

DEVELOPMENTAL PATHWAYS, INC.
Board of Directors Meeting Minutes
September 28, 2023

Members Present: Kristin Hoover, Rick Newell, Nancy Sharpe, Dr. Michaela McDonnell, Daniel Sampson, Michelle Kroeger, Jenn Conrad, Commissioner Abe Laydon, Commissioner Carrie Warren-Gully

Members Absent: Lois Vaughan, Chris Erickson

Others Present: Matt VanAuken, Karen Flores, Erica Kitzman, Amy Grogan, Darcy Tibbles, Andrew Passmore, Maria Cordero, Will Wedow, Ed Bowditch, Kim Tenure, Selina Griggs, Naomi Megory-Cohen, Tim Vincent, Mitch Muniz

The Developmental Pathways, Inc. Board of Directors meeting was called to order by the Board Vice President, Dr. McDonnell at 12:03 p.m. Ms. Kroeger established a quorum.

Guests: Maureen Waller, Maureen Welch, Galia Spychalska, Marsha Alston

Conflict of Interest

None.

Public Comment

Community member Welch attended virtually. Ms. Welch thanked the board for their service and commended Developmental Pathways on its update to its public comment process. Ms. Welch expressed the need for greater access to unmet needs funding through Arapahoe and Douglas County mill levies and her frustrations with interactions with DP's leadership team.

Community member Spychalska attended in person. Ms. Spychalska expressed gratitude for Developmental Pathways and its Unmet needs funding, which has often supported her and her family. Ms. Spychalska reflected on struggles with active case management training, turnover, and leadership accountability, along with dissatisfaction with home modification timelines, vendor availability, and overall processes underscored by legislation and rule-making that changed the way these projects are handled.

Consent Agenda

Approval of Regular Board Minutes – June 22, 2023

MOTION: Ms. Sharpe moved for the approval of Consent Agenda items as presented; Ms. Hoover seconded the motion. There being no discussion, it was approved by a unanimous voice vote.

Executive Committee: Dr. McDonnell

Committee Report Out: Ms. Conrad

Ms. Conrad provided the following committee update. On July 10, 2023, Judge Don Toussaint informed the Executive Committee that he was assigned a new rotation with his employer and would need to step down from the board. Judge Toussaint brought a wonderful maturity and lens of knowledge to our board, and we are truly thankful for his service.

The Executive Committee last met on September 12th and discussed the following items. The Nominating Committee will begin recruiting new board members with the hope of onboarding by May of 2024, keeping in mind the overall vision and mission of the organization. Once the nominating committee has better-defined needs for new board members, the committee will share them with the entire board in the hopes that board members will have some recommendations on good candidates. Mr. VanAuken informed the committee that the transition planning regarding the CMA award is in high gear and going very well and gave an update on the company's strategic priorities. The Executive Team provided more information on these topics later in the meeting.

Upcoming Meeting Reminders: Dr. McDonnell

Dr. McDonnell reminded the board of the following meetings and asked if anyone had yet to receive a calendar invitation to inform Ms. Griggs.

Public Affairs Committee: 10.12.2023 at noon
Nominating Committee: 10.26.2023 at noon
Mill Levy/Fund Balance Committee: 11.16.2023 at noon
Executive Committee: 11.28.2023 at noon
Finance Committee: 12.7.2023 at noon
Board Meeting: 12.14.2023 at noon

Other Engagement Reminders: Dr. McDonnell

Dr. McDonnell informed the board of the following engagement opportunities and asked them to contact Ms. Griggs if they are interested in attending the all-staff or town hall meetings. After today's meeting, Ms. Griggs will send an updated calendar invite for the holiday party.

All Staff Meeting (optional for BOD members) 10.4.2023 at 9:00 am
CMRD / BOD and Government Partners Town Hall: 10.24.2023 at 9:00 am
Board Holiday Party: 11.7.2023 at 4:00 pm

Finance Committee: Ms. Sharpe / Ms. Flores

Board Quarterly Financial Statement Review and Approval

Ms. Sharpe provided the following Finance Committee update. Developmental Pathways (DP) budgeted a fiscal-year-to-date loss of \$1.6M with a realized fiscal-year-to-date loss of \$1M and is positive to budget by \$552K. There is nothing of note to call out, and DP's financial position remains strong.

Miscellaneous income is higher than budget by \$114K due to \$100K received this fiscal year via the 2nd round of state-sponsored case management retention bonuses. These are funds provided to DP by the state as a grant designed to attract and retain qualified case management staff. As was the trend in Fiscal Year (FY) 23, the largest budget-to-actual variance in FY24 continues to be personnel expenses. DP is \$805K under budget in this area thus far this fiscal year. This will remain an area of focus for the organization. Hiring work in preparation for Case Management Redesign remains ongoing in this challenging labor market. To help fill the necessary positions by the Nov 1st CMA transition date, DP's in-house recruiting team will partner with an external staffing agency to provide additional support. DP remains confident about the November 1st transition. Staff travel is another expense line item that we are also monitoring budget-wise. Thus far, we are \$71K under budget in this area. Lastly, investment return is another area that is always a bit of an outlier due to market conditions. The positive news is that thus far this fiscal year, DP is positive \$149K.

Balance Sheet

Assets	\$47,430,426
Liabilities	\$10,915,317
Equity	\$36,515,109

Statement of Activities

	Actual	Budgeted	Variance
Operating Revenue	\$8,515,204	\$8,687,896	\$(172,693)
Gains/(Losses) and Investment Return/(Loss)	\$149,008	-	\$149,008
Expenses	\$(9,692,261)	\$(10,267,938)	\$575,676
Net Income /(Loss)	\$(1,028,050)	\$(1,580,041)	\$551,992

In accordance with SB16-38, we are required to review and approve financial statements at least once a quarter. Financial reports are posted on the Board Portal approximately one week prior to board meetings.

MOTION: Ms. Hoover moved for the approval of the August 2023 YTD financials; Ms. Sharpe seconded the motion. There being no discussion, it was approved by a unanimous voice vote.

Review of Draft 2023 EOY Financials

Ms. Sharpe provided the following FY23 year-end Financials. She reminded the board that these are preliminary and unaudited. The final audited financial statements for FY23 will be available near the end of calendar year 2023, as is the case each year. The financial statement audit is currently underway and is going well.

DP budgeted a loss of \$4.3M with a realized loss of \$716K. DP budgeted a loss because the organization elected to spend a significant portion of its equity/savings to ensure that all needs within the community DP serves are met to the greatest extent possible. Especially considering the recent COVID pandemic and the many needs felt across the community. DP invested in the community via provider grants, sponsorships, and unmet needs. The budget variance is mainly due to other factors, such as personnel expenses that came in under budget and unbudgeted investment gains. Regarding DP's Statement of Financial Position, there is nothing of note to call out. DP's financial position remains strong.

Ms. Sharpe concluded that DP's revenue for FY23 came in \$1.5M higher than budgeted and that personnel expenses were significantly under budget by nearly \$1M. Staffing will remain a hot topic into FY24, especially as hiring efforts remain in high gear as preparation for Case Management Redesign continues to ramp up. The organization remains committed to attracting and retaining qualified staff in this challenging labor market. Despite a volatile market year, DP concluded FY23 with a nearly \$2M gain on investments.

Ms. Flores reminded the Board that the year-end reports for the Community Engagement and Capacity Building Board Designated Funds are available on the Board Portal for review.

Public Affairs Committee: Mr. Newell

Mr. Newell provided the following committee update. The committee reviewed DP's outreach plan to the disability community and the Case Management Redesign Town Hall schedule. Please mark your calendars to attend the special session scheduled for our board and government partners on Tuesday, October 24th, from 9 - 11 a.m. The Committee also discussed the need to expand DP's earned media opportunities. If anyone on the board has ideas to explore, please let Annahita Jimmerson (a.jimmerson@dpcolorado.org) or Darcy Tibbles (d.tibbles@dpcolorado.org) know. Mr. Newell concluded that the Committee briefly discussed some legislative priorities for the coming year and that their next meeting is scheduled for October 12th.

Mill Levy/Fund Balance Committee: Comm. Laydon / Comm. Warren-Gulley

The Mill Levy/Fund Balance (MLFB) Committee last met on July 27, 2023, and agreed to move forward with the stoplight chart's objectives presented at the June 2023 board meeting. The Committee agreed to maintain the current spend of local programming dollars between individual-focused programming and provider programming at roughly a 40/60 split—meaning about 40% of direct programming supports individuals and families directly while about 60% supports DP's provider network in meeting the community's needs. Moving forward, the Committee plans on continuing regularly scheduled Mill Levy/Fund Balance Committee meetings in conjunction with new county-specific meetings so that DP staff can work with Arapahoe and Douglas County to address county-specific Mill Levy Fund Balance needs. The next MLFB meeting is on November 16th.

New Business

Legislative and Policy Updates: Mr. Bowditch / Ms. Tenure

Mr. Bowditch provided the following legislative update. The Legislative Council Staff (LCS) and Governor's Office of State Planning and Budgeting (OSPB) issued their September 2023 quarterly forecasts. The legislative economists report Colorado has a resilient economy, with some slowing indicating a "soft landing." They consider a recession an elevated risk, and Colorado continues dealing with a tight labor market. They note that the forecast carries "significant uncertainty, with bidirectional risk. The outlook for corporate income tax collections is especially uncertain." For FY23-24, the economists decreased their General Fund (GF) revenues by \$324.2M but also decreased their required TABOR refund by \$355.2M, offsetting the GF loss. For FY24-25, the GF revenue is expected to decrease by \$82M, but the required TABOR refund will likely decrease by \$195.7M. The Governor's Office forecasts are very close to the Legislative Council but slightly below Legislative Council projections.

Mr. Bowditch discussed in further detail Proposition 123, transferring a portion of GF revenues for affordable housing initiatives and the limited gaming revenue Forecast.

Mr. Bowditch concluded by providing the following summary of Proposition HH. The primary components of Proposition HH are assessment rates/taxable values, tabor limits, tabor refunds, senior homestead exemptions, and local government revenue caps. Proposition HH will provide limited property tax reductions for homeowners, taxpayers will be foregoing some portion of their future TABOR refunds, and K-12 education should see a steady stream of new revenues whenever state revenues are increasing. A downturn in the economy would change those projections.

Ms. Tenure provided the following public policy update. DP is closely watching the following Federal Legislation.

- Ending of Public Health Emergency (PHE)
- Supplemental Security Income (SSI) Reform
- Work Without Worry Act
- Direct Service Provider (DSP) Standard Occupation Classification (SOC) bill

During the interim, Ms. Tenure, Mr. Bowditch, Ms. Tibbles, and Mr. VanAuken are meeting with legislators, advocacy partners, and staff to advance legislative priorities. Including Colorado Cross Disability Coalition (CCDC), The Arc of Colorado, Colorado Counties Inc. (CCI), New JBC Analysts for the Department of Early Childhood (DEC) and the Office of Community Living (OCL), Senator Bridges to discuss the DD waitlist and invisible waitlist, and Representatives Frizell and Hartsook to discuss Proposition HH.

DP is working on the 2023 Voter Engagement efforts, including the Voter Guide (coming out 10/9/2023), a Ballot Bingo event in October, and the hiring of Arapahoe County Intern Ayinde Summey (communications/social media) and Douglas County Intern Kelly Schermerhorn (parent research).

Ms. Tenure concluded that there is a New Long Term Services and Supports (LTSS) System graphic and reminded the board that there will be a Case Management Redesign (CMRD) Town Hall on October 24th for BOD members and government partners.

FY2024 Strategic Priorities Dashboard (Stoplight Chart): Ms. Kitzman

Ms. Kitzman provided an update on the FY24 strategic priorities. Beginning with Internal Strategic priorities, the EI service coordinator request for proposal (RFP) is due by the end of 2023 and will be a five-year contract. The Case Management Care Team officially launches in October 2023, focusing on service expectations, resolution, and meeting the Monday - Friday requirements. DP is launching a Case Management Redesign (CMRD) town hall series to update and inform groups on what's to come. Regarding policy priorities, the Governor's initial budget is due in November, and voter engagement is gearing up with Proposition HH front and center. The Wait List is not a state priority this year, so DP will shift its focus to continued Home and Community Based Services (HCBS) simplification and leveling of benefits. Regional Accountability Entity (RAE) and Behavioral Health Administrative Services Organization (BHASO) regions are lining up for next year's RFPs. These agencies are community partners of DP, and we are monitoring future implications as July 2025 approaches. Ms. Kitzman concluded with a brief update on each board committee's goals for the upcoming year and that DP teams are assembling the Community Advisory Committee to comply with the new cc Contract.

CMA Award/Transition Planning: Ms. Grogan

Ms. Grogan provided the following update on the Case Management Agency (CMA) award and transition planning.

The ARPA Grant Request Summary was signed this week, and DP can begin submitting monthly for reimbursements through September 2024. DP also received approval for the third and final round of the submitted Case Management Retention Bonus/ARPA application and anticipates approval.

CMA Transition planning is in high gear, with the state, Rocky Mountain Human Services (outgoing agency), and internal teams. An 18-week CMA transition planning cohort is underway to discuss contracts, billing, data transfers,

operational planning, and related communication. There is a need for Health Care Policy and Financing (HCPF) to define CMA choice processes more clearly.

As shared earlier, DP is launching a town hall series for staff, existing/new members, and the community.

- Disability Providers: 9/27
- Current DP Members and Families: 10/3
- Government and Board Partners: 10/24
- Incoming Members: 11/15

With official HCPF communication out regarding the awards, DP is actively collaborating with RMHS to transition their Arapahoe, Douglas, and Elbert County Single Entry Point (SEP) members to us and our Adams County IDD members to them. DP is seeking other community partners on the physical disability side, such as CCDC and SEP providers.

Internal planning continues in earnest. Hiring efforts have been tremendous, with 100+ successful hires to date, and simultaneously contending with considerable internal lateral movement, promotions, and turnover. Robust onboarding and training are underway, and DP is eager to unpack census data from the state and HCPF. Care and Case Management System (CCM) is underway, and we are working through any issues with the state. Case Management (CM) teams are readying for a return to in-person CM, caseload shifts, SEP learning, and the end of PHE shifts. SEP learning was also made available to board members via a recorded training sent by Ms. Kitzman.

Ms. Grogan concluded with the Case Management Care Team (CMCT) launch. CMCT will provide responsive and prompt customer service support to individuals, families, providers, and staff to help ensure the needs of those in services and those who support them are met in a timely and supportive manner. CMCT will be available Monday-Friday during regular business hours.

People Strategies Update – Hiring/Employee Engagement: Ms. Cordero

Ms. Cordero provided the following updates on hiring and employee engagement. DP's current number of employees is 459—an increase of 21% from the previous quarter. DP has 34 new employees starting on October 2nd and needs an additional 65. DP anticipates over 500 employees by the end of October.

The Talent Acquisition team has compiled a descriptive analysis that provides a view of current recruitment efforts. It takes, on average, 21 days to fill a position from the date the request is posted to the date of hire. Across different industries, the average is 35 days, and for health care, it is more than 45 days. DP saw a quarterly turnover rate of 5% compared to last quarter's 6%. With an annual turnover of 20% compared to Colorado's turnover rate of 25%.

Recruitment efforts include an increased referral award program, a recruitment Campaign in partnership with communication across different social media sources, a new onboarding process, and CM training.

Ms. Cordero concluded by announcing the new Director of Organizational Culture Engagement & DEIA position and the Annual Employee Engagement Survey results. Following the survey, a series of focus groups were conducted to gather additional information on several areas, including management effectiveness, recognition, growth, and job satisfaction. The results have been compiled, and Leadership will be working on addressing additional concerns/recommendations in the next couple of months.

Open Discussion

Ms. Flores introduced Will Wedow, the new Vice President of Information Technology and Operations, and Andrew Passmore, the new Vice President of Finance.

Mr. VanAuken Concluded by thanking Leadership and their teams for all the hard work they have been putting in during this transition period and the Board for their continued service and support. Commissioner Laydon echoed Mr. VanAuken and thanked DP for partnering with Douglas County.

Adjournment

There being no further business to come before the board, the meeting adjourned at 1:17 p.m.