

**Board Meeting Minutes  
September 5, 2024  
10am to 12 Noon CST**

**Meeting Participants:** Gerald Waters, Michael Beedie, Arthur Cullen, Bruce Foster, Liz Holifield, Reggie Johns, Rendy Lovelady, Denise Myers, Teresa Roberts, Michelle Salzman, Bambi Smith, Mark Stavros, Mike Watkins, Courtney Stanford, Rae Kerr, Christina Bertera, Maureen Castano, Amy Cliburn, Kelly Faircloth, Brandi Griffiss, Lexi Harris, Jillian Jamieson, Michael Lee, Kurt Kelly, Kristi Lock, Marcia Mathis, Charles McDonald, Christa Pate, Shawna Peterson, Tara Taylor, Sharron Washington, Terrance Watts.

**Welcome and Chair's Remarks**

**Gerald Waters**

Meeting was called to order and guests were welcomed. It was noted that we have a quorum of the Board.

Mike Watkins introduced Kurt Kelly, Chief Executive Officer and President, of the Florida Coalition for Children (FCC) and Former State Representative. Mr. Kelly spoke on his belief that Community Based Care (CBC) is the best model and Florida has the best model in the nation. He stated that the FCC plans to focus on becoming more aggressive in policy and funding. Mr. Kelly discussed previous budgets and the shortfalls and stated CBC's need to be able to have a revenue estimating process, much like education. He also stated the importance of continuing to believe in the CBC model and the need to put a process in place where CBC funding is not always at risk. He noted there has been 2 ½ years in which no money was put into the system, in spite of DCF getting increased funds, and stated the FCC will be on an aggressive campaign to have proper money put in place to fund CBC's and their providers.

Mike followed up that Florida's system of care is great because its' communities take care of kids, not the government. Recognizing that there must be financial tension on the system. If the funding model says more kids equals more money, there will always be more kids in the system. Also noting that 22 years ago, before CBC's, the median length of stay in the system was 60 months and the current median is 14-15 months.

**I. Consent Agenda**

**Gerald Waters**

- A. Review and Approval of Minutes
  - 1. Board of Directors
  - 2. Executive Committee
  - 3. Finance Committee
- B. Review Performance Child Welfare/Behavioral Health
- C. Media Coverage
- D. Policy Review

Reggie Johns made a motion to accept the Consent Agenda. Arthur Cullen seconded the motion. All were in favor, motion passed.

II. **Review and Approval of Finance Committee Report** **Rae Kerr**  
A. 23-24 FY

1. **CBC Circuit 1 Budget to Actual:** (AJ500) Based on closeout, AJ500's current year expenditures were approximately \$2 million less than budgeted expenditures. NWFHN anticipates carrying forward approximately \$7 million in surplus funds into the 24/25 fiscal year, depending on final DCF year-end closeout procedures.

There were no questions regarding the CBC C1 Budget Summary.

2. **CBC C2/14 Budget to Actual:** (BJ102) Based on closeout, BJ102's current year expenditures were approximately \$964,703 less than budget expenditures. NWFHN anticipates carrying forward approximately \$182,000 into the 24/25 fiscal year, depending on final DCF year-end closeout procedures. End of year surplus will be dictated by whether DCF decides to fund pass through line items that they should be covering.

This surplus was only accomplished, in part, by a series of budget cut exercises, such as freezing 29 positions and suspending IT purchases. Some of the cuts cannot continue into next fiscal year if NWFHN is to stay operational. Out of home care is the driving issue. It is an acuity of care issue. The number of children are going down, but costs are rising. The AJ500 contract has excess, but the BJ102 is under-funded and the excess funds from one contract are not being allowed to cover the deficit in the other.

Reggie asked if DCF determines the funding. Mike and Rae discussed the services and funding for each circuit. Teresa voiced concern over losing the seven million dollars of unused funding and Mike confirmed it is a risk. Courtney reiterated that NWFHN team has been conservative with spending on services in C1 due to it being a relatively new contract and assessing how the budget will perform and assessing where the services are most needed.

There were no further questions on the CBC C2/14 Budget to Actual.

3. **ME:** Based on closeout AHME1's current year expenditures are approximately \$5.5 million less than budgeted expenditures. NWFHN anticipates an overall surplus of approximately \$9.8 million, with approximately \$1.6 million having to be returned to DCF as unspent federal funds. The Opioid Trust Fund is not included in the payback of funds. The carryforward percentage was only 5.4% of the allowable 8% statutory requirement based on final DCF closeout. There is a surplus in available operational dollars that will help bridge the gap in the

24/25 funding shortfall anticipated per the 24/25 schedule of funds. The Department cut operating dollars well over a million dollars, a large portion of which was in Care Coordination funding. Since carry-forward dollars are allowable NWFHN has strategically planned ways to be able to fill the operational funding gap and is working with DCF to fill the direct services gap as best as possible. It is anticipated that there will be some funding reductions that have to occur.

There were no questions regarding the ME Budget Summary.

4. **Sunshine Health Contract (formerly CBCIH contract):** Sunshine Health programs show an approximate \$126,000 surplus of budgeted expenditures vs. actual expenditures. NWFHN anticipates having net income on Sunshine Health of approximately \$162,000 for the year ended June 30, 2024.

NWFHN is expecting to receive a refund from CBCIH of one payment for March 2024. CBCIH advised the payment is coming and NWFHN will be able to close out the contract with CBCIH. All financial records will reflect that close out.

There were no questions regarding the Sunshine Health Contract.

5. **Fatherhood Grant** – Shows a \$292,000 surplus which is carry forward due to this being a cost-reimbursement contract. Surplus is deferred revenue into next fiscal year. Department has allowed carrying funds forward, with a reconciliation at the end of the three-year contract period.

There were no questions regarding Fatherhood Grant.

## B. 24-25 Budget

The 24/25 budget was presented. Included in the budget exercise was the deferral of a 3% COLA due to budget shortfalls in BJ102 and anticipated shortfalls in AHME1. NWFHN turned in its initial budget submission required by DCF for BJ102 and AJ500 on 7/31/2024. After submission a few items had to be adjusted at DCF's request. Those adjustments were made, ensuring NWFHN budget reflects expenditures not greater than CORE funding. Finance Committee Chair signed the certification and it was resubmitted to DCF following the last Finance Committee Meeting.

The 24-25 budget shows adjusted Independent Living expenditures and NWFHN will cut to keep the expenditures at the amount of money received from the department. Historically, NWFHN has covered those from CORE funding, but will no longer do so.

Arthur asked if this will cause a loss of potential lodging for IL kids. Courtney advised the Department allowed an IL Housing Specialist. This role will assist with building partnerships to create housing.

Rae discussed new hire Charles Scherer is completing a project specifically to control enhanced rates and overall out of home care costs. This includes requiring providers to provide 24-hour service and not drop-off service.

Rae advised that staff and network provider COLA has also been deferred. This is the second year team members have not had a pay increase. Providers are also asking for a pay increase for their employees and currently the funding does not provide for this.

There were no further questions from the Board.

## **Balance Sheet:**

**NWFHN:** Sufficient cash flow to meet the needs of the agency.

Rae noted that Department contract managers are timely and process invoices timely. NWFHN has no issues getting invoices paid and commended our contract managers, Shawna, Lisa, and April, who have done a great job.

**Independence Village:** Continue to make interest-only payments to Florida Housing Finance for the loan. Will go back to negotiate this debt within next six months.

Chair asked for motion to approve FY 23-24 report. Arthur Cullen moved, all approved.

Chair asked for motion to approve FY 24-25 report. Teresa Roberts moved, all approved.

- B. Facility Updates: No updates on our current facilities. There is a push to ensure that all facilities have staff and tenants and there are new tenants moving into Quincy facilities. Pensacola staff continue to occupy Building B and the lease is renewed until July 2025. NWFHN is not ready to look for a space to purchase. Currently looking for space to ensure NWFHN can meet training needs.

Audit RFP-NWFHN has transitioned auditors. Required to go out for bid every five years and a new firm was chosen during this re-procurement. Michael Lee and procurement team oversaw the bid process.

Michael Lee advised the board about the bid process. Competitive bids were received and, based on the objective scoring, went with a new provider. There have been changes in statutes for conflicts in that NWFHN has to provide notice of conflict of

interest to Department. They are engaged with the new statutes and covered NWFHN internally and externally and will not have any conflict of interest with our agency.

Arthur moved; Reggie seconded. Motion moved and approved.

There were no questions from the Board.

### III. Strategic Discussions

**Mike Watkins**

#### A. Annual Priorities

##### 1. NWFHN Update

**Mike Watkins**

Mike thanked the board members who attended All Staff this year. He referenced Vision Card presented at All Staff and challenged staff to be innovative with services. Guest speaker was author David Kuhnert and all team members were given a copy of his book, as well as an NWF Health hoodie.

Mike requested Terrance Watts get a Department's strategic plan to make sure NWFHN is pushing in the right direction. Mike advised NWFHN is getting verbal recognition, but would love to get a written plan from the Department.

Arthur Cullen lauded Rae and her team for their incredible work and expressed gratitude for their team.

##### 2. Operational Update

**Courtney Stanford**

C1 procurement contract included re-procuring all case management contracts in C1 and this was accomplished. Traditionally, C1 has been FFN, however, with the new procurements NWFHN has added new and talented providers into our network. First City Church is taking over Safety Management Services, which checks on and mentors families. Children's Home Society has picked up some added prevention programs. Emerald Coast Children's Advocacy Center has been added to the NWFHN network, as well.

This year NWFHN realized full potential with Circuit Administrators. These leaders have integrated the team so beautifully. It has challenged providers and enhanced services to our families. Proud of the growth over the last year. NWFHN leads the state on three permanency measures. This year we added leading the state in number of children who left the system in under 12 months. Reunifications are also going up in the 12 month time period. Kurt Kelly made kind statements about NWF Health Network, and DCF Secretary said at the FCC Conference that "Circuits 1, 2, and 14 are "knocking it out of the park." There is a lot of talent and depth at NWFHN and that is not everywhere. We are blessed.

This year, NWFHN will do three key things. The money issue not going away, which will increase accountability and will increase placement capacity. NWFHN will have key efforts with law enforcement and faith community to hit placement capacity at every level. NWFHN has started conversations with residential group homes to try to enhance placement capacity.

Topic of All Staff was about telling our story. NWFHN has prioritized our Community Relations Team to work on telling our story. Maryann Roberts is leading that team and there will be an increase in promoting NWFHN.

Mike received Innovator of the Year award at the FCC Conference.

Behavioral Health Managing Entity.

There has been delays by DCF with intent to award contract, projected date is now November 1<sup>st</sup>. Waiting to find out if they will award NWFHN the contract, as well as if Taylor and Madison counties will still be included. The contract has been amended through June 30, 2025.

### **3. Faith Liaison**

**Marcia Mathis**

One of Mike's Innovative ideas was to establish a Faith Sub-Committee within the FCC. This committee has been formed so that each CBC will have a representative. This committee met in person at the FCC Conference. Pastor Hazlip of First City Church and Jack Brewer both attended this meeting. Mike was appointed on the Governor's Faith Counsel. Mike advised this is a four-year term and political appointment and that there has never been a CBC on the Faith Counsel since its inception.

Sixteen faith organizations received Faith Grants this year. A post Faith Grant survey has been sent out and approximately fifty percent of the surveys have been completed and returned. Comments have been very positive. Next Faith Summit will be in Circuit 14, October 17, 2024, 1:00 p.m. – 3:00 p.m. CST. A save the date notice will be sent out. This year testimonials will be shared from those who received faith grants about the benefits provided with these funds. Location is still being determined.

Faith organizations are key to Foster Family Support efforts. NWFHN social media has shared a kick-off event on Monday, 6:30 p.m. CST, 7:30 p.m. EST. that will inform how people get involved in Christmas activities. NWFHN will work with the community to provide Christmas presents for 1,200 plus kids who are in foster care.

#### **4. Criminal Justice**

**Christy Bertera**

Community Outreach workers were out in 11 rural counties. An exercise was conducted last week and the results were that approximately 30,119 people have been serviced in rural counties. This is a very large amount of people for these small communities.

In Circuit 14, Kelly Faircloth is encouraging each sheriff's office to meet with Life Management Center (LMC) to discuss mobile response. These meetings have given LMC some constructive feedback, as well as inform the sheriff's offices of some of LMC's services they may not have been aware of. These meetings have been productive for all, and the next meeting is with Bay County.

Deflection-Wakulla has done a study of the model they are utilizing. They are referring from the Sheriff's Office to pre-arrest deflection and have lowered recidivism rates. This model is being expanded into Circuit 2. By end of year, they hope to expand into Taylor and Madison Counties. The Florida Certification Board has partnered with peer specialists and Keith Dean, who is on our board, leads this effort. The Florida Deputy Sheriff's Association endorsed these efforts.

Mike thanked Christy for her work and pointed out the number of people reached by the outreach workers at the sheriff's departments. These are individuals who have reached out to law enforcement officers for substance abuse and mental health assistance. Many individuals don't know how to get help and it is valuable to have those assets to help in the rural communities.

#### **5. Fatherhood Initiative**

**Lyn Masslieno**

Lyn Masslieno was not able to attend the meeting. Courtney spoke on the Fatherhood Team and what a fantastic job they are doing. The Federal Government came in and requested to look at a fatherhood program and they were referred to NWFHN's program. Our team has been invited to Atlanta to discuss the program created by NWFHN. Like the Criminal Justice Program, it is nice to watch this program develop.

#### **IV. Review Risk Management**

**Mike Watkins**

##### **A. Executive/Legislative**

There is a \$100 million dollar hold on statewide ME. Department is meeting with all ME's today and all board members are welcome.

Mike shared that he advised the Secretary that the funding model needs to be rectified. This is a risk issue with the Department. From a risk standpoint, there must be a sustainable funding system that keeps up with inflation. Gerald noted this will directly impact kids.

Welcomed Michael Lee as the new General Counsel. Ralph has transitioned to Of Counsel, but has been out on sick leave.

## **B. Legal**

**Michael Lee**

Reminded board that NWFHN holds three contracts, covers 18 counties under the ME contract and 16 under the CBC contract, with over 300 employees. Only has one active lawsuit, which came with the C1 contract, and it will be covered by the Department of Health. There were three others that were filed in the last few months that have already been cleared. The department has credited NWFHN with being responsive and not reactive. NWFHN also operates with transparency.

The financial issues NWFHN is facing are going to become a legal issue. These are federal entitlements and upon judges hearing about lack of meeting these requirements there will be issues. Every time NWFHN encounters these issues, DCF will be pulled in.

There are new requirements imposed for a fiduciary bond related to members of the board and a new requirement that NWFHN holds a performance bond. DCF has not specified the amount of those bonds and there is current discussion about the issue of them setting the amount. This should be resolved by next board meeting.

## **C. Other**

Nothing added.

## **D. Risk Items from the Board**

None added.

## **V. Review Governance**

**Gerald Waters**

### **A. Status of Directors**

1. Reappointment of Member(s) –Noted that the Board of Director page in today's meeting packet did not include Teresa Roberts and Dr. Stavros' extended appointment dates, which were voted on in the last meeting and Bruce Foster does not appear at all. This will be corrected.



VI. **Next Meeting: Champions Club at FSU.**

Mike discussed the awards presentation at the next meeting.

Will also have an annual report to meet contract obligations.

VII. **Adjourn**

**Gerald Waters**

Arthur Cullen made a motion to adjourn. Reggie Johns seconded the motion. All were in favor, motion passed.