CALIFORNIA SCDD
State Council on Developmental Disabilities

STATE OF CALIFORNIA
Edmund G. Brown Jr.
Governor

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January 6, 2014

Ms. Sara Newell
Project Officer

Ms. Rita Stevens
Project Officer

Administration on Intellectual and Developmental Disabilities
Administration for Community Living
Washington DC 20201

Subject: Requesting Reconsideration of High Risk Designation for Basic State Grant Award and Stipulation of Payment on a Reimbursement Basis

Dear Ms. Newell and Ms. Stevens:

This correspondence is being sent as promised in our letter to Commissioner Bishop dated December 26th, 2013 and per the requirements as outlined in your letter dated November 22, 2013 for "The Method of Requesting Reconsideration of the Additional Requirements Imposed". Attached please find the California State Council's Request for Reconsideration of the High Risk Designation to our Notice of Award and specifically the additional stipulation of payment on a reimbursement basis.

The Council has conducted a detailed review of the findings in the Monitoring and Technical Assistance Review System (MTARS) Report resulting from the January 2013 site visit as well as the historical overview of previous compliance findings. As a part of this review we have discussed the steps necessary to take immediate action and respond appropriately. As an initial result we have formed an MTARS Committee consisting of Council Officers, Committee Chairs, Federal Partners, and Governors Administration representatives. Furthermore, the MTARS Committee will be staffed by our Executive Director and supported by our Deputy Director of Policy and Planning as well as our staff Counsel, please see Attachment 1 "MTARS Committee Agenda and Membership". As required by special conditions 2 and 3 within the "Nature of Additional Requirements" section of your letter dated Nov 22, 2013, the Council will submit a Corrective Action Plan (CAP) by February 14, 2014, provide monthly progress reports on the CAP starting March 17, seek technical assistance, and participate in Quarterly calls with AIDD staff for review of the CAP to comply with the requirements for additional project monitoring. While the full Council will be involved with MTARS corrective action steps it is our intent to spearhead the effort with the MTARS Committee membership.

It is our intent and desire to not only continue to take action but also share steps already taken in the last sixteen months to strengthen our Council. To this end we have included Attachment 2 "CA SCDD Council Governor Appointments Chart" to respond to your request for this information and Attachment 3 "Request for Reconsideration of High Risk Status – Response to Fiscal Compliance Issues Identified in 2013 MTARS". Attachment 3 contains detailed information to support our appeal of the High Risk Designation and the stipulation for payment on a reimbursement basis. Attachments A-J are referenced in Attachment 3. In this request for reconsideration of the high risk designation, we have concentrated on documenting the numerous steps taken by the Council since your site visit to shore up our fiscal systems, and ensure that the Council has all necessary fiscal information in order to carry out its fiduciary responsibilities in a transparent manner. In doing so, we have strived to provide the information that already addresses the areas of fiscal noncompliance identified in the MTARS report. We readily acknowledge the need for further improvement and we welcome the guidance of AIDD and NACDD staff in making those improvements.

In highlighting the steps we have taken, we hope to demonstrate our resolute commitment to resolving areas of noncompliance and performing and reporting as an exemplary Council.

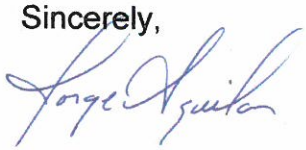
In preparing this request for reconsideration, our staff met with staff of our Designated State Agency (DSA), the California Health and Human Services Agency, and their support services designee, the California Department of Social Services to assess the associated workload and fiscal impact of a payment reimbursement plan on operations. Additional information specific to the effect of the grant restrictions on accounting operations and workload is included in Attachment 3 "Request for Reconsideration of High Risk Status" and Attachments A-J that are referenced in that attachment.

Again, we want to underscore that the California Council fully understands and accepts the AIDD's decision to require monthly program progress reports and quarterly calls with AIDD staff. However, the requirement that the Council submit payment requests on a reimbursement basis would have a monumental workload impact that neither Council staff nor the DSA can reasonably absorb. Further, we anticipate this specific requirement would have a destabilizing effect on the Council's ability to appropriately and prudently budget for anticipated expenditures, including the Council's ability to meet our current financial obligations to our employees and external contracts. For these

reasons, we respectfully appeal the AIDD high risk designation while accepting the requirements for additional project monitoring.

We look forward to hearing from you and working with AIDD staff to achieve full compliance with the DD Act.

Sincerely,



Jorge Aguilar
Council Chair

Roberta Newton
Interim Executive Director

cc: CA SCDD Council Members
Sarah Greenseid, Governor's Office
Mike Wilkening, CHHS

ATTACHMENTS:

Attachment 1 MTARS Committee Meeting Notice/Agenda and Membership Roster
Attachment 2 CA SCDD Council Governor Appointments Chart
Attachment 3 Request for Reconsideration of High Risk Status – Response to Fiscal Compliance Issues Identified in 2013 MTARS
Attachment A CDSS Interagency Agreement
Attachment B Cycle 35 Community Development Grants Awarded (FY 2012-2013) and Cycle 36 Community Development Grants Awarded (FY 2013-2014)
Attachment C Administrative Committee Roster
Attachment D Administrative Committee Packets of Jan 2013, Feb 2013, Mar 2013, April 2013 (2 mtngs), June 2013, July 2013, Aug 2013, Oct 2013, Nov 2013
Attachment E Calstars Report
Attachment F Financial Integrity and State Manager's Accountability (FISMA) Report
Attachment G Nov 2012 Department of Health Care Services Audit Report
Attachment H SCDD Work Plan to Address Nov 2012 Audit Recommendations
Attachment I SCDD 2013 Contract Policies and Procedures Manual
Attachment J Five (5) SCDD Staff Duty Statements