

**Board Meeting Minutes
December 11, 2025
10 AM to 12 Noon CST**

Attendees: Bambi Smith, Teresa Roberts, Arthur Cullen, Michael Beedie, Keith Dean, Reggie Johns, Rendy Lovelady, Denise Myers, Ronald Pickett, Charlie Strickland, Gerald Waters, Mike Watkins, Courtney Stanford, Rae Kerr, Michael Lee, Lisa Carden, Maureen Castano, Amy Cliburn, Kelly Faircloth, Emma Kyle, Kristi Lock, Charles McDonald, Kate Palazes, Bibi Ramos, Walter Sachs, Tara Taylor, Sharron Washington, John Wilson

I. Welcome and Chair's Remarks

Bambi Smith

With President Smith attending virtually, Secretary/Treasurer Cullen led the meeting and called the meeting to order at 10:02 AM CST. NWFHN Faith Liaison Emma Kyle led an opening prayer and Director Johns led the Pledge of Allegiance.

It was noted that a quorum was present.

II. Consent Agenda

Bambi Smith

- 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
- E. Review and Approval of 2026 Board Meeting Dates

Secretary/Treasurer Cullen asked if there were any questions about the Consent Agenda. No questions were asked. Director Johns made a motion to accept the Consent Agenda. Director Pickett seconded the motion. All approved, motion passed.

III. Review and Approval of Finance Committee Report

Rae Kerr

A. 25-26 FY

Rae referred the board to the Budget Reports located in the packet (pp. 62-94). The board was advised that an external audit with Thomas Howell Ferguson is ongoing and scheduled to be completed early next year.

The legislative-mandated forensic audit completed by Ernst & Young found no fraud or misappropriation of funds. The only findings were mostly related to data system access controls and file security. NWFHN will work with DCF regarding any required corrective action.

BJ102- NWFHN has applied to the risk pool, due to an anticipated deficit of over \$6 million, primarily caused by the costs of residential group care. The issue is further exacerbated by the loss of ability to use ME funds, previously approved to be used by the Department, to cover some of these costs.

AJ500 shows a slight surplus of \$334,000 through October. However, residential group care is running a deficit of \$1.2 million YTD, so while in surplus for expenditures, all available funds will be spent, along with most of the carryforward, to try to cover residential group care deficit.

BJ102 spending is tracking close to the prorated budget, with the exception of residential group care, which reflects a \$2 million deficit. All other areas are aligning with budget expectations. The packet includes the projection sheet submitted to the Department, noting risk in both contracts. NWFHN has applied to the risk pool and requested more money than exists in the risk pool, with hopes of receiving back of the bill funding.

Secretary Treasurer Cullen asked if entering the risk pool affected any other funding. Rae explained that risk pool requests must specify their intended use and NWFHN has advised it will cover residential group care deficit. Rae noted that cutting enough costs to close a \$6 million gap is not feasible, though steps are being take to close the gap by cutting costs, such as freezing positions, as was done last year.

Rae acknowledged the good job of Lisa Carden and Shawna Peterson with the Department, who continue to ensure timely payment of invoices.

Director Pickett asked for discussion on how to resolve this large of a deficit. Mike explained that because the contracts are cost-reimbursement, the only option is to access the \$3 million risk pool, which is also insufficient. Mike lauded Rae and her team for their work in closing the \$5 million gap last year; however, that was done by utilizing BHME funds, which the Department will not allow this year.

Mike discussed the flaws in the proposed funding model, noting that its expenditure-based structure results in NWFHN's fiscal discipline unintentionally perpetuating the existing

challenges. Because of this, the decision was made to apply to the risk pool this year, while also advocating for a rational funding structure tied to outcomes rather than volume.

Courtney discussed how NWFHN is addressing the cost of residential group care, including collaboration with the faith community through NWFHN Faith Liaison Emma Kyle, and including Circuit Administrators, to make expanding foster home availability a shared responsibility. Rae noted that the issue is actively managed daily, with all possible solutions being pursued.

Director Pickett inquired about solutions to the financial challenges and expressed concern that efficiency does not appear to be rewarded. Director Strickland inquired about underperforming entities and Mike advised he has seen no accountability for poor fiscal responsibility and the current model incentivizes more spending. Mike advised he has met with legislators and expressed these concerns and will continue to do so, noting that legislators have paid for three funding models for three years in a row, with no policy change.

Vice President Roberts expressed concern that the deep cuts could affect children or staff and Rae advised that no corners are cut on services and Courtney added that no programs were reduced. In regards to staff, Rae advised that after being held for two years, a 5% COLA was given in June 2025, in line with what the state employees received each year. Secretary/Treasurer Cullen mentioned the high acuity bill championed by Mike, which is being sponsored by Board Director Senator Saltzman and Senator Simon.

There were no further questions or discussion by the board.

Director Pickett moved to accept the financial report as submitted. All approved, motion passed.

B. Facility Updates

Discussion included the new office building in Pensacola, and the need for another building between Pensacola and Panama City.

Director Pickett asked for an update on the analysis conducted on the value of the Tallahassee MLK building. Mike advised that was done for informational purposes, and the decision has been made not to move forward with a sale.

NWFHN is currently paying interest only on the \$1.5 million debt for Independence Village. Michael Lee has renegotiated the agreement to extend interest-only payments until 2028 and advised Florida Housing has confirmed the agreement will be completed by the end of the year.

IV. **Strategic Discussions**

Mike Watkins

A. Annual Priorities

1. NWFHN Strategic Updates

Courtney Stanford

Courtney introduced Emma Kyle, NWFHN's new Faith Liaison, who is focusing on foster families, and relationships with key leaders in the faith community. Emma briefed the board on her efforts to reengage churches in child protection work and the Faith Forums she is hosting to hear from the faith community.

Secretary/Treasurer Cullen welcomed Emma to NWFHN on behalf of the board. Director Waters confirmed with Emma that she has met with One Church One Child in C1.

No further questions were asked by the board.

2. C14 Update

Kelly Faircloth

C14 currently has 592 children in care, with 322 being in out of home care. There are more children exiting the system than entering, reflecting a healthy system. Twin Oaks held a recent adoption event in C14 during which six children were adopted.

Kelly highlighted the positive impacts made by NWFHN's ability to integrate child protection and behavioral health services, which expands resources available to prevent families from needing deeper levels of care. As an example, this approach recently prevented 12 children from entering care, generating an estimated cost avoidance of \$1.2 million dollars. Kelly added that having relationships with NWFHN's behavioral health providers at the circuit level is hugely beneficial in working to solve the complex high acuity issue.

Courtney added that she and Charles McDonald recently met with Senator Simon and Representative Tant and discussed the cost savings that is happening across the network because of NWFHN's unique combination of child protection and behavioral health.

Kelly discussed NWFHN's ongoing collaboration with Jack Brewer and his team to support high-acuity youth and noted that efforts to formalize a mentoring program are underway, and also highlighted the Fatherhood Team activities, including a Christmas activity that is providing gifts for fathers in the program to give to their children for Christmas.

Mike expressed appreciation for the work of Kelly and her team.

V. Review Risk Management

Mike Watkins

A. Executive/Legislative

Mike introduced John Wilson, CEO of DISC Village, which has assumed the case management contract in C2. Courtney highlighted the strong partnership with DISC Village, praising the smooth transition and the team's energy. John advised that they retained 100% of the existing staff and thanked NWFHN's support catching up on visits during and after transition. Secretary/Treasurer Cullen thanked John for their partnership and welcomed them aboard.

Courtney discussed Operation Northern Lights, an initiative with partnering agencies that successfully located 36 missing children. Information was also shared on upcoming Christmas adoption events across all NWFHN circuits, including C1's first ever Christmas adoption. Additionally, Courtney briefed the board on the Rock the Kids events with Easton Corbin. The event will be held in all three circuits this year, and requested board support for table sponsorships.

The board was briefed on the first meeting of West Texas Community Network. It was noted that an angel donor had contributed \$500,000 to the start up. Courtney is leading the bid submission, which is due January 12, and Mike was named interim CEO. Michael Lee advised that working agreements with Texas will be finalized soon and emphasized a commitment to full transparency.

B. Legal

Michael Lee

1. Board Training

Michael Lee referred the board to the yearly training materials at the end of the board packet, which fulfills the requirements set by the Department for board members, and advised them to reach out with any questions.

NWFHN currently has no active litigation cases, with the most recent case being officially settled earlier in the week.

C. Other

Director Strickland discussed his site assessments on all agency buildings and upcoming training for all staff. Mike thanked Director Strickland for these efforts.

Mike inquired whether the board had any risk items for discussion, and none were raised.

Mike requested a contract for employment from the board.

VI. **Review Governance**

Bambi Smith

A. Status of Directors

1. Reappointment of Member(s)
 - a. Keith Dean (2/22/2026)
 - b. Bruce Foster (2/22/2026)
 - c. Charlie Strickland (2/22/2026)

Director Strickland and Keith Dean were present during the meeting and recused themselves from the vote. Secretary Cullen asked if there were any objections or discussions for the reappointments, none were raised. Director Johns moved to reappoint all listed, Director Pickett seconded. All approved, none opposed. All were reappointed to the board for a two-year term.

2. Proposed Member(s)

VII. **Next Meeting:** February 26, 2026, at 10am EST in Tallahassee.

VIII. **Adjourn**

Bambi Smith

Secretary/Treasurer Cullen adjourned the meeting at 12:01 PM CST.