

DEVELOPMENTAL PATHWAYS, INC.
Board of Directors Meeting Minutes
September 26, 2024

MEMBERS PRESENT: Mike Abramovitz, Chris Erickson, Commissioner Abe Laydon, Dr. Michaela McDonnell, Rick Newell, Katiah Scisum, Commissioner Carrie Warren-Gully, Jenn Conrad, Nancy Sharpe

MEMBERS ABSENT: Daniel Sampson

OTHERS PRESENT: Ed Bowditch, Jessica Brendlinger, Ashley Davis, Karen Flores, Selina Griggs, Amy Grogan, Erica Kitzman, Andrew Passmore, Hunter Premeschak, Kim Tenure, Darcy Tibbles, Matt VanAuken, Will Wedow

The Developmental Pathways, Inc. Board of Directors meeting was called to order by President Dr. McDonnell at 12:01 p.m. Mr. Newell, Board Secretary, established a quorum.

GUESTS: Marsha Alston, Rebecca Cordes, Galia Spychalska, Maureen Waller

CONFLICT OF INTEREST

None.

PUBLIC COMMENT

Community member Galia Spychalska, a parent of two children receiving services through Developmental Pathways, shared her experiences related to multiple aspects of the disability system, most notably with a recent home modification project, highlighting significant issues encountered along the way. She discussed her efforts to collaborate with the Colorado Department of Health Care Policy and Financing (HCPF) and the Department of Housing to resolve these challenges. Ms. Spychalska urged Developmental Pathways to advocate for families facing similar difficulties, underscoring the need for collective action and support. She concluded by offering her insights on Case Management compensation and the importance of having dedicated staff members to assist families effectively.

CONSENT AGENDA

Approval of Regular Board Minutes – June 27, 2024

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

EXECUTIVE COMMITTEE: Dr. McDonnell

Introduction: Community Advisory Committee

Summer Gathercole introduced the Interim Community Advisory Committee (CAC) and provided an update on the eight months of diligent work they accomplished, during which they developed foundational recommendations for the long-term CAC. Moving forward, the long-term CAC will play a crucial role in providing community information and expressing the perspectives and priorities of the community. They will serve as a key advisory body to Developmental Pathways (DP), supporting Case Management and Local Programming efforts to enhance disability services across DP's catchment area. The official community will launch in early 2025.

Updating BOD Member 'Out of Office' Email Reply

Dr. McDonnell informed the board that updates to the out-of-office email auto-replies are necessary to comply with the new Case Management Agency (CMA) contract. At the last Executive Committee

meeting, the proposed changes recommended by Leadership were reviewed and approved. Dr. McDonnell invited the board to suggest any additional modifications. After further discussion, the board provided final approval for the updates. Ms. Griggs will collaborate with the IT department to implement these changes within the next week. Additionally, Dr. McDonnell shared that the C-Suite provided an update on the CMA Executive Group's strategic initiatives, DP investments, and efforts to enhance staff culture.

Confirm FY2025 Board Meeting Calendar/Upcoming Meeting

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

Public Affairs/Nominating Committee: 10.10.2024 @ noon

People Strategies Committee: 10.17.2024 @ noon

Mill Levy Committee: 11.14.2024 @ noon

Executive Committee: 11.19.2024 @ noon

Finance Committee: 12.3.2024 @ noon

Board Meeting: 12.12.2024 @ noon

Other Engagement Reminders

Board Holiday Party: 11.12.2024 @ 4:00 p.m.

FINANCE COMMITTEE: Mr. Erickson

Review of Draft 2024 EOY Financials

Mr. Erickson provided the following preliminary, unaudited financial statement highlights for the end of the fiscal year. DP had budgeted a loss of \$2.6M but realized a net income of \$3M, resulting in a positive variance of \$5.6M. The cash balance is now stabilized at \$21M, \$865K higher than in June 2023. This recovery follows the earlier cash crisis, mitigated by \$6.4M in American Rescue Plan Act (ARPA) emergency stabilization grants and the timing of mill levy receipts. Receivables are \$2.4M higher than in June 2023 due to being owed four months of Early Intervention (EI) general administrative expenditure payments from the Colorado Department of Early Childhood (CDEC). In July 2024, the past due amounts owed to DP were collected, bringing receivables back to normal levels.

Based on preliminary calculations, DP's undesignated fund balance is estimated to cover between 5.5 and 6 months of operating expenses, aligning with board guidance to maintain at least five months of reserves. Medicaid revenue was below budget by \$6M due to Case Management Redesign (CMRD) related challenges, while miscellaneous income was \$6.9M higher than budgeted due to the ARPA stabilization grants. Personnel expenses totaled \$40.6M for the fiscal year, within \$12K of budget. However, this includes approximately \$1.5M in ARPA stabilization bonuses. Without these emergency funds, DP would have concluded FY24 \$1.5M under budget in personnel expenses, largely due to ongoing difficulties in hiring and retaining case management staff.

The Professional Services exceeded the budget by \$2.1M, primarily within the EI program, due to heavy reliance on third-party therapists throughout the year, as internal staffing was insufficient. These higher expenses were somewhat offset by corresponding higher-than-budgeted revenue in the EI program. Investment returns were \$2.4M above budget. Overall, despite staffing challenges and the impacts of the CMRD transition, DP's financial position has significantly improved, bolstered by ARPA grants and effective management of cash flow and reserves.

Board Quarterly Financial Statement Review and Approval

Mr. Erickson presented the following quarterly financial statement review. As of July, DP had budgeted a loss of \$453K but realized a net income of \$708K, resulting in a favorable variance of \$1.2M.

DP's cash balance has increased by \$8M since June, primarily due to \$6.8M in mill levy receipts in July—\$5.3M from Arapahoe County and \$1.4M from Douglas County—and an additional \$2.5M received from the CDEC for several months of previously rendered services. Mr. Erickson noted that mill levy cash receipts and DP's cash balance typically peak during the summer months, and DP has reached that peak. The cash balance is projected to begin to decline, reaching a low point in January or February. Deferred revenue has increased by \$5.9M since June due to the significant influx of mill levy funds in July. This revenue is recognized on a straight-line basis throughout the year as services are provided.

Overall revenue is \$147K negative to budget, with Per Month Per Member (PMPM) and monitoring services under the CMA contract contributing \$139K to this shortfall in July. Personnel expenses are \$544K below budget, largely because DP continues to face challenges in hiring and retaining the necessary case management staff to support the CMA contract.

Mr. Erickson concluded by informing the board that investment returns are \$374K above expectations so far this fiscal year.

Balance Sheet

Assets	\$56,714,509
Liabilities	\$15,513,636
Equity	\$41,200,874

Statement of Activities

	Actual	Budgeted	Variance
Operating Revenue	\$5,829,598	\$5,976,403	\$(146,805)
Gains/(Losses) and Investment Return/(Loss)	\$373,598	-	\$373,598
Expenses	\$(5,495,022)	\$(6,428,992)	\$(933,970)
<hr/>			
Net Income /(Loss)	\$708,174	\$(452,589)	\$1,160,763

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

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

Year-end reports for the Community Engagement and Capacity Building Board Designated

Ms. Flores reminded the Board that the year-end reports for the Community Engagement and Capacity Building Board Designated Funds are available on the Board Portal for review. Ms. Flores informed the board that DP intends to gradually phase out the Capacity Building Board Designated Funds while continuing to assess future needs.

PUBLIC AFFAIRS/NOMINATING COMMITTEE: Ms. Conrad/Mr. Newell

Potential BOD Member: Rebecca Cordes

The Committee met with Ms. Rebecca Cordes and expressed their agreement that her expertise and perspective would be a valuable addition to the Board. Ms. Conrad then invited Ms. Cordes to introduce herself and share her interest in joining the DP Board of Directors. Ms. Conrad informed Ms. Cordes that the Board would convene in an executive session at the end of the meeting to discuss her appointment, and she would be notified of their decision following the session.

Daniel Sampson: 2nd Term ending 12.11.2024 (3rd Term)

Ms. Conrad notified the Board that Mr. Sampson's second term ends on December 11, 2024. Ms. Conrad asked Mr. Sampson if he would like to continue on the DP Board for a third term. Mr. Sampson was unable to attend the meeting but spoke with Mr. VanAuken ahead of time and expressed his interest in continuing on the board.

MOTION: Dr. McDonnell moved to approve Mr. Sampson for a third term on the Developmental Pathways Board of Directors; Mr. Abramovitz seconded the motion. After further discussion, it was approved by voice vote. Mr. Erickson abstained.

Committee Report

Mr. Newell concluded by stating that the committee remains dedicated to actively recruiting and vetting new board members to address upcoming vacancies and ensure diverse community representation. The Committee is excited about DP's voter engagement for this election year, featuring events like Ballet BINGO. Scheduled for October 3 at Brewability.

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

Commissioner Laydon presented the Committee report. The Mill Levy Committee last convened on September 5. Key outcomes included updating the charter for the upcoming fiscal year, brainstorming ideas to enhance future meeting workflows, and reimagining the format of county-specific meetings to foster broader collaboration and connection across the county.

PEOPLE STRATEGIES COMMITTEE: Mr. Abramovitz

Mr. Abramovitz shared an update on the Committee's recent activities. The Committee held its inaugural meeting in August, during which members reviewed and approved the committee charter. Ms. Kitzman presented an overview of how DP supports various teams, focusing on agency funding sources, organizational advocacy efforts, and initiatives designed to enhance the workplace experience. She also provided a status update on the People Team and discussed Leadership's strategy moving forward.

NEW BUSINESS

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

Mr. Bowditch provided the following legislative update. The Legislative Council Staff (LCS) and the Governor's Office of State Planning and Budgeting (OSPB) have released their quarterly forecasts for September 2024. These forecasts will inform the Governor's budget request for FY2026, due on November 1. Notably, both the LCS and OSPB anticipate a challenging budget year ahead.

The LCS has revised its General Fund revenue forecast downwards, predicting a decrease of \$76M for FY2025 and \$411M for FY2026. Additionally, the TABOR refund has seen a net increase of \$37M but a net decrease of \$347M across these two fiscal years.

Two budgeting scenarios have been prepared for FY2025 and FY2026. The more realistic Scenario B accounts for anticipated increases in Medicaid caseloads, provider rates, and costs associated with legislation enacted in previous years. This scenario projects a deficit of \$921M, falling short of the required 15% General Fund statutory reserve for FY2026. Consequently, the state would need to draw from its reserves or implement reductions to anticipated increases to balance the budget, presenting significant challenges ahead. The OSPB Director echoed these concerns, highlighting increased caseload pressures alongside diminished General Fund revenues.

The state is expected to exceed its TABOR limit during the forecast period, which will trigger reductions in the state income tax rate over the coming years.

Specific Forecasts are available through the links below:

[OSPB](#)
[Legislative Council](#)

Ms. Tenure provided an update on the ongoing public policy efforts. DP remains committed to advocating for CMA and Long-Term Services and Supports (LTSS) System Stabilization. Alliance is focusing on policy priorities for the next legislative session, while the Department of Health Care Policy and Financing (HCPF) advances work on key initiatives, including Community First Choice (CFC), the Medical Services Board (MSB) Case Management Rulemaking, and Medicaid Provider Rate Review Advisory Committee (MPRRAC) rate setting.

At the federal level, attention is directed toward the implementation of the CMS Final Access Rule, the SSI Savings Penalty Elimination Act, and the Spenddown Offset Cost (SOC) Bill.

DP leadership has actively engaged with elected officials, candidates, and advocacy partners over the summer. Additionally, Mr. VanAuken, Ms. Tibbles, and Ms. Tenure participated in the Alliance Summit. Ms. Tenure also announced that DP's voter engagement efforts have begun. Board Member Rick Newell, alongside several DP leaders, will serve as emcees for the DP's Ballot Bingo event in October.

Family Support Council Membership Approval: Ms. Grogan

Ms. Grogan informed the Board that the following individuals were interested in serving as members of the Family Support Council. Membership questionnaires were shared with the Board before the meeting.

Nikki Fellers
Cg La Scala
Katherin Muench
Lesa Stellke

Dr. McDonnell asked the Board to approve the following motion, and a formal resolution was signed by Dr. McDonnell, Board President, at the meeting.

MOTION: Mr. Erickson moved for the Developmental Pathways Board of Directors to approve the Resolution appointing Nikki Fellers, Cg La Scala, Katherin Muench to serve a 2-year term, and Lesa Stelle to serve a 1-year term as a member of the Family Support Council; Ms. Sharpe seconded the motion. There being no discussion, it was approved by a unanimous voice vote.

Board Bio Project Launch: Ms. Kitzman

Ms. Kitzman and Ms. Brendlinger introduced the new board bio project, which aims to foster better awareness, friendships, and networking opportunities within the Board of Directors. A dedicated "Get to Know You" landing page will be created to feature a dashboard displaying key details about each BOD member. The information gathered through a brief questionnaire will provide fun and engaging facts about members. All board members will be asked to complete the questionnaire via email. Additionally, known details, such as residence locations, will be manually input, ensuring members are not asked for information already on file. The project is designed to enhance BOD engagement, strengthen camaraderie, and facilitate connections among members by sharing interesting personal details. Ms. Brendlinger, supported by Ms. Griggs and the IT department, will ensure the site is regularly updated.

Open Discussion

None

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: Ms. Conrad moved for approval for the Board of Directors to go into Executive Session at 12:51 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. Erickson seconded the motion. There being no discussion, it was approved by a unanimous voice vote.

Motion: Ms. Conrad moved for the Board of Directors' approval to come out of Executive Session at 1:57 p.m.; Dr. McDonnell seconded the motion. There being no discussion, it was approved by a unanimous voice vote.

After coming out of executive session, the following motion was made.

MOTION: Ms. Conrad moved to approve Ms. Rebecca Cordes to serve on the Developmental Pathways Board of Directors; Mr. Abramovitz 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 1:59 p.m.