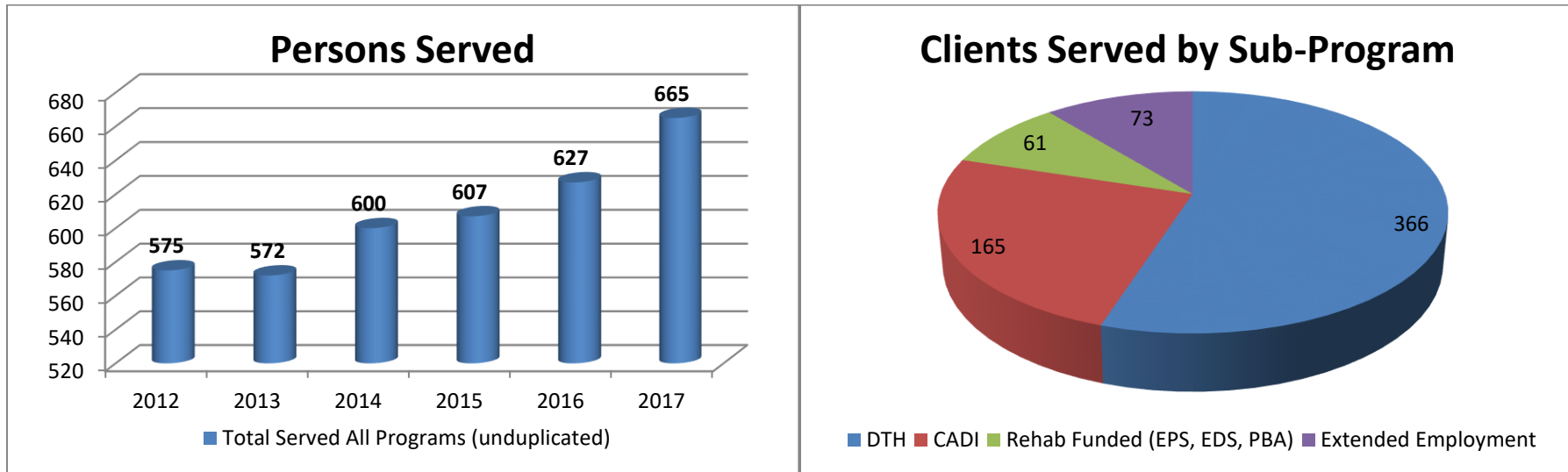


# WACOSA – Outcomes Management Report Year in Review

Period Reported: 1/1/2017 – 12/31/2017

<b><u>Indicator:</u></b>	<b><u>Result</u></b>	<b><u>(+) or (-) from Previous Year</u></b>
Total Persons Served in 2017 –	665	(+6%)
Admissions in 2017 -	126	(103%)
Discharges in 2017 -	81	(+13%)
Total Community crews 2017 -	52	(0%)
New Community crews in 2017 -	3	(0%)
Total Individual Placements 2017 -	85	(-6.5%)
New Individual Placements 2017-	33	(+6.5%)
Total center-based contract hours -	77,424	(-3%)
Total DocuShred revenue -	218,063	(+32%)
Total DocuShred pounds collected –	934,342	(-1%)
Total ThriftWorks revenue -	286,783	(+20%)
Average hourly pay:		
Individual Placements (Extended Employment) -	\$10.66/hr.	(+.59/hr.)
Community crews/enclaves -	\$6.68/hr.	(+.21/hr.)
Center-based employment -	\$3.89/hr.	(+.28/hr.)
Total Development income –	\$336,964	(+10%)
Total number of volunteers -	313	(-1%)
Volunteer Hours (approximate) -	2,420	(-34%)



### **Analysis/Trending of “Year in Review” Data:**

WACOSA has continued to see an increase in the number of persons served over the past 4 years. The past 6 years are noted in the chart above. 2012 to 2013 remained relatively stable, with a small drop between the two years. 2014 – 2017 once again saw progressive growth of 10.8% in numbers of persons served, with a 6% growth in the last year alone. WACOSA has experienced an almost 54% increase in total numbers of persons served from 2008 to the present. This consistent growth speaks well of WACOSA’s continued relevance in the community and the overall need for the organization’s services. The slight drop in numbers from 2012 to 2013 had much to do with the overall funding climate in the Minnesota Health and Human Services at the time. The freezing of client services due to cuts brought on by both the federal sequestration and a state restriction on Waiver funded services caused waiting lists throughout the state during this time and were the primary causes for service reductions in 2013.

Reports from our MOHR lobbyists continue to be less than optimistic regarding any new spending being injected in to the Health and Human Services (HHS) budget during the 2018 legislative session. Presently, Minnesota’s governor continues to oppose growth in HHS spending, has proposed the elimination of partial day rates for clients and has not acknowledged the need for additional resources to help give wage increases to Direct Support Professionals (DSP’s) in order to remain competitive in attracting qualified staff. Minnesota’s 3.3% unemployment rate, coupled with the increase of the state minimum wage to \$9.50/hr., has resulted in the gap between minimum wage and WACOSA’s entry wage narrowing to \$1.83 between the two. This, in turn, has created an incredibly difficult hiring environment in 2017, often leaving a significant number of open DSP positions at any one time.

New state and federal initiatives continue looming large in the coming months and years that threaten the way WACOSA has historically provided services. Center-based services remain in disrepute, as does the payment of special minimum wage. Many of these impending initiatives are being required by the federal government without new funding to accompany the mandate/s. As a result, the state DEED office is being forced to funnel funds away from many deserving services in order to accommodate new federal requirements. Minnesota’s Olmstead Plan and Employment First

*Policy have now been largely implemented across Minnesota. While the Olmstead Plan was not implemented to restrict services but to bolster integration efforts, we nevertheless continue to see a vilification of center-based services. Additionally, the Workforce Innovation and Opportunity Act (WIOA) has now reached full implementation resulting in chaos for new school graduates, incumbent clients, their families and funders. Clients and their guardians have now undergone counseling to determine client interest in community employment, resulting in many parents, guardians and caregivers growing frustrated and often vocally unhappy with the process. Reports indicate approximately 80% of clients/families served by programs like WACOSA say they are happy with current services. Independent Living Centers across the state are being paid by the state to orchestrate the required counseling sessions. Redefining the use of Home and Community-Based Waiver funding will become our next hurdle to negotiate, as assessments are interpreted in the coming months and determinations are made as to whether or not services provided at programs like WACOSA are integrated. Failure to pass this integration test will result in the need to redesign services until such a time as they are deemed properly integrated. If such a declaration is made, changes must be in place by 2019 in order to continue accessing these funds. Presently, WACOSA receives approximately 80% of its funding from the Medicaid Waiver. Overall, these new initiatives, along with efforts to eliminate Section 14C of the Fair Labor and Standards Act, are all underway, purporting to:*

- Increase the number of people getting competitive, integrated jobs by implementing the informed choice mandates of MN's Employment First policy.*
- Facilitate the movement of adults into integrated, competitive employment.*
- Expand the numbers of transition-age youth who achieve competitive, integrated employment.*
- Overall, increase integration of persons with barriers to employment and activities of daily living and decrease isolation, as perceived by state and federal entities.*

*WACOSA will continue to reflect upon and improve our services in order to advance these initiatives. Nevertheless, we continue to take exception to suggestions that center-based services are no longer a relevant or acceptable choice for our service recipients, a philosophy asserted by individuals at both state and national levels. It is our perception that opponents of center-based services, by enlarge, have already decided that such services are isolating, based upon positions expressed in multiple state and federal written and public forums. These concepts will be further analyzed in the months and years that follow, culminating, if state and federal plans hold, in complete transition by 2019. At this time, it remains unclear what impact such initiatives will ultimately have on WACOSA's services and upon services like WACOSA's nationwide. WACOSA developed and distributed a special edition of WACOSA's Buzz Newsletter in the fall of 2017 entitled, "Information Overload: Making Sense of the 2017 Legislative Session". This document was well received by WACOSA's various stakeholder groups and helped to clarify many of the proposed legislative changes programs like WACOSA will be expected to navigate in the coming year.*

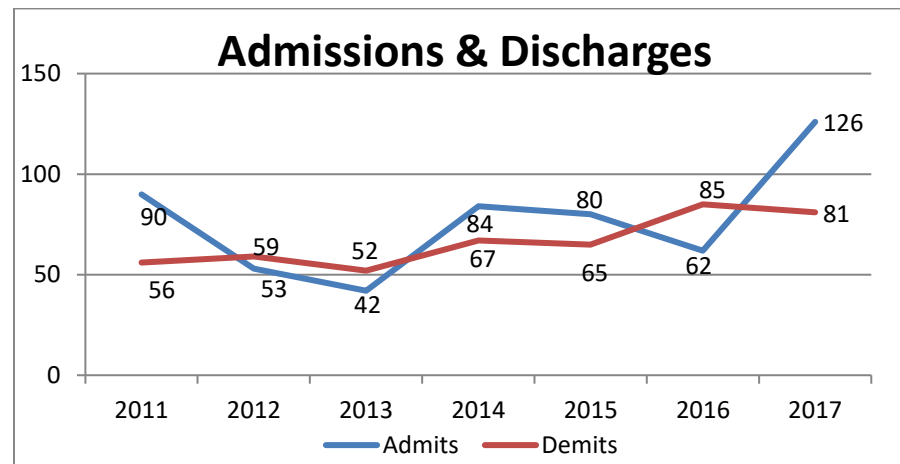
*2017 saw clients served by sub-program display mixed results. Programs like CADI and Extended Employment remained reasonably flat from 2016 – 2017. Alternatively, programs like DT&H and Rehab Funded services showed growth of 7% and 56% respectively. While 2017 saw WACOSA continuing to grow client numbers, the bulk of this increase came from significant increases in clients coming from other programs, most specifically an increase in referrals from Vocational Rehabilitation for short term assessments and job shadowing. Additionally, significant growth was noted in the increase in DT&H individuals eligible for Wavier funding who elected to switch to WACOSA's services from other programs in search of more and varied employment offerings. Numbers by sub-program continue to demonstrate that DT&H services continue as the largest of WACOSA's service*

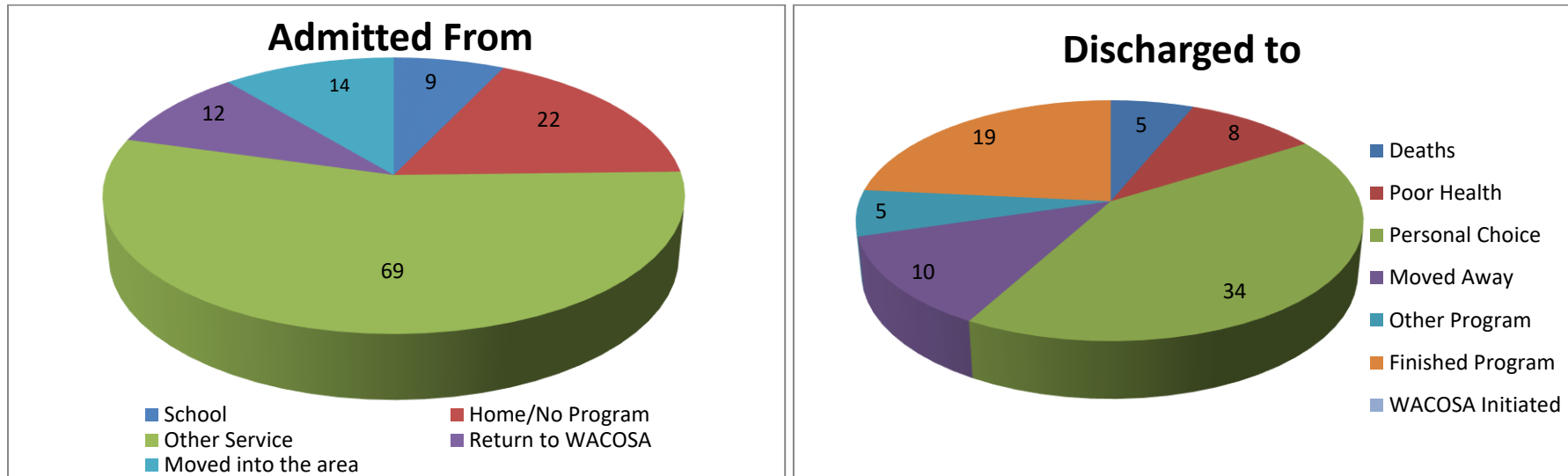
areas with CADI second, Extended Employment third, rounded out by Rehab Funded services. These numbers are consistent for the past several years and are expected to remain so into the future.

As reported in past Outcomes Measurement data, we continue to expect a continual decrease in numbers of persons served in our center-based EE clientele in the coming years. This decline in workers has been steadily occurring over the past 10+ years as a result of the state of Minnesota's continual and expressed commitment to reduce center-based funding for clients in favor of community-funded services. This trend is being played out and is expected to continue, given the state's continued commitment toward community employment and away from center-based services. Total Community Crews and New Community Crews remained flat from 2016 to 2017. While Total Placements dropped by 6.5% in 2017, New Placements actually grew by the same amount. Community Crews continue to struggle with growth in light of the difficulty recruiting the number of staff necessary to keep our crews operating. Like 2016, WACOSA was again forced to decline a total of 5 crews in 2017 due to lower than expected personnel numbers that made staffing new work crews almost impossible. Client ability levels inconsistent with the duties required also played a factor in WACOSA's not being able to accept some crews.

Finally, consumer wages indicate growth of approximately .21/hr. and .59/hr. respectively for clients on crews and for those participating in Placement Services. Additionally, growth of .28/hr. can be seen in center-based work. We believe this third year of continued improvement for all areas is the result of an improving economy, along with work remaining a bit more complex, garnering higher pay. Additionally, it is probable that the state minimum wage increasing to \$9.50/hr. also played a part in this improvement, since wages tend to go up proportionately.

### **2016 Admission and Discharge Analysis:**



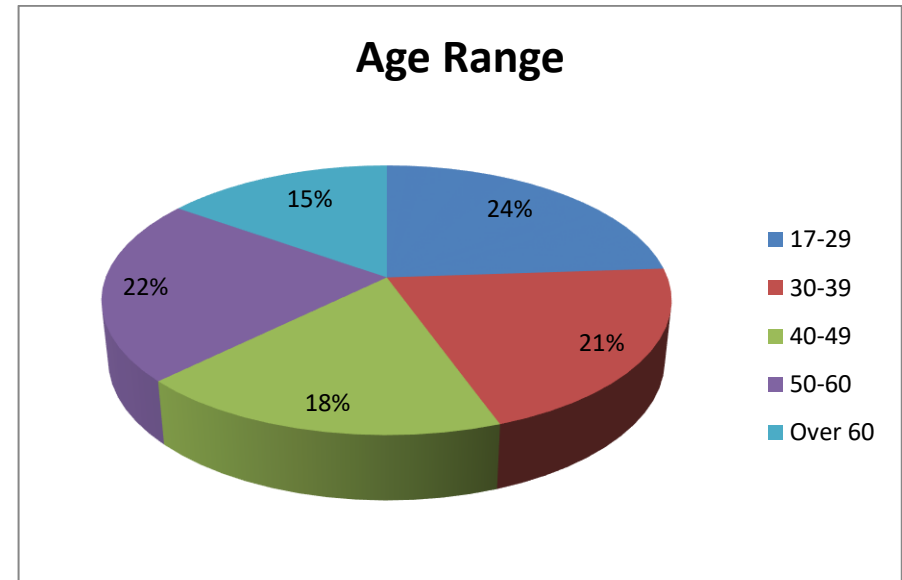
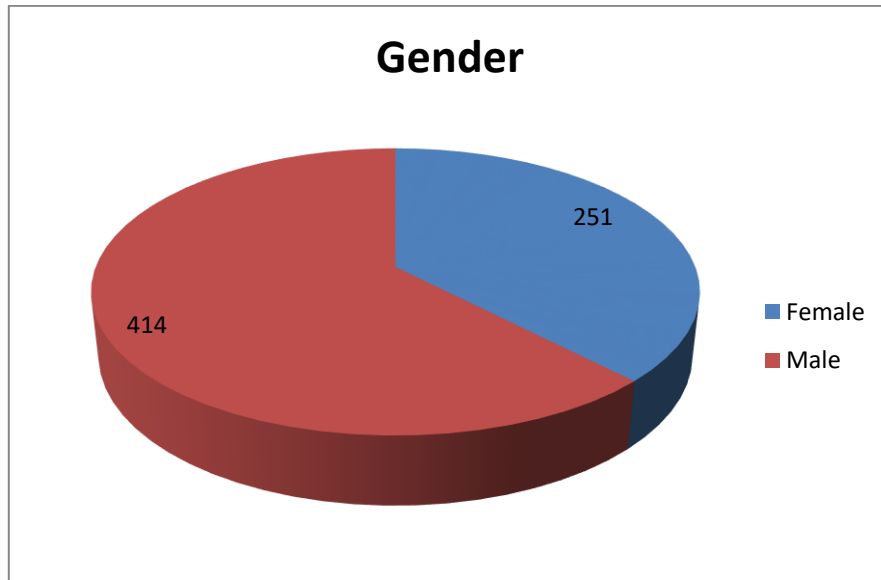


2017 saw admissions overall grow by 103%, with discharges decreasing by 4.7%. This jump in Admissions can be primarily explained by an increase in DT&H clientele, along with Vocational Rehabilitation referrals. Additional explanation is offered in the preceding section Analysis/Trending of “Year in Review” Data. The category of “Discharged to” in general remains unremarkable, when compared to 2016. Of the reasons for “Discharged to”, Personal Choice, Finishing Program and Moving Away, continue to be the most noteworthy, as reflected in the data. We will continue to observe discharge data over time to see what if any trends may exist. It is worth pointing out that, as in years past, clients exercising their personal choice to leave program remains the number one reason for discharge, further demonstrating the choice-centered nature of WACOSA’s services.

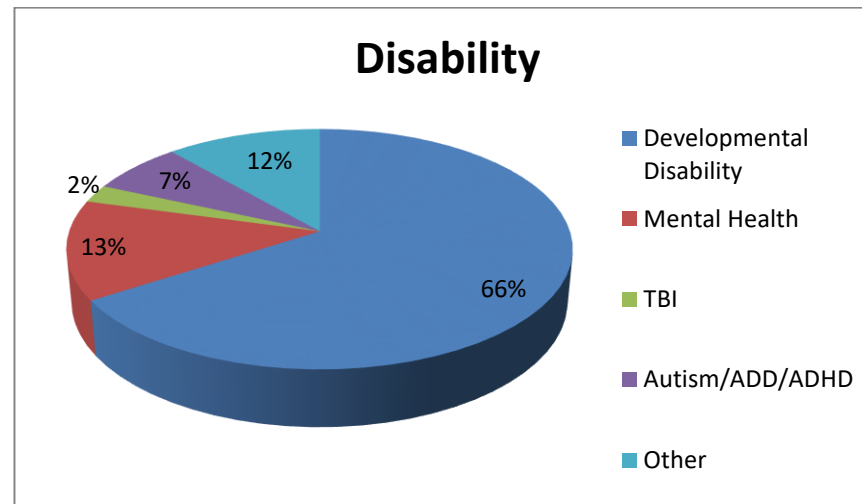
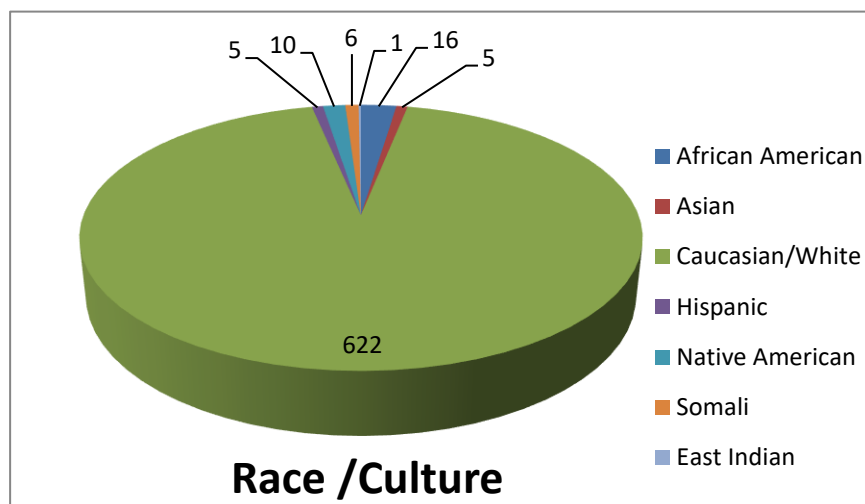
Historically, the largest number of admissions entering WACOSA programs have come from “Home/No Program”. In 2014, we saw a significant change in this dynamic, with 29 admissions to WACOSA’s services coming from “Other Services”. In 2015, the category of “Other Services” grew again to 35, or by approximately 21%. While this dropped by 34% (23) in 2016, this category has continued in 2017 to be the number one reason for admission into WACOSA’s services. Most noteworthy in 2017, admissions from “Other Service” jumped by almost 55%. Again this is reflected primarily in both DT&H and Vocational Rehabilitation admissions. The category of “Other Services” generally includes competitor’s programs, along with shorter term Vocational Rehabilitation assessments and job trials. The remaining categories demonstrated a mix of admissions in 2017, with “Home/No Program” being the second most prominent place from which admissions came. Again, these results closely mirror those of 2016. Interestingly enough, admissions from school districts held steady between 2016 and 2017 at 9. This was not predicted, since state and federal WIOA initiatives taking place in 2017 should have resulted in a drop in admissions of school graduates. While welcome, WIOA requirements continue to place pressure on our school admissions and will likely eventually restrict school referrals significantly. For 2017, it is our belief that teachers and social workers likely hurried to refer as many graduating students as possible, before the full weight of WIOA regulations hit. Once WIOA becomes full blown, the protracted period of time that graduates must spend going through state DEED services rather than coming straight in to services like those offered by WACOSA could be

significant. We anticipate school admissions will drop in the coming years as WIOA is fully implemented. The WIOA initiative will figure prominently into WACOSA's service design and vision as the year/s progress.

### 2017 Client Demographics:



An analysis of demographics for 2017 shows information, by enlarge, to be unremarkable when compared to 2016, in terms of changes and trends. In general, WACOSA serves a disproportionate number of male to female clients at a ratio of approximately 2 to 1.6. This year the category of Transgender has been removed from our data collection, since the one person WACOSA had who identified in this way has left the organization. The largest single age range for clients at WACOSA is 17 – 29. For the third year in a row, clients age 50 – 60 surpassed ages 30-39, growing by an impressive 11.5% when compared to 2016. Ages 30 – 39 also grew by 7%, with ages 40 – 49 growing by 5%. The jump of WACOSA admissions by 103% in 2017 appears to be the primary reason for these increases in age ranges, with the bulk of new referrals entering in the 30 – 39 age range. The bulk of WACOSA clients currently fall within the age ranges of 17 – 49 years of age, with clients from 50 - 60 coming in second and ages 30 – 39 coming in a close third. Over 60 is the smallest group that WACOSA serves and has remained reasonably stable, as expected, from the earliest tracking of outcomes measurement data, with the exception of 5% growth last year. 2017, once again, showed no increase in the category “Over 60”.



*“Caucasian” continues to represent the largest ethnic category of persons served by WACOSA and experienced a jump of approximately 6% from 2016 to 2017. This was due primarily to the fact that most of the increase in DT&H and Vocational Rehabilitation referrals over the course of the year were classified in this category. Of interest in 2017 is the growth of “African American” clients by almost 44% or 7 clients more than the preceding year. At this time, we are unsure of the reason for this jump, though it will be monitored in the coming months to determine if a trend is present. All other categories showed little to no change from 2016 to 2017. With regard to Disability, clients categorized as having a “Developmental Disability” (DD) continue to represent the largest disability category being served, growing approximately 6% in 2017. This growth directly mirrored the increase of DT&H referrals for the year. DD is the most common disability served by DT&H services. Additionally, persons served in 2017 classified as having “Mental Health” (MH) concerns grew by 14%, again, a reflection of the Vocational Rehabilitation referrals received for the year. VR referrals are most often individuals having MH concerns. Otherwise, “Disability” data for 2017 remained fairly constant when compared to 2016.*

## WACOSA

## Outcomes Management Report – Program Objectives/Results

Period Reported: 1/1/2017 – 12/31/2017

Note: For all goals, persons responsible for collecting and tracking data are Client Managers and Training Specialist Leads.

*Community Employment Services (CES):*

Measurement Category	To Whom Applied	Objective	Data Source	Goal	Result/s	Goal Met / Not Met
Effectiveness	Participants working in CES	Develop new community crews	Client work records	8	3	Not Met
	Participants working in CES/Placement	Develop individual placements	Client payroll	50	85	Met
	Work Crew Participants	Maintain average hourly wage	Client payroll	\$6.15/hr.	\$6.68/hr.	Met
	Participants in Placement Services	Maintain average hourly wage	Client payroll	\$8.40/hr.	\$10.66/hr.	Met
Efficiency	Participants referred for PBA's	Minimize time to achieve employment	Client placement records	69% within 90 days	50%	Not Met
Service Access	All participants in WACOSA's CES programs	Minimize wait time for services	Intake records	100% enter within 14 days of completed referral information	100%	Met



*Day Training and Habilitation Services (DT&H):*

Measurement Category	To Whom Applied	Objective	Data Source	Goal	Result/s	Goal Met / Not Met
Effectiveness	Clients in the Whitney Seniors Program	Clients will meet community goals	Client records/data tracking	75%	73%	Not Met
	Clients in the North program	Clients will meet community goals	Client records/data tracking	65%	65%	Met
Efficiency	Clients in DT&H services expressing interest in independent placement	Minimize time to complete employment assessment process	Client records/data tracking	90% within 90 days, following 45 day assessment	100%	Met
Service Access	Clients in DT&H services	Minimize wait time for services	Intake records	100% enter within 14 days of completed referral information	100%	Met

*Organizational Employment Services (OES):*

Measurement Category	To Whom Applied	Objective	Data Source	Goal	Result/s	Goal Met / Not Met
Effectiveness	Participants working on center-based work	Maintain/increase employment	Client production records	87,933 hours	77,424	Not Met
Efficiency	DocuShred Services staff and clientele	Increase business efficiencies	DocuShred Records	Average of 56,546 pounds per month	77,862 pounds per month	Met
Service Access	All participants in WACOSA's OES programs	Minimize wait time for services	Intake records	100% enter within 14 days of completed referral information	100%	Met

*Work Adjustment (EDS):*

Measurement Category	To Whom Applied	Objective	Data Source	Goal	Result/s	Goal Met / Not Met
Effectiveness	Individuals participating in EDS	Increase average hourly wage	Client payroll records	\$5.50/hr.	\$9.50	Met
Efficiency	Individuals participating in EDS	Minimize time spent in EDS	EDS attendance records	80% of clients will spend 90 days or less	100%	Met
Service Access	All participants in WACOSA's EDS program	Minimize wait time for services	Intake records	100% enter within 14 days of completed referral information	100%	Met

*Situational Assessment (EPS):*

Measurement Category	To Whom Applied	Objective	Data Source	Goal	Result/s	Goal Met / Not Met
Effectiveness	Individuals participating in EPS	Maximize days and clients participating in community-based EPS	EPS attendance records	75% participating 2+ days in community	100%	Met
Efficiency	Individuals participating in EPS	Minimize time to complete new placement assessment	EPS client records	100% complete assessment as contracted	86% (av.WP and SC)	Not Met
Service Access	All participants in WACOSA's EPS program	Minimize wait time for services	Intake records	100% enter within 14 days of completed referral information	100%	Met

*Autism Spectrum Disorders (ASD):*

Measurement Category	To Whom Applied	Objective	Data Source	Goal	Result/s	Goal Met / Not Met
Effectiveness	Participants in ASD In the North Program	Maximize persons served	Client records	11	16	Met
	Participants in ASD North Program	Complete 10 minutes of work without staff assistance	Client goal tracking data	80%	56%	Not Met
Efficiency	Participants in ASD	Improve transition ability between locations	Client goal tracking data	66%	69%	Met
Service Access	All participants in WACOSA's ASD services	Minimize wait time for services	Intake records	100% enter within 14 days of file comp.	100%	Met

*Consumer Satisfaction (Scores of neutral or above rated as satisfied. Scores rounded up to the nearest whole number):*

Objective	Goal	Result/s	Goal Met / Not Met
Maximize overall client satisfaction	95%	97%	Met
Maximize overall stakeholder (parents, guardians, residential staff and referral partners) satisfaction	95%	99%	Met
Maximize overall business customer satisfaction	98%	97%	Not Met

*(Note: Also see Stakeholder/Client/Business Customer satisfaction analysis, trending and future recommendations on separate reports)*

### **Analysis/Trending of Objectives/Results:**

We remain satisfied regarding performance on program objectives over the course of 2017, given a number of one-time variables that influenced the overall numbers for the year. Approximately 74% of categories accomplished or surpassed objectives set, which represents a decline of approximately 4% when compared to 2016's numbers. In the category of Day Training and Habilitation (DT&H) Services related to achieving community outcomes, two areas dropped below goal due to an extended period of extreme cold that did not allow clients from both the Whitney Seniors Program and the Waite Park North Program to get out as much as predicted. Additionally, in the area of Community Employment Services (CES) related to clients minimizing time to achieve employment, several factors caused a drop of approximately 20% in efficiency from last year. Referrals to this program in 2017 have come to WACOSA's services with more varied skill sets and employment needs. As result, more time has been needed to find jobs that fit individual abilities, as well as the need to locate affordable and reliable transportation to get clients to and from employment settings. Additionally, Performance Based Agreements (PBA's) experienced a restructuring by the state of Minnesota in 2017. This restructuring was done to allow more time for coaching and job assessments prior to placement, in addition to allotting additional time for long-term follow-along, resulting in what is hoped will be better job matches and more long-term employment successes for clients. Whether or not this change produces the desired results remains to be seen. However, this change did, in fact, influence the goal to minimize time to achieve employment this past year.

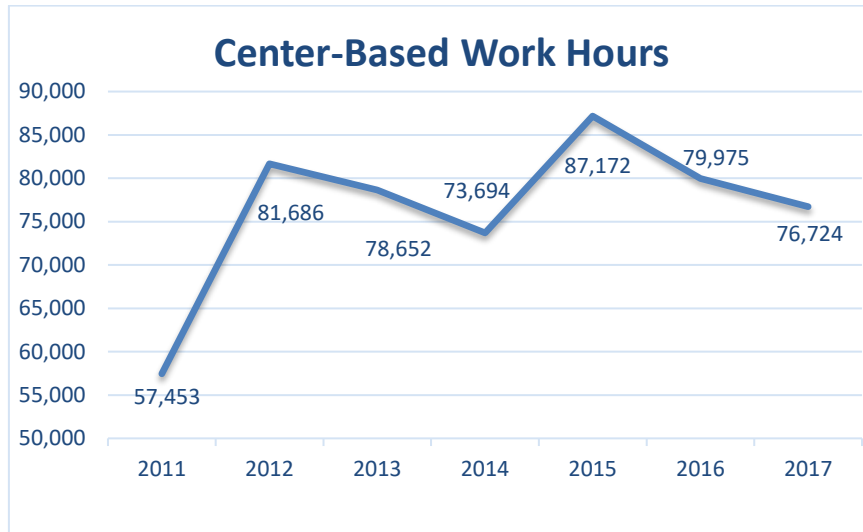
All client wages showed significant positive rebounding in 2017. This likely had much to do with the state increase in minimum wage, driving all wages up proportionately. The improving economy and the ability of employers to pay better are perhaps other contributing factors. It is worth noting that requests for community crews remains high. In 2013, WACOSA was forced to decline 8 new crew requests, in light of shortages of clients and/or staff to lead the crews. 2014 - 2017 were no exception with a total of 18 crews being declined for the same reasons for the four years combined.

Under Organizational Employment Services (OES), center-based work hours again fell short of goal by 10,509 hours. The reasons associated with this shortcoming are discussed later in the section Analysis/Trending of Center-Based Work.

Finally, ASD clients at WACOSA served in the North Program remained at a relatively constant 16 from 2013 to the present, surpassing goal by 5. 2017 continued focusing on learning and applying best practices in serving individuals on the autism spectrum.

**Analysis of Consumer Satisfaction Results:** Consumer satisfaction scores saw improvement in 2017 in all areas. Maximizing clients satisfaction and Maximizing over stakeholder satisfaction improved by 2% and 4% respectively. Satisfaction expressed by our business customers grew by approximately 3%, falling short of goal by 1%. These improvements were welcome and speak well WACOSA's working to engage all of our stakeholders by providing the most excellent service experience possible.

### Analysis/Trending of Center-Based Work:



Hours worked on center-based contract work dropped from 2016 to 2017 by approximately 3% and fell short of goal by 10,509 hours. This represents the second year in a row center-based hours have slipped. The tenuous nature of a number of WACOSA's contract customers continues to be a key factor in this slide. One such example is Fields Manufacturing, which, due to production requests, resulted in WACOSA producing 232,113 pieces less in 2017 for Fields, with 2,504 hours less worked. Additionally, over the past several years, Stang Manufacturing, a community work site located in Paynesville, MN, has grown to approximately 27,000 hours worked by WACOSA clients each year. This number has remained consistent over the past several years and represents a shift from internal to external work, which again influences center-based production hours significantly as clients go out in the community to work. Finally, WACOSA's Operations Department reports that throughout 2017, a number of WACOSA's higher needs clients had their hours cut, in light of the need to shift work to those who could do specific jobs faster, in order to meet deadlines. Indeed, 600 hours less of center-based work hours were recorded in 2017 for our higher needs clients. Doing so represented yet another reason why center-based work hours took a tumble in 2017. The net result for the WACOSA Production Operation was slightly more pieces produced, while using less man hours to get the job done.

WACOSA's sales department continues working to replace the lost hours with additional work from existing customers, along with generating work from new customers, when possible. As with last year, staff shortages continued to create challenges completing center-based work in 2017. Replacing diminishing work, coupled with the continued challenges of keeping staff positions filled, represent some of the greatest obstacles we must address as we move into the coming year.

2017 is the second consecutive year we tracked information related to lost bids over the course of the year. It is our hope this information will better inform us regarding what we can do to maximize retention of the customers we have, since keeping customers is more most cost effective than locating new customers. The chart above reflects this information. It should be noted that WACOSA frequently bids jobs for vendors who are, themselves,

*bidding for work. Often these vendors fail to win the job they are bidding, resulting in our also failing to get the work. This remains the primary reason we lost work opportunities in 2017. Not a fit for WACOSA, along with pricing and time issues, constitute additional key reasons for not getting work, continuing to demonstrate that the abilities of our workforce often dictate the type of work we can accept. As years progress, we will continue to track this data to see what, if any, trends exist that might inform our future bidding strategies.*

*In 2017, total in-house sales revenue was \$476,518. While this represented a very slight increase when compared to 2016, the year can be considered flat by all accounts. At first glance, this appears inconsistent with the number of center-based hours lost in 2017. WACOSA's Sales and Operations Departments worked cooperatively this year to raise prices on most of our contracts. WACOSA submitted 141 total bids in 2017, 19 less than 2016. 43 of these bids were won, or approximately 30%. WACOSA expects historically to keep a solid "win ratio" of bids won to bids submitted of 50 – 60%. 2017's win ratio of 30% remains shy of expectation by approximately 20 – 30% and will be examined further as we progress in 2018. It is possible that WACOSA is continuing to include a larger than necessary allocation for overhead etc. Additionally, more outsource opportunities popping up across Minnesota has created increased competition with which we must learn to contend. The type of work that WACOSA clients can do has also resulted in a lower number of bids being won. Finally, WACOSA's competitors can pay minimum wage for the work being performed. Given WACOSA's requirement to base client pay on a \$13.00 prevailing wage for light assembly and packaging, WACOSA's requirement to cover a larger portion of labor in our bids, creates bids that are often too high, resulting in bids not being accepted. All of these dynamics will be examined in the coming year to see what, if anything, can be done to boost the number of bids WACOSA is winning. As noted in the chart above, 37.5% of bids lost were the result of customers who bid for work, but who also did not win the bid. This remains consistent with past years, as well. Other reasons for bids lost in 2017 are also noted.*

*As demonstrated in the chart above, the highs and lows of center-based work hours over the years continue to testify to the unstable nature of getting and retaining center-based work as the economy improves and worsens. The current economy is expected to improve the availability of bid opportunities for the foreseeable future. WACOSA, for the reasons noted, did not experience this in 2017. We are hopeful that work quantity and variety will continue to rebound in the coming year. In summary, in 2017 our sales department accomplished:*

- *141 total bid opportunities in 2017 (19 less than 2016)*
- *745 total jobs completed in 2017 (41 less than 2016)*
- *43 new jobs performed in 2017 (13 less than 2016)*
- *5 new customers (customers who have not done work with WACOSA for 5 years or longer) began doing business with WACOSA in 2017. Of these, 10 new jobs were created, 11 less than 2016.*
- *WACOSA's Production Department assembled/packaged 9,268,040 pieces in 2017*
- *WACOSA clients recycled 1,129,459 pounds of recyclables in 2017 (first year to go over the 1 million pound mark)*

## **Cultural Competency Analysis:**

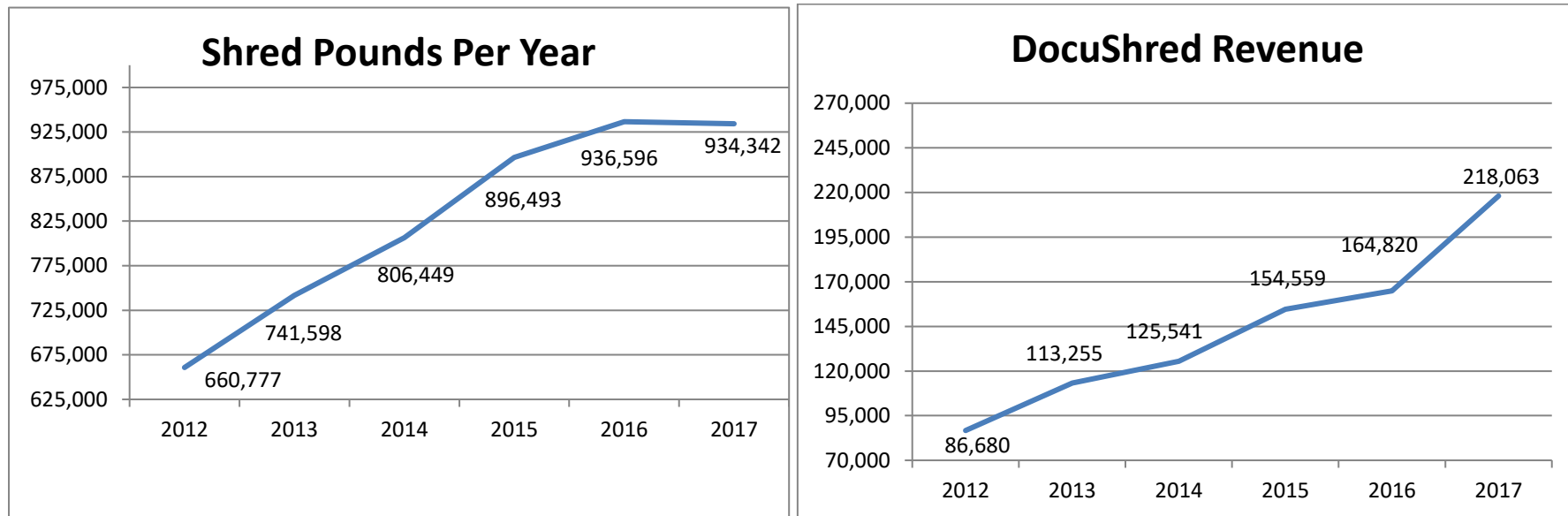
A Cultural Competency Plan was implemented at WACOSA in the spring of 2013. This plan outlines WACOSA's cultural competency objectives and directs that cultural competency will be addressed annually. This plan is used to ensure that services are delivered to all persons in a culturally sensitive manner. The plan covers all levels of the organization including clients, governance, administration and staff. The following represent objectives, along with current status of these objectives, as reviewed by WACOSA's administration:

**Goal I: Ensure that clients receive from all staff effective, understandable, and respectful services that are provided in a manner compatible with their cultural beliefs and language** – Client satisfaction for 2017 was reported to be 97% when asked directly about satisfaction with the services they receive. Additionally, all other supporting stakeholders scored their overall satisfaction with WACOSA's services as 99%. 91% of WACOSA's clients reported specifically feeling culturally respected. Cultural considerations, as they relate to program service activities, are integrated in to annual review documentation that is addressed by each person's interdisciplinary team during annual meetings. Meetings throughout 2017 consistently revealed that clients and their caregivers feel respected for their individual cultural beliefs and observances. While we will continue to seek out new ways to ask for this information, for now, no concerns have been overtly expressed by either clients or their supporting stakeholders in this regard.

**Goal II: Implement Strategies to recruit, retain and promote at all levels a diverse staff and leadership that is representative of the service area demographics** – WACOSA is governed by an affirmative action plan required by the Department of Labor, our funders and CARF accreditation. This plan is reviewed annually to ensure that WACOSA maintains appropriate diversity, normed against national, state and regional statistics. Our 2017 review of this plan determined that WACOSA is properly positioned regarding staff diversity at all levels. Additionally, WACOSA promotes internally whenever possible and does so with a focus on diversifying our staff and leadership, as well. WACOSA's Board of Director's currently has one member with a disability but is requesting that we recruit another board member with a disability that can contribute to the governance of the organization. Presently, we are seeking out this new member. The WACOSA Board of Directors is willing to operate at 13 members, as opposed to the traditional 12, should we find the appropriate candidate, before attrition occurs.

**GOAL III: Ensure services are sensitive to linguistic needs of clients/stakeholders** – WACOSA serves a variety of persons who require alternative communication systems with which to share their input and concerns. Upon beginning services, all persons are assessed regarding the system/s of communicating that best fit their needs. Depending upon each person served, communication programs may be written and maintained to aid with skill development and making their needs functionally known. Communication system examples that have been or are currently in place include Boardmaker, Bliss, American Sign (ASL) and the iPad based ProLoQuo2Go app. Additionally, WACOSA provides all written documentation in alternative formats, as requested, and provides interpreter services in sign and alternative languages, as may be required for team meetings. Finally, WACOSA staff pays particular attention to the unique communication nuances of each stakeholder receiving services and often times WACOSA will provide specialized training to staff for a particular individual. Often, these individuals maintain communication systems unique only to themselves, requiring time and practice with particular clients to fully master and comprehend. Sometimes these individuals have developed self-taught systems that are combinations or hybrids of pre-existing systems. Regardless, WACOSA staff makes it a point to become fluent in each and every system that clients may present.

### Analysis/Trending of DocuShred:



2017 was a reasonably good year for WACOSA's DocuShred. WACOSA has seen a 29% increase in pounds shredded per year over the past 6-year period. However, 2017 saw a drop of 2,254 in total pounds destroyed for the year to 934,342, a virtual breakeven when compared to 2016. It is important to note that, while we saw an overall drop in production hours worked at WACOSA, we also saw a rise of approximately 1,335 hours in DocuShred hours worked for the year. The apparent contradiction between fewer shred pounds destroyed in 2017, with more production hours worked in DocuShred, is the result of staff stepping away from jobs they have traditionally completed (i.e. labor intensive file break down etc.) allowing clients to perform these duties. The result for clients was work hours going up without the benefit of shred pounds increasing proportionately. The revenue finish of \$218,063, an all-time high in 2017, occurred as a result of a price increase, necessary to help WACOSA stay ahead of ever-increasing costs, most notably, the consistent, upward adjustment of the Minnesota state minimum wage, adding to WACOSA's labor expense. DocuShred's 2017 year-end financial finish put the organization 12% above budgeted revenue expectations, keeping the business solid in the overall scheme of WACOSA's business services this past year.

Average pounds destroyed per month surpassed goal by 21,315 pounds (38%) in 2017, which was approximately the same (38%) in 2016. DocuShred revenues grew to an all-time high in 2017, boasting a 150% increase over past 6 years, with May topping 100,000 pounds for the first time in DocuShred history, followed closely by August at almost 95,000 pounds. To date, no clear trend exists regarding which, if any, is the best month for shred business overall. This fact will be monitored and reported in future Outcomes Reports, when or if a trend develops. Finally, total shred hours worked by clients saw an overall increase of 10% from 2016 to 2017 (12,727 to 14,062). This growth continues to demonstrate the overall stability of our DocuShred operation, showing consistent loyalty by our existing customers, along with the addition of new business customers, as well.

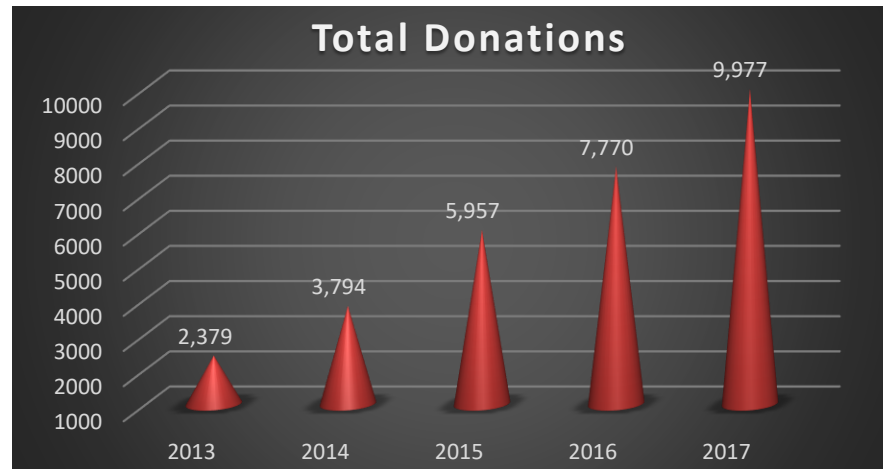
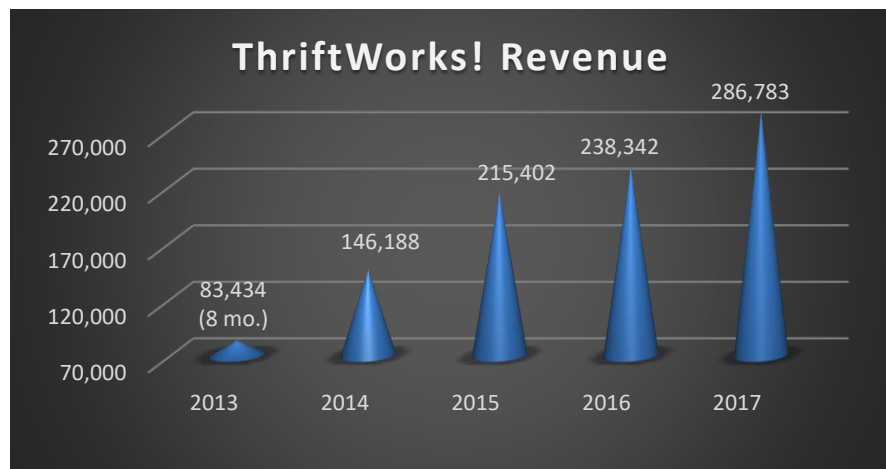


When comparing 2016 to 2017, WACOSA collected only slightly less pounds of shred in 2017, such that performance in DocuShred might be considered flat for the year. This slowing halt in growth can likely be attributed to a significantly reduced marketing effort over the past year. Past marketing techniques (i.e. coupon programs, promotions, etc.) were effective and appropriate for that particular time in the life of the DocuShred business. However, these strategies alone may no longer be enough to push the business to the next level of growth and expansion in the months and years that follow. Having recognized this development, WACOSA's administrative team set aside additional marketing dollars for 2018 to rectify this concern.

Additionally, it should be noted that 73 requests from businesses and private citizens for new contracts were made in 2017, with 53 new contracts actually signed. This is 7 fewer new contracts signed in 2017 than 2016. Throughout 2017, we continued to track why approximately one third of the 73 contracts being requested were never formally signed. Upon further scrutiny we learned that these individuals either often end up bringing their documents in to the storefront without a contract or they chose not to sign a contract since they want pick up of their shred so infrequently that WACOSA's price for rental of a bin or maintenance of our services would not make sense.

The storefront took in 288,889 pounds, a decrease of 14% when compared to 2016. However, the average of walk-in customers per week in 2017 posted an increase of 5% (94 customers) over the average of 89 customers per week in 2016. The storefront took in an average 5,555 pounds per week in 2017, a 14% decrease over 2016. Storefront shredding accounted for 31% of the total pounds of documents destroyed for the year, 5% less than 2016. Overall, trending demonstrates that the amount of shred destroyed since the beginning of the DocuShred operation has increased steadily in pounds collected per year, with a slight loss of 3% in 2010 and now in 2017. Again, this is likely attributable to the lack of a more aggressive marketing effort directed at the general community, specifically walk in customers. Regardless, the storefront is clearly showing its ability to provide a significant amount of the total shred received over the course of the year. Discussions will continue throughout 2017 regarding strategies to continue improving growth DocuShred operation.

### **Analysis of ThriftWorks! Store Operation:**



*ThriftWorks! completed its fourth full year of operation on December 31<sup>st</sup>, 2017. We continue to be very pleased with the performance of the store since its opening in May, 2013. 2017 continued to see challenges that make it difficult to determine whether the store is actually breaking even. When overhead and Management and General Expenses are allocated fairly, the store does not appear to yet be breaking even. It is also true, however, that the value of the store to WACOSA's mission, brand recognition, referral base and its positive influence in attracting DocuShred customers, all significantly impact the organization's bottom line, though placing a number on this would be difficult. Thus, while the store may not yet be said to be breaking even, its influence and presence for WACOSA is critical as we examine future service directions/expansion.*

*Given continued issues related to personnel expense and the limited square footage to display, sell, and prep donations, we acknowledge that breaking even may be an unrealistic goal. Profitability in the thrift industry, especially when stores are operated by non-profit organizations, frequently relies upon the assistance of large numbers of volunteers. While we continue our efforts to grow our volunteer base, it is also true that staffing shortages continue to represent a significant challenge throughout Minnesota, in general. Because volunteers have no fulltime commitment to WACOSA and cannot always be relied upon to report to work, it becomes imprudent to rely heavily upon this source of labor. Moreover, if volunteers opt to leave their volunteer position, the length of time it takes to recruit and hire replacement employees would leave the store vulnerable to significant staffing shortages and potentially compromise our customer base. We will continue to analyze this issue in the months and years that follow. Regardless, ThriftWorks! continues to make significant strides in sales and donations and is an important resource for helping WACOSA's name become better known in our community. We frequently hear customers report not knowing about WACOSA's services until visiting the ThriftWorks! Thrift Store. In 2018, we will continue to negotiate the dynamics of the thrift business and expect to continue growing our sales and donations, though likely more modestly, in the foreseeable future.*

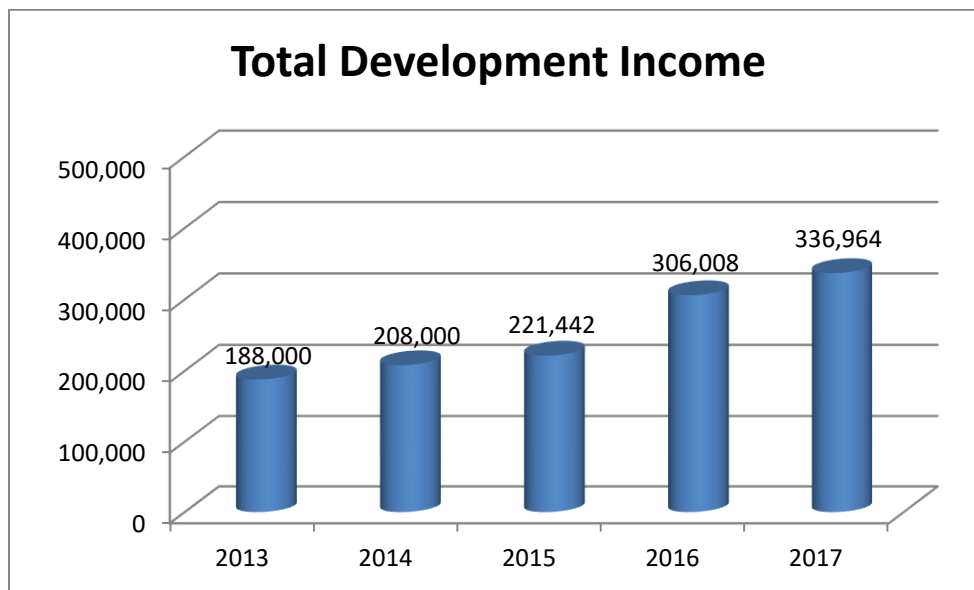
*In 2017, the store generated \$286,783 in sales revenue from community donations. This represented a significant increase of \$48,441(20%) over 2016. \$1,849 of this total was in-store "round ups" where customers chose to round the amount of their purchase up to the next whole number in order to donate the residual to WACOSA. In 2016, October represented our highest sales month for the year. In 2017, this shifted to November, with October coming in second. This November finish at \$30,735 also represented a record month since the store's opening smashing the preceding record by almost 31% (\$23,489). November's finish was followed closely by October at \$26,443. Overall, revenue per square foot increased from \$53 in 2016 to almost \$64 in 2017 (21%). As stated earlier, our limited square footage in which to display and sell goods will eventually hinder our ability to grow revenues. This is already evident as we see revenues growing by approximately 16% less between 2016 and 2017. This is equally evident in the modest growth of sales per square foot of \$5.00 from 2015 to 2016, when compared to the \$13.00 per square foot growth from 2014 to 2015. 2016 saw a slight improvement of \$11 per square foot. While better than 2014/2015, square foot sales are still down by \$2.00 a square foot from 2015/2016. Sales staff report more aggressive efforts (i.e. rotating goods that are not selling off the floor, pricing and getting new goods on the floor, holding additional sale opportunities etc.) are being employed to continue to use ThriftWorks! current 4,500 square feet of showroom efficiently to increase additional sales revenues. Nevertheless, it remains a reality that, eventually, revenue growth will more or less stabilize, based upon the factors noted.*

*At the present time, we continue to experience steady monthly sales growth with the average sale for the past 12 months being \$7.94 (.55 increase from 2016) per customer. 2017 saw 36,132 transactions (increase of 12% from 2016) for the year, an average of approximately 3,011 a month of transactions or growth of 12% when compared to 2016. Donations for 2017 finished at 9,977 (increase of 28% from 2016) with our highest donation month being November with 1,092, a 37.5% improvement over the highest month of 2016. Experience is teaching us that the last quarter of the year is*

*often consistently the strongest in sales and donations. Continued success with our store can be attributed to a persistent marketing effort and significant word-of-mouth campaign among our organizational stakeholders, volunteers and loyal community members/shoppers. At the close of 2017, we continue to maintain some back up goods in stock (73 pallets at the warehouse, 24 on-site) as a cushion in the event of unexpected lean donation times, though we have reduced this number due to potential loss due to storage issues related to smell and rodent damage. In the past, we have had significantly higher amounts of back up goods in stock but have opted to reduce this cushion given the continued steady growth of donations. Finally, we continue to assess store accessibility, aesthetics and the total shopping experience to ensure that the environment is pleasant and welcoming for all.*

*We are also pleased by the continued successes we have experienced in training individuals with high functioning Autism, related conditions and other disabilities in our retail sales training program. 12 trainees were carried over from 2016, with 8 new trainees entering the training program in 2017, for a total of 30 in training during the 2017 year. 7 of these individuals successfully finished training in 2017, with 2 currently competitively employed, 3 in Placement seeking employment and 2 deciding they did not wish to venture into community employment. Since the store's opening, 41 individuals have gone through or are currently in the program. While in the program, trainees have or will take part in such retail tasks as accepting donations, sorting, pricing, operating the cash register, direct customer assistance, merchandising and cleaning, as well as other store preparation activities. While skills being taught and mastered are in a retail environment, it is important to note that graduates of the program are going on to work in areas other than retail, since the curriculum was been designed to teach skills that can be generalized across a wide variety of employment settings.*

#### **Development Income:**

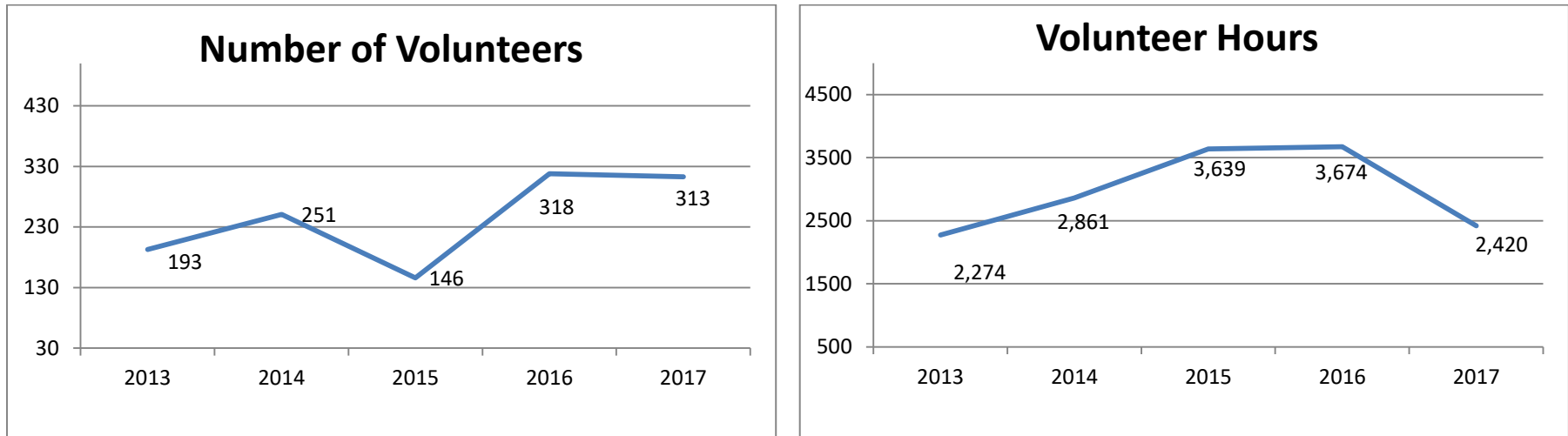


*2017 will be the fifth year we are reporting WACOSA's development income in the Outcomes Measurement Report. Since the creation of the Fund Development Department in 2013, WACOSA has seen a significant amount of turnover in the Fund Development Manager position. A new manager was hired in mid-2017. It is our hope this position is now stable for the foreseeable future. In the interim, the duties of this position have been completed in partnership between WACOSA's Sales, Marketing and Communications Manager and WACOSA's Executive Director. While not optimal, the effort expended to continue bringing development dollars in during the current search was significant, resulting in all duties being kept current, along with the submission of 5 grants during this time.*

*With the fourth full year of this department's efforts complete, we are pleased with our continued progress, in spite of the period in which the job has been vacant. In 2017, WACOSA accomplished \$336,946 in total development dollars agency-wide. It is important to note, however, this high included a combined, restricted donation from Auto Parts Headquarters (APH) and the Bartlett Family of \$168,000. At the close of 2017, approximately \$56,000 of this donation had been received, with an additional \$112,000 expected to be paid out in 2018. Additionally, this number also includes Google Grant dollars for the first time this year. These dollars have been given to WACOSA for the past 5 years in Google advertising, but had not, prior to this, been included in the total Development income. This number will be included hereafter in future Outcomes Measurement Reports. With both of these donations considered, WACOSA experienced an increase of 10% in Development income in 2017. If we calculate this number without the APH/Bartlett family donation, WACOSA experienced a total Development income of \$168,964, a loss of approximately 9% from the preceding year, not unexpected given the continual turnover in this position. It should be noted that WACOSA has continued to be the recipient of the APH/Bartlett donation each year for the past several years. Also consistent is the fact that this contribution is generally restricted based upon the preferences the Bartlett's have for its use. This expected restriction has continued to work well for WACOSA, given the continuous number of projects and improvements needed to keep WACOSA's buildings and surroundings attractive to our constituents. At this time, while not guaranteed, we have no reason to believe this donation will discontinue for 2018.*

*WACOSA had 293 total donors in 2017, up approximately 67% from the preceding year. Primary revenue came from activity related to annual giving, as well as an external fundraiser hosted by Auto Parts Headquarters that generated approximately \$168,000. \$31,895 was raised at WACOSA's third annual Harvesting Happiness Breakfast, 28% more than was raised at this event in 2016. 102 individuals attended the event, 21 more than the preceding year. Additionally, we held firm on numbers of business sponsors for the event at 22. A MNDOT grant was also secured in 2017 for \$58,575, one in a succession of grants secured since 2010.*

## 2016 Volunteer Data:



Numbers of volunteers has remained relatively stable over the past 12 months. Between 2016 and 2017, we saw a minimal 1% decrease in volunteer numbers. In 2016, we were still receiving one-time volunteers from Rasmussen College's Nursing Program. In 2017, we witnessed the final drop-off of the hours from our partnership with Experience Works. This partnership, though not severed, is not currently active, since we currently have no volunteers from this program.

Also worth noting, it is impressive that WACOSA's Senior Program volunteered 788 hours in 2017, growing by 4% from 2016 and continuing to rank as one of the highest contributing blocks of volunteer hours in 2017 at WACOSA. At the direction of WACOSA's governance and leadership, we plan to continue a concerted effort to improve our volunteer infrastructure. Most volunteer partnerships in which WACOSA Seniors participate have seen an increase over the past year. The following are some additional volunteer highlights/information for 2017:

- We continued to offer one-time volunteer opportunities and hosted 89 one-time volunteers in 2017. We utilized RSVP and other resources to provide one-time volunteers to help staff during events throughout the year including Spring Fling Week, the summer picnic, and the client holiday dinner. In October, we hosted 27 one-time volunteers from Bio Life who assisted clients in picking pumpkins and other fall activities as well as helping in ThriftWorks! Our one-time volunteers donated a total of 275 hours. The drop-off of one-time volunteers and hours is contributed to by WACOSA's hosting fewer groups of volunteers from local businesses in 2017. This initiative continues to be a top priority for the volunteer program and is anticipated to rebound next year.
- The newly created Coffee Buddy volunteer position was able to host its first two volunteers in 2017. One individual was a student who volunteered for approximately three months. The other was a gentleman who was unemployed due to medical reasons and was in need of a career path change. He volunteered with WACOSA for several months. Thanks to his experience at WACOSA, he was ultimately able to become employed with the Sartell School District as a paraprofessional.
- WACOSA's Sauk Centre location accepted and placed three volunteers to help with programming activities and classes.

- We continue to require training for all staff working with volunteers. This training gives staff the tools they need to self-manage volunteers.
- Nearly half of our regular, non-board member volunteers, 9 of 19, chose to volunteer at ThriftWorks!
- In 2016, we began the process of Service Enterprise Initiative (SEI). We became certified as a Service Enterprise Organization in May of 2017. Certification shows that we meet the standards of Points of Light as an organization committed to using our volunteers' skills and time to meet our mission.
- In 2017, we began seeing the need for "drop-in" volunteer spots in ThriftWorks! and hosted two such sites during the year. "Drop-In" volunteers are much like one-time volunteers except they have gone through the process of becoming a regular volunteer, though they are not regularly scheduled. As volunteering trends continue to change and the need for more flexible volunteer positions rise, we anticipate seeing more of these types of volunteers.
- In 2017, we began accepting volunteers who were looking to complete Community Service. The Volunteer Coordinator continues to work closely with the Human Resources Director to maintain the safety of our clients.
- WACOSA sent 3 staff to drive vans during Metro Bus's Annual Dinner with Santa. These staff completed 12 hours of corporate volunteering.
- We continue to utilize interns from the local colleges and universities, highlight the volunteer positions on AM 800 WJON multiple times a year, recognize one volunteer in each edition of WACOSA's Buzz newsletter, recognize new volunteers and those who receive awards in WACOSA's monthly Wellness newsletter for staff and volunteers, recognize volunteers who have donated an exceptional number of hours by presenting them with an award and maintain membership in a variety of organizations for professional volunteer development.

We will continue developing volunteer opportunities and work to make these experiences rewarding for those willing to share their time with WACOSA. The most recent data reflects that, nationally, one hour of volunteer work equates to approximately \$24.14 (Independent Sector, 2016). Given this statistic, WACOSA received in excess of \$58,000 in volunteer labor in 2017.

### **Major Goal Areas for 2018 and Beyond:**

- Continue developing the WACOSA ThriftWorks! Thrift Store in order to place a progressively larger number of individuals seeking competitive community employment.
- Continue working to make WACOSA's ThriftWorks! Thrift Store as efficient and, ultimately, as profitable, as possible. To this end, continue to generate funding to reduce dependence on state/federal funding.
- Continue researching the potential for expanding the ThriftWorks! Training Model and explore other possibilities this model might present.
- Continue implementation of the comprehensive volunteer effort and grow volunteerism at WACOSA to meet the needs of the organization.
- Broaden the scope of clientele participating in the "Arts Thru the Spectrum" program in collaboration with the Central Minnesota Arts Board and the Paramount Theater.
- Seek additional 5310 transportation grant dollars.
- Continue to seek out a sufficient amount of contract work to keep all individuals in our center-based workforce active and engaged. Develop a plan to deal with the loss of Electrolux work, scheduled to cease by the close of 2019.
- Keep DocuShred growing and discover new systems to help make it profitable, while negotiating increased area competition.
- Grow collaboration opportunities with community partners.
- Continue implementing/integrating WACOSA's new IT based strategic plan that will guide WACOSA's growth for years to come.

- *Continue to improve upon the safety and overall appearance of WACOSA physical facilities.*
- *Increase fund development stabilization efforts and begin building foundational support for planned giving efforts.*
- *Navigate a continually uncertain legislative environment that threatens funding reductions and requiring significant systems changes. Throughout 2018, continue acquiring new information and systems to address the changing nature of individualized rate setting and integrate this information into WACOSA's current billing structure, as new information is learned.*
- *Continue advocating for the choices of those we serve, preserving the right to participate in center-based services/work.*
- *Continue finding ways to implement the WACOSA Way/Top 20 in very tangible and genuine ways across the organization, as a whole.*
- *Continue promoting knowledge of WACOSA's services throughout Central MN and work to develop ever-increasing brand recognition.*
- *Stay abreast of pending state and federal initiatives to include the Olmstead Plan/Employment First, Redefining of rules surrounding HCBS Waiver Funding, Workforce Innovation and Opportunity Act (WIOA) and elimination of Section 14C of the Fair Labor and Standards Act (special minimum wage).*