

**Golden Gate Regional Center  
Board of Directors  
Policy on Conflict of Interest  
Approved on October 18, 2011**

**Philosophy on Conflict of Interest**

The Golden Gate Regional Center Board of Directors believes that the purpose of a conflict-of-interest policy is to ensure that, in the course of their duties, regional center board members and employees act solely in the best interest of the people they serve and their families. Therefore, their duties will be performed without regard to the interests of any other organization they are associated with or persons to whom they are related.

**Policy on Conflict of Interest**

The Golden Gate Regional Center Board of Directors has approved as policy, all legal requirements set forth in Welfare and Institutions Code Sections 4622, 4626, 4627 and 4628 (attached) and the implementing regulatory sections of California Code of Regulations Title 17 (Sections 54500 through 54525) (attached).

*These codes may be accessed under Quick Links at <http://www.dds.ca.gov>.*

**LANTERMAN ACT AND RELATED LAWS**

**4622.** The state shall contract only with agencies, the governing boards of which conform to all of the following criteria:

(a) The governing board shall be composed of individuals with demonstrated interest in, or knowledge of, developmental disabilities.

(b) The membership of the governing board shall include persons with legal, management, public relations, and developmental disability program skills.

(c) The membership of the governing board shall include representatives of the various categories of disability to be served by the regional center.

(d) The governing board shall reflect the geographic and ethnic characteristics of the area to be served by the regional center.

WELFARE AND INSTITUTIONS CODE

(e) A minimum of 50 percent of the members of the governing board shall be persons with developmental disabilities or their parents or legal guardians. No less than 25 percent of the members of the governing board shall be persons with developmental disabilities.

(f) Members of the governing board shall not be permitted to serve more than seven years within each eight-year period.

(g) The regional center shall provide necessary training and support to these board members to facilitate their understanding and participation. As part of its monitoring responsibility, the department shall review and approve the method by which training and support are provided to board members to ensure maximum understanding and participation by board members.

(h) The governing board may appoint a consumers' advisory committee composed of persons with developmental disabilities representing the various categories of disability served by the regional center.

(i) The governing board shall appoint an advisory committee composed of a wide variety of persons representing the various categories of providers from which the regional center purchases client services. The advisory committee shall provide advice, guidance, recommendations, and technical assistance to the regional center board in order to assist the regional center in carrying out its mandated functions. The advisory committee shall designate one of its members to serve as a member of the regional center board.

(j) The governing board shall annually review the performance of the director of the regional center.

(k) No member of the board who is an employee or member of the governing board of a provider from which the regional center purchases client services shall do any of the following:

(1) Serve as an officer of the board.

(2) Vote on any fiscal matter affecting the purchase of services from any regional center provider.

(3) Vote on any issue other than as described in paragraph (2), in which the member has a financial interest, as defined in Section 87103 of the Government Code, and determined by the regional center board. The member shall provide a list of his or her financial interests, as defined in Section 87103, to the regional center board.

Nothing in this section shall prevent the appointment to a regional center governing board of a person who meets the criteria for more than one of the categories listed above.

This section shall become operative on July 1, 1999.

(Amended by Stats. 2006, Ch. 399, Sec. 2.5. Effective January 1, 2007.)

SEC. 2. Section 4622.5 is added to the Welfare and Institutions Code, to read:

4622.5. By August 15 of each year, the governing board of each regional center shall submit to the department detailed documentation, as determined by the department, demonstrating that the composition of the board is in compliance with Section 4622.

Added by SB 74 03/24/11

SEC. 4. Section 4626 of the Welfare and Institutions Code is amended to read:

Amended by SB 74 03/24/11

4626. (a) The department shall give a very high priority to ensuring that regional center board members and employees act in the course of their duties solely in the best interest of the regional center consumers and their families without regard to the interests of any other organization with which they are associated or persons to whom they are related. Board members, employees, and others acting on the regional center's behalf, as defined in regulations issued by the department, shall be free from conflicts of interest that could adversely influence their judgment, objectivity, or loyalty to the regional center, its consumers, or its mission.

(b) In order to prevent potential conflicts of interest, no member of the governing board or member of the program policy committee of a regional center shall be any of the following:

(1) An employee of the State Department of Developmental Services or any state or local agency that provides services to a regional center consumer, if employed in a capacity which includes administrative or policymaking responsibility, or responsibility for the regulation of the regional center.

(2) An employee or a member of the state council or an area board.

(3) Except as otherwise provided in subdivision (h) of Section 4622, an employee or member of the governing board of any entity from which the regional center purchases consumer services.

(4) Any person who has a financial interest, as defined in Section 87103 of the Government Code, in regional center operations, except as a consumer of regional center services.

(c) A person with a developmental disability who receives employment services through a regional center provider shall not be precluded from serving on the governing board of a regional center based solely upon receipt of these employment services.

(d) The department shall ensure that no regional center employee or board member has a conflict of interest with an entity that receives regional center funding, including, but not limited to, a nonprofit housing organization and an organization qualified under Section 501(c)(3) of the Internal Revenue Code, that actively functions in a supporting relationship to the regional center.

(e) The department shall develop and publish a standard conflict-of-interest reporting statement. The conflict-of-interest statement shall be completed by each regional center governing board member and each regional center employee specified in regulations, including, at a minimum, the executive director, every administrator, every program director, every service coordinator, and every employee who has decisionmaking or policymaking authority or authority to obligate the regional center's resources.

(f) Every new regional center governing board member and regional center executive director shall complete and file the conflict-of-interest statement described in subdivision (e) with his or her respective governing board within 30 days of being selected, appointed, or elected. Every new regional center employee referenced in subdivision (e) and every current regional center employee referenced in subdivision (e) accepting a new position within the regional center shall complete and file the conflict-of-interest statement with his or her respective regional center within 30 days of assuming the position.

(g) Every regional center board member and regional center employee referenced in subdivision (e) shall complete and file the conflict-of-interest statement by August 1 of each year.

(h) Every regional center board member and regional center employee referenced in subdivision (e) shall complete and file a subsequent conflict-of-interest statement upon any change in status that creates a potential or present conflict of interest. For the purposes of this subdivision, a change in status includes, but is not limited to, a change in financial interests, legal commitment, regional center or board position or duties, or both, or outside position or duties, or both, whether compensated or not.

(i) The governing board shall submit a copy of the completed conflict-of-interest statements of the governing board members and the regional center executive director to the department within 10 days of receipt of the statements.

(j) A person who knowingly provides false information on a conflict-of-interest statement required by this section shall be subject to a civil penalty in an amount up to fifty thousand dollars (\$50,000), in addition to any civil remedies available to the department. An action for a civil penalty under this provision may be brought by the department or any public prosecutor in the name of the people of the State of California.

(k) The director of the regional center shall review the conflict-of-interest statement of each regional center employee referenced in subdivision (e) within 10 days of receipt of the statement. If a potential or present conflict of interest is identified for a regional center employee that cannot be eliminated, the regional center shall, within 30 days of receipt of the statement, submit to the department a copy of the conflict-of-interest statement and a plan that proposes mitigation measures, including timeframes and actions the regional center or the employee, or both, will take to mitigate the conflict of interest.

(l) The department and the regional center governing board shall review the conflict-of-interest statement of the regional center executive director and each regional center board member to ensure that no conflicts of interest exist. If a present or potential conflict of interest is identified for a regional center director or a board member that cannot be eliminated, the regional center governing board shall, within 30 days of receipt of the statement, submit to the department and the state council a copy of the conflict-of-interest statement and a plan that proposes mitigation measures, including timeframes and actions the regional center governing board or the individual, or both, will take to mitigate the conflict of interest.

SEC. 5. Section 4626.5 is added to the Welfare and Institutions Code, to read:

Added by SB 74 03/24/11

4626.5. Each regional center shall submit a conflict-of-interest policy to the department by July 1, 2011, and shall post the policy on its Internet Web site by August 1, 2011. The policy shall do, or comply with, all of the following:

(a) Contain the elements of this section and be consistent with applicable law.

(b) Define conflicts of interest.

(c) Identify positions within the regional center required to complete and file a conflict-of-interest statement.

(d) Facilitate disclosure of information to identify conflicts of interest.

(e) Require candidates for nomination, election, or appointment to a regional center board, and applicants for regional center director to disclose any potential or present conflicts of interest prior to being appointed, elected, or confirmed for hire by the regional center or the regional center governing board.

(f) Require the regional center and its governing board to regularly and consistently monitor and enforce compliance with its conflict-of-interest policy.

SEC. 6. Section 4627 of the Welfare and Institutions Code is amended to read:

Amended by SB 74 03/24/11

4627. (a) The director of the department shall adopt and enforce conflict-of-interest regulations to ensure that members of the governing board, program policy committee, and employees of the regional center make decisions with respect to the regional centers that are in the best interests of the center's consumers and families.

(b) The department shall monitor and ensure the regional centers' compliance with this section and Sections 4626 and 4626.5. Failure to disclose information pursuant to these sections and related regulations may be considered grounds for removal from the board or for termination of employment.

(c) The department shall adopt regulations to develop standard conflict-of-interest reporting requirements.

(d) The department shall adopt emergency regulations to implement this section and Sections 4626 and 4626.5 by May 1, 2011. The adoption, amendment, repeal, or re-adoption of a regulation authorized by this section is deemed to be necessary for the immediate preservation of the public peace, health and safety, or general welfare, for purposes of Sections 11346.1 and 11349.9 of the Government Code, and the department is hereby exempted from that requirement. For purposes of subdivision (e) of Section 11346.1 of the Government Code, the 120-day period, as applicable to the effective period of an emergency regulatory action and submission of specified materials to the Office of Administrative Law, is hereby extended to 180 days.

(e) The department shall adopt regulations to implement the terms of subdivision (d) through the regular rulemaking process pursuant to Sections 11346 and 11349.1 of the Government Code within 18 months of the adoption of emergency regulations pursuant to subdivision (d).

4628. If, for good reason, a contracting agency is unable to meet all the criteria for a governing board established in this chapter, the director may waive such criteria for a period of time, not to exceed one year, with the approval of the area board in the area and with the approval of the state council.

(Added by Stats. 1977, Ch. 1252.)

**California Code of Regulations**  
**Title 17, Division 2**  
**Chapter 3 - Community Services**  
**SubChapter 3 - Regional Center Administration Practices and Procedures**  
**Article 1 - Regional Center Conflict of Interest Standards and Procedures**

**§54500. Authority and Scope.**

These regulations prescribe conflict of interest standards and procedures for all members of the regional center governing boards and employees of the regional center to ensure that such persons make decisions relative to the regional center which are in the best interests of the center's clients and families pursuant to authority provided in Section 4627 of the Welfare and Institutions Code. Members serving on the governing board of a regional center on January 1, 1982 are subject to these regulations to the extent not prohibited by Welfare and Institutions Code, Section 4626.

**Note**

Authority cited: Section 4627, Welfare and Institutions Code. Reference: Sections 4626 and 4627, Welfare and Institutions Code.

**History**

1. Editorial redesignation and renumbering of former Chapter 3 (Articles 1-3, Sections 50301-50327, not consecutive) to Chapter 3 (Subchapter 2, Article 1, Sections 54500-54529 , not consecutive) filed 9-28-83 (Register 83, No. 40). For prior history, see Register 76, No. 51.
2. Repealer and new section filed 12-29-86; effective thirtieth day thereafter (Register 87. No. 1).

*Source: California Department of Developmental Services*



**California Code of Regulations**  
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**Chapter 3 - Community Services**  
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**§54505. Definitions.**

As used in this subchapter, the following words and phrases have the specified meanings:

- (a) "Area Board" means the organization of individuals established and constituted according to Welfare and Institutions Code, Section 4570 et seq.
- (b) "Board Member" or "Member of the Governing Board" means an individual serving on a governing board of a regional center.
- (c) "Business Entity, Entity or Provider" means any individual or business venture from whom or from which the regional center purchases/obtains goods or services to conduct its operations. These entities or providers include, but are not limited to, residential facilities, intermediate care facilities, skilled nursing facilities, hospitals, medical groups, activity centers, independent living facilities, infant programs, clinics, laboratories, pharmacies, drug stores, ambulance services, furniture stores, equipment and supply stores, physicians, psychologists, nurses, therapists, teachers, social workers, and contract case managers.
- (d) "Client" means the individual described in Section 56551(e), Chapter 3, Subchapter 4, Article 1, Title 17, California Administrative Code.
- (e) "Decision or Policy-Making Authority" means the authority an individual possesses whenever the individual:
  - (1) makes a final decision; or
  - (2) may compel a decision or may prevent a decision either by reason of an exclusive power to initiate the decision or by reason of a veto which may or may not be overridden; or
  - (3) makes substantive recommendations which are, and over an extended period of time have been, regularly approved without significant amendment or modification by another person or entity or provider; or
  - (4) votes on matters, appoints or hires people, obligates or commits his or her agency to any course of action, or enters into any contractual agreement on behalf of his or her agency.This authority does not include actions of the individuals which are solely secretarial or clerical.
- (f) "Department" means the Department of Developmental Services.
- (g) "Governing Board" means the board of directors of a private nonprofit corporation which contracts with the State for the purpose of establishing and operating a regional center and which is constituted in accordance with Section 4622 of the Welfare and Institutions Code.
- (h) "Potential Conflict of Interest" means a situation which, based upon circumstances reasonably expected to occur at a point in the future, may result in a conflict of interest, as specified in Sections 54520 or 54521 of these regulations , at that time.

(i) "Present Conflict of Interest" means a conflict of interest, as specified in Sections 54520 or 54521 of these regulations , which currently exists.

(j) "Prospective Client" means any person who has presented himself or herself, at the regional center, as requiring services for the developmentally disabled but who has not yet gone through the initial intake and assessment process.

(k) "Regional Center" means a diagnostic, counseling, and service coordination center for persons with developmental disabilities and their families which is established and operated pursuant to Chapter 5 of Division 4.5 of the Welfare and Institutions Code by a private nonprofit corporation acting as a contracting agency.

(l) "Regional Center Employee" means any person who performs services for wages, salary or a fee under a contract of employment, express or implied, with the regional center. For purposes of these regulations, a business entity, entity or provider as defined in Section 54505 (c) herein, is not a regional center employee.

(m) "Regional Center Operations" means those activities or services which regional centers are required by law, regulation, or contract with the State to provide, obtain, or purchase. Such activities include, but are not limited to: case finding, outreach, prevention, intake and assessment, individual program planning, case management, community programs, program development, and client advocacy and protection.

(n) "State Council" means the organization of individuals established and constituted pursuant to Welfare and Institutions Code, Section 4520 et seq.

#### Note

Authority cited: Section 4627, Welfare and Institutions Code. Reference: Sections 4512, 4520 et seq., 4570 et seq., 4620, 4621, 4626, 4627, 4641, 4642, 4643, 4644, 4646, 4647 and 4648, Welfare and Institutions Code.

#### History

1. New section filed 12-29-86; effective thirtieth day thereafter (Register 87, No. 1).

*Source: California Department of Developmental Services*

**California Code of Regulations**  
**Title 17, Division 2**  
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**SubChapter 3 - Regional Center Administration Practices and Procedures**  
**Article 1 - Regional Center Conflict of Interest Standards and Procedures**

**§54520. Conflict of Interest Standards for Regional Center Governing Board Members.**

(a) The following constitute conflicts of interest for regional center governing board members:

(1) A conflict of interest exists when a member of the governing board or a family member of such person is a director, officer, owner, partner, shareholder, trustee or employee of any business entity or provider, holds any position of management in any business entity or provider, or has decision or policy-making authority in such an entity or provider, except to the extent permitted by Welfare and Institutions Code, Section 4626(a)(3) and (b). These conflict of interest provisions are in addition to those stated in Welfare and Institutions Code, Sections 4622(a)(9) and 4626.

(2) A conflict of interest exists when the advisory committee board member, appointed pursuant to Welfare and Institutions Code, Section 4622(a)(7), is an employee or member of the governing board of a provider from which the regional center purchases client services and engages in the activities prescribed in Welfare and Institutions Code Section 4622(a)(9). Such member is therefore prohibited from serving as an officer of the regional center governing board and from voting on the matters or issues described in Section 4622(a)(9). Furthermore, the member is subject to disclosure under Section 54522 of these regulations in addition to providing a list of his or her financial interests, as defined in Government Code Section 87103. Fiscal matters, as used in Welfare and Institutions Code Section 4622(a)(9) include, but are not limited to, setting purchase of service priorities, transferring funds to the purchase of service budget, and establishing policies and procedures with respect to payment for services.

(3) A conflict of interest exists when a governing board member is any individual described in Welfare and Institutions Code Section 4626. A financial interest in regional center operations, as used in Welfare and Institutions Code Section 4626(a)(4), exists if it is reasonably foreseeable that the member's interest, or the member's decision regarding that interest, will have a material financial effect, on the board member's interest in, or relationship with, the business entity or provider pursuant to Government Code, Section 87103. The financial effect is material if the decision will result in a benefit, detriment, gain, loss or profit to the member, entity or provider.

(b) The regional center governing board shall not enter or authorize the regional center to enter into any contract or any other type of agreement for pecuniary gain with any entity or provider in which a member has a conflict of interest as set forth in subsection (a)(1) and (a)(3) above, nor shall the board or board member allow the regional center to refer a client or prospective client to such an entity or provider.

(c) No regional center governing board member who has a conflict of interest shall continue to serve as a board member in violation of these provisions unless the board

member has eliminated the conflict of interest or obtained a waiver pursuant to these regulations. This prohibition does not apply to the extent it is precluded by Welfare and Institutions Code, Sections 4626(a)(3) and (b).

#### Note

Authority cited: Chapter 722, Statutes of 1992, Section 147; Sections 4622, 4626, 4627 and 4791(i), Welfare and Institutions Code. Reference: Sections 4622, 4626, 4627 and 4791, Welfare and Institutions Code and Section 87103, Government Code.

#### History

1. Repealer and new section filed 12-29-86; effective thirtieth day thereafter (Register 87, No. 1).
2. Amendment of section filed as an emergency 6-17-93; operative 6-17-93. Submitted to OAL for printing only pursuant to SB484 (Chapter 722, Statutes of 1992) Section 147(a) (Register 93, No. 26).
3. Certificate of Compliance as to 6-17-93 order transmitted to OAL 6-20-94 and filed 8-2-94 (Register 94, No. 31).

*Source: California Department of Developmental Services*

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**SubChapter 3 - Regional Center Administration Practices and Procedures**  
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**§54521. Conflict of Interest Standards for Regional Center Employees.**

(a) The following constitute conflicts of interest for regional center employees:

(1) A conflict of interest exists when a regional center employee or a family member of such person is a governing board member, director, officer, owner, partner, shareholder, trustee, or employee of any business entity or provider, holds any position of management in any business entity or provider, or has decision or policy-making authority in such an entity or provider, or makes a decision regarding regional center operations involving a business entity or provider in which he or she has a financial interest.

For the purpose of this section, an employee has a financial interest in regional center operations if it is reasonably foreseeable that the employee's interest or the employee's decision regarding that interest will have a material financial effect, as distinguished from its effect on the regional center's clients and/or their families generally, on:

(A) Any business entity or provider in which the employee has a direct or indirect investment worth more than one thousand dollars (\$1000).

(B) Any real property in which the employee has a direct or indirect interest worth more than one thousand dollars (\$1000).

(C) Any source of income, other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to employee status, aggregating two hundred fifty dollars (\$250) or more in value provided to, received by or promised to the employee within 12 months prior to the time when the decision is made.

For purposes of this section, "indirect investment" or "interest" means any investment or interest owned by the spouse or dependent child of an employee, by an agent on behalf of an employee, or by a business entity or provider or trust in which the employee, the employee's agent, spouse, or dependent children own directly, indirectly, or beneficially a ten percent interest or greater.

The financial effect is material if it will result in a benefit, detriment, gain, loss, or profit to the employee, entity, or provider.

(2) A conflict of interest exists when a regional center employee devotes less than his or her full-time attention and effort to his or her regional center employment for that period for which he or she is being reimbursed.

(3) A conflict of interest exists when a regional center employee provides services for salary, honorarium, or compensation of any kind in such fashion that the employee is receiving dual compensation for the same period of time. This subsection does not apply to regional center employees while officially off duty.

(4) A conflict of interest exists when a regional center employee participates in the evaluation of an application for employment at the regional center when the applicant

is a member of the employee's family, or when an employee acts as a supervisor of another regional center employee who is a member of the supervisor's family.

(A) For the purpose of this subsection, supervisors shall include those individuals who serve as reviewing officer for reports of performance.

(B) For the purpose of this subsection, family members shall include: spouse, children, stepchildren, parents, stepparents, brothers, sisters, grandchildren, grandparents, or inlaws.

(b) No regional center employee shall continue employment with the regional center where the employee has a conflict of interest in violation of those provisions, unless the employee eliminates the conflict of interest or obtains a waiver pursuant to these regulations.

#### Note

Authority cited: Section 4627, Welfare and Institutions Code. Reference:  
Section 4627, Welfare and Institutions Code.

#### History

1. Repealer and new section filed 12-29-86; effective thirtieth day thereafter (Register 87, No. 1).

*Source: California Department of Developmental Services*

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**§54522. Conflict of Interest Disclosure--Content of Statements, Procedures and Actions Required for Resolution.**

(a) Within 60 calendar days of the effective date of this Article, each regional center employee who has decision or policy-making authority, as defined in Section 54505 (e) herein, and each member of the governing board, including the board member designated by the regional center provider advisory committee pursuant to Welfare and Institutions Code, Section 4622(a)(7), shall prepare and file an initial conflict of interest statement pursuant to these regulations. Employees shall file their statements with their respective regional center and governing board members shall file their statements with their regional center governing board. Subsequent statements shall be filed thereafter whenever a change in status would create a present or potential conflict of interest situation as defined in these regulations. Individuals serving in any capacity under a waiver granted pursuant to Section 54523 of these regulations shall be required to file a conflict of interest statement with each waiver renewal as required pursuant to Section 54524(b)(3) of these regulations. The regional center and governing board shall designate the individual who is responsible for receiving, processing, and maintaining the initial and subsequent annual statements for their own respective agency. Such individual, however, may not review his or her own filed statement. The initial conflict of interest statement and all subsequent annual statements shall be dated, signed, and contain a declaration, under penalty of perjury, that the governing board member or employee has:

- (1) No present or potential conflict of interest;
- (2) A present conflict of interest; or
- (3) A potential conflict of interest pursuant to these regulations.

The individual shall specify the factual basis for that determination and provide full and complete disclosure relative to any present or potential conflict of interest, including a description of the nature of the conflict of interest. For the board member designated by the regional center provider advisory committee pursuant to Welfare and Institutions Code, Section 4622(a)(7), the disclosure shall include, to the extent not otherwise disclosed, a list of the member's financial interest as required by Welfare and Institutions Code, Section 4622(a)(9)(C).

(b) If a present or potential conflict of interest exists, the statements of regional center employees and governing board members, including the board member designated by the regional center provider advisory committee pursuant to Welfare and Institutions Code, Section 4622(a)(7), shall if desired by the governing board member or regional center employee, also contain a request for waiver of the prohibitions of any present or potential conflict of interest, and a suggested plan of action for resolution of the present or potential conflict of interest, including limitations on the

governing board member or regional center employee which will enable him or her to avoid actions involving the conflict of interest during the period the waiver request is being reviewed pursuant to Section 54523 of these regulations .

(c) The regional center or regional center governing board shall review, respectively, the waiver requests of all regional center employees and governing board members, and determine, in its discretion, whether to submit the request pursuant to the regulations, or require the individual to eliminate the conflict of interest or resign his or her position as stated therein.

(d) If a present or potential conflict of interest exists and no waiver is requested, or if the regional center or regional center governing board elects not to submit such a request in accordance with these regulations, the regional center employee or governing board member, and the board member designated by the regional center provider advisory committee pursuant to Welfare and Institutions Code, Section 4622 (a)(7), shall have thirty (30) calendar days from the date of filing the conflict of interest statement or the date of notification by the regional center or its governing board in which to either take whatever action is necessary to eliminate the conflict of interest, or resign his or her position as a regional center employee or governing board member. During the thirty (30) calendar day period, the employee or board member shall avoid all involvement with or participation in regional center activities involving the conflict of interest in question.

(e) If no conflict of interest is declared at the time of filing the initial statement or subsequent statements, no further action is required by the governing board member or regional center employee unless or until such time as that individual's status changes, so that he or she is in a present or potential conflict of interest situation. Upon such a change in status, a new statement shall be filed immediately with the member's governing board or the employee's regional center, specifying the factual basis for that determination and providing full and complete disclosure relative to the present or potential conflict of interest in accordance with provisions of subsection (a) above.

#### Note

Authority cited: Chapter 722, Statutes of 1992, Section 147; and Sections 4627 and 4791(i), Welfare and Institutions Code. Reference: Sections 4622, 4626, 4627 and 4791, Welfare and Institutions Code.

#### History

1. Repealer and new section filed 12-29-86; effective thirtieth day thereafter (Register 87, No. 1).
2. Amendment of section filed as an emergency 6-17-93; operative 6-17-93. Submitted to OAL for printing only pursuant to SB485 (Chapter 722, Statutes of 1992) Section 147(a) (Register 93, No. 26).
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*Source: California Department of Developmental Services*



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**§54523. Requests for Waiver.**

(a) If the conflict of interest statement filed by the regional center governing board member or the regional center employee indicates that a present or potential conflict of interest exists and a waiver is being requested, then within thirty (30) calendar days of receipt of such a statement, the governing board or regional center shall, unless it has elected to do otherwise pursuant to Section 54522 (c), submit the request for waiver packet in accordance with the procedures set forth in this section.

(b) All requests for waiver packets must be submitted to the Department. In addition, copies of requests for waiver packets involving governing board members must also be sent to the area board in the area and to the State Council.

(c) Requests for waiver packets shall include:

(1) A copy of the board member's or employee's conflict of interest statements;

(2) The request for waiver;

(3) The plan of action for resolution of his or her conflict of interest and the time frames for doing so; and

(4) Any limitations proposed by the governing board or regional center to be applied to the board member or employee during the term of the waiver. Limitations may include, but are not limited to:

(A) Abstention by the person from voting on the conflict of interest situations;

(B) Nonparticipation by the person, individually or as part of a group, in the preparation, presentation, formulation or approval of reports, plans, policies, analyses, opinions or recommendations regarding the conflict of interest situation, when the exercise of judgement is required and the purpose is to influence the decision;

(C) Noninvolvement of the person in the negotiation, obligation, or commitment of the regional center to a course of action involving the conflict of interest situation;

(D) Reassignment of the person to duties or responsibilities where no conflict of interest exists; and

(E) Establishment of an independent review and prior approval procedure by supervisors or administrative staff regarding purchase of service and other decisions made by the person with respect to the conflict of interest situation.

(5) The individual(s) responsible for ensuring that the above plan of action or limitations are applied and monitored;

(6) Any other information which the employee or board member feels is pertinent to his or her request.

**Note**

Authority cited: Section 4627, Welfare and Institutions Code. Reference:  
Sections 4627 and 4628, Welfare and Institutions Code.

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**§54524. Response to Requests for Waiver.**

(a) Within twenty (20) calendar days after the area board in the area and the State Council receive copies of a request for waiver packet regarding a regional center governing board member, the area board in the area and the State Council, respectively, shall provide to the Department their written approval or disapproval of such request. The Department may not approve the request for waiver of a regional center governing board member without the approval of both the area board in the area and the State Council.

(b) Within sixty (60) calendar days after the Department receives a request for waiver packet the Department will respond to the request for waiver in writing:

(1) Explaining the outcome of its review including approval or denial of the request, where appropriate, and the rationale for the decision;

(2) Specifying the actions, if any, by the governing board or regional center which the Department deems necessary in order to resolve the conflict of interest; and

(3) Stating the duration of the waiver, if approved, according to the following:

(A) For the members of the governing boards who are subject to those regulations, the duration of the waiver may not exceed one year;

(B) For the regional center employee, the duration of the waiver will be determined by the Department.

(c) If the request for waiver is denied by the Department and/or the State Council or area board in the area pursuant to subsections (a) and (b) herein, the governing board member or regional center employee shall have thirty (30) calendar days from the date of receipt of the denial in which to either take whatever action is necessary to eliminate the conflict of interest or resign his or her position as a governing board member or regional center employee. During this thirty (30) calendar day period, the board member or employee shall avoid all involvement with and participation in the conflict of interest in question.

**Note**

Authority cited: Section 4627, Welfare and Institutions Code. Reference: Sections 4627 and 4628, Welfare and Institutions Code.

**History**

1. Repealer and new section filed 12-29-86; effective thirtieth day thereafter (Register 87. No. 1).

*Source: California Department of Developmental Services*

**California Code of Regulations**  
**Title 17, Division 2**  
**Chapter 3 - Community Services**  
**SubChapter 3 - Regional Center Administration Practices and Procedures**  
**Article 1 - Regional Center Conflict of Interest Standards and Procedures**

**§54525. Sanctions.**

(a) If the Department finds a governing board, a board member, a regional center or a center employee, in violation of any of the sections set forth in this Article, the Department shall:

- (1) Immediately inform the party or parties in writing of such violation, including the supporting facts or information upon which determination of violation was made; and
- (2) Require that the party or parties take appropriate action, within thirty (30) calendar days of the notice of violation, to resolve the conflict of interest or otherwise eliminate the violation. The Department may extend this thirty-day period only once and for a period not to exceed thirty (30) calendar days.

(b) If the violation is not resolved or eliminated within the thirty (30) calendar days as herein provided, and no extension of time has been granted by the Department, the Department may take immediate action to:

- (1) Withhold part of the funding for that regional center; or
- (2) Commence procedures for termination or nonrenewal of the regional center contract pursuant to Welfare and Institutions Code, Section 4635.

The area board in the area and the State Council shall be notified of the above action.

**Note**

Authority cited: Section 4627, Welfare and Institutions Code. Reference: Sections 4627 and 4635, Welfare and Institutions Code.

**History**

1. Repealer and new section filed 12-29-86; effective thirtieth day thereafter (Register 87, No. 1).

*Source: California Department of Developmental Services*