

## *WACOSA Board of Directors Meeting*

*Date: Monday, July 16<sup>th</sup>, 2018*

*Time: Catered dinner at 5:00pm (meeting begins 5:15 pm)*

*Place: WACOSA – Admin Offices Board Room*

*310 Sundial Dr., Waite Park, MN*

*(Enter Admin Entrance next to ThriftWorks!)*

### **AGENDA**

1. Review of agenda - Additions/Changes
2. Approval of minutes from May 21<sup>st</sup>, 2018 meeting – Motion to Accept (MTA)
3. Committee Reports/Business:
  - A. Finance: (Traci R.)
    - i. Review of May financials (MTA) (10 Min.)
    - ii. Resolution to re-approve Charity Review Council - (MTA) (2 min.)
  - B. Board Development: (Steve H. & Ann Kennedy)
    - i. Review of Board of Directors Responsibilities - (MTA) (5 min.)
    - ii. Review of Board member terms – (2 min.)
    - iii. Board Portal Training – (10 min.)
  - C. Fund Development: (Carrie P. & Nancy B.)
    - i. Harvesting Happiness Breakfast Update – (10 min.)
    - ii. Other grants in the works/5310 Update – (2 min.)
    - iii. Update on endowment/planned giving efforts – (2 min.)
    - iv. Update on June True Friends Team Quest experience – (5 min.)
4. Directors Report: (Steve H., & Nancy B.)
  - i. Final progress on 2014 – 2018 Strategic Plan – (5 min.)
  - ii. June Metrics – (5 min.)
  - iii. Compliance & Brainstorming Committee minutes – (2 min.)
  - iv. Legislative updates from 2018 session/7% cut outcome – (5 min.)
  - v. ICI update/discussion – (20 min.)
5. Motion to adjourn –
6. Board Training – “Person Centered Planning”, Part I - Stephanie Schaefer, WACOSA’s MI/BH Specialist

\* Next meeting is September 17<sup>th</sup>, 2018. Please call WACOSA at 251-0087 if you are unable to attend this meeting.

*Thanks for helping to govern WACOSA in 2018!*

**WACOSA Board of Directors Meeting**  
**May 21<sup>st</sup>, 2018**  
**5:14 PM – 7:51 PM**

Members Present:

Jon Archer  
 John Bartlett  
 Ron Brandenburg  
 Zachary Dorholt  
 Jennifer Johnson  
 Karla Myres  
 LeRoy Northam  
 Joe Perske  
 Cherie Scofield  
 Jeanne Theis  
 Herb Trenz

Members Absent:

Jeff Murphy

Guests Present:

Alex Hengel (CLA)  
 Kristin Schmidt (CLA)  
 Caryl Turnow (CMCF)

Staff Present:

Nancy Betts  
 Ann Kennedy  
 Steve Howard  
 Carrie Peterson  
 Traci Richter  
 Sarah Starling  
 Beth Sueker  
 Sandie Westergren

**1. Welcome Board Members – Meeting called to order**

**2. Review of Agenda**

Motion by Ms. Cherie Scofield, seconded by Mr. Ron Brandenburg, to approve the agenda as presented. Motion passed.

**3. Approval of Minutes from March 19<sup>th</sup>, 2018 Meeting**

Motion by Mr. Zachary Dorholt, seconded by Ms. Cherie Scofield, to approve the March 19<sup>th</sup>, 2018 minutes as presented. Motion passed.

**4. Committee Reports/Business**

**a. Finance**

**i. Annual Review of 401K Audit**

Ms. Kristin Schmidt from Clifton, Larson, Allen (CLA) stated that the 2017 401K audit was unmodified with no concerns.

Motion by Mr. Jon Archer, seconded by Ms. Jeanne Theis, to approve the 401K Audit as presented. Motion passed.

**ii. Annual Review of Overall Yearly Audit**

Ms. Schmidt shared that the overall yearly 2017 Audit for WACOSA was also unmodified and there were no material weaknesses.

Total assets increased \$22,000 from prior audit due to changes in cash, inventory, fixed assets, and investments. Total liabilities decreased \$173,000 from prior audit which was primarily related the Electrolux payables.

The statement of activities remained similar to the prior audit. Contributions decreased \$75,000 and vocational business revenue increased by \$130,000. Operating expenses increased by \$127,000 primarily due to payroll changes.

There was \$775,000 of cash provided by operations. Investing activities used \$527,000 of cash; financing activities used \$101,000.

Mr. Alex Hengel stated there was an upward trend in both revenue and expenses with revenue about 10% higher than expenses.

Designated and temporary designated assets were up slightly. Unrestricted funds were down.

Revenue is becoming progressively more diversified looking back at WACOSA's foreseeable past.

Expenses have been consistent and stable.

Mr. Joe Perske asked how often WACOSA is required to do a financial audit. Ms. Traci Richter stated it is an annual requirement.

Mr. John Bartlett asked if we can do a lower level audit because there have not been issues with the previous audits. Ms. Richter shared that the state wants the full audit every year. Mr. Jon Archer stated \$750,000 is the threshold for a lower level audit and WACOSA is well beyond that.

Mr. Bartlett asked if we have put out bids for audits. Mr. Howard stated we did put out a bid a few years back and CLA was priced well. The board wanted a change in the vendor to get a new set of eyes on the financials which prompted CLA to switch principals managing the account. Mr. Archer stated CLA is currently charging a price that is on the higher end of the spectrum.

Motion by Mr. Jon Archer, seconded by Ms. Cherie Scofield, to approve the Annual Audit as presented. Motion passed.

### **iii. Central MN Community Foundation Presentation**

Ms. Caryl Turnow from Central Minnesota Community Foundation (CMCF) presented regarding information related to planned giving/endowments. Ms. Turnow shared that CMCF maintains an Investment Committee to handle more complicated investments, such as 401(k), endowments, etc.

Ms. Turnow encouraged board members to set up a planned gift with WACOSA so they

can discuss their “why” for giving and persuade others to do the same. It is difficult to make an argument that others should give if board members do not give themselves.

Mr. Bartlett asked that since WACOSA already has investments with Bremer, what else CMCF does that is different from Bremer’s services. Ms. Turnow stated that CMCF partners with Bremer on a variety of investments and, when this occurs, WACOSA is not charged a fee by both for managing our accounts.

Mr. Herb Trezn asked if CMCF competes with or collaborates with other local community foundations. Ms. Turnow stated the other community foundations started as branches under CMCF, but they split into their own branches and each runs their own board.

Motion by Mr. Joe Perske, seconded by Mr. Herb Trezn, to lock Mr. Steve Howard out of the board room while he was saying good bye to Caryl Turnow. Motion passed with unanimous consent. Nevertheless, Steve found his way back into the board room to resume the meeting.

#### **iv. March Financials**

Ms. Richter stated March program revenue was under budget by \$21,596 for the month and over budget by \$31,451 for the year. There was one less day of services in March due to the Easter holiday.

March vocational revenue was over budget by \$3,787 for the month and over budget \$11,164 for the year. Year-to-date community crew revenue was over budget by \$5,738; production revenue was under by \$851; DocuShred revenue was over by \$2,639; and ThriftWorks! revenue was over by \$10,910.

March donation revenue was under budget by \$33,538 for the month and over budget by \$40,258 for the year. Budget amounts include income from the Harvesting Happiness fundraising event held in the fall, as well as grants collected throughout the year.

Staff wages and costs were under budget by \$42,526 for the month of March and under budget year-to-date by \$31,223. The reason for the decrease was due to the open positions we currently have.

Health Insurance/Life Benefits for March were under budget by \$15,357 and under budget for the year by \$56,283. This decrease was due to eliminating the traditional employee health insurance plan, as well as a higher number of employees opting to participate in the higher deductible plan.

Client wages and costs were under budget by \$1,691 for the month of March and over by \$12,065 year-to-date.

Building and equipment costs were within expectations for the month of March; both the month of March and totals for year-to-date were within \$1,000. Building supplies were up for the month of March by \$2,200; Snow and Lawn Care was up \$1,586; Building and Ground Maintenance was under budget by \$1,711.

Vehicle fuel for the year is coming in as expected in the budget. As prices increase this

may change in the coming months.

Vehicle maintenance was over budget by \$3,753 due to some accidents that occurred.

Professional fees were over budget by \$5,713 for March. This is due to two audits that occurred in March.

Motion by Ms. Cherie Scofield, seconded by Mr. Jon Archer, to approve the March Financials as presented. Motion passed.

## **b. Human Resources**

### **i. Review of Risk Management Plan**

Mr. Howard stated the Risk Management Plan is updated at least annually or as needed throughout the year. Ms. Betts shared the updates.

### **ii. Review of Annual Turnover Statistics for DSPs**

Ms. Sandie Westergren stated the HR Committee reviewed the DSP turnover statistics. Training Specialists are now called Direct Support Professionals (DSP's), which is more in-line with current terminology.

There have been 48 terminations each year since 2015.

The current trend in the job market is people staying for one year in a position then leaving.

Ms. Westergren has sent out an RFP for new insurance brokers with the hope of helping to bring down the cost of insurance for WACOSA employees. WACOSA is in the process of hearing proposals and will be deciding on a new broker in the next week.

Mr. Bartlett asked if WACOSA has an internship program. Ms. Westergren stated we do, but we could be more aggressive in advertising it.

Mr. Trenz recommended looking at the total compensation report and showing it to staff at hire and after a year.

Mr. Howard shared that there are approximately 10,000 open DSP positions available in Minnesota, according to the MOHR state association with whom WACOSA is a member.

Ms. Karla Myres asked if the time-off WACOSA gives staff is competitive. Ms. Westergren stated it is very generous; staff get 4 weeks off at their second year.

Mr. Bartlett asked if WACOSA conducts exit interviews. Ms. Westergren said we do send out a survey but do not receive many responses; she may revamp the process.

### **iii. Executive Director Succession Plan (Revised)**

Ms. Westergren stated the HR Committee made two changes in the current Executive Director Succession Plan. On page two, “less than three years...” now states “less than one year...” to help expand the candidate pool.

On page three under Executive Director Search Committee, “...interviewing and selecting a new Executive Director” now states “...interviewing and recommending a new Executive Director.”

Motion by Mr. Ron Brandenburg, seconded by Mr. Herb Trenz, to approve the Executive Director Succession Plan with the changes as noted. Motion passed.

#### **iv. Key Staff Succession Planning Update**

Mr. Howard stated he has a document that he refers to has a “tool kit” that is required by the board for succession planning, outlining his primary duties as Executive Director. The tool kit is in place so that someone could maintain the majority of the ED’s duties in the event of his unplanned absence. Mr. Howard and his direct reports are working on developing comparable documents for their positions.

### **c. Fund Development Committee**

#### **i. 5310 Purchase Resolution**

Ms. Betts stated that we will be requesting the WACOSA Board of Directors vote to approve a Purchase Resolution for our next 5310 vehicle. At this time an exact amount of the purchase price is needed in the resolution which we do not yet have. As soon as we have this information, Mr. Howard will be asking the board to vote to approve the resolution via an electronic vote, since the board will not be meeting in the month of June. At this time, this agenda item is only informational, but Mr. Howard and Ms. Betts wanted to bring it to the board’s attention so that they are aware of the coming, requested, electronic vote.

#### **ii. 5310 Application Resolution**

Ms. Betts stated WACOSA is applying for a 5310 grant to have 80% of the cost of a vehicle reimbursed. If the grant request is successful, the vehicle would be a replacement for our first 5310 vehicle.

Motion by Ms. Karla Myres, seconded by Mr. Joe Perske, to approve the 5310 Application Resolution as presented. Motion passed.

#### **iii. Harvesting Happiness Update**

Ms. Carrie Peterson stated the Harvesting Happiness Breakfast will be October 4<sup>th</sup> from 7:30am to 8:30am, catered by Custom Catering. The keynote speaker will be Mr. Emmett Keenan, a teacher at Cathedral High School and the dad of two of our clients. Sponsorship letters will be sent out in June with payment options on the envelope. Ms. Peterson is working with Ms. Betts to have iPads available at the breakfast for individuals who want to donate by using their credit cards. We plan this year to do a better job of

involving clients in attending and participating in the event. At this time, we expect they should be able to assist with helping guest get seated and handing out name tags etc.

#### iv. **Summer Walk-a-thon Update**

On August 4<sup>th</sup>, WACOSA is hosting a Walk-a-Thon at Lake George. Sponsorship letters were sent out with the option to donate \$50 for a logo on the t-shirts and on advertisements at the walk. \$1,350 has been raised by sponsors thus far. WACOSA will be selling pre-packaged snacks and drinks during the walk, as is permitted at Lake George. Online registration will be set-up soon.

#### v. **Update on Team Quest Participation**

WACOSA was the recipient of an Initiative Foundation Grant earlier this year. The grant is designed to help fund a collaboration event, showcasing leadership skills between staff, board members and clients. The event will be held at True Friends in Annandale, MN on June 15 and is referred to as the Team Quest Emerging Leaders program. There will be 90 DSPs, 10 clients, and 4 board members attending.

St. Cloud Rox Baseball is donating a portion of their proceeds to WACOSA from the June 29<sup>th</sup> game. Tickets are on sale now at WACOSA and will be available during the shareholder picnic. Clients who purchase a ticket at WACOSA are eligible for a drawing to throw out the first pitch of the game.

Ms. Myres asked how the Pizza Ranch fundraiser went. Ms. Peterson stated we raised over \$900, which was considered overwhelming successful, both by WACOSA and by Pizza Ranch management.

#### d. **Program Committee**

##### i. **Approval of DNR/DNI Policy**

Ms. Betts stated the Program Committee reviewed the DNR/DNI Policy. There were no changes.

Motion by Ms. Karla Myres, seconded by Mr. John Bartlett, to approve the DNR/DNI Policy as presented. Motion passed.

### 5. **Director's Report**

#### a. **Monthly Metrics**

Mr. Howard stated there were 596 persons served in April, 24 new in-house work opportunities for the month and 67 for the year, 72 in-house jobs produced for the month and 296 for the year, and turnover for the DSP position was 1.05% for the month and 8.25% for the year. ThriftWorks! revenue was \$25,594 for the month and \$105,605 for the year. DocuShred revenue was \$23,185 for the month and \$79,464 for the year.

#### b. **Production Brainstorming & Compliance Committee Minutes**

Mr. Howard stated the Compliance Committee met in April and there were not issues. The

minutes are included should any board member wish to review them. No significant issues were covered during the most recent quarterly meeting.

In addition, the WACOSA Administrative Team is getting together 1- 2 times a month to brainstorm ideas to help mitigate/rectify the loss of work that WACOSA will experience when Electrolux leaves town in 2019. The meeting is referred to as the Production Brainstorming meeting. The minutes are included for any board member or staff who wishes to participate in the meeting. The minutes from each meeting has the date/time of the next meeting.

Mr. Joe Perske asked what will happen to the clients who are currently working on Electrolux. Ms. Betts stated they will work on other jobs and do job-related training.

**c. Merger Discussion**

Confidential merger discussions were held by WACOSA’s Board members, Mr. Howard, and his Administrative Team. No additional information will be recorded for the minutes until such a time as this topic becomes generally known. The outcome of this meeting was that Mr. Howard has been given a vote of confidence to continuing discussions with the various parties involved, along with spending a reasonable amount of money accessing legal counsel, to determine if this initiative has merit and is right for WACOSA.

**6. Motion to Adjourn**

Motion by Ms. Jeanne Theis, seconded by Ms. Cherie Scofield, to adjourn the meeting. Motion passed.

**Next Meeting: July 16<sup>th</sup>, 2018**

\_\_\_\_\_  
LeRoy Northam, Board Secretary

\_\_\_\_\_  
Date



## WACOSA Board of Directors Responsibilities

1. The Board:
  - Defines and is committed to the mission and purpose of WACOSA.
  - Establishes policies for WACOSA.
  - Plans for the future of WACOSA.
  - Sets objectives for WACOSA.
2. The Board employs the necessary staff that will function under the policies adopted by the Board to affect the purposes of the corporation. In doing so, the WACOSA Board selects and hires the Executive Director and annually evaluates his/her performance.
3. The Board approves WACOSA’s annual audit and budget and ensures that resources are managed effectively.
4. Board members are expected to participate in, recruit and promote financial support for WACOSA’s programs and services from sources such as business, labor, industry and private foundations, voluntary agencies and the general public, as well as one’s personal connections in the community.
5. Board members establish governance policies, which include adherence to the duties of Care, Loyalty and Obedience as outlined by the State Attorney General.
6. Board members promote and enter into working agreements with other social service and educational agencies, both public and private that provide services to individuals with disabilities.
7. The Board ensures that WACOSA has effective organizational planning.
8. Board members ensure that WACOSA remains focused on its mission and reviews and evaluates, periodically, the services provided by WACOSA, which will be made available to its consumers and public.
9. Board members are expected to maintain consistent attendance and active participation at board and committee meetings.
10. Each Director will actively participate in at least one assigned Board Committee. Regular attendance is encouraged. Directors should serve on those committees that can benefit from their expertise, background or interest.
11. Each Director has a vote in every matter that comes before a Board or Committee meeting and the President may vote only in the event of a tie. In the case of a possible conflict of interest that Director shall abstain from voting. No proxy votes shall be allowed. The Board shall take action by the affirmative vote of a majority of directors present at a duly held meeting. Once a motion is passed, all Directors are expected to support the decision.
12. A Director is expected to be an active advocate for WACOSA and its programs.
13. The Board is responsible to conduct a self-evaluation and to evaluate the effectiveness of the Board annually.
14. A Director will follow the Board Member’s Code of Ethical Conduct and the Conflict of Interest Policy, and annually sign statements regarding these items.
15. The Board ensures that WACOSA remains in compliance with all Minnesota state, as well as, federal rules and regulations.
16. Board members exercise any additional responsibilities which the Board agrees to establish for itself as required for the effective operation of the corporation.

\_\_\_\_\_  
Jeff Murphy, Board President

\_\_\_\_\_  
Date

\_\_\_\_\_  
Steve Howard, Executive Director

\_\_\_\_\_  
Date



## WACOSA

### Final

#### Strategic Initiatives Executive Summary

Plan Summary January 1, 2018 – June 30, 2018  
 For the Four-Year Planning Cycle July 1, 2014 – June 30, 2018  
 (a full copy of WACOSA's Strategic Plan is available upon request)

**\*Note: Initiatives are prioritized in the order that they appear**

**Organizational Intent: "To be the premier organization of choice" by:**

- a. Leveraging technology to improve organizational efficiency
- b. Analyzing existing systems to reinvent/enhance communication across WACOSA
- c. Positioning WACOSA's programs for growth and innovation using state-of-the-art technological advancements
- d. Providing an unprecedented stakeholder experience consistent with client choice and self-direction

**Key:**

**Making steady progress**

**Slow but progressing**

**Progress halted/Time to rethink**

**Initiative accomplished**

Strategic Initiative	
1.	<b>Phase 1: Develop Work Plan:</b> <b>A. Document gathering and analysis -</b>
2.	<b>Phase 2: Plan Implementation:</b> <b>A. Management team kick-off -</b>

**Progress on Achieving Goals/How goals were accomplished**

**3. Phase 2: Next steps**

**A. Software assessment/selection**

**a. Development – Software selection complete – Implementation process moving forward**

- Software has been implemented.
- Hiring of a new Fund Development Manager has caused a renewed effort to vigorously implement Donor Pro. The new Fund Development Manager is mastering the software and has been trained in all aspects of its use. The new manager reports the new software has created significant efficiency in how donor data is maintained, tracked/manipulated and believes implementation of this new tool has been very successful. Ongoing support is available with the monthly software fees.

**Progress on Achieving Goals/How goals were accomplished**

**b. Finance/Accounting - Software selection complete – Implementation moving forward**

- Implementation of NetSuite software continues
- Process moving steadily forward, as NetSuite is systematically incorporated, with bugs being worked out.

**Progress on Achieving Goals/How goals were accomplished**

**c. Human Resources – Selection process moving forward – Implementation moving forward**

- Net@Work was selected to manage the setup, installation and training of the SAGE HR, Payroll and Time and Attendance software.
- Sage software continues to be implemented in the HR Department.
- Weekly implementation meetings held Tuesdays from 1 – 3.
- Status Update meetings held every other Wednesday.
- Dropbox set up for all members to communicate and materials are placed and updated. Project Management document updated weekly.
- January - Payroll setup:  
G/L Setup, Wk 1

Bank, Class, PR Int, EFT, Calendar, OT, Shift, WC - Wk 2

Taxes - Wk 3

Earnings/Deductions - Wk 4

Finish Setup - Wk 5

- January – HR Setup:  
Reconcile HR, Benefits, org levels, jobs, etc. Mary Kay and Sandie setting up benefits tables, training tables, based on best practices identified by Net@Work team.
- February – Employee Self Service Set up
- March 12 – Sage Time and Attendance (STA) Configuration Sign Off.
- March 20 – Employee Self Service Training
- April 2, HRMS “go live” date
- April – STA scripting and installation (by Insperity)
- April 30 – Administrator training on STA
- May 1 – Set STA setup (assigning of supervisors, etc.) Randomly selected 10 employees to duplicate punches from current system into STA to check for bugs.
- May 16 – 31 and June 1 – 15 run parallel Payroll Testing.
- June 13 – Supervisor STA Training
- July 9 – 13 STA training for staff
- July 16 – Payroll and STA “go live” date

#### Progress on Achieving Goals/How goals were accomplished

### 1. Phase 3 – Implementation Support

#### A. Support Processes

- a. Development – On-going as a part of our software purchase agreement.
- b. Accounting – On-going as a part of our software purchase agreement.
- c. Human Resources – On-going as a part of our software purchase agreement.

## Production Brainstorming Minutes

June 18, 2018

10:00am – 11:45am

Attending: Nancy B., Carrie P., Beth S., Ann K., and Steve H.

### A. Follow-up from last meeting:

- Steve went over the minutes from the last meeting.
- Steve and Ann met with Michael Krebsbach and Dan Rooney at Accessibility to tour and discuss the potential for future collaborations. Steve and Michael connected well and share many of the same ideas related to expressing a more innovative approach when growing non-profit organizations. No firm plans came out of the meeting, though Steve will be touching base with Michael in the near future to follow up. Michael did express an immediate interest in better understanding WACOSA's DocuShred program and possibly partnering on some government contracts. All in attendance felt this was worth exploring. Michael was interested in WACOSA's ThriftWorks! Store and asked if Steve would share his business plan for the thrift store, which Steve agreed to do. Both agreed to stay in contact to see where this might lead.
- Steve has begun initiating discussions regarding development of a possible coffee shop/kiosk connected to the thrift store. Steve mentioned this idea to Michael at Accessibility during the visit, who also who felt they may be able to consign some of their catalogue, sign products in our store or, at a future time, a full coffee shop. Steve feels the addition of a coffee shop might be a good way of expanding interest in the store, keeping it fresh, giving waiting patrons something to do and creating an additional curriculum of skills that would be useful in helping trainees gain jobs in the community at area coffee shops etc. Steve will begin researching the concept and framing up a possible business plan. Members of the group expressed concern that this will not replace Electrolux or West Rock. Steve reminded everyone, as per Ann Kennedy's opinion, that we may not be able to replace all of Electrolux/West Rock revenue, in the same way we have historically gained this revenue. It may take some thinking "outside the box" in order to put together a number of initiatives to replace the work and/or revenue. However, a coffee shop does not hinder this current effort and, in fact, does promote furthering the organization's/board desire for WACOSA to be less dependent upon traditional entitlements. Steve also explained that, to his knowledge, the fact that this could be the only thrift store with a coffee shop in central MN would be an excellent branding/marketing opportunity. Steve will keep the group posted on progress made on his research and a draft of a business plan, should one be developed.
- Steve also visited the Anderson Center and chatted with Becka Gross, Business Development Manager regarding their ability to consult with us on a new strategic plan, while at the same time helping us with the Electrolux/West Rock loss-of-work concerns. The timing could be good to have their assistance right now. Steve met with her on May 30<sup>th</sup> and she has not yet responded. Steve will email her today to get updated on what they think about assisting us.
- Joes Perske contacted Steve to share that a good contact for replacing the work, sharing our concern over the loss of Electrolux, spreading the word regarding our need for work and connecting us with helpful sources to rebound from this loss would be Cathy Mehelich,

Economic Director for the City of St. Cloud. Steve has a phone conference set up to chat with Cathy at 9:00am on June 19<sup>th</sup>.

- Ann attended a quarterly St. Cloud Business meeting. She learned that hand packaging is disappearing throughout our industry. Lower skilled workers are becoming less in demand and retail is on the decline. All not good for our center-based work options/future.

## B. Brainstorming:

The following list of ideas were brought up as possible replacement revenue/work ideas. The corresponding notation/s have been added to discuss whether or not these directions are worthy of future consideration:

- **Replace work –**
  - i. **Partnering with a business** - Nancy brought in a sample of a “party bucket” she purchased to demonstrate how a product like this might be something we could create on our own or, more likely, participate in packaging for a business. Discussions followed related to WACOSA inventing our own bucket-full of items, with various ideas offered up. The item could be more promotional in nature, based upon the needs of a particular businesses. Beth said it may make more sense to go with an existing product or expand a product for an existing business.\*\*
  - ii. **Fields Manufacturing possibilities** – Ann shared that she continues to believe that Fields Manufacturing may be a good source to negotiate large quantities of hand pack work. She believes this is a good source based upon the fact that much of their work is done by individuals working at home. \*\*
  - iii. **Travel flyers** – Beth suggested that we consider some sort of an option to work with a travel agent like Bursch Travel to load flyers into travel size bags that remind travelers how much they can take in terms of liquids on airplanes.
  - iv. **Conversation with Stang Manufacturing in Paynesville** – Discussion followed that it may be worth approaching Stang owners to see if any partnering could be done with them. Nancy reminded everyone that they are very reluctant to allow their work outside of their own facility, though the discussion might be of value, especially to glean from them how they got started in business.\*\*
  - v. **Expanding Shredding** – One of the items Steve will chat with the ED of Accessibility about. Certainly a reasonable possibility but, as Beth shared, we need to consider the expense of new blades/style of blade should we go this route.\*\*

- C. Synopsis of this discussion session** - All remain in agreement that many of these same themes need to be researched, discussed and explored at future meetings. Topics that remain viable to build around, many of which were reiterated once again, include: Animals, Gift Baskets, Mailed boxes of themed materials that are sent out regularly, party buckets, etc. While the possibility of starting our own business was discussed and has potential merit, most seemed to think that getting a business partner who is already established with the proper credentials, licenses etc. makes the most sense for now. Even if we commence as a business partner, we could branch off at a later time to do our own business. It might also make sense to purchase a business, much the way Accessibility did. Growing shredding continues to come to the forefront of possibilities, as well. Steve reported continuing to feel that a product for churches might still be an untapped wealth of potential, given the number of churches in MN and the greater U.S.

**(\*\* Remain under consideration for future discussion)**

**vi. Action plan for next time:**

- Ann said she would take the lead on researching past and present customers to see if there are any for which we could be a distribution point for a portion of their product.
- Nancy said she will research the list of Greater St. Cloud investors, who may be able to assist us.
- Steve will follow up with Michael at Accessibility.
- Steve will follow up with the Anderson Center. It may be necessary for Steve to meet with the Executive Committee of the Board to get updated direction, given his inability to find a partner to consult in the development of a new strategic plan, as well as loss of the Electrolux/West Rock work.
- All committee members should continue to think about new ideas that we can discuss and explore. The idea is to continue to create a short list of ideas worthy of closer scrutiny. We will continue this process until we have some clear directions we will invest more time in. We may have assistance along the way, if we can find the right consultant that is willing to spend some time assisting us. No luck so far.
- The District 742 Store Project we had hoped would pan out has not. Steve and Nancy will continue interviewing school districts in September, since most key staff are home for the summer by now.
- Steve will contact Kurt Hunstiger, Mayor of Sauk Rapids, to see if any meetings could be held with the School Board Chair or the Superintendent for the Sauk Rapids Schools over the summer, relating to the preceding project.

**Next meeting – July 16, 2018, 10:00am – 11:30am**



**WACOSA COMPLIANCE COMMITTEE****June 12, 2018****11:00am – 12:00pm****Meeting Agenda**

1. Compliance Officer Activity Report – Sandie Westergren
  - Handbook revision update
  - Work Comp Carrier update
  - Affirmative Action report sent in?
  - Update on search for new health insurance vendor
  - Other
  
2. Privacy Officer Activity Report – Beth Sueker
  
3. Security Officer Activity Report – Nancy Betts
  - VA reports filed this past quarter?
  - Update on new HR software. Installation/implementation complete?
  - Other issues?
  
4. Augmenting crosswalk project w/speed sign. Any updates/timelines? – (All members)
  
5. Other Items?
  
6. Next Compliance Committee meeting, September 11<sup>th</sup>, 2018, 11:00am – 12:00pm
  
7. Adjournment

**Compliance Committee Minutes**  
**June 12, 2018**  
**11:00am – 11:45am**

In attendance: Nancy B., Sandie W., Traci R., Beth S., Carrie P., Ann K. and Steve H.

- I. **Compliance Officer Report** – Sandie reported that:
  - a. Handbook revisions are complete and have been reviewed by Ron B. There are 10 outstanding staff signatures still needed.
  - b. Sandie reported that the switch over to United Heartland to take over our work comp business continues to go very well. We have one significant claim pending. However, Heartland is on top of it and working on our behalf.
  - c. Sandie reported that WACOSA's Affirmative Action Plan has been updated and has been submitted. A full Affirmative Action review will be conducted next year. Sandie also reported that WACOSA has signed with ABRC as our new Health Insurance Carrier. They will be inputting data for the next 2 weeks or so.
  - d. Other: Sandie reported that, to compensate for an error in service, Preferred One will be coming to WACOSA to give away a free pair of running shoes to everyone on WACOSA's insurance. Date is yet to be determined.
- II. **Privacy Officer Report** – Beth reported that no privacy issues have occurred in the past quarter.
- III. **Security Officer Report** – Nancy reported that:
  - a. There were no VA reports this past quarter.
  - b. Nancy reported that the implementation of both NetSuite and Sage software is coming along well. We are still planning to "go live" with Sage HR Software on July 16, 2018. We are getting the bugs worked out at the present time while running dual payrolls.
- IV. **Update on Speed Limit Sign for Crosswalk project** – Carrie P. reported that the sign has been purchased and is awaiting installation. All but approximately \$50 of the cost was covered by the recent grant. Bill Brinker is working with the City of Waite Park to work out some glitches in the approval process. We should have a date that it can be installed in the near future.
- V. **Other items** – None
- VI. **Adjournment** - Next meeting will be September 11<sup>th</sup>, 2018, 11:00am – 12:00pm in the 310 Conference Room.

# MOHR 2018

## Minnesota Legislative Session Summary



### THE MINNESOTA ORGANIZATION FOR HABILITATION AND REHABILITATION 2018 MINNESOTA LEGISLATIVE SESSION SUMMARY

#### Prepared by:

**Kevin Goodno** [kgoodno@fredlaw.com](mailto:kgoodno@fredlaw.com)  
**Anni Simons** [asimons@fredlaw.com](mailto:asimons@fredlaw.com)  
**Shep Harris** [sharris@fredlaw.com](mailto:sharris@fredlaw.com)

The 2018 Minnesota House and Senate both adjourned sine die moments before midnight on Sunday, May 20th. This 90th Minnesota Legislative Session convened on February 20th, which gave legislators and Governor Dayton's administration three months to try to work together to advance legislative outcomes impacting the citizens of the state.

When session began in February, priority areas of interest cited by legislative leadership included state tax changes in response to federal tax reform, addressing the issues of Elder Abuse and Opioids, fixing the troubled state License and Registration system, and passing a Bonding bill. Heading into session some lawmakers spoke of their intention to allocate very little new money this session given that in the second year of a biennium the state budget has already been enacted the previous year, other lawmakers spoke of their plans to try to pass needed increased investments in various state causes given our state's current budget surplus.

A whirlwind three month session then began, with many twists and turns along the way as usual. Now, with the official end of session behind us and the dust mostly settled, we know the final outcome. Governor Dayton has signed into law both the Bonding and Pensions bills sent to him by the legislature, as well as a number of smaller standalone bills dealing with specific topics. However much of the work and attention this past session was focused on various provisions that were included in the very large Omnibus Supplemental Budget bill as well as the Tax conformity bill, and both these bills were vetoed by Governor Dayton due to concerns from his administration about certain components of these bills.

Not surprisingly there has been frustration and blame expressed on both sides for how we got to a place where so many issues with bi-partisan support this session ended up caught in a dysfunctional process that resulted in these provisions not being passed into law. Speculation has also already begun around if and how the final outcome of this legislative session will impact the decisions Minnesotans make at the polls this fall when all 134 Minnesota House of Representatives seats and one State Senate seat are on the ballot, along with the Governor and Lieutenant Governor positions.

Below you will find a final 2018 Legislative Session report with the final status of the items we were working on or monitoring for the Minnesota Organization for Habilitation and Rehabilitation.

**NOT PASSED: Best Life Alliance Disability Waiver Rate Setting (DWRS) Proposal**

The Best Life Alliance brought forward a proposal this session aimed at embedding the current DWRS 7% after model increases into the DWRS frameworks. The legislation included adding a workforce competitiveness factor into the framework, increasing the frequency of the inflationary adjustments from every five years to every two years beginning in 2022, and elimination of the regional variance factor. The proposal travelled through the legislative process in the House and Senate and in the final days of the legislative session the Best Life Alliance DWRS proposal was supported by the House, Senate and Governor's office. However the proposal was part of the larger Omnibus Supplemental Spending bill which was ultimately vetoed, and therefore these DWRS changes were not passed into law. At the time of the distribution of this report, the 7% rate reduction to unbanded DWRS rates is set to take place beginning July 1st, 2018.

**NOT PASSED: Delay of Extended Employment Rule Implementation**

This legislation proposed a delay in the effective date of the new Extended Employment rule. However due to productive conversations between the MOHR Extended Employment Committee and the MN Department of Employment and Economic Development following the introduction of this legislation, MOHR did not further pursue this legislation.

**NOT PASSED: Delay of Implementation of New Waiver Employment Services**

MOHR brought forward legislation this session delaying the implementation of the new Waiver Employment Services for certain service recipients in an effort to better ensure that the necessary system infrastructure and sufficient rates were in place to support a successful transition to these new services. This legislation was not passed into law.

**NOT PASSED: Framework for Implementation of Electronic Visit Verification (EVV)**

This legislation proposed a framework for the state to use in moving forward with implementation of EVV. This legislation was not passed into law as it was included in the vetoed Omnibus Supplemental Spending bill. At the time of the publishing of this report, the federal government is still requiring that every state have an EVV system in place by January 1, 2019 for personal care services and by January 1, 2023 for home health care services. The federal government states they will penalize each state that does not comply .25% on the federal match on Medical Assistance for these services increasing to 1% over time.

**NOT PASSED: Strengthening Consumer Directed Community Supports (CDCS)**

This bill created two additional qualifying situations for accessing an exception to the CDCS budget methodology in order to access a higher CDCS rate. The two situations were an individual (children or adult) wishing to move out of an adult foster care setting, and an individual facing a crisis situation that would result in them having to access institutional services (in this case it would be a temporary budget increase). Additionally, the bill allocated funds for implementing educational and marketing activities aimed at informing individuals around the state of the option to access CDCS. This bill was not passed into law.

**NOT PASSED: MN Choices Assessment Changes**

There was legislation that moved forward this session requiring changes to the MN Choices assessment process, including allowing lead agencies to use legacy assessments in place of MN Choices for PCA services, changes in the timelines for certain MN Choices assessment components, requirements for further improvements to the efficiency of MN Choices assessments, and more. However this legislation did not pass into law.

**NOT PASSED: ARRM 2018 Policy Bill**

This year ARRM's policy bill addressed three issues. First, the bill mandated that a discussion on how the use of technology may fit into someone's life happens at least once a year at that person's planning meeting. In 2017 ARRM passed language to mandate discussions about technology at the 45 Day planning meetings, that applied to individuals moving to a new provider or who are new to the system. The language in ARRM's 2018 bill extended the discussion of technology to everyone currently receiving services. Secondly, in 2017, ARRM extended the sunset date for which providers are allowed to add a fifth bed to a residential setting. When this sunset date was extended however, the date for which that setting must be licensed was not extended. ARRM's 2018 bill revised the language stating that providers must be licensed by 2021 in order to be able to add a fifth bed to a residential setting. The third part of the bill revised the requirements for providing Behavioral Services to help address the workforce crisis. This bill travelled far through the legislative process but was included in the Omnibus Supplemental Spending bill which was vetoed, and therefore these provisions did not become law.

**NOT PASSED: Increased Funds for Home and Community Based Services (HCBS) Innovation Pool**

Legislation was introduced this year that increased the funds for the HCBS Innovation Pool, however this legislation was not passed into law.

**NOT PASSED: MN Department of Human Services Office of Inspector General Program Integrity Provisions**

There was legislation revived this session containing components of previous bills brought forward by the MN Department of Human Services, aimed at "program integrity" measures. This legislation did not move forward this session.

**NOT PASSED: Required Development of Recommendations for Potential Consolidation of Licensing, Background Study and Related Oversight Functions**

There was a legislative proposal moving forward this session that would have required the Commissioners of the Department of Human Services and Department of Health to consider the benefits of consolidating into one state agency the licensing, background study, and related oversight functions currently in the Department of Human Services and Department of Health. This legislation was not passed into law.

**NOT PASSED: Medical Assistance Work Requirements**

This bill required the Commissioner of the Department of Human Services to seek a waiver from the federal government in order to instate work requirements and community engagement requirements for Medical Assistance enrollees. This bill was not passed into law.

**NOT PASSED: Eligibility Verification for Public Programs**

There was legislation moving forward this session that would have required the Commissioner of the Department of Human Services to ensure that Medical Assistance, MinnesotaCare, Child Care Assistance Programs, and Supplemental Nutrition Assistance Program eligibility determinations through the MNsure information technology system and through other agency eligibility determination systems include the computerized verification of income, residency, identity, and when applicable, assets and compliance with SNAP work requirements. This legislation was not passed into law.

**NOT PASSED: Proposed Constitutional Amendment Related to Existing Sales Tax Revenue Use**

There was legislation that travelled forward this session that proposed a constitutional amendment question to be put on the ballot in November of 2018. The question to put on the ballot would have been: "Shall the Minnesota Constitution be amended to increase funding for roads and bridges by dedicating existing sales tax revenue from the sale of motor vehicle parts?" If the amendment had passed, beginning on July 1, 2024, the revenue from general state sales and use tax law that is attributed by law to the sale and purchase of motor vehicle repair and replacement parts would have been allocated solely to roads and bridges. This proposal for placing this question on the fall ballot did not pass.

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## FOR IMMEDIATE RELEASE

Federal judge denies request to stop 7 percent cut to funding for Minnesota disability service providers. State organizations representing disability service providers and individuals with disabilities had filed suit against commissioner of Department of Human Services.

On June 28, United States District Judge Wilhemina Wright denied a request to immediately stop cuts to funding for thousands of Minnesotans accessing crucial services that allow them to live, work and engage in their communities.

The ruling goes against four individuals representing a plaintiff class of people with disabilities in Minnesota, as well as Minnesota Organization for Habilitation and Rehabilitation (MOHR) and ARRM.

The plaintiffs filed suit just over two weeks ago to stop the Minnesota Department of Human Services (DHS) from implementing a 7 percent rolling cut to funding for critical services. The first round of cuts is set to go into effect on July 1. The plaintiffs argued DHS's planned cut would violate the rights of waiver recipients and their providers because it is arbitrary, capricious and inconsistent with Minnesota statute, and that allowing the cut to go into effect would cause irreparable harm to the more than 32,000 people who rely on supportive services and the more than 300 provider organizations which supply the services.

"This was a complicated case, and ultimately we respect the ruling of the court," said Julie Johnson, president-elect of MOHR. Legislators supported a fix, said Johnson, but by combining that fix with other unrelated items, it got caught up in a political battle. "The great tragedy here is that Minnesotans with disabilities and the hardworking staff who support them have been allowed to become collateral damage of partisan battles at the State Capitol."

DHS justifies implementing the cut because the federal Centers for Medicare and Medicaid Services (CMS) had suggested that rate increases enacted by the Minnesota Legislature may have been incorrectly structured. While bipartisan legislation was drafted to clarify the amount and structure of waiver funding in response to CMS's concerns, this language was included in the Legislature's omnibus spending bill, which Governor Dayton vetoed during the politically-charged final days of the legislative session.

"Addressing this issue should have been a top priority for legislative leaders and the governor from the day it was announced," said Sue Schettle, CEO of ARRM. "More than 8,500 people affected by the first round of cuts will see an immediate hit on Sunday (July 1) to the supportive services which provide choice and options to live as independently as possible in their communities."

The cuts are set to affect funding for all recipients of home and community-based services—the technical term for the services which support independence and community integration for vulnerable adults. To cope with the upcoming funding cuts, members of ARRM and MOHR, and similar organizations across the state will be forced to reduce service offerings and make other hard decisions. The cuts will worsen the critical staffing shortages these organizations already face by making it even more difficult for service providers to compete with wages other employers can offer.

Direct support professionals, who provide hands-on care and support, are at the core of services provided to individuals with disabilities. In its most recent industry survey, ARRM reported a statewide

average wage of less than \$12.50 per hour for direct support professionals, greater than 40 percent turnover rates for first-year staff, and job vacancy rates of nearly 10 percent.

“Our members are competing for staff with other employers offering a \$15 per hour starting wage for entry-level food and retail service jobs, while demands for the support services our members provide continue to go up and up,” said Johnson. “We need policymakers to step up to the plate and provide long-term stability to funding for providers to meet the current and projected needs for high-quality supportive services.”

ARRM (The Association of Residential Resources of Minnesota) is a nonprofit association of more than 200 Minnesota providers, businesses and advocates dedicated to leading the advancement of community-based services that support people living with disabilities in their pursuit of meaningful lives. ARRM members support people with developmental, intellectual and physical disabilities including autism, brain injury and mental health needs. People served live in their own homes, adult foster care settings, and other community settings. Founded in 1970, ARRM continues to lead positive industry reforms that support Minnesotans with disabilities. To learn more, visit [armm.org](http://armm.org), and follow us on Facebook and Twitter.

The Minnesota Organization for Habilitation and Rehabilitation (MOHR) is comprised of more than 100 adult day, day training and habilitation, extended employment, and supported employment service provider members serving in excess of 26,000 Minnesotans with disabilities. Members are committed to respect for each individual, a person-centered approach and expanding work opportunities. More information is available at [mohrmn.org](http://mohrmn.org), on Facebook and on Twitter.

Contacts:

Drew Henry

[dhenry@armm.org](mailto:dhenry@armm.org)

651-291-1086 ext. 4

651-210-0788

Aaron Hustedde, for MOHR

[aaron@wallacegroup.com](mailto:aaron@wallacegroup.com)

651-452-9800