

DEVELOPMENTAL PATHWAYS, INC.
Board of Directors Meeting Minutes
June 27, 2024

MEMBERS PRESENT: Mike Abramovitz, Chris Erickson, Commissioner Abe Laydon, Dr. Michaela McDonnell, Rick Newell, Daniel Sampson, Katiah Scisum, Commissioner Carrie Warren-Gully

MEMBERS ABSENT: Jenn Conrad, Nancy Sharpe

OTHERS PRESENT: Michelle Bauman, Jessica Brendlinger, Maria Cordero, Karen Flores, Selina Griggs, Amy Grogan, Kellie Herbert, Erica Kitzman, Adam Magnani, Andrew Passmore, Kim Tenure, Darcy Tibbles, Matt VanAuken, Will Wedow

The Developmental Pathways, Inc. Board of Directors meeting was called to order by Vice President Dr. McDonnell at 12:00 p.m. Dr. McDonnell established a quorum.

GUESTS: Marsha Alston, Maureen Waller

CONFLICT OF INTEREST

None.

PUBLIC COMMENT

None.

CONSENT AGENDA

Approval of Regular Board Minutes – March 7, 2024

Motion: Mr. Erickson moved for the approval of Consent Agenda items as presented; Commissioner Warren-Gully seconded the motion. There being no discussion, it was approved by a unanimous voice vote.

NEW BUSINESS

Kellie Herbert - New Director of Talent Management: Ms. Cordero

Ms. Cordero introduced Kellie Herbert, the new director of Talent Management, to the board of directors.

EXECUTIVE COMMITTEE: Dr. McDonnell

Nomination of FY2025 Executive Committee

Dr. McDonnell presented the following slate of officers for fiscal year (FY) 2025:

President: Dr. Michaela McDonnell

Vice President: Ms. Jenn Conrad

Treasurer: Mr. Chris Erickson

Secretary: Mr. Rick Newell

Motion: Mr. Abramovitz moved for the approval of the slate of officers presented by the Developmental Pathways Board of Directors for a one-year term to expire at the annual Board meeting in June 2025; Commissioner Warren-Gully seconded the motion. There being no discussion, it was approved by a unanimous voice vote.

Update to Board Committees

Dr. McDonnell reminded the board of the proposed shifts to board committees and their makeup. She thanked everyone for their participation and input. Dr. McDonnell informed the board that they were moving forward with these recommendations for FY2025, and the following motions were made.

Motion: Mr. Erickson moved for the approval of the formation of the People Strategies Committee; Commissioner Warren-Gully seconded the motion. There being no discussion, it was approved by a unanimous voice vote.

Motion: Commissioner Warren-Gully moved for the approval of combining the Public Affairs and Nominating Committees into one committee; Mr. Erickson seconded the motion. There being no discussion, it was approved by a unanimous voice vote.

Motion: Commissioner Warren-Gully moved for the approval of the Mill Levy Fund Balance Committee name change to Mill Levy Committee; Mr. Erickson seconded the motion. There being no discussion, it was approved by a unanimous voice vote.

Dr. McDonnell concluded by thanking everyone for their willingness to shift into different committee spaces. The updated committee roster will be posted to the board portal for reference.

Confirm FY2025 Board Meeting Calendar/Upcoming Meeting

Dr. McDonnell informed the board of the following meetings and to expect upcoming calendar invites from Ms. Griggs for FY2025.

Public Affairs/Nominating Committee: 8.15.2024 @ noon

People Strategies Committee: 8.29.2024 @ noon

Mill Levy Committee: 9.5.2024 @ noon

Executive Committee: 9/10.2024 @ noon

Finance Committee: 9.17.2024 @ noon

Board Meeting: 9.26.2024 @ noon

Other Engagement Reminders

All Staff Meeting (optional): 10.16.2024 @ 9:00 am

FINANCE COMMITTEE: Ms. Flores/Mr. Passmore

Board Quarterly Financial Statement Review and Approval

Mr. Passmore gave the following Finance Committee report. Through May, Developmental Pathways (DP) has realized a net income of \$1.8M with a budgeted loss of \$3.4M and is positive to budget by \$5.2M.

Mr. Passmore stated that DP's cash balance is \$19.6M, having rebounded significantly (up by \$9.3M) since the board last reviewed the January financials at the March board meeting. This is primarily due to two factors: DP receiving \$4.3M of additional relief funds from the State and an Influx of mill levy from the counties.

Medicaid revenue is negative to budget by \$5.1M due to Case Management Redesign (CMRD) related challenges, and miscellaneous income is higher than budget by \$6.9M due to the \$4.3M relief funds received in May as well as ARPA grants received from the State earlier in the year intended to help

support agencies amidst the CMRD transition. Mr. Passmore concluded by sharing that the investment return is \$2.1M positive to budget due to gains realized on DP's long-term investments.

Balance Sheet

Assets	\$49,023,053
Liabilities	\$9,680,283
Equity	\$39,342,770

Statement of Activities

	Actual	Budgeted	Variance
Operating Revenue	\$62,657,184	\$57,480,314	\$5,176,870
Gains/(Losses) and Investment Return/(Loss)	\$2,144,961	-	\$2,144,961
Expenses	\$(62,980,488)	\$(60,871,390)	\$(2,109,098)
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Net Income /(Loss)	\$1,821,657	\$(3,391,076)	\$5,212,733

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

Motion: Mr. Abramovitz moved for the approval of the May 2024 financials; Mr. Erickson seconded the motion. There being no discussion, it was approved by a unanimous voice vote.

FY2025 Operating Budget, Capital Budget, and Board Designated Capacity Building Initiative Approval

Ms. Flores reminded the Board that the FY2025 Budget was emailed out to the Board for review, and a Q&A meeting was held on June 10, 2024, to allow the Board to discuss the budget and ask questions. Ms. Flores provided a brief recap and asked the Board if anyone had any further questions. After further discussion, the Board motioned for the approval of the FY2025 Budget.

Motion: Commissioner Warren-Gully moved for the approval of the FY2025 Capital and Operating Budgets for Developmental Pathways; Mr. Abramovitz seconded the motion. There being no discussion, it was approved by a unanimous voice vote.

Motion: Mr. Erickson moved for the approval of the Fiscal Year 2025 addition of \$2.16M to the Board Designated Capacity Building Initiative; Mr. Abramovitz seconded the motion. There being no discussion, it was approved by a unanimous voice vote.

NOMINATING COMMITTEE: Mr. Newell

Mr. Newell provided the following committee update. The Nominating Committee met in May and continues to evaluate potential board members. Mr. VanAuken and Ms. Tibbles met with a potential board member in June and felt she would make a great addition to the board. The newly combined Public Affairs/Nominating Committee will meet with her in July for lunch and let the rest of the board know their recommendation. Mr. Newell asked that board members continue to send any recommendations they may have to the committee.

PUBLIC AFFAIRS COMMITTEE: Mr. Newell

Mr. Newell provided the following committee update. The Public Affairs Committee had its final solo meeting in late April. As the committee works to merge with the nominating committee, they are considering appointing co-chairs to streamline operations and foster collaboration across teams. Mr. Newell stated that efforts to achieve

100% Board giving are ongoing, with notable contributions received. For those who still need to give, Mr. Newell encouraged members to donate by June 30, 2024. Ms. Tibbles will email the giving link to board members who still need to give it.

MILL LEVY/FUND BALANCE COMMITTEE: Comm. Laydon/Comm. Warren-Gully

Commissioner Warren-Gully provided the following update. The committee last met in early May. Both counties reported on the momentum gained in county meetings for innovation, along with addressing challenges related to long-term care intakes and redeterminations. Proposed solutions for workflow improvements and other needs are moving forward through offline meetings with DP and county staff. The committee's goal for this coming year is to focus on "business as usual" for core local programming while continuing to focus on county-centric needs for intellectual/Developmental Disability (I/DD) funding outcomes. The Commissioners look forward to the Disability Awareness Days at the Douglas County and Arapahoe County fairs scheduled for the end of July.

Arapahoe County Presentation

Commissioner Warren-Gully provided the following report on Arapahoe County's 2025 budget. Arapahoe County is facing a significant budget shortfall starting in 2025. After years of insufficient tax revenues combined with a continued increase in demand for services, Arapahoe County faces a choice and is asking residents to consider either reducing or eliminating many essential County services or to consider a couple of alternative funding sources to sustain these services.

Essential services Arapahoe County is considering sustaining or cutting

- The sheriff's Office could see cuts up to \$12M, affecting crime prevention and response.
- The Public Works Department could be cut by about \$3.7M, affecting road safety, quality, and congestion, and the \$316.6M of deferred maintenance and needed transportation projects would remain unaddressed.
- The Human Services, Public Health and Community Resources Departments could see \$4.7M in combined reductions, affecting vulnerable populations and our entire community.

Despite increased property taxes overall, the portion that Arapahoe County collects has steadily fallen even as demand for services has increased.

- Arapahoe County only receives about \$32 per month for the \$500K home to fund all your county services
- In 2024, TABOR limitations forced the County to reduce its share of property taxes by 29%, leaving over \$74M uncollected this year
- One-time federal dollars used in the past to cover previous shortfalls have dried up

There are three alternatives the County is currently considering.

- Funding for Essential Services ("County Property Tax")
- New Funding for Essential Services ("County Sales Tax")
- Cuts to Essential Services

To provide feedback or learn more, www.acbudget.com

Douglas County Presentation

Commissioner Laydon provided the following update on Douglas County. The grand opening of the [Hive Community Center](#) was a resounding success, marking its establishment as a distinctive hub for creativity, fun, and community inclusivity in Douglas County. This center promises to foster a sense of unity among residents. Additionally, Douglas County recently hosted a bill signing event at Unity on Park featuring Governor Polis, who signed a bill championed by Representative Lisa Frizell into law. This legislation, associated with propositions 1, 2, and 3, paves the way for significant advancements in local projects. Commissioner Laydon concluded by offering his perspective on employee compensation and morale.

NEW BUSINESS

Legislative and Policy Updates: Ms. Tenure

Ms. Tenure provided the following update. The June Quarterly revenue forecasts came out last week, and the State is looking to tighten its belt in the next fiscal year. DP may start seeing some stagnation in rate increases.

DP continues to monitor Home and Community-Based Services (HCBS) rates through the Medicaid Provider Rate Review Advisory Committee. DP has been paying particular attention to private duty nursing (PDN) rates based on comments before the board and public comment hearings. DP partnered with case management teams to contact PDN families on how best to support them in testifying. DP is also monitoring ballot measures as they may impact DP.

Ms. Tenure concluded that voter engagement efforts are beginning, and DP is working with the County Office of Elections. Mr. VanAuken, Ms. Tibbles, and Ms. Tenure will partner and meet with elected officials, candidates, and other advocacy leaders throughout the summer.

Mr. VanAuken provided the following update: Through Alliance, DP will focus on a straightforward principle regarding policy advocacy and fair compensation for work. Currently, essential tasks such as intake and enrollment are unfunded, which means DP performs these crucial services without immediate financial support, relying instead on future reimbursement when services are rendered. Despite DP's extensive efforts, many individuals have yet to receive Federal and State funding. DP can utilize local mill levy dollars to provide some support for residents of Arapahoe or Douglas County, but contractual obligations remain unpaid. Therefore, DP's primary objective for the upcoming year will be vigorously advocating for compensation for these essential services. This effort constitutes DP's first, second, and third priorities.

Mr. VanAuken concluded by stating that DP remains steadfast in advocating for reforming the Care and Case Management system (CCM) within which DP operates. While there has been some progress, the journey towards meaningful reform remains lengthy. Phase 3, commencing shortly, will see the addition of new members and the inclusion of an additional waiver managed by a private case management agency. DP's internal focus is on stabilizing teams. This goal necessitates continued advocacy at the State level for fair compensation and reducing administrative burdens that hinder DP's ability to serve its community effectively.

FY2025 Strategic Priorities Dashboard (Stoplight Chart): Ms. Kitzman

Ms. Kitzman outlined DP's FY25 strategic priorities. Internally, DP will prioritize stabilizing Long-Term Care Case Management (LTC CM) and enhancing community engagement via the newly formed Community Advisory Committee. Ms. Kitzman briefly touched on policy priorities and concluded by reiterating the goals set for each board committee for the upcoming year.

Open Discussion

Discussion and agreement on continuing to support the provider agencies DP partners with during this challenging transition period.

EXECUTIVE SESSION

Dr. McDonnell requested a motion to move the Board of Directors into Executive Session to discuss legal issues and all associated issues per section 3.9 of the Developmental Pathways Bylaws and Colorado Revised Statute 24-6-402 (4)(f).

Motion: Mr. Erickson moved for approval for the Board of Directors to go into Executive Session at 1:02 p.m. to discuss legal matters and all associated issues as per section 3.9 of Developmental Pathways Bylaws and Colorado Revised Statute 24-6-402 (4)(b); Mr. Abramovitz seconded the motion. There being no discussion, it was approved by a unanimous voice vote.

Motion: Commissioner Warren-Gully moved for the Board of Directors' approval to come out of Executive Session at 2:10 p.m.; Mr. Erickson seconded the motion. There being no discussion, it was approved by a unanimous voice vote.

ADJOURNMENT

There being no further business to come before the board, the meeting adjourned at 2:10 p.m.