documents created or received in the course of Harbor business. Records may exist in electronic, digital, or paper form and include, but are not limited to, correspondence, emails, contracts, payroll information, financial data, legal documents, individuals served and provider records, calendars, reports, handwritten notes and other documentation identified in HRC's administrative procedures.

Records Retention Requirements

Harbor shall retain corporate records in compliance with:

- Applicable federal and state law;
- Harbor's contract with the Department of Developmental Services (DDS);
- Generally accepted accounting principles; and
- The retention standards and schedules adopted by the organization

Certain categories of records have unique minimum retention requirements due to legal, operational, contractual or audit needs. Departmental responsibilities for specific records are defined in Harbor's internal Record Retention & Destruction Procedure.

Electronic Communications: Electronic communications, including email, voicemail, text messages and communication transmitted through Harbor electronic systems—are considered corporate records when they document business decisions, transactions, obligations or information related to categories identified in the retention schedule.

Harbor's systems may employ automated deletion features to comply with retention schedules. Employees and board members must ensure that any electronic communication that constitutes an official record is preserved in accordance with the administrative procedure, regardless of the system's automated settings.

Storage of Records: Harbor maintains records in a combination of secure onsite and offsite storage locations and within approved digital systems. Electronic storage shall comply with DDS' "Requirements for Electronic Storage of Records" and any subsequent directives issued by DDS. Department leadership is responsible for ensuring that records are stored safely, securely and in accordance with approved procedures.

Destruction of Records: Records shall be destroyed only in accordance with Harbor's document retention and destruction procedures. Records approved for destruction must be shredded or otherwise permanently rendered unreadable.

Authority to approve destruction of records lies with the designated department leaders identified in the administrative procedure. No record may be destroyed if it is relevant to current or reasonably foreseeable litigation, audit, investigation or public records request. A litigation hold issued by the Executive Director supersedes all scheduled destruction timelines.

Compliance: All board members and employees are responsible for understanding and complying with this policy and the administrative procedures that support it. Failure to adhere to retention requirements may expose Harbor to legal risk or financial penalties.

Any questions regarding record retention, destruction or potential litigation holds should be directed to the Chief Financial Officer or the Executive Director.

Delegation to the Executive Director

The Board delegates to the Executive Director the authority to:

- Establish and update procedural guidelines;
- Maintain retention schedules consistent with law and DDS requirements;
- Implement electronic systems that support secure storage and lawful destruction; and
- Issue litigation holds when necessary

For Approval by the Harbor Developmental Disabilities Foundation Board of Trustees on January 20, 2026

24-25 HCBS AUDITS

- **1915 (c) Developmental Disabilities Waiver (DD)**
- **1915 (c) Self-Determination Program (SDP)**
- **1915 (i) State Plan Amendment (SPA)**
- **Nursing Health Reform (NHR)**

State of California—Health and Human Services Agency
Department of Developmental Services
1215 O Street, Sacramento, CA 95814
www.dds.ca.gov

PETE CERVINKA
DIRECTOR

GAVIN NEWSOM
GOVERNOR

December 8, 2025

VIA: NATASHA CLAY, Assistant Chief
Home and Community-Based Services Waiver Monitoring

SENT VIA EMAIL to: boardpresident@harborrc.org

LaVelle Gates, Board President
Harbor Regional Center
21231 Hawthorne Boulevard
Torrance, CA 90503

Dear LaVelle Gates:

Enclosed are the final reports from the joint Department of Developmental Services' (Department) and Department of Health Care Services' monitoring review of the Home and Community-Based Services (HCBS) 1915(c) Developmental Disabilities Waiver, HCBS 1915(c) Self-Determination Program Waiver, 1915(i) State Plan Amendment, Targeted Case Management, and Nursing Home Reform programs conducted from July 7-18, 2025, at Harbor Regional Center (HRC). The period of review was April 1, 2024 through March 31, 2025.

The reports discuss the criteria reviewed along with any findings and recommendations and include HRC's responses. The Department has approved HRC's responses to all of the recommendations. If there is a disagreement with the findings of the enclosed reports, a written "Statement of Disputed Issues" should be sent within 30 days from the date of this letter to:

Department of Developmental Services
Attn: Bonnie Simmons, Chief
HCBS Monitoring Section
1215 O Street, MS 7-50
Sacramento, CA 95814

The cooperation of HRC's staff in completing the monitoring review is appreciated. If you have questions or need clarification on the above issues, please contact Bonnie Simmons, Chief, HCBS Monitoring Section, at (916) 654-6850 or Bonnie.Simmons@dds.ca.gov.

Sincerely,

JENNIFER PARSONS
Deputy Director
Service Innovation and Oversight Division

Attachment(s)

cc: Brenda Bane, HRC
Mary Hernandez, HRC
Elizabeth Stroh, HRC

24-25 HCBS AUDITS

- **1915 (c) Developmental Disabilities Waiver (DD)**

Harbor Regional Center

Home and Community-Based Services Developmental Disabilities Waiver

Monitoring Review Report

Conducted by: Department of Developmental Services and Department of Health Care Services

Review Dates: July 7 – 18, 2025

DDS Department of Developmental Services

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SECTION I: REGIONAL CENTER SELF-ASSESSMENT

Harbor Regional Center (HRC) responded to questions that align with the California Home and Community-Based (HCBS) 1915(c) Developmental Disabilities Waiver requirements. The regional center self-assessment addresses the California HCBS Waiver assurances criteria and is designed to provide information about the regional center's processes and practices.

The responses indicated that the regional center has systems and procedures in place for implementing the State and HCBS Waiver laws and regulations addressed in the self-assessment criteria.

The full response to the self-assessment provided by HRC is available upon request.

SECTION II: REGIONAL CENTER RECORD REVIEW

For the review period of April 1, 2024, through March 31, 2025, a total of 43 records of individuals enrolled on the Home and Community-Based Services (HCBS) 1915(c) Developmental Disabilities Waiver and receiving services at Harbor Regional Center (HRC), were reviewed for individual choice, HCBS settings requirements, notification of proposed action and fair hearing rights, level-of-care, individual program plans (IPP) and periodic reviews and reevaluations of services. In addition, seven supplemental records were reviewed for documentation of voluntary disenrollment or a notice of proposed action, if there was a loss of service. Lastly, ten additional supplemental records were reviewed for documentation that HRC determined the individual met the HCBS Waiver level-of-care requirements prior to receiving HCBS Waiver supports.

The 43 records reviewed were 95 percent in overall compliance for this review. Findings for 10 criteria are detailed below.

2.1.b The DS 3770 form summarizes the individual's assessed needs and/or any special health care conditions for meeting the Title 22 level-of-care requirements. *[Cal. Code. Regs tit. 22, § 51343(l)(5) (2025)]*

Findings

Forty of the forty-three (93 percent) sample records of individuals summarized the assessed needs and/or special health care conditions on the DS 3770 form. However, the DS 3770 form in the record for individual #15 listed only one assessed need and the DS 3770 form in the records for individuals #18 and #35 did not list any assessed needs or special health care conditions.

2.1.b Recommendation	Regional Center Plan/Response
HRC should ensure that the DS 3770 form for individuals #15, #18 and #35 list at least two assessed needs that meet the requirement for level of care.	The assessed needs for #35 have been updated to reflect the individual's continued eligibility. Individuals #15 and #18 were determined as no longer meeting the level-of-care requirements to remain on the waiver. They have been terminated.

2.4 The individual record contains a current Client Development Evaluation Report (CDER) that has been reviewed within the last 12-months. Reevaluations, at least annually, of each individual receiving home or community-based services to determine if the individual continues to need the level-of-care provided and would, but for the provision of Waiver services, otherwise be institutionalized. *[42 C.F.R. § 441.302(c)(2) (2025)]*

Findings

Thirty-nine of the forty-three (91 percent) sample records of individuals contained a CDER that had been reviewed annually. However, the records for individuals #15, #17, #21, and #40 did not contain documentation that the CDER had been reviewed annually.

2.4 Recommendation	Regional Center Plan/Response
HRC should ensure that the CDER for individuals #15, #17, #21, and #40 are reviewed annually.	All Harbor service coordinators (SC) involved with the four individual findings were retrained on CDER (emphasizing annual review) requirements on 11/18/2025. Harbor will continue to provide targeted training to staff to stress the requirement to update the CDER on an annual basis. Harbor management teams will provide ongoing oversight to ensure that staff are reviewing CDERs annually utilizing tracking tools.

2.5.a The individual's assessed needs and any special health care conditions used to meet the level-of-care requirements for care provided in an ICF-DD, ICF-DDH, ICF/DD-N facility are documented on the DS 3770 and in the individual's Client Development Evaluation Report (CDER). *[42 C.F.R. § 441.302(c) (2025)], [Cal. Code. Regs tit. 22, § 51343(l) (2025)]*

Findings

Forty of the forty-three (93 percent) sample records of individuals had documented assessed needs that meet the level-of-care requirements. However, the record for individual #15 only listed one assessed need and the records for individuals #18 and #35 did not list any assessed needs.

2.5.a Recommendation	Regional Center Plan/Response
HRC should reevaluate the HCBS Waiver eligibility for individuals #15, #18 and #35 to ensure that the individuals meet the level-of-care requirements. If the individuals do not have at least two distinct assessed needs that meet the level-of-care requirements, the individuals' HCBS Waiver eligibility should be terminated.	The assessed needs for #35 have been updated to reflect the individual's continued eligibility. Individuals #15 and #18 were determined as no longer meeting the level-of-care requirements to remain on the waiver. They have been terminated.

2.5.b The individual's assessed needs used to meet the level-of-care requirements for care provided in intermediate care facilities that is documented in the Client Development Evaluation Report

(CDER) and the DS 3770 are consistent with other information contained in the individual's records. *(HCBS Waiver Requirement)*

Findings

Thirty-eight of the forty-one (93 percent) sample records of individuals documented level-of-care qualifying conditions that were consistent with information found elsewhere in the record. However, the assessed needs listed on the DS 3770 were not consistent in the following records:

1. Individual #12: "Safety Awareness." A new CDER was completed in July 2025 to reflect consistency with the record. Accordingly, no recommendation is required;

2. Individual #25: "Disruptive Social Behavior;" and,

3. Individual #36: "Safety Awareness." A new CDER was completed in July 2025 to reflect consistency with the record. Accordingly, no recommendation is required.

2.5.b Recommendation	Regional Center Plan/Response
HRC should determine if the item listed above for individual #25 is appropriately identified as an assessed need. The individual's CDER and DS 3770 form should be corrected to ensure that any items that do not represent substantial limitations in the individuals' ability to perform activities of daily living and/or participate in community activities are no longer identified as assessed needs. If HRC determines that the issues are correctly identified as assessed needs, documentation (updated IPPs, progress reports, etc.) that supports the original determinations should be submitted with the response to this report.	The IPP has been updated to correctly support the identified assessed needs in the CDER and DS 3770. The IPP will be submitted with this report.

2.6.a The IPP is reviewed (at least annually) by the planning team and modified, as necessary, in response to the individual's changing needs, wants or health status. *[42 C.F.R. § 441.301 (C)(3) (2025)]; [W.I.C. § 4646.5(b) (2023)]*

Findings

Thirty-eight of the forty-three (88 percent) sample records of individuals contained documentation that the individual's IPP had been reviewed annually by the planning

team. However, there was no documentation that the IPPs for the following individuals were reviewed annually as indicated below:

1. Individual #15: The IPP was dated September 12, 2023. There was no documentation that the IPP was reviewed annually. A new IPP was completed on November 4, 2024;

2. Individual #17: The IPP was dated April 10, 2023. There was no documentation that the IPP was reviewed annually. A new IPP was completed on July 22, 2024;

3. Individual #21: The IPP was dated August 24, 2023. There was no documentation that the IPP was reviewed annually. A new IPP was completed on October 31, 2024;

4. Individual #26: The IPP was dated May 30, 2023. There was no documentation that the IPP was reviewed annually. A new IPP was completed on August 5, 2024; and,

5. Individual #40: The IPP was dated July 7, 2023. There was no documentation that the IPP was reviewed annually. A new IPP was completed on October 10, 2024.

2.6.a Recommendation	Regional Center Plan/Response
HRC should ensure that the IPPs for individuals #15, #17, #21, #26, and #40 are reviewed at least annually by the planning team.	All Harbor SCs involved in the five individual cases will receive specialized IPP training (emphasizing annual review) on 12/10/25. Harbor will ensure that IPPs are reviewed annually by the case management teams. Targeted training will be provided to remind staff of the requirements. Harbor management teams will provide ongoing oversight to ensure that staff are reviewing IPPs annually utilizing tracking tools.

2.7.a The IPP is prepared jointly with the planning team and a list of agreed upon services is signed, prior to its implementation, by an authorized representative of the regional center and the individual or, where appropriate, their parents, legal guardian, conservator or the authorized representative. [*W.I.C. § 4646(d) (2023)]; [W.I.C. § 4646(i) (2023)]; [42 C.F.R. § 441.301(c)(1)(i) (2025)]; [42 C.F.R. § 441.301(c)(2)(ix) (2025)]*

Finding

Forty-two of the forty-three (98 percent) sample records of individuals contained IPPs that were signed by HRC and the individuals or, where appropriate, their parents, legal guardian, conservator or the authorized representative. However, the IPP for individual #39, dated August 26, 2024, was not signed by the parent and regional center representative until May 14, 2025. Accordingly, no recommendation is required.

2.10.a The IPP includes a schedule of the type and amount of all services and supports purchased by the regional center. *[W.I.C. § 4646.5(a)(5)(2023)]; [42 C.F.R. § 441.301(c)(2)(v)(2025)]*

Findings

Thirty-five of the forty-three (81 percent) sample IPPs of individuals included a schedule of the type and amount of all services and supports purchased by the regional center. However, the following IPPs did not include HRC funded services as indicated below:

1. Individual #14: Community Integration Training Program was not included in the IPP dated June 25, 2024. An addendum was completed on July 9, 2025, addressing the purchased service. Accordingly, no recommendation is required;

2. Individual #17: Transportation was not included for the month of June 2024 and Housing Access was not included for the month of September 2024 in the IPPs dated April 10, 2023, and July 22, 2024;

3. Individual #18: Supported Living Services was not included for the months of September 2024 through March 2025, and Housing Access was not included for the months of July 2024 through January 2025 in the IPPs dated June 1, 2023, and June 11, 2024;

4. Individual #25: Transportation was not included for the month of February 2025 in the IPP dated September 13, 2024;

5. Individual #29: Homemaker Service was not included for the months of April 2024 through September 2024 in the IPPs dated September 28, 2023, and September 27, 2024. An addendum was completed July 10, 2025, addressing the purchased services. Accordingly, no recommendation is required;

6. Individual #33: In-Home Respite was not included for the months of January 2025 through February 2025, and Financial Management Service was not included for the months of July 2024 through November 2024 in the IPPs dated December 4, 2023, and January 23, 2025. An addendum was completed on July 14, 2025, addressing the purchased services. Accordingly, no recommendation is required;

7. Individual #35: Financial Management Service was not included for the months of June 2024 through August 2024 in the IPPs dated August 15, 2023, and August 19, 2024. An addendum was completed on July 10, 2025, addressing the purchased service. Accordingly, no recommendation is required; and,

8. Individual #36: Financial Management Service was not included for the months of July 2024 through February 2025 in the IPP dated June 28, 2024. An addendum was completed on May 15, 2025, addressing the purchased service. Accordingly, no recommendation is required.

2.10.a Recommendations	Regional Center Plan/Response
HRC should ensure that the IPPs for individuals #17, #18 and #25 include a schedule of the type and amount of all services and supports purchased by HRC.	Case management teams have amended the IPPs mentioned to ensure that they include the type and amount of all services purchased by Harbor.
In addition, HRC should evaluate what actions may be necessary to ensure that IPPs include a schedule of the type and amount of services and supports purchased by HRC.	Harbor will provide ongoing targeted training to case management staff to ensure that the schedule of the type and amount of services and supports purchased are properly documented in the IPP.

2.11 The IPP identifies the provider or providers of service responsible for implementing services and/or support, including, but not limited to, vendors, contracted providers, generic service agencies, and natural supports. [*WIC § 4646.5(a)(5)], [Title 42, CFR, § 441.301(c)(2)(v)]*

Findings

Forty-one of the forty-three (95 percent) sample records of individuals contained IPPs that identified the provider or providers responsible for implementing services. However, two IPPs did not indicate the provider for the HRC-funded services indicated below:

1. Individual #14: Community Integration Training Program was not included in the IPP dated June 25, 2024. An addendum was completed on July 9, 2025, addressing the provider implementing the above service. Accordingly, no recommendation is required; and,

2. Individual #42: Translator was not included in the IPP dated August 12, 2024.

2.11 Recommendation	Regional Center Plan/Response
HRC should ensure the IPP for individual #42 identifies the provider for the service listed above.	The IPP listed has been updated to reflect the service provider for the translation service listed in the report.

2.12.a Quarterly face-to-face meetings are completed for individuals living in community out-of-home settings, i.e., Service Level 2-7 community care facilities or family home agencies or receiving supported living and independent living services. *[Cal. Code. Regs tit. 17, § 56047 (2023)]; [Cal. Code. Regs tit. 17, §56095 (2023)]; [Cal. Code. Regs tit. 17, § 58680 (2023)]; (Contract Requirement)*

Findings

Nineteen of the twenty-six (73 percent) applicable sample records of individuals contained quarterly face-to-face meetings completed and documented. However, the following records did not meet the requirement as indicated below:

1. The records for individuals #4, #7, #11, #14, #21, and #25 contained documentation of three of the four required meetings that were consistent with the quarterly timeline; and,

2. The record for individual #17 contained documentation of two of the four required meetings that were consistent with the quarterly timeline.

2.12.a Recommendations	Regional Center Plan/Response
HRC should ensure that all future face-to-face meetings are completed and documented each quarter for individuals #4, #7, #11, #14, #17, #21, and #25.	Harbor will ensure that all future face-to-face meetings are being held and documented in Virtual Chart (VC). Additionally, Harbor will ensure that all efforts to schedule the meetings are properly documented. Staff will continue to use VC as a tracking tool for upcoming meetings.
In addition, HRC should evaluate what actions may be necessary to ensure that quarterly face-to face meetings are completed and documented for all applicable individuals.	Harbor will provide ongoing targeted training to case management staff to ensure that face-to-face quarterly meetings are being held for all applicable individuals. Harbor management teams will be providing ongoing oversight through the utilization of tracking tools.

2.12.b Quarterly reports of progress are completed for individuals living in community out-of-home settings, i.e., Service Level 2-7 community care facilities or family home agencies or receiving supported living and independent living services. [*Cal. Code. Regs tit. 17, CCR, § 56047 (2023)]; [Cal. Code. Regs tit. 17, § 56095 (2023)]; [Cal. Code. Regs tit. 17, § 58680 (2023)]; (Contract Requirement)*

Findings

Nineteen of the twenty-six (73 percent) applicable sample records of individuals contained quarterly reports of progress completed for individuals living in community out-of-home settings. However, the following records did not meet the requirement as indicated below:

1. The records for individuals #4, #7, #11, #14, #21, and #25 contained documentation of three of the four required quarterly reports of progress that were consistent with the quarterly timeline; and,

2. The record for individual #17 contained documentation of two of the four required quarterly reports of progress that were consistent with the quarterly timeline.

2.12.b Recommendations	Regional Center Plan/Response
HRC should ensure that future quarterly reports of progress are completed for	Harbor will ensure that all future quarterly reports are completed and filed accordingly. Staff will continue to use VC as a tracking

individuals #4, #7, #11, #14, #17, #21, and #25.	tool for documenting the completion of reports.
In addition, HRC should evaluate what actions may be necessary to ensure that quarterly reports of progress are completed for all applicable individuals.	Harbor will provide ongoing targeted training to case management staff to ensure that face-to-face quarterly meetings are being held for all applicable individuals. Harbor management teams will be providing ongoing oversight through the utilization of tracking tools.

SECTION III: COMMUNITY CARE FACILITY RECORD REVIEW

The monitoring team visited six community care facilities (CCF) and reviewed six individual records for individuals supported by Harbor Regional Center (HRC) who are living in those facilities. The monitoring team reviewed the records to determine if the record addressed all the elements CCFs are required to maintain in their individual records. The monitoring team also reviewed that the CCFs prepared written reports of progress in relation to the services and supports identified in the individual program plan (IPP) for which the facility is responsible. The review criteria in this section are derived from Title 17, California Code of Regulations and Title 42, Code of Federal Regulations.

The six records reviewed were 94 percent in overall compliance for 17 criteria. Findings for one criterion is detailed below.

3.2.b In a provider-owned or controlled residential setting, the unit or dwelling is a specific physical place that can be owned, rented or occupied under a legally enforceable agreement by the individual receiving services, and the individual has, at a minimum, the same responsibilities and protections from eviction that tenants have under the landlord tenant law of the State, county, city or other designated entity. For settings in which landlord tenant laws do not apply, the State must ensure that a lease, residency agreement or other form of written agreement will be in place for each participant and that the document provides protections that address eviction processes and appeals comparable to those provided under the jurisdiction's landlord tenant law. *[42, CFR, § 441.301(c)(4)(vi)(A) (2025)]*

Findings

One of the six (17 percent) sample records contained documentation of agreement for eviction procedures and appeals process. The records of the following individuals did not include documentation of the appeals and eviction process:

1. Individual #1 at CCF #1;
2. Individual #6 at CCF #2;
3. Individual #8 at CCF #3;
4. Individual #11 at CCF #5; and,
5. Individual #13 at CCF #6.

3.2.b Recommendations	Regional Center Plan/Response
HRC should ensure that individual file records maintained by CCF #1 for individual #1, CCF #2 for individual #6, CCF #3 for individual #8, CCF #5 for individual #11 and CCF #6 for individual #13 contain documentation of agreement for eviction procedures and appeals process.	Harbor's Quality Assurance (QA) team will work with all individuals and service providers and ensure that eviction procedures and appeals process is reviewed with each individual and kept in each of the individuals files by 12/01/25. Harbor will ensure that all admission agreements include the process for eviction and the process for appeals moving forward.
In addition, HRC should ensure that individual file records maintained by all CCFs contain documentation of agreement for eviction procedures and appeals process.	Harbor is working with the Southern CA regional centers on a standardized Admission Agreement to include all HCBS requirements including the eviction process and appeals process. Once approved by the Executive Directors, it will be implemented across all CCFs to ensure all admission agreements are updated.

SECTION IV: DAY PROGRAM RECORD REVIEW

The monitoring team visited five day programs and reviewed seven records for individuals supported by Harbor Regional Center (HRC) who are receiving services from those day programs. The monitoring team reviewed the records to ensure that the day program addressed the requirements to maintain records and prepare written reports of progress in relation to the services and supports identified in the individual program plan (IPP) for which the day program is responsible. The review criteria in this section are derived from Title 17, California Code of Regulations and Title 42, Code of Federal Regulations.

The seven records reviewed were 99 percent in overall compliance for 13 criteria. A finding for one criterion is detailed below.

4.2 The day program has a copy of the individual's current IPP. *[Cal. Code. Regs tit. 17, § 56730)(c)(1)(F)]*

Finding

Six of the seven (86 percent) sample records of individuals contained a copy of the individual's current IPP. However, the record for individual #14 at DP #3 did not contain a copy of the current IPP.

4.2 Recommendation	Regional Center Plan/Response
HRC should ensure that the record for individual #14 at DP #3 contain a current copy of the individual's IPP.	Harbor provided the current IPP to the day program. Harbor will ensure that the day program receives an updated IPP on at least an annual basis.

SECTION V: OBSERVATIONS AND INTERVIEWS WITH INDIVIDUALS

Twenty-five of the forty-three individuals supported by Harbor Regional Center, or in the case of minors, their parents, were interviewed and/or observed at their day programs, employment sites, community care facilities, or in independent living settings to verify that the individuals appeared to be supported and healthy and if applicable, the setting was compliant with the Home and Community-Based Services Settings Requirements. Interview questions focused on the individuals' satisfaction with their living situation, day program or work activities, health, choice, and regional center services.

All of the individuals and parents of minors interviewed, indicated satisfaction with their living situation, day program, work activities, health, choice, and regional center services. The appearance for all of the individuals that were interviewed and observed reflected personal choice and individual style.

SECTION VI: REGIONAL CENTER STAFF INTERVIEWS

SECTION VI A: SERVICE COORDINATOR INTERVIEWS

The monitoring team interviewed nine service coordinators (SC). The interviews determined that all of the SCs are knowledgeable about the desires, preferences, life circumstances and service needs of the individuals they support. The SCs had knowledge of the processes for individual program planning and periodic review as well as monitoring the health and safety of individuals and monitoring that the service providers who support them comply with Home and Community-Based Services (HCBS) 1915(c) Developmental Disabilities Waiver and Settings requirements.

SECTION VI B: CLINICAL SERVICES INTERVIEW

The monitoring team interviewed the Director of Intake and Clinical Services to ensure that the regional center has practices in place to provide clinical support to individuals and service coordinators. The interview determined the regional center conducts routine monitoring of individuals with medical issues, monitoring of medications, monitoring of behavior plans, coordination of medical and mental health, improvements in access to preventive health care resources, and ensures that clinical services play a role in special incident reporting and the Risk Management Committee to address the ongoing health and safety of individuals who are on the HCBS 1915(c) Waiver.

SECTION VI C: QUALITY ASSURANCE INTERVIEW

The monitoring team interviewed the Provider Relations Specialist to ensure the regional center has practices in place to conduct Title 17 and HCBS Waiver and settings monitoring and quality assurance activities. The interview determined the regional center conducts routine Title 17 monitoring of community care facilities, including two unannounced visits, service provider training, corrective action plans as required and technical assistance is provided when needed. In addition, the regional center verifies provider qualifications, resource development activities, and quality assurance among programs and providers where there are no regulatory requirements to conduct monitoring. Quality assurance also participates in special incident reporting and the Risk Management Committee to address the ongoing quality assurance needs of individuals who are on the HCBS Waiver.

SECTION VII: VENDOR STAFF INTERVIEWS

SECTION VII A: SERVICE PROVIDER INTERVIEWS

The monitoring team interviewed service providers at six community care facilities (CCF). The interviews determined that all service providers assess the needs of the individuals in their program, participate in the development of the individual program plans (IPP), foster independence and provide an environment where the individual is treated with dignity and respect, advocate for and oversee the training and implementation of policies and procedures that ensure the health, safety, and rights of the individuals are being planned for and met in accordance with the Home and Community-Based Services (HCBS) 1915(c) Developmental Disabilities Waiver and Settings requirements.

SECTION VII B: DIRECT SUPPORT PROFESSIONALS INTERVIEWS

The monitoring team interviewed direct support professionals at six CCFs. The interviews determined that all direct support professionals are familiar with and respect the individuals they are supporting, understand the individual's goals and objectives on their IPP, understand the service delivery and HCBS Waiver and settings requirements, are prepared to address safety issues, engage in emergency preparedness, and are knowledgeable about safeguarding medications.

SECTION VIII: VENDOR PROGRAM MONITORING REVIEW

The monitoring teams reviewed a total of six community care facilities (CCF) to determine if the settings are Home and Community-Based Services (HCBS) Settings Requirement compliant, and are supporting individuals in a safe, healthy and positive environment where their privacy, rights and choices are respected, they have control of their personal resources and individual preferences and styles are reflected in CCFs where individuals live. All of the CCFs were found to be in good condition with no immediate health and safety concerns.

8.6 Federal Requirement #6: Residential Agreement

In a provider-owned or controlled residential setting, the unit or dwelling is a specific physical place that can be owned, rented or occupied under a legally enforceable agreement by the individual receiving services, and the individual has, at a minimum, the same responsibilities and protections from eviction that tenants have under the landlord tenant law of the State, county, city or other designated entity. For settings in which landlord tenant laws do not apply, the State must ensure that a lease, residency agreement or other form of written agreement will be in place for each participant and that the document provides protections that address eviction processes and appeals comparable to those provided under the jurisdiction's landlord tenant law. *[42 C.F.R. § 441.301(c)(4)(vi)(A)]*

Findings

See finding and recommendation for the vendor's non-compliance detailed in community care facility record review, criterion 3.2.b.

8.7.a Federal Requirement #7: Privacy

Bedroom doors are lockable by the individual with only appropriate staff having keys to doors. *[42 C.F.R. § 441.301(c)(4)(vi)(B)(1) (2025)]*

Finding

Five of the six (83 percent) community care facilities had locks on bedroom doors with a process in place for only appropriate staff to have access to keys. However, individual #1, at CCF #1, did not have a lock on their bedroom door and no modification was documented in their current IPP. HRC submitted a new IPP dated May 8, 2025, which addresses the modification for Federal Settings Requirement #7. Accordingly, no recommendation is required.

8.7.a Recommendation	Regional Center Plan/Response
HRC should ensure that CCFs have locks on bedroom doors with a process in place for only appropriate staff to have access to keys. If there is no lock on an individual's bedroom door, there is a modification documented in their current IPP.	Harbor will ensure that staff are properly trained on documenting the process for evaluating the safety of a lock on the bedroom of each individual. Harbor will ensure that all IPPs and individual service plans (ISPs) document the process in place for only appropriate staff to have access to keys, if applicable.

SECTION IX: SPECIAL INCIDENT REPORTING

The records of the 43 individuals supported by Harbor Regional Center (HRC) and selected for the Home and Community-Based Services (HCBS) 1915(c) Developmental Disabilities (DD) Waiver sample were reviewed to verify that special incidents have been reported. A supplemental sample of 10 records of individuals receiving services were also reviewed to verify that special incident reports (SIR) have been reported within the required timeframes, that documentation meets the requirements of Title 17, California Code of Regulations, and that the follow-up was appropriate and complete. In addition, the monitoring team verified that an incident report was completed for all individuals on the HCBS Waiver supported by HRC who passed away during the review period.

Summary of Findings

HRC reported all special incidents in the sample of 43 records selected for the HCBS 1915(c) DD Waiver review to the Department. HRC's vendors reported 7 of the 10 (70 percent) incidents in the supplemental sample to the regional center within the required timeframes. HRC reported all (100 percent) incidents in the supplemental sample to the Department within the required timeframe. HRC's follow-up activities on incidents in the supplemental sample were appropriate for the severity of the situations for all 10 (100 percent) incidents. In addition, HRC reported all deaths of individuals on the HCBS Waiver during the review period.

Findings

SIR #5: The incident occurred on November 15, 2024. However, the vendor did not submit a written report to HRC until January 13, 2025.

SIR #7: The incident occurred on October 21, 2024. However, the vendor did not submit a written report to HRC until October 25, 2024.

SIR #8: The incident occurred on May 4, 2024. However, the vendor did not submit a written report to HRC until September 10, 2024.

Recommendations	Regional Center Plan/Response
HRC should ensure that the vendors for SIR #5, #7, and #8 reports special incidents within the required timeframes.	Harbor QA staff will provide SIR training to all three vendors on 12/09/25 with special emphasis on timely reporting requirements. Harbor will continue to follow up with services providers if they do not submit SIRs on time.
In addition, HRC should ensure that their vendors submit written SIRs in accordance with the required timelines.	Harbor will continue to train service providers on SIR regulations two times per year. For individual service providers that do not adhere to regulations regarding

	timelines, Harbor will assess the need for a corrective action plan.

SECTION X: SUPPLEMENTARY ISSUE

This section contains any supplementary issues identified by the monitoring team during the review that are not specifically addressed by the standard review protocol criteria or directly related to the individuals selected for the review but should be reviewed and addressed by the regional center.

Comments

None

24-25 HCBS AUDITS

- **1915 (c) Self-Determination Program (SDP)**

Harbor Regional Center

Home and Community-Based Services

1915(c) Self-Determination Program Waiver

Monitoring Review Report

Conducted by: Department of Developmental Services and Department of Health Care Services

Review Dates: July 7 – 18, 2025

DDS Department of Developmental Services

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SECTION I: REGIONAL CENTER SELF-ASSSESSMENT

Harbor Regional Center (HRC) responded to questions that align with the California Home and Community-Based (HCBS) 1915(c) Self-Determination Program Waiver requirements. The regional center self-assessment addresses the California HCBS Waiver assurances criteria and is designed to provide information about the regional center's processes and practices.

The responses indicated that the regional center has systems and procedures in place for implementing the State and HCBS Waiver laws and regulations addressed in the self-assessment criteria.

The full response to the self-assessment provided by HRC is available upon request.

SECTION II: REGIONAL CENTER RECORD REVIEW

For the review period of April 1, 2024, through March 31, 2025, a total of 13 records of individuals enrolled on the Home and Community-Based Services (HCBS) 1915(c) Self-Determination Program (SDP) Waiver and receiving services at Harbor Regional Center (HRC), were reviewed for individual choice, notification of proposed action and fair hearing rights, level-of-care, individual program plans (IPP) and periodic reviews and reevaluations of services. Lastly, nine additional supplemental records were reviewed for documentation that HRC determined the individual met the HCBS Waiver level-of-care requirements prior to receiving HCBS Waiver supports.

The 13 records reviewed were 94 percent in overall compliance for this review. Findings for six criteria are detailed below:

2.4 The individual record contains a current Client Development Evaluation Report (CDER) that has been reviewed within the last 12-months. Reevaluations, at least annually, of each individual receiving home or community-based services to determine if the individual continues to need the level-of-care provided and would, but for the provision of Waiver services, otherwise be institutionalized. *[42 C.F.R. § 441.302(c)(2) (2025)]*

Findings

Eleven of the thirteen (85 percent) sample records of individuals contained a CDER that had been reviewed annually. However, the records for individuals #3 and #9 did not contain documentation that the CDER had been reviewed annually.

2.4 Recommendations	Regional Center Plan/Response
HRC should ensure that the CDER for individuals #3 and #9 are reviewed annually.	Harbor service coordinator (SC) for individual #9 received CDER training on 11/18/25. SC for individual #3 will receive CDER training on 01/05/26. Both CDER trainings have emphasis on annual reporting requirements. Harbor will ensure that all future CDERs are reviewed annually.
In addition, HRC should evaluate what actions may be necessary to ensure that CDERs are reviewed annually for all individuals.	Harbor will continue to provide targeted training to staff to stress the requirement to update the CDER on an annual basis. Harbor management teams will provide ongoing oversight to ensure that staff are reviewing CDERs annually utilizing tracking tools.

2.5.b The individual's assessed needs used to meet the level-of-care requirements for care provided in intermediate care facilities that is documented in the Client Development Evaluation Report (CDER) and the DS 3770 are consistent with other information contained in the individual's records. *(HCBS Waiver Requirement)*

Findings

Eleven of the thirteen (85 percent) sample records of individuals documented level-of-care qualifying conditions that were consistent with information found elsewhere in the record. However, the assessed needs listed on the DS 3770 were not consistent in the following records:

1. Individual #12: "Aggressive Social Behavior" and "Running or Wandering Away;" and,

2. Individual #13: "Safety Awareness" and "Running or Wandering Away." A new CDER was completed in July 2025 to reflect consistency with the rest of the record. Accordingly, no recommendation is required.

2.5.b Recommendations	Regional Center Plan/Response
HRC should determine if the items listed above for individual #12 are appropriately identified as assessed needs. The individual's DS 3770 form should be corrected to ensure that any items that do not represent substantial limitations in the individuals' ability to perform activities of daily living and/or participate in community activities are no longer identified as assessed needs. If HRC determines that the issues are correctly identified as assessed needs, documentation (updated IPPs, progress reports, etc.) that supports the original determinations should be submitted with the response to this report.	The DS 3770 was corrected to remove those two assessed needs as they no longer reflect the individual's current status. The corrected DS 3770 will be included with this report.
In addition, HRC should evaluate what actions may be necessary to ensure that the individual's assessed needs documented in the CDER and DS 3770 are consistent with other information contained in the individual's records.	Harbor will continue to provide targeted training to case management staff on proper documentation of assessed needs on the CDER and DS 3700, and how to ensure that the information is consistently and appropriately documented on the IPP.

2.6.a The IPP for every individual is reviewed, and revised as appropriate, based upon the reassessment of functional need at least every 12-months by the planning team and modified, as necessary, in response to the individual's changing needs, wants, or health status. *[42 C.F.R. § 441.301(C)(3) (2025)]; [W.I.C. §4646.5(b) (2023)]*

Findings

Eleven of the thirteen (85 percent) sample records of individuals contained documentation that the individual's IPP had been reviewed annually by the planning team. However, there was no documentation that the IPPs for two individuals were reviewed annually as indicated below:

1. Individual #3: The IPP was dated March 16, 2023. There was no documentation that the IPP was reviewed annually. A new IPP was completed on July 19, 2024; and,

2. Individual #9: The IPP was dated December 1, 2023. There was no documentation that the IPP was reviewed annually. A new IPP was completed on January 28, 2024.

2.6.a Recommendations	Regional Center Plan/Response
HRC should ensure that the IPP for individuals #3 and #9 are reviewed at least annually by the planning team.	Harbor SCs assigned to these individuals will receive IPP training on 12/10/25 with special emphasis on annual review requirements. Harbor will ensure that IPPs are reviewed annually by the case management teams.
In addition, HRC should evaluate what actions may be necessary to ensure that IPP are reviewed annually for all individuals.	Harbor will provide targeted training to remind staff of the annual IPP requirements. Harbor management teams will provide ongoing oversight to ensure that staff are reviewing IPPs annually utilizing tracking tools.

2.11.c The IPP team determines that an adjustment to this amount is necessary due to a change in the participant's circumstances, needs, or resources that would result in an increase or decrease in purchase of service expenditures, or the IPP team identifies prior needs or resources that were unaddressed in the IPP, which would have resulted in an increase or decrease in purchase of service expenditures. When adjusting the budget, the IPP team shall document the specific reason for the adjustment in the IPP. *[W.I.C. § 4685.8(m)(1)(A)(ii)(I) (2023)]*

Findings

Three of the five (60 percent) applicable records of individuals had IPPs that documented the reason for the increase or decrease of individual budgets. However, there was no documentation in the IPP for the reason for the change for two individuals as indicated below:

1. Individual #12: The IPP dated April 30, 2024, did not document the reason for the budget increase dated January 14, 2025. An IPP addendum was completed on May 16, 2025, to document the reason for the change. Accordingly, no recommendation is required.

2. Individual #13: The IPP dated August 7, 2024, did not document the reason for the budget increase dated February 6, 2025. An IPP addendum was completed

on July 14, 2025, to document the reason for the change. Accordingly, no recommendation is required.

2.11.c Recommendation	Regional Center Plan/Response
HRC should evaluate what actions may be necessary to ensure that the IPPs document the specific reason for individual budget changes within the budget year.	Harbor's SDP specialists have provided targeted training to case management staff regarding documentation requirements around changes to budgets and spending plans. This training will continue to be provided as needed.

2.12.a Quarterly face-to-face meetings with the individual are completed for individuals living in community out-of-home settings, i.e., Service Level 2-7 community care facilities, family home agencies, or supported living and independent living settings. *[Cal. Code. Regs tit. 17, § 56047 (2023)]; [Cal. Code. Regs tit. 17, § 56095 (2023)]; [Cal. Code. Regs tit. 17, § 58680 (2023)]; (Contract requirement)*

Findings

Two of the seven (29 percent) applicable sample records of individuals contained quarterly face-to-face meetings completed and documented. However, the records for five individuals did not meet the requirement as indicated below:

1. The record for individuals #3 and #6 contained documentation of three of the four required meetings that were consistent with the quarterly timeline;

2. The record for individual #5 contained documentation of two of the four required meetings that were consistent with the quarterly timeline; and,

3. The record for individuals #1 and #2 contained documentation of one of the four required meetings that were consistent with the quarterly timeline.

2.12.a Recommendations	Regional Center Plan/Response
HRC should ensure that all future face-to-face meetings are completed and documented each quarter for individuals #1, #2, #3, #5 and #6.	Harbor will ensure that all future face-to-face meetings are being held and documented in Virtual Chart (VC). Additionally, Harbor will ensure that all efforts to schedule the meetings are properly documented. Staff will continue to use VC as a tracking tool for upcoming meetings.
In addition, HRC should evaluate what actions may be necessary to ensure that	Harbor will provide ongoing targeted training to case management staff to ensure that

quarterly face-to face meetings are completed and documented for all applicable individuals.	face-to-face quarterly meetings are being held for all applicable individuals. Harbor management teams will be providing ongoing oversight through the utilization of tracking tools.

2.12.b Quarterly reports of progress toward achieving IPP objectives are completed for individuals living in community out-of-home settings, i.e., service Level 2-7 community care facilities, family home agencies, or supported living and independent living settings. *[Cal. Code. Regs tit. 17, § 56047 (2023)]; [Cal. Code. Regs tit. 17, § 56095 (2023)]; [Cal. Code. Regs tit. 17, § 58680 (2023)]; (Contract requirement)*

Findings

Two of the seven (29 percent) applicable sample records of individuals contained quarterly reports of progress completed for individuals living in community out-of-home settings. However, the records for five individuals did not meet the requirement as indicated below:

1. The record for individuals #3 and #6 contained documentation of three of the four required quarterly reports of progress that were consistent with the quarterly timeline;

2. The record for individuals #5 contained documentation of two of the four required quarterly reports of progress that were consistent with the quarterly timeline; and,

3. The record for individuals #1 and #2 contained documentation of one of the four required quarterly reports of progress that were consistent with the quarterly timeline.

2.12.b Recommendations	Regional Center Plan/Response
HRC should ensure that future quarterly reports of progress are completed for individuals #1, #2, #3, #5 and #6.	Harbor will ensure that all future quarterly reports are completed and filed accordingly. Staff will continue to use VC as a tracking tool for documenting the completion of reports.
In addition, HRC should evaluate what actions may be necessary to ensure that quarterly reports of progress are completed for all applicable individuals.	Harbor will provide ongoing targeted training to case management staff to ensure that face-to-face quarterly meetings are being held for all applicable individuals. Harbor management teams will be providing ongoing oversight through the utilization of tracking tools.

New Enrollees

Nine supplemental records were reviewed for documentation that HRC determined the HCBS Waiver level-of-care prior to receipt of HCBS Waiver supports. All nine records (100 percent)

contained a DS 3770 showing that the level-of-care was determined before the receipt of HCBS services.

SECTION III: OBSERVATIONS AND INTERVIEWS WITH INDIVIDUALS

Seven of the thirteen individuals supported by Harbor Regional Center (HRC), or in the case of minors, their parents, were interviewed and/or observed at their day programs, employment sites, community care facilities, or in independent living settings to verify that the individuals appear to be supported and healthy. Interview questions focused on the individuals' satisfaction with their financial management service (FMS) provider, independent facilitator, participation in developing budget and spending plan, and regional center services.

Findings

Four of the five individuals/parents of minors interviewed, indicated satisfaction with their financial management service provider, independent facilitator, living situation, day program, work activities, health, choice, and regional center services. However, individual #4 was dissatisfied with their Financial Management Service (FMS) provider. The appearance for all the individuals that were interviewed and observed reflected personal choice and individual style.

Recommendation	Regional Center Plan/Response
HRC should follow up with individual #4 regarding concerns with their FMS provider.	Harbor has followed up with the family to discuss the process of changing their FMS provider. The family was provided with the resources necessary.

SECTION IV: REGIONAL CENTER STAFF INTERVIEWS

SECTION IV A: SERVICE COORDINATOR INTERVIEWS

The monitoring team interviewed three service coordinators (SC). The interviews determined that all of the SCs, are knowledgeable about the desires, preferences, life circumstances and service needs of the individuals they support. The SCs had knowledge of the processes for individual program planning, knowledge of Self-Determination Program services and periodic review as well as monitoring the services, health, and safety of the individuals they support.

SECTION V: SPECIAL INCIDENT REPORTING

The records of the 13 individuals supported by Harbor Regional Center (HRC) and selected for the Home and Community-Based (HCBS) 1915(c) Self-Determination Program Waiver sample were reviewed to verify that special incidents have been reported. In addition, the monitoring team verified that an incident report was completed for all individuals on the waiver supported by HRC who passed away during the review period. There were no additional special incident reports to be reviewed.

Summary of Findings

HRC reported all special incidents in the sample of 13 records selected for the HCBS 1915(c) Self-Determination Program Waiver review to the Department. In addition, HRC reported all deaths during the review period.

24-25 HCBS AUDITS

- **1915 (c) State Plan Amendment (SPA)**

Harbor Regional Center

Home and Community-Based Services

1915(i) State Plan Amendment

Monitoring Review Report

Conducted by: Department of Developmental Services and Department of Health Care Services

Review Dates: July 7 – 18, 2025

DDS Department of Developmental Services

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SECTION I: REGIONAL CENTER RECORD REVIEW

For the review period of April 1, 2024, through March 31, 2025, a total of 18 records of individuals enrolled on the Home and Community Based Services 1915(i) State Plan Amendment and receiving services at Harbor Regional Center (HRC), were reviewed for individual choice, notification of proposed action and fair hearing rights, individual program plans (IPP) and periodic reviews and reevaluations of services.

The 18 records reviewed were 94 percent in overall compliance for this review. Findings for six criteria are detailed below.

1.3 The IPP is reviewed (at least annually) by the planning team and modified, as necessary, in response to the individual's changing needs, wants or health status *[42 C.F.R. § 441.301(C)(3) (2025)]; [W.I.C. §4646.5(b) (2023)]*

Findings

Sixteen of the eighteen (89 percent) sample records of individuals contained documentation that the individual's IPP had been reviewed annually by the planning team. However, there was no documentation that the IPPs for two individuals were reviewed annually as indicated below:

1. Individual #2: The IPP was dated October 6, 2023. There was no documentation that the IPP was reviewed annually; and,

2. Individual #11: The IPP was dated August 25, 2023. There was no documentation that the IPP was reviewed annually. A new IPP was completed on October 24, 2024.

1.3 Recommendation	Regional Center Plan/Response
HRC should ensure that the IPP for individuals #2 and #11 are reviewed at least annually by the planning team.	Both Harbor service coordinators (SCs) assigned to individuals #2 and #11 will receive IPP training on 12/10/25 (with special emphasis on annual review requirements). Harbor will ensure that IPPs are reviewed annually by the case management teams. Targeted training will be provided to remind staff of the requirements. Harbor management teams will provide ongoing oversight to ensure that staff are reviewing IPPs annually utilizing tracking tools.

1.7.a The IPP includes a schedule of the type and amount of all services and supports purchased

by the regional center. *[W.I.C. § 4646.5(a)(5) (2023)]; [42 C.F.R. § 441.301(c)(2)(v) (2025)]*

Findings

Thirteen of the eighteen (72 percent) sample IPPs of individuals included a schedule of the type and amount of all services and supports purchased by the regional center. However, IPPs for five individuals did not include HRC-funded services as indicated below:

1. Individual #2: Specialized Residential Facility was not included for the months covering November 2024 through January 2025 and March 2025 in the IPP dated October 6, 2023;

2. Individual #3: Crisis Intervention was not included for the months covering May 2024 through June 2024 and March 2025, Supplemental Residential Program Support was not included for the months covering April 2024 through June 2024 and March 2025, and Community Activities Support Service was not included for the month of June 2024 in the IPPs dated January 9, 2024, and December 26, 2024. An IPP addendum was submitted July 14, 2025, addressing the purchased services. Accordingly, no recommendation is required;

3. Individual #5: Community Integration Program and Specialized Residential Facility was not included for the month covering November 2024 in the IPP dated January 26, 2023. The IPP dated December 27, 2024, includes both Community Integration Program and Specialized Residential Facility to address the purchased services. Accordingly, no recommendation is required;

4. Individual #13: Participant Directed Transportation, Financial Management Service and Community Integration Training Program were not included for the months of April 2024 through August 2024 in the IPPs dated October 17, 2023, and August 28, 2024. An IPP addendum was submitted July 10, 2025, addressing the purchased services. Accordingly, no recommendation is required; and,

5. Individual #14: Coordinated Family Supports was not included for the months of April 2024 through June 2024 in the IPP dated January 26, 2024.

1.7.a Recommendations	Regional Center Plan/Response
HRC should ensure that the IPPs for individuals #2 and #14 include a schedule of the type and amount of all services and supports purchased by HRC.	Case management teams have amended the IPPs mentioned to ensure that they include the type and amount of all services purchased by Harbor.
In addition, HRC should evaluate what actions may be necessary to ensure that IPPs include a schedule of the type and amount of services and supports purchased by HRC.	Harbor will provide ongoing targeted training to case management staff to ensure that the schedule of the type and amount of services and supports purchased are properly documented in the IPP.

1.7.c The IPP specifies the approximate scheduled start date for new services and supports. *[W.I.C. § 4646.5(a)(5) (2023)]*

Finding

Five of the six (83 percent) sample records of individuals contained IPPs that included the approximate scheduled start date for new services and supports. However, the record for individual #14 did not identify the start date for the HRC-funded service of Coordinated Family Supports in the IPP dated January 26, 2024.

1.7.c Recommendations	Regional Center Plan/Response
HRC should ensure the IPP for individual #14 identifies the start date for the service listed above.	Harbor staff has updated the IPP to reflect the start date of the service, as well as the end date of the service.
In addition, HRC should evaluate what actions may be necessary to ensure that IPPs include the approximate scheduled start date for new services and supports.	Harbor will provide ongoing targeted training to case management staff to ensure that the start dates of services and supports purchased are properly documented in the IPP.

1.8 The IPP identifies the provider or providers of service responsible for implementing services and/or support, including, but not limited to, vendors, contracted providers, generic service agencies, and natural supports. *[W.I.C § 4646.5(a)(4)] (2023)]; [42 C.F.R. § 441.301(c)(2)(v)]*

Finding

Seventeen of the eighteen (94 percent) sample records of individuals contained IPPs that identified the provider or providers responsible for implementing services. However, the IPP for individual #14 did not indicate the provider for the HRC-funded service of Coordinated Family Supports in the IPP dated January 26, 2024.

1.8 Recommendation	Regional Center Plan/Response
HRC should ensure the IPP for individual #14 identifies the provider for the service listed above.	Harbor staff has updated the IPP to reflect the name of the provider that was providing the service listed.

1.9.a Quarterly face-to-face meetings are completed with individuals living in community out-of-home settings, i.e., Service Level 2-7 CCFs family home agencies (FHA), or supported living and independent living settings. *[Cal. Code. Regs tit. 17, § 56047 (2023)]; [Cal. Code. Regs tit. 17, § 56095 (2023)]; [Cal. Code. Regs tit. 17, § 58680 (2023)]; (Contract requirement)*

Findings

Ten of the twelve (83 percent) applicable sample records of individuals had quarterly face-to-face meetings completed and documented. However, the records for two individuals did not meet the requirement. The records for individuals #2 and #5 contained documentation of two of the four required meetings that were consistent with the quarterly timeline.

1.9.a Recommendations	Regional Center Plan/Response
HRC should ensure that all future face-to-face meetings are completed and documented each quarter for individuals #2 and #5.	Harbor will ensure that all future face-to-face meetings are being held and documented in Virtual Chart (VC). Additionally, Harbor will ensure that all efforts to schedule the meetings are properly documented. Staff will continue to use VC as a tracking tool for upcoming meetings.
In addition, HRC should evaluate what actions may be necessary to ensure that quarterly face-to face meetings are completed and documented for all applicable individuals.	Harbor will provide ongoing targeted training to case management staff to ensure that face-to-face quarterly meetings are being held for all applicable individuals. Harbor management teams will be providing ongoing oversight through the utilization of tracking tools.

1.9.b Quarterly reports of progress toward achieving IPP objectives are completed for individuals living in community out-of-home settings, i.e., service Level 2-7 CCF, family home agencies (FHA), or supported living and independent living settings. *[Cal. Code. Regs tit. 17, § 56047 (2023)]; [Cal. Code. Regs tit. 17, § 56095 (2023)]; [Cal. Code. Regs tit. 17, § 58680 (2023)]; (Contract requirement)*

Findings

Ten of the twelve (83 percent) applicable sample records of individuals had quarterly reports of progress completed for individuals living in community out-of-home settings. However, the records for two individuals did not meet the requirement. The records for individual #2 and individual #5 contained documentation of two of the four required quarterly reports of progress that were consistent with the quarterly timeline.

1.9.b Recommendations	Regional Center Plan/Response
HRC should ensure that future quarterly reports of progress are completed for individuals #2 and #5.	Harbor will ensure that all future quarterly reports are completed and filed accordingly. Staff will continue to use VC as a tracking tool for documenting the completion of reports.
In addition, HRC should evaluate what actions may be necessary to ensure that quarterly reports of progress are completed for all applicable individuals.	Harbor will provide ongoing targeted training to case management staff to ensure that face-to-face quarterly meetings are being held for all applicable individuals. Harbor

	management teams will be providing ongoing oversight through the utilization of tracking tools.

SECTION II: SPECIAL INCIDENT REPORTING

The records of the 18 individuals supported by Harbor Regional Center (HRC) and selected for the Home and Community-Based Services (HCBS) 1915(i) State Plan Amendment (SPA) sample were reviewed to verify that special incidents have been reported. A supplemental sample of five records of individuals receiving services were also reviewed to verify that special incident reports (SIR) have been reported within the required timeframes, that documentation meets the requirements of Title 17, California Code of Regulations, and that the follow-up was appropriate and complete. In addition, the monitoring team verifies that an incident report was completed for all individuals on the SPA supported by HRC who passed away during the review period.

Summary of Findings

HRC reported all special incidents in the sample of 18 records selected for the HCBS 1915(i) SPA review, to the Department. HRC's vendors reported four of the five (80 percent) incidents in the supplemental sample to the regional center within the required timeframes. HRC reported four of the five (80 percent) incidents in the supplemental sample to the Department within the required timeframe. HRC's follow-up activities on incidents in the supplemental sample were appropriate for the severity of the situations for all five incidents. In addition, HRC reported all deaths during the review period.

Findings

SIR #1: The incident occurred on November 4, 2024. HRC became aware of the incident on November 5, 2024. However, HRC did not submit a written report to the Department until November 12, 2024.

SIR #3: The incident occurred on December 12, 2024. However, the vendor did not submit a written report to HRC until December 16, 2024.

Recommendations	Regional Center Plan/Response
HRC should ensure that vendors report special incidents within the required timeframes.	Vendor associated with SIR #3 will be provided with SIR training by Harbor's Quality Assurance team on 12/09/25. Harbor will continue to follow up with service providers if they do not submit SIRs on time. Harbor will continue to train service providers on SIR regulations two times per year.
HRC should ensure that all special incidents are reported to the Department within the required timeframe.	Harbor's plan to address SIR #1 finding is as follows: Harbor will continue to monitor the SIR inbox throughout the day and if incident being reviewed is potentially reportable to the Department, Harbor staff will more

	quickly make determination to ensure incident is reported to the Department within mandated time frames.

24-25 HCBS AUDITS

- **Nursing Health Reform (NHR)**

Harbor Regional Center

Targeted Case Management and Nursing Home Reform Monitoring Report

Conducted by: Department of Developmental Services

Review Dates: July 7–18, 2025

DDS Department of Developmental Services

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SECTION I: TARGETED CASE MANAGEMENT

Forty-three records of individuals supported by Harbor Regional Center (HRC), containing 3,688 billed units, were reviewed for the review period of April 1, 2024, through March 31, 2025, to ensure that the regional center is in compliance with the Federal and State laws and regulations and the Centers for Medicare & Medicaid Services' guidelines relating to the provision of Targeted Case Management (TCM).

The sample records were 100 percent in compliance for criterion 1 (TCM service and unit documentation matches the information transmitted to the Department), 99 percent in compliance for criterion 2 (TCM service documentation is consistent with the definition of TCM service), and 100 percent in compliance for criterion 3 (TCM service documentation identifies the individual who wrote the note and the date the note was completed).

Findings

Criterion 2: The sample of 43 records contained 3,688 billed TCM units. Of this total, 3,687 (99 percent) of the units contained descriptions that were consistent with the definition of TCM services.

Recommendation	Regional Center Plan/Response
HRC should ensure that the time spent on the identified activity that is inconsistent with TCM claimable services (sent separately) is reversed.	Harbor entered a deletion to reverse the claim the last week of October 2025. Unfortunately, the entry was deleted by accident and therefore, did not transmit. It will be re-entered back into the system on 12/22/25 and transmitted. Harbor will continue to train staff on determining billable documentation vs non-billable documentation.

SECTION II: NURSING HOME REFORM

A sample of 10 records of individuals who were referred to HRC for the Pre-Admission Screening/Resident Review (PAS/RR) program were reviewed for the period of April 1, 2024, through March 31, 2025 to ensure that the regional center is in compliance with the Centers for Medicare & Medicaid Services' guidelines relating to Nursing Home Reform (NHR) to determine whether an individual in a nursing facility with suspected developmental disabilities, has a developmental disability and requires specialized services.

The 10 sample records were 100 percent in compliance for criterion 1 (records contained a copy of the PAS/RR Level I form, or NHR automated printout), criterion 2 (records of individuals served contained a PAS/RR Level II document or written documentation responding to the Level I referral), and criterion 3 (The billing information for the 10 sample of individuals served had been entered into the AS 400 computer system and electronically transmitted to the Department).

Findings

None

4

STRATEGIC PLANNING

- **2026-2031 Strategic Plan Draft**

Harbor Regional Center
Strategic Plan
July 1, 2026 to June 30, 2031

Harbor Regional Center's History and Current Status

In 1965, the California Legislature determined that the best way to provide community-based services to citizens with developmental disabilities and their families was through partnerships with local private sector organizations. These local organizations are known as regional centers**.** The legislation that created the regional center system is called the Lanterman Developmental Disabilities Services Act. It is named after Mr. Frank Lanterman, a California legislator with vision who first conceived this unique and progressive government-private sector partnership. The Lanterman Act sets forth in detail the mandates under which regional centers operate. The Lanterman Act is available on line at http://Harbor.dds.ca.gov/.

Harbor Regional Center (Harbor) is one of 21 such centers in California operating under contract with the California Department of Developmental Services. Our center opened its doors in 1973 and served 397 individuals with a budget of $753,565. We currently serve approximately 20,000 individuals with developmental disabilities, developmental delays and/or who are at high risk for developmental disabilities in the South Bay, Harbor, Long Beach, and southeast areas of Los Angeles County with a budget of approximately $495 million. Our major source of funding is a combination of state and federal government programs and, we also receive funding for specific projects or purposes from foundations, businesses, and individuals.

Since 1973, the communities we serve have grown in both number and in cultural and linguistic diversity. Currently, 47% of the individuals we serve identify as Hispanic, 19% White, 14% Asian, 13% African American and 7% self-report as multicultural or other. Many languages are spoken by the individuals and families we serve. The primary languages in which individuals and families want to be contacted or receive information from Harbor are English (82%) and Spanish (15%) The remaining 3% of individuals and families request contact and information in an array of languages. Over time, we have also seen changes in the eligible diagnoses of the individuals we serve. Currently, 29% are diagnosed with an intellectual disability, 50% with autism spectrum disorder, 6% with epilepsy, and 5% with cerebral palsy and 11% with other conditions similar to an intellectual disability. It is important to note that the individuals we serve may have more than one eligible diagnosis.

To meet the changing demographics and needs of our communities, Harbor employs a diverse group of 462 staff, 298 of whom are service coordinators. The diversity of our staff reflects the diversity of the communities we serve with approximately 72% identifying as Hispanic, 9% Asian, 8% African American, 8% White, 1% Native Hawaiian/Pacific Islander and 3% two or more ethnicities. Of our 462 employees, 301 (65%) speak at least one language in addition to English. While the majority of our

bilingual or multilingual staff speak Spanish, a total of 14 languages, other than English, are spoken by our employees.

Since its inception, Harbor has been committed to empowering everyone with developmental disabilities, and the people who support them, by providing innovative and person-centered services that help them live their best lives in our diverse community.

Between 2020 and 2022, the organization experienced the retirement of their long-tenured Executive Director, the challenges of the COVID-19 pandemic, a growing and changing community, and shifts within the developmental services system. After hiring a new Executive Director, Harbor's Board of Trustees recognized the importance of strategic planning to move the organization forward in realizing its vision, living its mission and representing its guiding values. In 2022, the Board of Trustees engaged in a strategic planning process that results in focus areas, goals and objectives set forth in Harbor's Strategic Plan for July 1, 2023 through June 30, 2026 (https://www.harborrc.org/resources/current-initiatives/#strategic-plan).

Based on the progress made to date on that plan, a new strategic planning process began in August 2025 and resulted in the strategic focus areas, goals and objectives set forth in this document for the five-year period July 1, 2026 through June 30, 2031.

Strategic Planning Process

The goal of this second strategic planning process was to develop a new living document that would provide continuing direction for Harbor. As with the first plan, we wanted the new plan to be easy to understand. We wanted it to align with our mission and with the shared priorities of the Board of Trustees, Executive Director, staff, the individuals we serve and their families, our service providers, and other relevant community stakeholders. We wanted a follow-up plan that would continue to hold us accountable to ourselves and to our community. To that end, this strategic planning process was implemented similar to the first one.

The process began with a review of Harbor's vision, mission and guiding values by the Board of Trustees. In line with Harbor's Bylaws, the Board Planning Committee was charged with this first step in the planning process. The review took place in August 2025 and revisions were recommended for full Board's consideration. The recommended revisions were presented to Harbor's Board of Trustees at their September 16, 2025 meeting where the Board voted to adopt the revised vision, mission, and guiding values.

During the review, the Board Planning Committee considered input from various sources (i.e., the Board of Trustees, Harbor's staff, providers, information gathered through surveys and at various stakeholder meetings with individuals we serve and their families). This input not only informed the review and revision of the vision, mission, and guiding values, but also informed other phases of the strategic planning process, including, but not limited to, identifying Harbor's strengths, challenges, opportunities, and strategic focus areas and goals.

After adopting the updated vision, mission, and guiding values, the Board of Trustees held a Strategic Planning Retreat in October 2025 that also included Harbor's Executive Director, Patrick Ruppe, the executive leadership team and a contracted facilitator. The purpose of the retreat was to continue the strategic planning process by reviewing the FY 23/24 to FY 25/26 Strategic Plan and then identifying the focus areas and goals Harbor wanted to prioritize for the next five fiscal years (i.e., FY 26/27 through 30/31). By the end of the retreat, five strategic focus areas with accompanying goals and objectives were drafted.

Mr. Ruppe, the executive leadership team and the Board's Executive Committee then worked together through January 2026 to fine-tune the goals and objectives for each focus area. The objectives were then broken down to establish the deliverables for the five fiscal years included in the strategic plan. The draft strategic plan was on the agenda for discussion at Harbor's Board of Trustees' meeting on January 20, 2026. After that discussion, the Executive Committee was charged with a final review of the strategic plan document and with putting the plan forward to the Board of Trustees for approval at the March 2026 Board meeting.

Upon approval of the strategic plan by the Board of Trustees, Mr. Ruppe and the executive leadership team will develop the operational/work plans that outline the specific projects and activities aimed at achieving the plan's focus areas, goals, and objectives. Implementation of the plans will begin by July 1, 2026. Progress toward achieving the strategic goals and objectives will be reported to, and evaluated by, the Board of Trustees on a semiannual basis in a format agreed upon by the Board and Executive Director. An annual review of the strategic plan will also take place and revisions will be made as needed.

Harbor Regional Center's Vision, Mission and Guiding Values

Vision

Harbor Regional Center envisions a world where everyone with a developmental disability has meaningful relationships, is respected and empowered, is informed and knowledgeable, and reaches their highest potential throughout their life.

Mission

Harbor Regional Center empowers everyone with developmental disabilities, and the people who support them, by providing innovative and person-centered services that help them live their best lives in our diverse community.

Guiding Values

Person Centered Philosophy – We recognize and respect each person's unique strengths and contributions, and support informed decision-making and self-direction.

Diversity, Equity, & Inclusion – We promote a culture of inclusion and belonging that strengthens meaningful relationships and embraces differing perspectives that guide our decision-making.

Partnership – We collaborate and grow with our partners; including those we serve, the people who support them, our staff, our service providers, community leaders, elected officials, and others who share our commitment to the vision of the Lanterman Act.

Innovation – We evolve by seeking better ways to advance our future.

Accountability & Transparency – We are fiscally responsible and use resources effectively, share timely and accurate information, and actively listen to our community.

Summary of Strengths, Challenges and Opportunities

The following is a list of Harbor's strengths, challenges, and opportunities based on input from various sources, including the Board of Trustees, Harbor's staff, service providers, and information gathered from surveys, and at various stakeholder meetings with individuals we serve and their families. This is not an exhaustive list and is presented alphabetically.

Strengths

- Commitment to continuous improvement and innovation in service provision
- Diverse, caring and knowledgeable leadership and staff
- Engaged and collaborative Board of Trustees
- Fiscal accountability
- Focus on person-centered practices
- History of forward thinking and innovation
- Strong advocacy on behalf of the individuals served and their families
- Willingness to listen to the community and change with the times

Challenges

- Ability to expand provider capacity to meet unique needs of individuals and their families, especially due to provider rates and current providers retiring or closing their agencies
- Current political climate and potential impact on funding/budget constraints for our system
- New legislative mandates and/or other requirements set forth in regulation and the regional center/Department of Developmental Services contract
- Limited affordable housing options within our community
- Negative perceptions within the community about Harbor's transparency, cultural sensitivity, and trustworthiness
- Perceived and existing internal resistance to organizational change
- Staying current with technology trends, especially the use of Artificial Intelligence (AI)

- Workforce changes and challenges within both the regional center and the provider community

Opportunities

- Enhance consistency across case management staff
- Expand access to information and resources, especially about services available to those we serve
- Increase communication and outreach with the individuals we serve and their families as well as with elected officials and various community partners
- Increase service options and provider options, especially for individuals with significant and urgent needs (e.g., behavioral, medical and mental health needs)
- Modernize technology and internal processes
- Strengthen Harbor's internal culture through succession planning and leadership development
- Support person-centered practices within the community

Strategic Focus Areas, Goals and Objectives

With a fresh perspective on our vision, mission, and guiding values, the progress made to date on the FY 23/24 to FY 25/26 Strategic Plan, an understanding of what Harbor does well, and the environment in which we operate, the Board of Trustees is pursuing the following strategic focus areas, goals and objectives over the next five fiscal years.

Focus Area: **Improve Individual and Family Experience and Satisfaction**

Goal 1: Improve availability and accessibility of information and communications for all individuals and families.
Objective 1: Deliver ongoing high quality and accessible information to individuals and families through June 30, 2031.
Year 1 (FY 26/27): Develop a plan with timelines that includes, but is not limited to (i) an evaluation of progress from the 2023-2026 Information and Communications Plan, (ii) the role of Harbor's Strategic Communication and Engagement Department and Public Information Officer, (iii) strategies to ensure consistency and quality of the content and appearance of Harbor publications and other communications, (iv) the development of new or revised guidelines, procedures and training on how to use Harbor's communication tools to coordinate and maximize accessibility of information.
Year 2 (FY 27/28) through Year 5 (FY 30/31): Implementation and evaluation of the plan and revisions made as needed.
Goal 2: Optimize individuals' and families' active engagement in the planning process to identify the best services and supports that meet their needs.

Objective 1: Expand infrastructure for Harbor to maintain a more person-centered organization through June 30, 2031.
Year 1 (FY 26/27): Conduct a comprehensive self-assessment to measure progress in being a person-centered organization in key areas that include, but are not limited to (i) leadership, (ii) person-centered culture, (iii) workforce capabilities, (iv) collaboration and partnership, (v) quality and innovation, and (vi) criteria for evaluating the plan's success. Use the results to develop a plan with timelines to help Harbor expand its person-centered approach.
Year 2 (FY 27/28): Implementation and evaluation of the plan and revisions made as needed.
Year 3 (FY 28/29): Repeat comprehensive self-assessment to measure progress in being a person-centered organization. Implementation and evaluation of plan and revisions made as needed.
Year 4 (FY 29/30): Implementation and evaluation of plan and revisions made as needed.
Year 5 (FY 30/31): Repeat comprehensive self-assessment to measure progress in being a person-centered organization. Implementation and evaluation of plan and revisions made as needed.

Goal 3: Enhance the experience and satisfaction of individuals and families served by Harbor.
Objective 1: Increase or maintain the percentage of individuals and families reporting satisfaction with Harbor's delivery of information, person-centered plan facilitation, customer service, and service provider diversity through June 30, 2031.
Year 1 (FY 26/27): (a) Conduct Individual and Family Experience and Satisfaction Survey and analyze results. (b) Implement Person-Centered Plan Facilitation Survey after Individual Program Plan meetings, evaluate results and as needed, set targets and identify strategies for improving response rates and for low satisfaction areas.
Year 2 (FY 27/28): (a) Based on results of Individual and Family Experience and Satisfaction Survey results, set targets, identify and implement strategies for improving response rates and low satisfaction areas. (b) Implement Person-Centered Plan Facilitation Survey after Individual Program Plan meetings, analyze results and as needed, set targets and identify strategies for improving response rates and for low satisfaction areas.

Year 3 (FY 28/29): (a) Conduct Individual and Family Experience and Satisfaction Survey and analyze results. (b) Implement Person-Centered Plan Facilitation Survey after Individual Program Plan meetings, analyze results and as needed, set targets and identify strategies for improving response rates and for low satisfaction areas.
Year 4 (FY 29/30): (a) Based on results of Individual and Family Experience and Satisfaction Survey results, set targets, identify and implement strategies for improving response rates and low satisfaction areas. (b) Implement Person-Centered Plan Facilitation Survey after Individual Program Plan meetings, analyze results and as needed, set targets and identify strategies for improving response rates and for low satisfaction areas.
Year 5 (FY 30/31): (a) Conduct Individual and Family Experience and Satisfaction Survey and analyze results. (b) Implement Person-Centered Plan Facilitation Survey after Individual Program Plan meetings, analyze results and as needed, set targets and identify strategies for improving response rates and for low satisfaction areas.
Objective 2: Increase or maintain the percentage of individuals and families reporting satisfaction with their participation in the Self-Determination Program through June 30, 2031.
Year 1 (FY 26/27) through Year 5 (FY 30/31): Conduct Self-Determination Program Survey and analyze results. Based on results, set targets, identify and implement strategies for improving response rates and low satisfaction areas, as needed.

Goal 4: Support the individuals and families going through the intake process.
Objective 1: Increase or maintain the percentage of individuals and families reporting satisfaction with Harbor's intake process through June 30, 2031.
Year 1 (FY 26/27) through Year 5 (FY 30/31): Conduct Intake Surveys and analyze results. Based on results, set targets, identify and implement strategies for improving response rates and low satisfaction areas, as needed.

Focus Area: **Enhance Service Coordination**

Goal 1: Enhance the quality and consistency of service coordination practices across all case management departments and roles.
Objective 1: Develop, implement and evaluate a training program that includes consistent standards and competencies for all case management staff (i.e., service coordinators, managers and directors) through June 30, 2031.
Year 1 (FY 26/27): (a) Evaluate the current training program for all case management staff, including service coordinators, managers and directors, to include but not be limited to (i) the standards and competencies outlined in the existing training program, (ii) compliance with case management standards or competencies that are statutorily and/or contractually required and relevant Department of Developmental Services regional center performance measures and other communications, (iii) input from case management staff about the existing training program, and (iv) a gap analysis. (b) Based on the evaluation, update the training program as needed and develop timelines for implementation and evaluation of the new program.
Year 2 (FY 27/28) through Year 5 (FY 30/31): Implementation and evaluation of the training program and revisions made as needed.

Goal 2: Ensure a consistent, high quality and efficient eligibility determination process.
Objective 1: Develop, implement and evaluate a timely and customer-focused intake process through June 30, 2031.
Year 1 (FY 26/27): (a) Conduct a comprehensive review of Harbor's current intake policies and processes to include, but not be limited to (i) compliance with statutory requirements, (ii) compliance with Department of Developmental Services regional center performance measures and other communications, (iii) staff training needs, and (iv) results of intake surveys. (b) Based on the review, update intake process as needed and develop timelines for implementation and evaluation of new process.
Year 2 (FY 27/28) through Year 5 (FY 30/31): Implementation and evaluation of the intake process and revisions made as needed.

Focus Area: **Expand Resource Development and Awareness of Available Resources**

Goal 1: Provide individuals and families with an array of innovative service delivery options that meet their unique needs.
Objective 1: Analyze the information collected about Harbor's services to identify areas for further resource development through June 30, 2031.
Year 1 (FY 26/27) through Year 5 (FY 30/31): (a) Utilize existing surveys and needs assessments to identify potential gaps in service delivery options to meet unique needs, including but not limited to cultural, geographic and linguistic needs. (b) As needed, revise existing surveys and assessments and implement other strategies for gathering input about areas for further resource development.
Objective 2: Develop targeted resources that increase service delivery options to meet the unique needs of our community through June 30, 2031.
Year 1 (FY 26/27) through Year 5 (FY 30/31): Based on an analysis of relevant information, identify the number and type of services to be developed during each fiscal year to increase service delivery options that meet the unique needs of our community.

Goal 2: Increase availability, awareness, and accessibility of information about our regional center's services and resources.
Objective 1: Develop, implement and evaluate a plan for sharing information about Harbor's services and resources through June 30, 2031.
Year 1 (FY 26/27): (a) Review the current information shared with the community about services and resources (e.g., printed materials, posted on website). Review relevant policies, and statutory and contractual requirements related to sharing information about services and resources. (b) Review input about accessibility of information from recent surveys and focus groups. As needed, gather additional input from staff and community regarding what and how information is currently shared as well as preferences for information sharing. (c) Based on the review, develop an action plan with timelines for increasing availability, awareness and accessibility of services and resources information.
Year 2 (FY 27/28) through Year 5 (FY 30/31): Implementation and evaluation of action plan and revisions made as needed.

Focus Area: Strengthen Community Engagement

Goal 1: Enhance engagement with the individuals and families we serve.
Goal 2: Enhance training opportunities for, and with, community partners about our regional center and the services we provide.
Goal 3: Increase legislative advocacy to address the needs of the diverse community we serve.
Objective 1: Revise, implement, and evaluate the comprehensive Community Engagement Plan through June 30, 2031.
Year 1 (FY 26/27): Develop a plan with timelines that includes but is not limited to (i) an evaluation of progress from the 2023-2026 Community Engagement Plan, (ii) the role of Harbor's Strategic Communication and Engagement Department and Public Information Officer, (iii) strategies for enhancing engagement with individuals and families, (iv) strategies for enhancing training opportunities for and with community partners, (v) strategies for increasing legislative advocacy, and (vi) criteria for evaluating the plan's success.
Year 2 (FY 27/28) through Year 5 (FY 30/31): Implementation and evaluation of the plan and revisions made as needed.

Goal 4: Increase Early Start Child Find and Identification activities to ensure eligible children are accessing our services.
Objective 1: Develop, implement and evaluate a plan for engaging in Early Start Child Find activities through June 30, 2031.
Year 1 (FY 26/27): (a) Conduct a review of Harbor's current Early Start Child Find and Identification activities as well as a review of statutory requirements and Department of Developmental Services regional center performance measures and other communications about Child Find activities. (b) Based on the review, identify areas for improvement or expansion of activities and create an action plan with timelines to address priority areas. Implement the action plan.
Year 2 (FY 27/28) through Year 5 (FY 30/31): Implementation and evaluation of the action plan and revisions made as needed.

Goal 5: Facilitate collective learning, knowledge sharing, skill development and adoption of new best practices in developmental services.
Objective 1: Expand the Community of Practice (CoP) and incorporate new learning into the organization and service provider community through June 30, 2031.
Year 1 (FY 26/27): (a) Conduct a CoP self-assessment to evaluate its effectiveness and identify areas for improvement in key aspects such as, but not limited to (i) member engagement, (ii) community impact, and (iii) shared practices. (b) Based on the results, create an action plan with timelines to address priority areas. Implement the action plan.
Year 2 (FY 27/28): Implementation and evaluation of the CoP action plan and revisions made as needed.
Year 3 (FY 28/29): Repeat the CoP self-assessment. Update the existing action plan or create a new action plan with timelines to address priority areas. Implement the action plan.
Year 4 (FY 29/30): Implementation and evaluation of the CoP action plan and revisions made as needed.
Year 5 (FY 30/31): Repeat the CoP self-assessment. Update the existing action plan or create a new action plan with timelines to address priority areas. Implement the action plan.

Focus Area: Improve Organizational Development

Goal 1: Maintain a customer-focused culture.
Objective 1: Continue to implement and evaluate an ongoing formal customer service training program that aligns with Harbor's universal customer service standards through June 30, 2031.
Year 1 (FY 26/27) through Year 5 (FY 30/31): (a) Continue providing customer service training as part of new staff onboarding and biennial refresher training to all staff. Evaluate feedback on training, review universal customer service standards and revisions made as needed. (b) Implement Customer Service Survey, evaluate results and as needed, set targets, identify and implement strategies for improving response rates and low satisfaction areas.

Goal 2: Provide continuity and stability in Harbor's leadership.
Objective 1: Develop, implement and evaluate a succession plan to ensure a smooth transition of leadership roles within the organization through June 30, 2031.
Year 1 – FY 26/27: (a) Develop a board approved executive succession policy for ensuring leadership continuing during personnel changes, covering both planned separations and emergency situations by January 31, 2027. (b) Develop a succession plan that aligns with the policy and details the process for identifying and developing talent for future leadership positions by June 30, 2027.
Year 2 (FY 27/28) through Year 5 (FY 30/31): Ongoing implementation and evaluation of succession plan and revisions made as needed.

Evaluation of Progress

Upon the Board of Trustees' approval of this strategic plan, separately created operational/work plans will outline specific projects and activities aimed at achieving the strategic goals and objectives. These yearly operational/work plans are the responsibility of the Executive Director and executive leadership team. Progress toward achieving the strategic goals and objectives will be reported to, and evaluated by, the Board of Trustees on a semiannual basis in a format agreed upon by the Board and Executive Director. An annual review of the strategic plan will also be written and posted on Harbor's website and revisions to the plan will be made as needed.

ANNUAL PURCHASE OF SERVICE MEETING

HARBOR
REGIONAL CENTER

ANNUAL PURCHASE OF SERVICE MEETING

Learn about Harbor data on Purchase of Service, Demographics, and Expenditures for Fiscal Year 2024 - 2025

ENGLISH: Wednesday, 3/25/2026 @ 6pm on Zoom

Click here to register for this meeting

SPANISH: Thursday, 3/26/2026 @ 6pm on Zoom

Click here to register for this meeting

Information will be the same at both meetings.

What to Expect:

- Demographics
- POS Data
- Plans
- Share your feedback

Spanish interpretation will be available for the English session. English interpretation will be available for the Spanish session. ASL interpretation will be available for both sessions. Interpretation in another language is available, please let us know your preference by indicating on the registration or by emailing: info@harborrc.org.

COMMUNITY ENGAGEMENT HIGHLIGHTS


Hearts for the Holidays
2025
HARBOR
REGIONAL CENTER

Holiday Giving

OPERATION GOBBLE
CARSON/GARDENA/DOMINGUEZ ROTARY CLUB

29 Boxes of food to feed family of ten. Each family received a certificate for turkey.

AVEANNA

15 Food Boxes

94TH HOLIDAY BASKETS SANDPIPERS

Four families were nominated by Parent Mentor team. Each family received baskets that included household necessities, clothing, gift cards, and toys.

2025 HOLIDAY CARD & GIFT CARDS

Artwork by Tim'an Ford
Harbor Regional Center Peer Advocate

$37,000 in Gift Cards were mailed or hand delivered to 410 individuals & families served by Harbor.

ROCK FOR TOTS XX

RAISED $5,000 FOR HARBOR HELP FUND

NOVEMBER 23, 2025
HERMOSA BEACH, CA

Photography Credit: Ken Pagliaro

Winter Wonderland

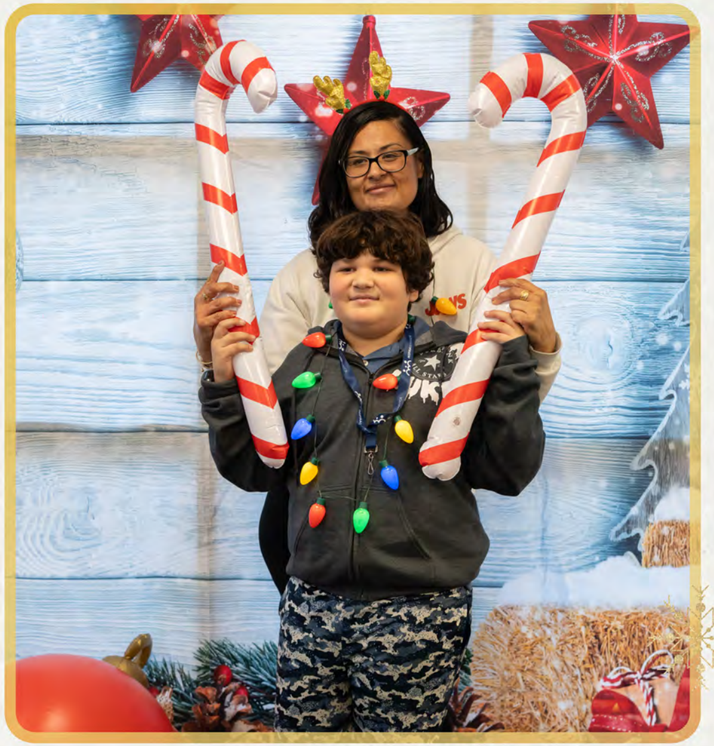
DECEMBER 6, 2025
TORRANCE, CA

Capitol Tree Lighting

DECEMBER 10, 2025
SACRAMENTO, CA

Gift-Giving Resource Fair

DECEMBER 12, 2025
TORRANCE, CA



Special Thanks to Our Partners

Participants & Team Members - Social Vocational Services (SVS) and California Mentor

Jeremy Buck and fellow Rock for Tots Charity Organizers

Carson/Gardena/Dominguez Rotary Club

Sandpipers

LA County Office of Education, Hope on Wheels

Torrance Fire Department, Engine 96

Special Thanks to Our Partners

24 Hour Home Care
Advanced Behavioral Health
Arena Painting
Audi Pacific
Aveanna Healthcare
Cambrian Homecare
David's Place
Dr. Karen Kelly
Dr. Stacy Cohen-Maitre
Early Childhood West Team
F.A.C.T. Family
Game Gen
Glen Park Senior Living
ICAN California Abilities Network
Inspira Behavior
Intake and Clinical Services Teams
Level 2 Level Mentorship
Mattel
Remarkable & Centered Supports, LLC
Silver Leaf Landscaping
Villar Family

Special Thanks to Our Harbor Help Fund Donors

Del Harbor Foundation
City National Bank
Beverly Chen-Dunn
Roger Lo
Frontstream
Nancy Spiegel

John & Sirpa Brock
Zackary Lowe
Kathryn Platnick
Tracy Haas
Andrew Thul

Sons of the American Legion, Squadron 184
Dawn Anzack
Mike Mushaney
Sean Beardsley

Join the Giving Mix in 2026!

There are many opportunities to participate throughout the year!

www.harborrc.org/support-the-harbor-help-fund/

resource.center@harborrc.org

(310) 543 - 0104

HARBOR
REGIONAL CENTER

YOU ARE INVITED TO CELEBRATE WITH US

LUNAR NEW YEAR

FEBRUARY 21, 2026
12PM - 3PM

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21231 HAWTHORNE BLVD
TORRANCE, CA 90503

ALL INDIVIDUALS/FAMILIES SERVED ARE WELCOME!

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COME MEET HARBOR STAFF AND HAVE YOUR QUESTIONS ANSWERED!

RSVP ENCOURAGED:
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QUESTIONS?
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DDS Department of Developmental Services

*THIS EVENT IS SPONSORED BY LANGUAGE ACCESS AND CULTURAL COMPETENCY FUNDS

BOARD COMMITTEE REPORTS

Harbor Regional Center
Audit Committee Meeting
December 15, 2025
Meeting Minutes

In attendance: Laurie Zaleski (Chair), Angie Rodriguez, Tom Huey, AJ Hamon, Judy Wada, Bing Tayag

Absent: Jeffrey Herrera, Patrick Ruppe, Tes Castillo

The Audit Committee held a meeting on December 15, 2025 at 10:00 am via Zoom.

Fiscal Year 2025 Audit

Tom Huey from Windes presented the Committee with the draft financial statements and draft board report for the Fiscal Year 2025. The Committee reviewed the board report and the schedule of findings. One major change this year was the single audit threshold from $750,000 to $1,000,000 in federal award expenditures for fiscal year starting on or after Oct. 1, 2024. This means organizations spending $1M or more in federal funds must undergo a single audit.

Tom reported that Windes will be issuing an unmodified opinion on the financial statement audit. Windes will also be issuing an unmodified opinion on the compliance audit relating to the major federal program. No material weaknesses were identified and no significant deficiencies were reported. This is the highest level of assurance that can be given.

The committee reviewed a comparison of the statement of functional expenses for Fiscal Years 2024 and 2025. Tom further explained the net impact of accrual basis in accounting treatment of the facility lease liability. Judy also mentioned the main increase in purchase of services was the payments made to providers in connection with the Rate Reform. This was also the reason for the net change in Cashflow.

Following a discussion among the Committee members and Windes, the committee approved the draft Financial Statements as presented. After approval of the draft Financial Statements, the Audit Committee members went into executive session with Windes.

Schedule and Tax Filing

Judy will present the financial statements to the Executive Committee on January 6, 2026, and Windes will present the financial statements to the Board on January 20, 2026. Preparation of the Form 990 will then take place for submission to the Executive Committee on May 5, 2026 and subsequent distribution to the full board. Filing deadline for the Form 990 is May 15, 2026.

BT

PRELIMINARY DRAFT STAMP
Subject to Change
For Management Review Only

HARBOR DEVELOPMENTAL DISABILITIES FOUNDATION

FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
Harbor Developmental Disabilities Foundation

Report on the Financial Statements

Opinion

We have audited the financial statements of Harbor Developmental Disabilities Foundation (dba Harbor Regional Center), a California nonprofit corporation (the Foundation), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for one year after the date the financial statements are issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated [REPORT DATE] on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

PRELIMINARY DRAFT
Subject to Change
For Management Review Only

Long Beach, California
[REPORT DATE]

HARBOR DEVELOPMENTAL DISABILITIES FOUNDATION

STATEMENTS OF FINANCIAL POSITION

ASSETS

	June 30, 2025	June 30, 2024
ASSETS		
Cash and cash equivalents	$ 21,342,839	$ 30,564,886
Cash and cash equivalents - client trust funds	109,042	117,569
Investments	50,105	49,795
Receivable - State Regional Center contracts	32,034,029	11,502,151
Receivable - Intermediate Care Facility providers	842,487	546,973
Prepaid expenses and other assets	655,028	1,661,535
Due from State - accrued vacation leave benefits	2,179,536	2,033,024
Due from State - leases receivable	4,771,868	3,353,056
Operating lease right-of-use assets	86,144,649	90,622,478
TOTAL ASSETS	$ 148,129,583	$ 140,451,467

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable	$ 52,209,115	$ 42,468,975
Accrued expenses and other liabilities	2,416,348	1,671,695
Accrued vacation leave benefits	2,179,536	2,033,024
Unexpended client support	128,786	138,646
Operating lease liabilities	90,916,517	93,975,534
Total Liabilities	147,850,302	140,287,874
NET ASSETS		
Without donor restrictions	279,281	163,593
Total Net Assets	279,281	163,593
TOTAL LIABILITIES AND NET ASSETS	$ 148,129,583	$ 140,451,467

The accompanying notes are an integral part of these financial statements.

HARBOR DEVELOPMENTAL DISABILITIES FOUNDATION

STATEMENTS OF ACTIVITIES

	For the Year Ended June 30,	
	2025	2024
SUPPORT AND REVENUE		
State Regional Center contracts	$ 513,973,886	$ 409,539,373
Intermediate Care Facility supplemental services income	1,984,947	1,554,158
Intermediate Care Facility administrative fee	25,486	23,884
Interest income	627,079	79,167
Donations and other income	214,495	87,947
Total Support and Revenue	516,825,893	411,284,529
EXPENSES		
Program services		
Direct services	512,516,110	407,502,998
Supporting services		
General and administrative	4,194,095	3,801,899
Total Expenses	516,710,205	411,304,897
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	115,688	(20,368)
NET ASSETS WITHOUT DONOR RESTRICTIONS AT BEGINNING OF YEAR	163,593	183,961
NET ASSETS WITHOUT DONOR RESTRICTIONS AT END OF YEAR	$ 279,281	$ 163,593

The accompanying notes are an integral part of these financial statements.

HARBOR DEVELOPMENTAL DISABILITIES FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025

	Program Services	Supporting Services	
	Direct Services	General and Administrative	Total Expenses
Purchase of services:			
Residential care facilities	$ 139,987,383	$ -	$ 139,987,383
Day program	83,888,724	-	83,888,724
Other purchased services	225,384,975	-	225,384,975
Total Purchase of Services	449,261,082	-	449,261,082
Salaries and related expenses:			
Salaries	34,836,139	2,027,500	36,863,639
Employee health and retirement benefits	9,593,657	558,361	10,152,018
Payroll taxes	501,184	29,169	530,353
Facility lease expense - operating	5,705,510	332,067	6,037,577
Facility lease expense - long term	4,509,415	262,453	4,771,868
Equipment purchases	1,176,809	68,492	1,245,301
Equipment and facility maintenance	2,266,016	131,885	2,397,901
General expenses	2,573,660	298,384	2,872,044
Communication	838,429	48,797	887,226
Contract/consulting services	699,225	40,696	739,921
Legal fees	-	214,594	214,594
Insurance	282,298	96,503	378,801
Office expenses	148,496	8,643	157,139
Printing	55,221	3,214	58,435
Accounting fees	-	63,000	63,000
Travel	68,969	4,014	72,983
Board expenses	-	6,323	6,323
	$ 512,516,110	$ 4,194,095	$ 516,710,205

The accompanying notes are an integral part of these financial statements.

HARBOR DEVELOPMENTAL DISABILITIES FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	Program Services	Supporting Services	
	Direct Services	General and Administrative	Total Expenses
Purchase of services:			
Residential care facilities	$ 129,871,530	$ -	$ 129,871,530
Day program	75,416,105	-	75,416,105
Other purchased services	143,135,226	-	143,135,226
Total Purchase of Services	348,422,861	-	348,422,861
Salaries and related expenses:			
Salaries	31,459,978	1,854,221	33,314,199
Employee health and retirement benefits	8,421,143	496,334	8,917,477
Payroll taxes	450,793	26,569	477,362
Facility lease expense - operating	5,177,163	305,137	5,482,300
Facility lease expense - long term	3,166,430	186,626	3,353,056
Equipment purchases	1,496,646	88,211	1,584,857
Equipment and facility maintenance	3,085,212	181,839	3,267,051
General expenses	1,483,791	225,052	1,708,843
Communication	738,589	43,532	782,121
Contract/consulting services	1,005,066	59,238	1,064,304
Grants to providers	1,972,363	-	1,972,363
Legal fees	-	163,748	163,748
Insurance	269,960	83,096	353,056
Office expenses	188,356	11,101	199,457
Printing	123,490	7,278	130,768
Accounting fees	-	57,400	57,400
Travel	41,157	2,426	43,583
Board expenses	-	10,091	10,091
	$ 407,502,998	$ 3,801,899	$ 411,304,897

The accompanying notes are an integral part of these financial statements.

HARBOR DEVELOPMENTAL DISABILITIES FOUNDATION

STATEMENTS OF CASH FLOWS

	For the Year Ended June 30,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets without donor restrictions	$ 115,688	$ (20,368)
Adjustments to reconcile change in net assets without donor restrictions to net cash from operating activities:		
(Increase) decrease in:		
Receivable - State Regional Center contracts	(20,531,878)	(10,616,949)
Receivable - Intermediate Care Facility providers	(295,514)	120,445
Prepaid expenses and other assets	1,006,507	(717,895)
Due from State - accrued vacation leave benefits	(146,512)	(222,297)
Due from State - leases receivable	(1,418,812)	9,622,913
Operating lease right-of-use assets	4,477,829	(33,745,290)
Increase (decrease) in:		
Accounts payable	9,740,140	5,504,536
Accrued expenses and other liabilities	744,653	1,032,646
Accrued vacation leave benefits	146,512	222,297
Unexpended client support	(9,860)	(646,720)
Operating lease liabilities	(3,059,017)	24,122,377
Net Cash Used In Operating Activities	(9,230,264)	(5,344,305)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(50,105)	(49,795)
Proceeds from sale of investments	49,795	98,280
Net Cash Provided By (Used In) Investing Activities	(310)	48,485
NET CHANGE IN CASH AND CASH EQUIVALENTS	(9,230,574)	(5,295,820)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	30,682,455	35,978,275
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 21,451,881	$ 30,682,455
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents	$ 21,342,839	$ 30,564,886
Cash and cash equivalents - client trust funds	109,042	117,569
Total Cash and Cash Equivalents	$ 21,451,881	$ 30,682,455

The accompanying notes are an integral part of these financial statements.

NOTE 1 – Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

Harbor Developmental Disabilities Foundation (the Foundation), doing business as Harbor Regional Center, was incorporated on May 3, 1977, as a California nonprofit corporation for the purpose of operating Harbor Regional Center and related activities. Prior to incorporation, the Foundation was operated by a medical association. The Foundation was organized in accordance with the provisions of the Lanterman Developmental Disabilities Services Act (the Act) of the Welfare and Institutions Code of the state of California (the State). In accordance with the Act, the Foundation provides diagnostic evaluations, service coordination, and lifelong planning services for persons with developmental disabilities and their families. The areas served include the Los Angeles County Health Districts of Bellflower, Harbor, Long Beach, and Torrance.

The Foundation operates under an annual cost-reimbursement contract with the California Department of Developmental Services (DDS) under the Act. The maximum expenditures under the contract is limited to the contract amount plus interest earned from contract advances. The Foundation is required to maintain accounting records in accordance with the Regional Center Fiscal Manual, issued by DDS, and is required to have DDS' approval for certain expenses. In the event of termination or nonrenewal of the contract, the State maintains the right to assume control of the Foundation's operations and the obligation of its liabilities.

The Act includes governance provisions regarding the composition of the Foundation's Board of Trustees (the Board). The Act states that the Board shall be comprised of persons with demonstrated interest in, or knowledge of, developmental disabilities, and other relevant characteristics, and requires that a minimum of 50% of the governing board be individuals with developmental disabilities or their parents or legal guardians; and that no less than 25% of the members of the governing board shall be individuals with developmental disabilities. In addition, a member of a required advisory committee, composed of persons representing the various categories of providers from which the Foundation purchases direct services, shall serve as a member of the regional center board. To comply with the Act, the Board includes individuals with developmental disabilities, or their parents or legal guardians, who receive services from the Foundation and a service provider of the Foundation.

NOTE 1 – Nature of Activities and Summary of Significant Accounting Policies (Continued)

Nature of Activities (Continued)

The Foundation contracts with DDS to operate a regional center for individuals with developmental disabilities and their families. The Foundation's contracts with DDS totaled $534,443,596 and $433,899,055 for the 2024-2025 and 2023-2024 contract years, respectively, and are subject to budget amendments. Amounts received from the DDS contracts are recognized as revenue when the Foundation has incurred qualifying operational expenditures per the DDS contracts. Amounts received prior to incurring qualifying operational expenditures are recorded as contract advances and are netted with receivable – state regional center contracts on the statements of financial position to the extent there are receivables due from DDS. As of June 30, 2025 and 2024, actual net expenditures were approximately $491,354,000 and $399,796,000 for contract years 2024-2025 and 2023-2024, respectively. The remaining amounts on the 2024-2025 and 2023-2024 contract years where the Foundation can be reimbursed for qualifying expenditures are approximately $43,090,000 and $34,102,000, respectively, subject to any future budget amendments.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United Sates of America (U.S. GAAP). Revenues are recognized when earned and expenses are recognized when obligations are incurred. Reimbursements from the State are considered earned when a qualifying expense is incurred.

Use of Estimates and Assumptions

Management uses estimates and assumptions in preparing financial statements in accordance with U.S. GAAP. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

NOTE 1 – Nature of Activities and Summary of Significant Accounting Policies (Continued)

Basis of Presentation

The Foundation's financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*. Under FASB ASC Topic 958, the Foundation is required to report information regarding its financial position and activities according to two classes of net assets based upon the existence or absence of donor-imposed restrictions, as follows:

Without Donor Restrictions: Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

With Donor Restrictions: Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. As of June 30, 2025 and 2024, the Foundation has no net assets with donor restrictions.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Foundation considers cash on hand and all highly liquid debt instruments with original maturities of three months or less to be cash and cash equivalents. As required by the Foundation's contract with DDS, funds received from the State are deposited into interest-bearing accounts in a bank legally authorized to do business in California, and which accounts are established solely for the operation of the Foundation. The accounts are in the name of both the Foundation and DDS, as required by DDS.

NOTE 1 – Nature of Activities and Summary of Significant Accounting Policies (Continued)

Significant Concentrations of Credit Risk

The Foundation maintains substantially all of its cash and temporary cash investments at two financial institutions. Accounts at the financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. At times, the Foundation's cash balances may exceed federally insured limits. The Foundation utilizes the Insured Cash Sweep (ICS) service provided through one of the financial institutions. The ICS service places excess funds into demand deposit accounts at various ICS Network member institutions in increments below the FDIC insurance maximum of $250,000. The Foundation has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk on such accounts.

Investments

The Foundation accounts for investments at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Accounting standards have established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Foundation has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted market prices included in level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

During the year ended June 30, 2024, the Foundation liquidated their investment in corporate bonds and invested in a certificate of deposit, which is classified within level 2 of the fair value hierarchy. As of June 30, 2025 and 2024, the fair value of the investment was $50,105 and $49,795, respectively.

NOTE 1 – Nature of Activities and Summary of Significant Accounting Policies (Continued)

Receivable – State Regional Center Contracts

Receivable - State Regional Center contracts represent amounts due from the State for reimbursement of expenditures made by the Foundation under the annual regional center contracts. Management considers all amounts under state regional center contracts at June 30, 2025 to be fully collectible and therefore, no allowance for credit losses has been recorded.

The contract advance balance represents cash advances received by the Foundation under the annual regional center contracts. Amounts receivable from the State are offset against accounts payable when the State notifies the Foundation that a right of offset exists.

Receivable - Intermediate Care Facility Providers

The Center for Medicare and Medicaid Services (CMS) approved federal financial participation in the funding of day and related transportation services purchased for individuals served by the Foundation who reside in Intermediate Care Facilities (ICFs). CMS agreed that the day and related transportation services are part of the ICF service. Accordingly, all the Medicaid funding for ICF residents must go through the applicable ICF provider. The Foundation receives a 1.5% administrative fee based on the funds received to cover the additional workload.

DDS has directed the Foundation to prepare billings for these services on behalf of the ICFs and submit a separate state claim report for these services. The Foundation was directed to reduce the amount of its regular state claim to DDS by the dollar amount of these services. Reimbursement for these services will be received from the ICFs. DDS advances the amount according to the state claim to the ICFs. The ICFs are then required to pass on the payments received, as well as the Foundation's administrative fee, to the Foundation within 30 days of receipt of funds from the State Controller's Office.

Prepaid Expenses and Other Assets

Payments made to vendors for services that will benefit the Foundation for periods beyond the current fiscal year are recorded as prepaid expenses and other assets in the statements of financial position.

NOTE 1 – Nature of Activities and Summary of Significant Accounting Policies (Continued)

Property and Equipment

In accordance with the State Regional Center (state) contracts, all equipment purchased with contract funds is the property of the State. The Foundation is required to maintain memorandum records of equipment purchases and dispositions. Equipment purchases are recorded as supporting or program service expenses when they are incurred. The cost basis of the property utilized by the Foundation and owned by the State was $1,862,305 and $1,070,609 at June 30, 2025 and 2024, respectively. These balances include only the equipment that is sensitive and exceeds $5,000 as required by System Award Management (SAM) guidelines.

Leases

The Foundation accounts for leases in accordance with FASB ASC 842, *Leases*. The Foundation is a lessee in noncancellable operating leases for office space, as well as an operating lease for office equipment. The Foundation determines if an arrangement is a lease, or contains a lease, at inception of a contract and when terms of an existing contract are changed. The Foundation determines if an arrangement conveys the right to use an identified asset and whether the Foundation obtains substantially all of the economic benefits from and has the ability to direct the use of the asset. The Foundation recognizes a lease liability and right-of-use (ROU) asset at the commencement date of the lease.

Operating Lease Liability: A lease liability is measured based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable lease payments depend on an index or rate and are measured using the index or rate at the commencement date. Lease payments, including variable payments made based on an index or rate, are remeasured when any of the following occur: (1) the lease is modified (and the modification is not accounted for as a separate contract), (2) certain contingencies related to variable lease payments are resolved, or (3) there is a reassessment of any of the following: the lease term, purchase options, or amounts that are probable of being owed under a residual value guarantee. The discount rate is the rate implicit in the lease if it is readily determinable; otherwise, the Foundation has elected to use the risk-free borrowing rate per Accounting Standards Update (ASU) No. 2021-09, *Leases (Topic 842): Discount Rate for Lessees That are Not Public Business Entities*, for all classes of underlying assets.

NOTE 1 – Nature of Activities and Summary of Significant Accounting Policies (Continued)

Leases (Continued)

Operating Lease – Right-of-Use (ROU) Asset: A ROU asset is measured at the commencement date at the amount of the initially measured liability, plus any lease payments made to the lessor before or after the commencement date, minus any lease incentives received, plus any initial direct costs. Unless impaired, the ROU asset is subsequently measured throughout the lease term at the amount of the lease liability (that is the present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received. Lease cost for lease payments is recognized on a straight-line basis over the lease term.

The Foundation has elected not to recognize the ROU assets and lease liabilities that arise from short-term leases (have a lease term of 12 months or less, but greater than one month at lease commencement, and do not include an option to purchase the underlying assets that the Foundation is reasonably certain to exercise) for any class of underlying asset and instead recognize the lease payments in the statements of functional expenses.

Accrued Vacation Leave Benefits

The Foundation has accrued a liability for vacation leave benefits earned. However, such benefits are reimbursed under the state contract only when actually paid. The Foundation has also recorded a receivable from the State for the accrued leave benefits to reflect the future reimbursement of such benefits.

Unexpended Client Support – Client Trust Funds

The Foundation assumes a fiduciary relationship with certain individuals served by the Foundation who receive funds from private and governmental sources, including the Social Security Administration and Veterans Administration. These funds are used primarily to offset out-of-home placement and living costs. These funds are held in a separate bank account and interest earnings are credited to the individuals' balances.

NOTE 1 – Nature of Activities and Summary of Significant Accounting Policies (Continued)

Revenue and Revenue Recognition

The Foundation recognizes contributed donations when cash; securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Amortization of the discount to present value is included in contribution revenue. Conditional promises to give with a measurable performance or other barrier and a right of return are not recognized until the conditions on which they depend have been met.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions received that are designated for future periods or restricted by the donor for specific purposes are reported as contributions with donor restrictions. When a donor's stipulated time restriction ends or purpose restriction is accomplished, the original contributions are released from net assets with donor restrictions to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Restricted contributions and net assets that have restrictions stipulated by the donor that the corpus be invested in perpetuity with only income made available for operations are also reported in net assets with donor restrictions.

State contract revenue is revenue received under an annual cost reimbursement contract from the State in accordance with the Act. Approximately 99% of revenue is derived from this source. Each fiscal year, the Foundation enters into a new contract with the State for a specified funding amount subject to budget amendments. Revenue from the State is recognized monthly when a claim for reimbursement of actual expenses is filed with the State. These reimbursement claims are paid at the State's discretion either through direct payments to the Foundation or by applying the claims reimbursements against advances already made to the Foundation. The maximum expenditures under the contract are limited to the contract amount plus interest earned. The Foundation is required to maintain accounting records in accordance with the Regional Center Fiscal Manual and is required to have DDS' approval for certain expenses. In the event of termination or nonrenewal of the contract, the State maintains the right to assume control of the Foundation's operation and the obligation of its liabilities.

NOTE 1 – Nature of Activities and Summary of Significant Accounting Policies (Continued)

Functional Allocation of Expenses

The costs of providing the Foundation's program and supporting services have been summarized on a functional basis in the statements of activities. The statements of functional expenses allocate expenses for all funds to the program and supporting service categories based on a direct cost basis for purchase of services and salaries and related expenses. Operating expenses are allocated based on a percentage of salaries and related expenses per category to total salaries and related expenses, except for certain expenses that are designated as program or supporting services.

Income Taxes

The Foundation has received tax-exempt status from the Internal Revenue Service and California Franchise Tax Board under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the Revenue and Taxation Code. Tax-exempt status is generally granted to nonprofit entities organized for charitable or mutual benefit purposes.

The Foundation recognizes the financial statement benefit of tax positions, such as filing status of tax-exempt, only after determining that the relevant tax authority would more likely than not sustain the position following an audit. The Foundation is subject to potential income tax audits on open tax years by any taxing jurisdiction in which it operates. The statute of limitations for federal and California state purposes is generally three and four years, respectively.

Concentration of Labor

The Foundation retains approximately XX% of its labor force through Social Services Union, Local 721, Services Employees International Union (Union). This labor force is subject to a collective bargaining agreement and, as such, renegotiation of such agreement could expose the Foundation to an increase in hourly costs and work stoppages. In July 2022, negotiations concluded between the Foundation and the Union, extending the current agreement to June 30, 2025.

Subsequent Events

Management has evaluated subsequent events from the statements of financial position date through [REPORT DATE], the date on which the financial statements were available to be issued and determined no additional items need to be disclosed.

NOTE 2 – Receivable – State Regional Center Contracts

The Foundation's primary source of revenue is from the State. Subject to renewal, the Foundation enters into a five-year contract with DDS that is subject to annual appropriations by the State. Revenue from the State is recognized monthly when a claim (invoice) for reimbursement of actual expenses is submitted to DDS for payment. These claims are paid at the State's discretion either through a direct payment to the Foundation or by offsetting the claim against the cash advances received by the Foundation from the State.

As of June 30, 2025 and 2024, DDS advanced the Foundation, under the regional center contracts, $112,440,063 and $107,391,210, respectively. For the financial statement presentation, to the extent there are claims receivable, these advances have been offset against the claims receivable from DDS as follows:

	For the Year Ended June 30,	
	2025	2024
Contracts receivable	$ 144,474,092	$ 118,893,361
Less contract advances	(112,440,063)	(107,391,210)
	$ 32,034,029	$ 11,502,151

The Foundation has renewed its contract with the State for the fiscal year ending June 30, 2026. The contract and amendments provide funding of $488,769,369.

In addition, the Foundation has accrued receivables from the State for expenses that will be settled in cash in future years. These expenses are required to be recognized as liabilities under U.S. GAAP; however, such benefits are reimbursed by the state contract only when actually paid. These expenses relate to accrued vacation lease benefits and leases.

NOTE 3 – Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following:

	June, 30	
	2025	2024
Cash and cash equivalents	$ 21,342,839	$ 30,564,886
Receivable - State Regional Center contracts	32,034,029	11,502,151
Receivable - Intermediate Care Facility providers	842,487	546,973
	$ 54,219,355	$ 42,614,010

Additionally, each regional center submits a monthly purchase of service expenditure projection to DDS, beginning in December of each fiscal year. By February 1st of each year, DDS allocates, to all regional centers, no less than one hundred percent (100%) of the enacted budget for operations and ninety-nine percent (99%) of the enacted budget for purchase of service. To do this, it may be necessary to amend the Foundation's contract in order to allocate funds made available from budget augmentations and to move funds among regional centers. In the event that DDS determines that a regional center has insufficient funds to meet its contractual obligations, DDS will make its best efforts to secure additional funds and/or provide the regional center with regulatory and statutory relief. The contract with DDS allows for adjustments to the Foundation’s allocations and for the payment of claims up to two years after the close of each fiscal year.

The Center maintains a line of credit to manage cash flow requirements during the months of May through August as needed to cover any delays in cash advances and reimbursements over the beginning of the fiscal year. (See Note 5.)

NOTE 4 – Unexpended Client Support and Client Trust Funds

The Foundation assumes a fiduciary relationship with certain individuals served by the Foundation who cannot manage their own finances. Support funds are received from private and governmental sources including the Social Security Administration and Veterans Administration. These funds are used primarily to offset clients' out-of-home placement and living costs, thereby reducing the amount expended by the Foundation. These funds are held in a separate bank account and interest earnings, if applicable, are credited to the individuals' balances. Since the Foundation is acting as an agent in processing these transactions, no revenue or expense is reflected on the accompanying statements of activities. The following is a summary of client support and expenses not reported in the statements of activities for the years ended June 30, 2025 and 2024:

	2025	2024
Support		
Social security and other support received	$ 113,085	$ 896,191
Disbursements		
Personal and incidental expenses	$ 113,085	$ 896,191

NOTE 5 – Line of Credit

The Foundation has a $40,000,000 line of credit with City National Bank, secured by an interest in all personal property and assets of the Foundation, which expires on June 30, 2026. Interest under the line of credit was charged at a rate of 6.5%. No amount was drawn during the fiscal years ended June 30, 2025 and 2024, nor was any amount outstanding on the line of credit as of June 30, 2025 and 2024.

NOTE 6 – Lease Commitments

The Foundation has obligations as a lessee for office space and office equipment with initial noncancellable terms in excess of one year. The office space leases have initial terms of 30 years with no options to extend. The office equipment lease has an initial term of 5 years with no options to extend. The Foundation classifies these leases as operating leases.

NOTE 6 – Lease Commitments (Continued)

Payments due under lease contracts include fixed payments and variable payments. Some of the Foundation's office space leases require variable payments of the Foundation's proportionate share of the buildings' property taxes, insurance, and other common area maintenance charges. These variable lease payments are not included in lease payments used to determine lease liabilities and are recognized as variable lease costs when incurred.

The following summarizes the line items in the statements of financial position which include amounts for operating leases:

	June 30, 2025	June 30, 2024
Operating lease right-of-use assets	$ 86,144,649	$ 90,622,478
Operating lease liabilities	$ 90,916,517	$ 93,975,534

The following summarizes the supplemental cash flow information related to leases:

	For the Year Ended June 30, 2025	For the Year Ended June 30, 2024
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows for operating leases	$ 6,117,296	$ 5,739,561
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	$ -	$ 11,901,713

NOTE 6 – Lease Commitments (Continued)

The weighted-average remaining lease term and discount rate for the operating leases as of June 30, 2025 and 2024 were as follows:

	June 30, 2025	June 30, 2024
Weighted-average remaining lease term	16.83 years	17.71 years
Weighted-average discount rate	3.32%	3.32%

As of June 30, 2025, the Foundation had six operating leases for the use of office space and equipment. Future minimum lease commitments required under those leases as of June 30, 2025 are as follows:

Year Ending June 30,	Related Party	Other	Total
2026	$ 3,835,869	$ 2,453,984	$ 6,289,853
2027	3,945,919	2,521,444	6,467,363
2028	4,059,270	2,390,406	6,449,676
2029	4,176,021	2,462,177	6,638,198
2030	4,212,499	2,536,049	6,748,548
Thereafter	45,052,028	45,710,325	90,762,353
Total lease payments	65,281,606	58,074,385	123,355,991
Less present value adjustment	(13,597,670)	(18,841,804)	(32,439,474)
Present value of lease liabilities	$ 51,683,936	$ 39,232,581	$ 90,916,517

NOTE 6 – Lease Commitments (Continued)

Related Party

The Foundation leases its main office facilities from Del Harbor Foundation (Del Harbor). Del Harbor is a separately incorporated California nonprofit corporation formed to facilitate and augment the coordination of services and programs of the Foundation or those which benefit individuals served by the Foundation, and the Foundation provides administrative support services to Del Harbor. The Foundation paid rent and operating expense reimbursement to Del Harbor of $3,729,025 and $3,414,976 for the years ended June 30, 2025 and 2024, respectively.

NOTE 7 – Contingencies and Litigation

Contingencies

The Foundation is dependent on continued funding provided by DDS to operate and provide direct program services. The Foundation's contract with DDS provides funding for services under the Act. In the event that the operations of the Foundation result in a deficit position at the end of any contract year, DDS may reallocate surplus funds within the State system to supplement the Foundation's funding. Should a system-wide deficit occur, DDS is required to report to the Governor of California and the appropriate fiscal committee of the State Legislature and recommend actions to secure additional funds or reduce expenditures. DDS's recommendations are subsequently reviewed by the governor and the State Legislature and a decision is made with regard to specific actions.

In accordance with the terms of the DDS contract, an audit may be performed by an authorized state representative. Should such an audit disclose any unallowable costs, the Foundation may be liable to the State for reimbursement of such costs. In the opinion of the Foundation's management, the effect of any disallowed costs would not be material to the financial statements at June 30, 2025 and 2024.

The Foundation has elected to finance its unemployment insurance using the prorated cost-of-benefits method. Under this method, the Foundation is required to reimburse the State for benefits paid to its former employees.

NOTE 7 – Contingencies and Litigation (Continued)

Legal Proceedings

The Foundation may be subject to various legal proceedings and claims arising in the ordinary course of its business. While the ultimate outcome of these matters is difficult to predict, management believes that the ultimate resolution of these matters will not have a material adverse effect on the Foundation's financial position or activities.

NOTE 8 – Retirement Plan

Effective July 1, 2004, the Foundation restated its retirement plan and adopted a prototype profit-sharing plan with a 401(k) feature. All employees are eligible to enter the plan immediately upon employment. The Foundation makes non-elective contributions to the plan on behalf of participants. These contributions are based on a percentage of compensation earned by participants during the plan year. Employee contributions are not required and are entirely voluntary. Participants can contribute up to the federal maximum limit. Beginning November 2016, the Foundation matches 50% of a participant's contributions up to the first 6% of the participant’s salary, or a maximum employer amount of 3% of the participant’s salary. Loans are permitted, subject to the terms of the plan document and applicable contract.

The total employer retirement expense for the years ended June 30, 2025 and 2024, were $4,069,209 and $4,182,045, respectively.

In addition, effective June 1, 2005, the Foundation established a 457(b) deferred compensation plan. The Foundation does not contribute to this plan; however, employees can contribute to this plan in addition to the retirement plan. Loans are not permitted.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees of
Harbor Developmental Disabilities Foundation

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Harbor Developmental Disabilities Foundation (the Foundation), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated [REPORT DATE].

Internal Control Over Financial Reporting

In planning and performing our audits of the financial statements, we considered the Foundation's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Foundation's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audits, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PRELIMINARY DRAFT
Subject to Change
For Management Review Only

Long Beach, California
[REPORT DATE]

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Trustees of
Harbor Developmental Disabilities Foundation

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Harbor Developmental Disabilities Foundation's (the Foundation) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the Foundation's major federal program for the year ended June 30, 2025. The Foundation's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Foundation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit Compliance section of our report.

We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determine of the Foundation's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statues, regulations, rules, and provisions of contracts or grant agreements applicable to the Foundation's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and an express on opinion on the Foundation's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Foundation's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Foundation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Foundation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance, and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

PRELIMINARY DRAFT
Subject to Change
For Management Review Only

Long Beach, California
[REPORT DATE]

HARBOR DEVELOPMENTAL DISABILITIES FOUNDATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor/ Program Title	Contract Year	Assistance Listing Number	Pass-Through Number	Disbursement/ Expeditures
U.S. Department of Education				
Passed Through the State of California Department of Developmental Services				
Special Education - Grants for Infants and Families with Disabilities (Part C)	24/25	84.181A	H181A2490037	$ 3,212,030
TOTAL EXPENDITURES OF FEDERAL AWARDS				$ 3,212,030

HARBOR DEVELOPMENTAL DISABILITIES FOUNDATION

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Foundation under programs of the federal government for the year ended June 30, 2025. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Foundation, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of the Foundation.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Part C expenditures are based on state contract budget allocations.

NOTE C – INDIRECT COST RATE

The Foundation has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

HARBOR DEVELOPMENTAL DISABILITIES FOUNDATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements

The independent auditors' report expresses an unmodified opinion on whether the financial statements of Harbor Developmental Disabilities Foundation were prepared in accordance with generally accepted accounting principles.

Internal control over financial reporting:

Material weakness(es) identified? – No

Significant deficiencies identified? – None reported

Noncompliance material to financial statements noted? – No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? – No

Significant deficiencies identified? – None reported

Type of auditors' report issued on compliance for major programs – Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? – No

Identification of major programs:

Special Education – Grants for Infants and Families, Federal Assistance Listing #84.181A.

Dollar threshold used to distinguish between type A and type B programs was $750,000.

Auditee qualified as low-risk auditee? – Yes

HARBOR DEVELOPMENTAL DISABILITIES FOUNDATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

SECTION II – FINDINGS - FINANCIAL STATEMENTS AUDIT

None

SECTION III – FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

HARBOR
REGIONAL CENTER

CLIENT ADVISORY COMMITTEE MINUTES

Meeting Date: November 12, 2025 **| Time:** 5 PM **| Meeting location:** *Zoom*

ATTENDEES:

Deborah Howard (Member)
Mead Duley (Member)
Tim'an Ford (Member)
Deaka McClain (Member)
Ali Hamouda (Member)
Judy Taimi (Harbor)

AGENDA TOPICS:

Time allotted 5:00 – 6:00 PM
Agenda Topic: Independent Living Services (ILS) and Supported Living Services (SLS)
Quorum: Met

The committee discussed:

- Independent Living Services
  - The committee received a presentation on Independent Living Services where we reviewed about the following information:
    - Who can access the service of Independent Living Services
    - What Independent Living Services includes:
      - Community access and participation
      - Cooking and nutrition education
      - Money management and budgeting
      - Shopping and laundry skills
      - Hygiene and personal care training
    - How to access Independent Living Services
      - Contact your Service Coordinator
      - Request an ILS assessment
      - Your SC will review available ILS agency options with you
      - Your SC will make the referral
      - The agency will contact you to schedule an assessment
      - Complete your assessment and develop goals

- Supported Living Services
    - The committee received a presentation on Supported Living Services where we reviewed the following:
        - Who can access the service of Independent Living Services
            - Adults (18+) with developmental disabilities
            - Individuals who want to live independently
            - Those who need ongoing support with daily life skills
        - What Supportive Living Services includes:
            - Daily living skill training and support
            - Money management and budgeting
            - Housekeeping and shopping
            - Cooking and meal preparation
            - Assistance with self-care tasks
            - Help finding and moving into your own home
        - Who can access the service of Supportive Living Services
            - Adults (18+) with developmental disabilities
            - Individuals who want to live independently
            - Those who need ongoing support with daily life skills
        - How to access Supportive Living Services
            - Contact your Service Coordinator
            - Review your cost of living and budget
            - Your SC will review available SLS agency options with you
            - Your SC will make the referral
            - The agency will contact you to schedule an assessment
            - Complete your assessment and develop goals
        - Individual & Family Responsibilities
            - Participate in the ILS/ SLS assessment to identify needs, strengths, and develop goals
            - Provide information as requested
            - Connect with your ILS/SLS agency to schedule services
            - Participate in services
            - Communicate with your SC about progress and challenges

Next Meeting: February 11, 2026 at 5 PM via zoom

HARBOR
REGIONAL CENTER

CLIENT SERVICES COMMITTEE MINUTES

Meeting Date: November 25, 2025 **| Time:** 6 PM **| Meeting location:** *Zoom*

ATTENDEES:

Fu-Tien Chiou (Member)
Deaka McClain (Member)
Gordon Cardona (Member)
Kim Vuong (Member)
Guadalupe Nolasco (Member)
Shirlys Gruber (Parent)
Jessica Sanchez (Harbor Staff)
Lucy Paz (Interpreter)
Diana Cruz (Harbor Staff)
Liz Cohen-Zeboulon (Harbor Staff)

AGENDA TOPICS:

Time allotted 6:00 – 8:00 PM
Agenda Topic: Independent Living Services and Supported Living Services

Quorum: Met

The committee reviewed and approved the minutes from the September 26th meeting.

The committee participated in the training discussing the current Independent Living Services and Supported Living Services being accessed by individuals that have exited the school district based on their assessed needs through Harbor.

- Independent Living Services
    - The committee received a presentation on Independent Living Services where we reviewed about the following information:
        - Who can access the service of Independent Living Services
        - What Independent Living Services includes:
            - Community access and participation
            - Cooking and nutrition education
            - Money management and budgeting
            - Shopping and laundry skills
            - Hygiene and personal care training
        - How to access Independent Living Services
            - Contact your Service Coordinator
            - Request an ILS assessment

- Your SC will review available ILS agency options with you
- Your SC will make the referral
- The agency will contact you to schedule an assessment
- Complete your assessment and develop goals

- Supported Living Services
  - The committee received a presentation on Supported Living Services where we reviewed the following:
    - Who can access the service of Independent Living Services
      - Adults (18+) with developmental disabilities
      - Individuals who want to live independently
      - Those who need ongoing support with daily life skills
    - What Supportive Living Services includes:
      - Daily living skill training and support
      - Money management and budgeting
      - Housekeeping and shopping
      - Cooking and meal preparation
      - Assistance with self-care tasks
      - Help finding and moving into your own home
    - Who can access the service of Supportive Living Services
      - Adults (18+) with developmental disabilities
      - Individuals who want to live independently
      - Those who need ongoing support with daily life skills
    - How to access Supportive Living Services
      - Contact your Service Coordinator
      - Review your cost of living and budget
      - Your SC will review available SLS agency options with you
      - Your SC will make the referral
      - The agency will contact you to schedule an assessment
      - Complete your assessment and develop goals
    - Individual & Family Responsibilities
      - Participate in the ILS/ SLS assessment to identify needs, strengths, and develop goals
      - Provide information as requested
      - Connect with your ILS/SLS agency to schedule services
      - Participate in services
      - Communicate with your SC about progress and challenges

Next Meeting: January 28, 2026 via zoom

HARBOR REGIONAL CENTER
Self Determination Advisory Committee
Meeting Minutes
November 5, 2025

Opening:

Harbor Self Determination Advisory Committee (SDAC) was called to order at 6:08 PM on Wednesday, November 5, 2025, via Zoom.

Quorum was established.

Committee Member Present:

Deaka McClain – Individual Served, Committee Chair

Tim'an Ford – Peer Advocate

Miriam Kang – Parent

Wendy Clutterbuck – Parent

Shirlys Gruber – Parent

Mayra Garcia – Parent

Kyungshil Choi – Parent

Harbor Staff Present:

Antoinette Perez – Director

Ricardo Orozco – PCS

Bernice Perdomo – CSM

Bryan Sanchez – CSM

Jimmy Silvestre – CSM

Erika Castillo – CSM

Visitors:

Lucy Paz – Interpretar

Natima Nelly – OCRA

Albert Feliciano –SCDD

Sonni Charness – Guidelight Group

Debra Jorgensen – Guidelight Group

Kim Sinclair - ASLA

Adelayda Sanchez

HARBOR REGIONAL CENTER
Self Determination Advisory Committee
Meeting Minutes
November 5, 2025

Adriana Ortiz

Alejandra Calderon

Aracely Lopez

Cesilia Ortiz

Lisa Sorenson

Mandy's iPhone 13

Maria Poblete

Reiko Umeda

Reyna Reyes

Rubi Saldana

Shelia Jones

Tamara Pauly

Yolaid Roque

Judy Marks

Yolanda Gomez

Jazmin Chandler

Abbreviations:

Harbor: Harbor Regional Center
IF: Independent Facilitator
PCP: Person-Centered Plan
SCDD: State Council on Developmental Disabilities
SDP: Self-Determination Program
DVU: Disability Voices United
FMS: Financial Management Service

HARBOR REGIONAL CENTER
Self Determination Advisory Committee
Meeting Minutes
November 5, 2025

DDS: Department of Developmental Services

RFP: Request for Proposal

SDAC: Self-Determination Local Advisory Committee

OCRA: Office of Clients' Rights Advocacy

ASLA: Autism Society of Los Angeles

CSM: Client Services Manager

Welcome:

Introductions of committee members and guests via the chat. Present committee members opened camera and introduced themselves.

Approval of Minutes:

October 1, 2025 minutes were reviewed. Motion to approve the minutes made by Miriam Kang, seconded by Mayra Garcia.

Minutes were approved.

Committee Members Responsibilities and Agreements:

Mission Statement (read aloud by Wendy Clutterbuck)

Committee Responsibilities (read aloud by Miriam Kang):

- attend meetings regularly and commit to being on time
- be mindful of participants' time by helping keep meetings on track
- listen attentively
- maintain an open mind towards others
- support the actions and efforts of the committee

Committee Agreements (read aloud by Tim'an Ford):

- We agree to be respectful of each other
- We agree to respect privacy by not sharing any personal information
- We agree to only ask questions and share comments related to the SDP

- During public comments, raise your hand and wait to speak until called
- One comment per person, unless there is time for additional questions or comments
- If your questions were not answered during the meeting, email your Harbor service coordinator or Harbor PCS team

Committee Chair Statewide Updates:

Deaka McClain reported that she has no updates. Chair reported the next meeting will take place in April of 2026 and will provide updates accordingly.

Harbor Regional Center Monthly Updates:

- Ricardo Orozco reviewed current FMS at Harbor
  - 18 FMS vendored with Harbor
  - 18 offering Bill Payer (315)
  - 15 offering Co-Employer (316)
  - 15 offering Sole Employer (317)
  - Frequent updates to the FMS list on Harbor's website were noted. Families were advised to contact service coordinators for support.
- Antoinette Perez presented the RFP funds for the 2024-25 year
  - FY 2024–25 funds total $71,888.91
  - FY 2025-26 funds total $99,917.00
  - Potential candidates need to submit proposals no later than 1/31/26
  - The evaluation period will take place the month of February.
  - Candidates will be notified March 4, 2026
  - Questions regarding if an IF can submit and staff informed that only could submit a proposal and guidelines are posted on the Harbor website.
  - Question regarding how funds will be used and staff informed community that the LVAC committee voted for

more IF training/support with a focus on the d/Deaf and hard of hearing community.

- Question about who will evaluate the proposals and staff informed the community it would it be Harbor staff and two committee members. A scorecard will be given per proposal.
- Questions if funds may be used for mentorship and staff informed the community that the committee did not include mentorship in the guidelines.
- Questions about timeline for funds to be used and staff informed the community that there is no date for funds to be used at this time but will update accordingly.

- Ricardo Orozco presented and reviewed the role of the FMS and support offered to participants.
  - What is the FMS:
    - Helps manage the administrative parts of SDP
  - Why is it required:
    - State law requires it
    - FMS does not control the budget
    - Supports individual/family with managing the budget
  - Role of the FMS:
    - Manage the individual budget
    - Assist with hiring employees
    - Verify employees
    - Background checks
  - Bill Payer (315)
    - Pays for good and services
    - Agency hires only
    - Cannot hire employees such as friend family etc.
    - Pay taxes maintain insurance
  - Co-Employer (316)
    - Participant and FMS work together to hire and fire employees
    - Can hire employees and agencies
    - Covers employee insurance
    - Make sure employment laws are followed
    - Carries liability insurance

- Sole Employer (317)
  - Direct employer of workers
  - Compliance with employment laws
  - processes payroll
- Who pays for the FMS:
  - As of July 1, 2022—Regional Centers pay for the FMS
  - Based on the model and # of employees/providers
  - Monthly rates are paid to also support preferred languages of participants
  - Employer Burden Rates apply under 316 and 317.
  - Harbor website has all of the FMS information.
- Upcoming Events and Workshops
  - Harbor Transition Event – 11/8/25 at Ability First in LB
  - ILS & SLS presentation in person 11/13/2025 from 6-7pm in person and 11/15/25 9-10:30am via Zoom
  - Peer Hangout ages 18+ 2nd Thursday of every month from 3-5pm
  - Different Thinkers Learners: Challenges in Emotional Development 12/2 @ 5:30pm.

Partner Updates:

- OCRA – Provided updates on rights advocacy services.
  - Offered support with RC services, IEP, disability rights free legal services to RC individuals eligible for services.
  - Change in IHSS hours
  - In a public school and you are requesting new services through IEP
  - IF you receive SSI notices such as denial, they can review
  - Appeals for RC services denied
- State Council (SCDD) – Shared available resources and statewide updates.

- Technical assistance such as a new family RC services and need information on what the IPP is what services are available etc.
- If family receives a NOA through RC and or school and provide resources on how they can appeal.
- Appeal process and Anti Bullying
- Various trainings for family members, such as supported decision making
- They cannot do direct representation
- Answer questions provide resources and refer to other agencies
- Information on the new parent academy for 2026 was shared, there is an application process that can be vigorous and there are many applications being submitted.

➢ Guidelight Group:

- Guidelight shared the current grant/scholarship is to help train new IF's who can work with RC individuals who are deaf and/or hard of hearing. The deadline for the grant is 11/6/2025 and there are currently 22 applicants. By Nov. 20th they will announce who the 12 spots will go to.
- Training will start in January
- Certificate of comprehension was had at 95% of IF's
- Language capacity was 9 Spanish, 1 Korean, 6 Mandarin, 1 Japanese, and 1 French.
- Survey Responses were reviewed regarding IF's training and continuation of services within RCs, underserved and diverse communities.
    - IF's need for individuals to support
    - Can Harbor assist in pairing individuals with new IF's for Mandarin, Chinese, and other languages
    - An opportunity to provide new IF's with 099 trainings
    - Questions regarding how many individuals graduate and how much funds they received.

They can train 40 individuals during the first training in Jan. and next 40 in July totaling 80. Guidelight stated that individuals graduate and they could continue to provide support, coaching calls to help them with their first participants. They offer group-coaching calls after the cohort finishes. They have an online community.

Public Comments:

- LVAC Chair reviewed how public comments would be addressed. First, resource announcement will take place; next, the public can make comments or questions. If support is still needed – reach out to your service coordinator.
- Disability Voices United (DVU) shared they took part in developing SDP law. DVU has monthly meetings with SDP Connect, and think outside the box. DVU has recording on their Youtube channel. DVU has a sold out conference-taking place on Nov 19th in DTLA with speakers for SDP and Supported Decision Making. DVU has two published booked for purchase on Amazon. DVU expressed concerns with how Harbor is handling Rate Reform/Increases.
    - Harbor Staff reviewed Harbor's current stance on Rate Reform/Increases. The community was informed that rate increases are not automatic and are only applied when a participant is using a vendored provided in the Spending Plan, or when there is a circumstance due to change in needs. DDS is aware of Harbor's practice and until clear instructions are given by DDS—Harbor will not change its practice.
- DVU stated they are not in agreement with Harbor's rate Increase practice. Further comments about the time limits to public comments was stated. DVU expressed concerns for the SDP training being provided for the public during the LVAC meetings.

- Public member expressed a request for timelines on how long it takes to process a spending plan, a budget, etc. Public member was not in agreement with the time limits for public comments.

SDP Success Stories:

Ricardo Orozco shared two SDP participants' success stories and noted the positive impact of the program.

Closing:

- Upcoming Orientations:
  - November 15, 2025 (English) 9:00 AM – 12:00 PM
- Next SDAC Meeting: January 7, 2025, from 6:00 PM – 8:00 PM via Zoom.
- Meeting adjourned at 8:00 PM

Minutes submitted by Erika Castillo/David Hernandez

Harbor Regional Center
Service Provider Advisory Committee (SPAC)
December 2, 2025 10:00 a.m.

Committee Participants

Member Name	Organization
Lesly Rovelo	SVS
Leo Vasquez	SVS
Paul Quiroz	Cambrian Homecare
Diane Sanka	Easter Seals
Angelica Real	Easter Seals
Ellamay Cruz	Easter Seals
Sharon Oh	Share Speech & Language
Lindsey Stone	ICAN Ca
Ricardo Ruiz	CBEM
Johanna Torres	David's Place
Monique Weatherspoon	Person Centered Options
Lidia Flores	Right Choice In-Homecare
Geobanna Jimenez	Aveanna Healthcare
Adrian Estrada	PALS Inc
Gabby S	BHH Respite Services
Crystal Hayes	CIP
Krisha Tabor	Butterfli Transportation

HRC Staff Participating

Staff Name	Title
Patrick Ruppe	Executive Director
Judy Wada	Chief Financial Officer
Elizabeth Garcia Moya	Community Services Director
Leticia Mendoza	Department Assistant Community Services
Daisy Bejarano	Manager Person Centered Practices
Daniel Hoyos	Manager of Community Services
Aimee Fabila	Provider Relations HCBS Specialist
Vincente Miles	Manager of Emergency Services
Total participants	26

Call to Order
Sharon Oh called meeting at 10:00 a.m. Meeting began by introductions of SPAC committee.

Sub-Committee Updates
Sharon Oh and SPAC Chair Members. The subgroups continue to host individual sub-committee meetings to discuss current issues and concerns.

- **Diane Sanka- Day Program Chair-** Provided an update on the following topics from their last meeting.

- Last meeting held 11/18/25
- CCL Conference & updates on common citations
- Harbor HCBS trainings

- **Baldo Paseta**
  - Burns & Associates Transportation Survey due 11/2/25
  - Transportation mileage per individual
  - Rate changes effective 1/1/26 appear promising
  - Next DDS survey due 1/31/26
  -
- **Sharon Oh,– Early Start Chair –**Provided an update on the following topics discussed:
  - Last meeting held 11/6/25 via zoom
  - Assessment procedures
  - HIPPA Agreement
  - Business Associate Agreement
  - Rate Reform changes
  - Judy Wada –Phishing & Scam emails
  - Next meeting 11/06/25

- **Lindsey Stone- Supported Employment Chair** –Provided an update on the following topics:
  - Did not meet in November
  - Continue to monitor email communications from DDS with latest updates

- **Paul Quiroz, Support Services -** Provided an update on the following topics:
  - New group members in meetings
  - Next meeting 1/26/26

Community of Practice

Daisy Bejarano, Manager of Person Centered Practices shared an overview presentation on Community of Practice (COP).

- What is Community of Practice (COP).
- What happened last year
- Looking ahead to COP in 2026
- When is the next COP? How do I get involved?
- For the new year 2026 COP will maintain in-person Deep Drives & virtual coaching circles. Training will be offered in different parts of Harbor service areas.
- Next Deep Dive is 2/12/26 at the Harbor Long Beach office
- New theme – "Be the Bridge"
- Registration contact: Rosa.Olea@harborrc.org
- Encourage committee to sign up to PCT Newsletter to receive COP updates

HCBS Update

Aimee Fabila, Provider Relations Specialist shared a presentation on HCBS updates and upcoming trainings.

- **Upcoming Trainings**

- Helen Sanderson Associates Training 2026
    - Curious Conversations, Cohort 1 -Dates 1/13/26 - 3/17/26
    - Cohort2 –Dates 1/15/26 -3/19/26
    -
- IntellectAbility Trainings:
    - Person Centered Thinking Trainings held at Harbor Torrance office, Time 9:00am -5:00pm
    - Session 3: 12/11/25 & 12/12/25
    - Session 4: 2/11/26 & 2/12/26
    - Session 5: 3/10/26 – 3/11/2026

- **ALO Trainings**
    - Targeted to HCBS Consultations
    - Federal Requirements
    - Documentation
    - Implementation Strategies

To register, please email to Training.Reservations@harborrc.org with the following information:

- Name
- Employer
- Email
- Position

Additional questions, please contact Brian Carrillo at brian.carrillo@harborrc.org.

- **DDS Monitoring Directive**
    - Effective 1/1/2026 an annual review of all HCBS settings will be required.
    - Service codes previously included under residential, day services and employment services with expansion of additional service codes.
    - Evidence of compliance to be collected the same way as previous evaluations.
    - DDS to release a new HCBS directive

Workplace Violence Prevention Program

Vincente Miles, Manager of Emergency Services shared a presentation of Workplace Violence Prevention Program:

- Cal/OSHA effective 7/1/24 required most California employers to comply with workplace violence safety requirements
- Developing and Implementing a Workplace Violence Prevention Plan (WVPP) either standalone document or part of Injury/Illness Prevention Plan (IIPP)
- Training employees
- Creating incident logs
- Recording requirements
- Harbor Workplace Violence plan available on our website
- Harbor Blood Drive Reminder 12/4/2025

Vincente reminded service providers of the importance to have this plans and provide training to their staff in addition to register on the CAL OSHA website to receive current requirements and to stay informed.

Rate Reform

Elizabeth Garcia-Moya shared presentation on Rate Reform status:

- Regional centers must implement changes to service codes, subcodes, billing and IFSP /IPPS by 12/31/25.
- Harbor Community Services and Accounting Departments have worked closely for large purchase of service authorization changes. Changes will now be available on the provider e-billing portals.
- Retroactive Payments to the following provider service categories:
    - Residential
    - Respite, Childcare, Personal Assistance'
    - Early Start
    - Behavioral
    - Adult Day
    - SLS / ILS
- Hold Harmless Policy date changed from 6/30/26 to 2/28/26 for those providers that rates exceed the rate reform recommendations

Quality Incentive Program (QIP) FY 26/27

- Next Provider QIP effective 7/1/2026
    - To qualify for the QIP in Fiscal Year 2026–2027, by **02/26/2026** providers must be in compliance with three key requirements, California Welfare and Institutions Code §4519.10:
    - Electronic Visit Verification (EVV), if applicable
    - Home and Community-Based Services (HCBS) Rules, if applicable
    - **Annual independent fiscal audit requirements**, if applicable
    - DDS Directive 10/9/25 – Provider Capacity Measure FY 26/27

EVV Data

Elizabeth reminded providers of enrolling in the EVV data system for those applicable services.

Home and Community Based Services (HCBS)

Service Providers must comply with the Federal requirements for the applicable HCBS service codes. Information posted on Harbor's website.

QIP Measures Fiscal Year 26/27

- QIP Measures Deadline is 1/31/26
- DDS emailed survey links 11/3/25 to the email addresses registered with the Provider Directory
    - QIP Provider Capacity
    - QIP Employment
    - QIP Prevention & Wellness

    - For those that have not received the survey links, please contact QIPquestions@dds.ca.gov
- Eligible Service providers must report on the following provider characteristics and aspects of workforce capacity:
- Staff data (i.e. turnover, wages, tenure, and benefits by job category)
- Agency data (i.e. provider structure, language structure)
- QIP Employment: Service codes 950 & 952
    - Staff training- ACRE, CESP, CIE
    - Employment and staff data
- Residential Services codes
    - Review of census data from DDS
    - Exam/Screening data per resident and submission
- Deadline 2/27/26 EVV, HCBS, Independent Audit/ Review if applicable
- Helpful Website QIP Links provided

Independent Review or Audit Compliance

Welfare and Institution Code; Section 4652.5

(a)(1) An entity that receives payments from one or regional centers shall contract with an ***independent accounting firm*** to obtain an independent audit or independent review report of its financial statements relating to payments made by regional centers, subject to both of the following:

- Independent **Review**- If the amount received from the regional center or regional centers during the entity's fiscal year is more than or equal to five hundred thousand dollars ($500,000), but less than two million dollars ($2,000,000)

- Independent **Audit**- If the amount received from the regional center or regional centers during the entity's fiscal year is equal to or more than two million dollars ($2,000,000)
    - Independent Review or Audit to be submitted to the regional center within nine (9) months of entity's fiscal year.
    - Service providers may request a two-year exemption, if the regional center does not find issues with the prior year's review or audit.
- FY 23/24 in March DDS sent Service Provider list of those required to do reviews & audits. As of 11/21/25 Harbor status is as follows:

    - Required 154
    - Submitted 87
    - Exempt 87
    - Remaining 67

Standardized Vendorization

- 12/3/2025 S-Soft launch of processing new vendorization though the provider directory
- Regional centers will post this week the roll out of the service codes
- 3/1/26- All new vendorizations must be completed via the Provider Directory
- Service categories Exclusions from the Provider Directory: SDP, Emergency vendorizations and RFP's.

- Harbor Implementation Plan:
    - 12/3/25- Service codes 896, 056
    - 1/15/26- Service codes 744, 612,613,615,616
    - 2/15/26- 116
    - 3/1/26- Open to all eligible service codes

For more information: *Standardization and Modernization : CA Department of Developmental Services*

Protecting PHI & P11

Judy Wada reminded committee to be vigilant and protection of PHI & P11

- Recent Phishing Attacks
    - Be suspicious
    - Verify the sender
    - Be wary of attachments or links
    - Passwords
    - Report

S**ervice Provider Announcements**: ICAN will be hosting Resource Fair in February 2026, date to be determined. Additional information on ICAN website.

Next meeting February 3, 2026

Meeting Adjourn 11:30 a.m.