

**Board Meeting Minutes
October 24, 2024
10am to 12 Noon EST**

I. Welcome and Chair's Remarks

Gerald Waters

Attendees: Gerald Waters, Ronald Pickett, Reggie Johns, Michael Beedie, Charlie Strickland, Keith Dean, Rep. Michelle Salzman, Teresa Roberts, Arthur Cullen, Bruce Foster, Denise Myers, Rendy Lovelady, Mike Watkins, Courtney Stanford, Rae Kerr, Michael Lee, Sharron Washington, Krista Pate, Charles McDonald, Kelly Faircloth, Marcia Mathis, Christy Bertera, Maryanne Roberts, Maureen Castano, Amy Cliburn, Kate Palazesi, Alfredo Cruz Aguiar, Brandi Griffiss, Kristi Lock, Shawna Peterson, Felisca Sims, Tara Taylor, Molly Clore, Emily Pritchard, Tricia Duff, Kristen Wilson, Michelle Posey, Bobbi Lowe, Monica Gipson, CIRCUIT Operations team – Rhapsody Bogart Austin, Brittany Tibbits, Brittany Thorton, Tricia Dees, Tina Wolfe, Stacy Kovach, Nancy Hayes, Monica Gibson, Charles Scherer.

President Waters welcomed everyone and started the meeting at 10:08 a.m. EST and it was noted the quorum was met.

II. Awards Presentation

Mike Watkins, Courtney Stanford, Gerald Waters

Awards were presented to the following by Mike Watkins, Courtney Stanford, Rae Kerr, and President Waters:

Administrative Employee of the Year	Felisca Sims
Operations Employee of the Year	Tricia Duff
Employee Standout of the Year	Michelle Posey
Employee Standout of the Year	Kristen Wilson
Rookie of the Year	Charles Scherer
Team of the Year	Circuit 1 Child Protection Operations
President's Award	Rae Kerr

III. Consent Agenda

Gerald Waters

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

President Waters asked for approval of the minutes. There was discussion about amending the agenda to remove the finance committee minutes from the consent agenda as the meeting did not occur.

Rae discussed the funding model. KPMG has been working with CBC lead agencies to draft the funding model. They collected data from CBCs during this process. NWFHN received the report last Thursday and DCF called a meeting to discuss it immediately. The model is expenditure driven. After the meetings, DCF agreed to review its presentation of the model to ensure CBC agencies were going to be held harmless with current funding.

Mike explained that it's going to be different for NWFHN as the agency has been on the same funding model for many years. He discussed that if more funding is given when more kids are in care, there will always be more kids in care. There cannot be a system that rewards keeping kids in care. Mike implored the board and staff to work to support a model that puts the kids' best interest first. Rae's team will build reports over the next few days to present to DCF as they never captured unrealized costs.

Courtney spoke of presenting not just a basic model but what it actually costs to run a CBC.

Director Cullen asked Rae if funds are unspent, will they be lost. Rae explained that with this model they are projecting that Circuit 1 will lose unused funds. We are not fully transitioned in Circuit 1. It takes 5 years to pilot a program on a federal grant. We have one facility we currently rent in Escambia, and we have four counties to cover. There are a lot of pieces in transition that haven't occurred. Taking funds away is not fair. The Residential Group Care costs have been on the rise and affect the budget tremendously. Leadership felt DCF was open and listened to the concerns presented to them and are pleased to have more conversations about the concerns.

Mike explained that NWFHN took the challenge of bidding on Circuit 1. NWFHN has met the goals and exceeded performance standards. An example given was that the adoption goal was met for the first time in 3 years. Meeting these goals requires funding. NWFHN held \$4 million in reserve in Circuit 1. The money would have been there had it not been needed for the Circuit 2/14 deficit. NWFHN landed \$182,000 to the good. Leadership explained to DCF that NWFHN has a surplus of \$4 million in Circuit 1 and has a deficit in Circuit 2/14. The model DCF proposed takes the \$4 million dollars away. NWFHN will continue educate the state and KPMG.

IV. **Conduct Annual Board Actions**

Mike Watkins

- A. Annual Report
- B. Board Policy Manual – no changes presented
- C. Code of Ethics
- D. Conflict Statement
- E. Confidentiality Statement
- F. Board Self Evaluation

Each board member as well as attendees received a copy of the annual report. Thank you to Maryann for working with Vancore Jones to put the report together. Courtney reviewed the annual report with the board and attendees. The board was asked to share with Maryann Roberts any ideas or things they would want to see highlighted in next year's report.

Secretary Roberts made a motion to accept the annual report. Director Cullen seconded the motion. All members accepted the motion.

Representative Salzman asked to be mailed a copy of the report. A copy will be mailed to all board members who were not present in person for today's meeting.

Michael presented the following forms that need to be signed by each board member for the coming year: Code of Ethics, Conflict Statement, Confidentiality Statement, and Board Self Evaluation. Michael shared that there is a new statutory change for the coming year for the Board. Michael will have the training sent to the Board by the end of December. Michael asked those Board members who were present in person to please meet with him today to sign the forms. He asked those attending virtually to be on the lookout for the forms to be sent electronically.

V. **Review and Approval of Finance Committee Report**

Rae Kerr

- A. 24-25 FY
- B. Facility Updates

Working Budget to Actual Reports through August 2024

Circuit 1 - AJ500:

AJ500 current budget is \$87.8 million in expenditures with \$85.9 million in available current year funding with about \$7.6 million in additional available prior year carryforward funding. FYTD NWFHN has spent \$14.7 million. AJ500 is currently projecting a \$2 million deficit, which is primarily tied to Residential Group Care spending. NWFHN team is trying to work the financial viability plan to control costs. This will eat into available carryforward. A reminder to the board is that this budget does not include all costs such as expanded facilities as we are still in a “transition” phase and are making sure adequate funding is available before entering into these types of agreements. There were no questions from the board.

Circuit 2/14 - BJ100:

BJ102 current budget is \$56.9 million in expenditures and \$56.8 million with an anticipated \$182k roll forward. The BJ102 contract has not been closed out by DCF, therefore, this \$182k is not a guarantee. Year to date approximately \$9.6 million has been spent. A reminder that NWFHN utilizes a working budget method, so changes occur during the year, therefore, we present the original budget as adopted and the working budget as it changes. This budget is only breaking even due to the ME budget helping with the funds and would be overspent without ME funds.

AHME1:

NWFHN has worked with DCF to get updated schedule of funds. SAMH Block Grant funding associated with Covid funds were depleted earlier than expected. NWFHN is trying to fill the holes where funding was lost. DCF has responded well to this issue but there is still a deficit in expected funding. NWFHN reduced an original \$8 million dollar difference down to a \$2 million dollar difference in funding, so providers will face a smaller shortfall than originally expected. DCF is working to find additional funding. As NWFHN gets it, it will be routed to providers as quickly as possible. There are not many administrative dollars in the ME contract. Direct program expenditures have doubled, and administrative dollars have stayed flat. The AHME budget is currently \$134.4 million in expenditure which includes about \$8.3 million in carryforward funding from prior year. There is currently FYTD expenditures of \$18.1 million through August 2024. There is a \$4.3 million surplus in expenditures.

Sunshine Health:

Sunshine is budgeted to have \$870,000 in revenue and approximately \$788k in expenses. There is currently spending of approximately \$109k FYTD. Nothing unusual on this budget.

Fatherhood grant:

The fatherhood grant has a budget of approximately \$1.1 million including a \$292k carryforward from prior FY. FYTD approximately \$88k has been expended. This is a 3-year grant and funds are expected to be spent before the end of the contract. Part of the struggle is getting peers cleared through child protection background screen. Due to this, there are vacant positions due to stringent clearing requirements.

Balance Sheet:

NWFHN

There is plenty of cash to meet monthly needs. DCF is timely in getting invoices processed, which is important for us to ensure payment of monthly bills can occur timely. Statements are included in the packet for auditors.

Independence Village:

There are negative net assets due to a \$1.4 million liability negotiated with Florida Housing Finance Corp. The building was destroyed during Hurricane Michael. The debt has been negotiated with Florida Housing and Finance. Michael Lee will need to begin to work on this issue due to a balloon payment being due in the future. Mike asked for board support to get the debt off our books.

Motion: Director Cullen moved to remove finance committee from consent agenda. Director Johns seconded the motion. All are in favor of the motion.

Motion: Vice Chair Pickett made a motion to accept the finance report. Director Johns seconded the motion. All are in favor of the motion.

VI. Strategic Discussions

Mike Watkins

A. Annual Priorities

The Staff met at Rivertown Church in Marrianna for an All-Staff meeting. The guest speaker was David Kuhnert. Several board members were able to attend as well. NWFHN provided Vision cards to show the vision and values of the organization. Mike reviewed the Vision Statement booklet with the attendees and each board member received a copy.

Circuit highlight:

The Circuit administrators have been doing a great job accomplishing their goals. Mike highlighted NWFHN expanding the Faith Initiative and the work that Jack Brewer has been doing in our communities.

President Waters spoke on the benefit of Circuit 1 coming on board with NWFHN. He's seen miraculous changes in the lives of children. NWFHN is doing a great job. The kids' well-being is the priority for NWFHN.

1. Circuit 2 Update

Charles McDonald

Circuit 2 includes two counties, Madison and Taylor, where NWFHN provides Behavioral Health services only. NWFHN provides the other counties with Child Protection services as well as Behavioral Health Services. Charles highlighted that the Behavioral Health part affects the Child Protection part as well even though there's another lead agency in those counties for Child Protection. These communities have been severely impacted by multiple hurricanes in the last year. NWFHN has been a part of helping in these communities. Each caregiver is contacted to see what their needs are before and after a storm. Another way NWFHN has assisted during the aftermath of the hurricanes is keeping up with Immediate Services Program grants issued by the Federal Government, so the affected families have access to help offered. After Hurricane Idalia, DISC Village and Apalachee were our partners in providing Immediate Services Program services for those families affected. After Hurricane Debby, NWFHN responded to provide supplies and crisis counseling. The impacts of Hurricane Helene were major, and Charles discussed the effects on the people who were already hurting after the previous hurricanes and the closure of the paper mills in Taylor County. NWFHN was able to take many supplies to people due to an employee's connections with his church. They were able to meet some physical needs on top of what we already do with the services NWFHN provides. The team shared NWF Health Connects with the people so they can reach other services to help meet their needs.

Charles shared that for the last 8 quarters the Circuit 2 goal of kids being seen every 30 days has been exceeded. The target of kids not being abused or neglected has been met. Young adults who have completed or enrolled in secondary education is up. The Adoptions target has been met. The opportunity to impact lives of the community is not lost on the Operations Team. They stay focused on the mission to impact the lives of the people we serve.

Charles stated, “We take that seriously, we talk about it constantly and we are purposeful in it.” He shared that the Operations Team appreciates the board sending/getting the funds and workforce needed to change lives.

B. Operational Priorities

Courtney Stanford

Child Protection – NWFHN is in good standing with DCF contracts. Charles Scherer’s team is working on projects related to enhanced rates concerning recoupment of funding. Another big project is placement needs. The team is having discussions with residential group care providers around 24/7 supervision, capacity, and occupancy. The project includes looking at group care, relative care, licensed foster care, etc. NWFHN leadership wants to focus on placement concerns this year. Removals are low in Circuits 2 and 14 now. NWFHN will be doing a workgroup with DCF this year as this is not the case in other circuits, including Circuit 1. NWFHN has fulfilled the contract for Circuit 1 and Leadership will continue to work with staff on what Circuit 1 needs now moving forward.

Behavioral Health - The anticipated award date for the Behavior Health/ME contract is November 1, 2024. Leadership will keep everyone up to date when it’s awarded. NWFHN was the only submission. DCF allowed NWFHN to bid for Madison/Taylor counties and leadership is hopeful NWFHN will receive the contract.

Criminal Justice update –

Christy Bertera shared about the recent Law Enforcement Peer Support certifications. Christy worked with the Florida Certification Board to create the program. Calhoun county was the 1st in the circuit, state, and nation to become certified as Peer Specialists. Thank you to the Board and leadership for their support in the Criminal Justice initiatives.

C. Faith Liaison

Marcia Mathis

Many programs within NWFHN interact with our Faith Partners under the Faith Initiative. The Foster Family Support and Community Relations teams are two of them. There was an NWF Resource Expo in Bay County with 36 vendors attending. The 2nd Annual Faith Summit was last week in Panama City. The event went well with great speakers presenting. There were 22 faith organizations from all 4 circuits that participated. Ten of the twenty-two organizations were ones that NWFHN hasn’t worked with before. The announcement of faith grants was made at the event. Applications have already been received.

The Foster Family Support Team is working with some of the faith community with fulfilling Christmas Wishes. The Foster Family Support Team gets sponsors who agree to purchase gifts for all of the children we serve who are in care. They purchase the exact gift the child/caregiver put on their list for Christmas.

Thank you to the board for supporting the Faith Initiative.

VII. Review Risk Management

Mike Watkins

A. Executive/Legislative

NWFHN contracts and relationships are solid with the state. Secretary Harris asked NWFHN to send team members to an event they were holding in Panama City yesterday which shows a solid working relationship with DCF.

ITN award – Courtney mentioned this previously in the meeting. The announcement for the award is well past due. The announcement is pending for all Behavioral Health Managing Entities.

Leadership is confident that NWFHN is compliant with all of the new laws that will be coming into effect in July. They expect changes as new leadership changes in legislature. NWFHN is expressing our needs to the Senate and House and is hopeful that Representative Salzman will be the new Children and Families Committee Chair.

KPMG – there is risk on how funding model is established and allocated and we are working with the Department and our peers to resolve and mitigate.

Courtney spoke of the “Why” of NWFHN and some of the hard situations that staff and families encounter through the work we do.

B. Legal

Michael Lee

NWFHN is leading our peers in Child Protection and as a Lead Agency. There is only 1 legal issue, and it has shifted to an aggressive posture.

Michael discussed the risk involved with the DCF proposed budget. If the new funding model does not take into consideration inflation, it will handicap the agency’s vigorous defense.

There were no questions from the Board.

C. Other

President Waters asked if there were any other known risk factors. No other risk factors were raised by the Board.

VIII. Review Governance

Gerald Waters

A. Status of Directors

1. Reappointment of Member(s) – Bambi Smith, Reggie Johns, Liz Holifield

Director Cullen moved to reappoint all. Director Foster seconded the motion. All members present approved of the appointments.

President Waters discussed a new rule which states that 51 % of the board members must live in FL. This allows Denise Meyers to be back as a director of the board rather than Ex Officio.

Vice Chair Pickett motioned to have Denise as a Director of the Board. Director Johns seconded the motion. All members present approved the motion.

2. Proposed Member(s)

There were no proposed members.

IX. Next Meeting: December 12th 10am CDT, Panama City

X. Adjourn

Gerald Waters

Director Johns motioned to adjourn the meeting. Director Foster seconded the motion. All members present agreed. The Meeting was adjourned at 12:18.