Monday, December 5, 2011

Ms. Deena Brown, President of the Association welcomed all to the business meeting, and expressed an appreciation to everyone who made the trip to San Antonio. President Brown thanked Mr. Stan Mead and all his efforts in coordinating the staffing for hospitality room. There was a round of applause. President Brown also expressed her gratitude to our corporate sponsors that contributed to this Planning meeting – Cenpatico, IVA, Sequoia, PCG, and Clifton Gunderson. President Brown thanked Jerry Berry of Arkansas and his staff for compiling the book of reports for this meeting and shipping them.

Prior to taking roll President Brown announced that Scott Carson of Arizona has been appointed to fill the vacant Region 7 Director position.

Ms. Deena Brown from Oklahoma, President of the Association, directed the Secretary, Ms. Brenda Weisz of North Dakota, to call the roll of the voting members of the Board of Directors to establish the presence of a quorum. In attendance were 14 voting members of the board including Deena Brown of Oklahoma (President), Hank Fitzer of Maryland (Vice President), Brenda Weisz of North Dakota (Secretary), Dague Clark of New Hampshire (Treasurer), Vonnette Allenbaugh of Oklahoma (Historian), Dague Clark of New Hampshire - proxy for James Giffin (Region 1 Director), Doug Robinson of West Virginia (Region 2 Director), Karen Fricke of Arkansas - proxy for Corinthia King of Alabama (Region 3 Director), Mary Fernald of Ohio (Region 4 Director), Doug Robinson of West Virginia - proxy for Jason Sanchez of New Mexico (Region 5 Director), Vonnette Allenbaugh of Oklahoma – proxy for Cheryl Johnson of Wisconsin (Region 6 Director), Scott Carson of Arizona (Region 7 Director), Michelle Grose-Bray of Alaska (Region 8 Director), and Jodi Osborn of Idaho (At-Large Director 1).

Gregg Holland of Maryland (At-Large Director 1) was absent.

After the roll call of the voting members was taken, Secretary Weisz confirmed that a quorum was present for the business meeting.

President Brown stated that the next order of Business is the Historian Report and called on Historian Ms. Vonnette Allenbough to present the report.

Historian’s Report

Ms. Vonnette Allenbaugh of Oklahoma presented the Historian report as follows:

Madam President. Executive Board and HSFo members. the Historian’s report is as follows:

The National Association of State Human Services Finance Officers (HSFo) held its 64th Annual Conference and Business meeting in Charleston, West Virginia, from July 31 through August 4, 2011 with President Mr. Jerry Berry of Arkansas presiding. The Charleston Marriott Town Center was the location of
the conference, the President’s reception, Banquet and Business Meeting. Mr. Rick Brennan and Mr. Doug Robinson and their West Virginia arrangements committee members hosted the annual conference.

The conference theme was “Navigating the Peaks and Valleys of Health and Human Services Financial Management”. The keynote speaker was Dr. Michael Lewis, Cabinet Secretary of West Virginia Health and Human Services.

A new component of the HSFo Annual Conference for 2011, included the addition of three (3) separate “Workshops” to the program agenda, with the first workshop occurring “pre-conference” on Sunday afternoon, July 31, 2011. Each workshop was 2 hours and 45 minutes in duration and selection of subject matter was based on current active Corporate Sponsor education and training contracts: Cost Allocation, Grants Administration and Behavioral Health Services. In addition to the valuable educational content providing information and tools of immediate benefit, these workshops provided attendees many other benefits including: exposure to the quality of content contained in regular HSFo education and training classes, an opportunity to interact with peers and an enhanced number of conference CPE’s, a total of up to 28.

The conference program featured panel formats for topics such as: A View from Washington (with speakers from NCSL, FFIS and NAMD) and Development of Medical Homes with Integrated Services and the Expanding Role of FQHC’s. Additionally, general and break-out sessions provided information on topics of national importance such as: Updates on Legal Issues, TANF, IV-E Child Welfare, Affordable Care Act(ACA), FFATA, Medicaid Program Updates and “Re-forming” Medicaid, Changes in Eligibility Determination and Impact on Cost Allocation, Early Education, Child Care, Accountable Care Organizations, Behavioral Health and Integration with Primary Care, ARRA and DSH Audits, Aging, Development of State Health Insurance Exchange, Health Information Exchange and Meaningful Use. Several sessions were developed related to the impact of the Affordable Care Act.

Additionally, the conference incorporated a round-table, open format, double- session, which drew active participation and was highly rated for its value, by conference attendees.

Overall, the program evaluations were positive regarding the Annual Conference workshops and sessions content. Additionally, evaluations were very complimentary of the arrangements by the West Virginia hosts.

There were 194 conference attendees, including 64 first time attendees, and consisting of 95 employees or retired employees of state, federal or local governments, 41 representatives of our corporate sponsors, 15 Non-corporate sponsor presenters, 25 adult guests and 18 youth guests.

The Presidents Reception was held Sunday evening, July 31, 2011.

The conference Team Building Special Event was held on Tuesday, August 2, 2011, which included an excursion to Adventures on the Gorge, where participants had their choice of activities including Gravity Zipline, White Water Rafting, Tree Top Canopy Tour, Horseback Riding or a Bus Tour. Comments from attendees regarding the team building and special event activities were very positive.
The Annual Business meeting was held on Wednesday, August 3, 2011. This year’s Business Meeting was re-arranged from a traditional Thursday schedule, in order to encourage member attendance.

The closing Annual Conference Banquet was held on Thursday, August 4, 2011.

All events were well attended, and based on feedback the conference was a success.

Since the 2011 Annual Conference, HSFo has held one (1) National Training session, arranged by Mr. Rick Brennan, West Virginia, Chair of the HSFo Training Committee:

**Basic Cost Allocation**- training was hosted in Lexington, Kentucky from September 13-15, 2011. The training included 23 attendees. The breakdown of attendees by state is as follows: 1-Alabama, 5-Arkansas, 1-Kansas, 6-Kentucky, 2-Louisiana, 1-Massachusetts, 1-Maryland, 1-Mississippi, 2-New Jersey, 1-Ohio, 1-Oregon, 1-Vermont

**Public Consulting Group** provided the training, which offered up to 15.5 hours of CPE.

Madam President, this concludes the Historian Report.

Ms. Allenbaugh moved for acceptance of the report, Mr. Dague Clark of New Hampshire seconded the motion.

Discussion followed by Mr. Rick Brennan of West Virginia that clarified the number of minutes for each of the workshops with the Sunday workshop being 2 hours and 45 minutes in length and the other workshops being a double session or essentially 100 minutes. Mr. Brennan also questioned whether or not the number of attendees included speakers in which Ms. Allenbaugh responded that it did include speakers.

President Brown called for a vote. The report was accepted.

**Secretary’s Report**

Ms. Brenda Weisz of North Dakota presented the Secretary’s report:

Ms. Weisz reported that the minutes of the Annual Business meeting of the Association, held August 3, 2011 in Charleston, West Virginia had been transcribed and posted to the organization’s website. Ms. Weisz moved for suspension of the reading of the minutes and for the adoption of this report, with Mr. Hank Fitzer of Maryland seconding the motion.

President Brown called for a vote. The report was accepted.

**Development Coordinator’s Report**

Mr. Harry Roberts of Delaware presented the following:

President Brown asked me to serve this year in the role of Development Coordinator for the purpose of being a resource to Regional Directors, forming, guiding, and monitoring their efforts in carrying out their
responsibilities including enhanced outreach to their States. I would like to report on the proposed activities for this business year.

The Regional Directors and I will conduct 3-4 joint conference calls this year.

The Regional Director calls will be structured as follows.

- Newsletter contributions obtained.
- Corporate Sponsor leads secured.
- Results of membership outreach to States in their regions and selling HSFO membership and passing on potential new member contacts to the Membership Chair.
- Results of outreach to States to encourage their attendance at the Charleston, WV conference.

Additionally the Regional Directors will be provided a copy of the HSFO mailing list for the purpose of establishing a contact within each of those states and verifying the names on that list through the contacts. As a part of the outreach process, Regional Directors will be given the attached spreadsheet that could accomplish several purposes. Melissa Lange should be recognized for this as she proposed this idea.

- Help with developing next year’s program in developing a catalogue of the program areas our members are responsible for. That would help gauge the interest level among our membership for the less obvious topics that we’ve been working hard to include in recent year’s conferences (public health, etc).
- Provide a reason and a forum and specific reason for making a personal contact.
- Longer term, this information could be collected with the membership renewal and might even draw in smaller agencies that we’re missing by showing that we’re responsive to their niche needs.

In turn, Regional Directors will conduct quarterly conference calls with the State in their region that will be structured as follows.

- Solicit newsletter contributions
- Seeking Corporate Sponsor leads
- Membership outreach to States in their region and selling HSFO membership and passing on potential new member contacts to the Membership Chair.
- Discuss Federal issues facing the States in their region using the Federal Issues report as a focus point.
- Outreach to States to encourage their attendance at the Baltimore, MD conference.

This concludes my report.

Mr. Roberts moved for acceptance of the report, and Ms. Michele McDonald of Maryland seconded.

President Brown called for a vote. The report was accepted

**Federal Issues Report**

Ms. Simone Roy of New Hampshire presented on the following:

**Congressional Super Committee Automatic Budget Cuts**
A congressional "super-committee" had been charged with finding $1.2 trillion in savings to avoid automatic deep spending cuts. The talks between the Democrats and Republicans have collapsed and the Super Committee has failed.

Meanwhile, the US national debt has just risen above $15 trillion. Without an agreement the Super Committee now faces the prospect of being held responsible for automatic cuts totaling $1.2 trillion to defense and domestic spending, which would come into effect in 2013.

Much of the burden—almost $500 billion is expected to fall on defense and national security budgets, despite the Pentagon already facing a $430 billion reduction in its budget in 2013.

A summary of the spending cuts:

- Half of the cuts—estimated at $454 billion—would hit defense spending
- Non-security programs would be trimmed by $294 billion
- Around $170.1 billion of cuts would be made to mandatory spending.
- $31 billion in savings by reducing Medicare premiums
- Savings of $169 billion from reduced interest payments on national debt

The law exempts Social Security, Medicaid, and many Veteran’s and low-income programs. It limits Medicare to a 2% reduction. That leaves education, agriculture and the environment programs exposed to cuts of approximately 8% in 2013.

The 2001 and 2003 tax cuts enacted under President George W. Bush are scheduled to expire in January 2013. Extending them is a top GOP priority, while Democrats want to let them expire for the highest-earning Americans.

The Research SUPPLEMENTAL POVERTY MEASURE: 2010

This paper laid groundwork for developing a new Supplemental Poverty Measure (SPM) for the United States. Estimates presented were based on data from the 2005 to 2011 Consumer Expenditure (CE) and the Current Population Survey (CPS) 2010, and 2011 Annual Social and Economic Supplement (ASEC) and refer to calendar years 2009 and 2010. The results illustrate differences between the official measure of poverty and a poverty measure that takes account of In-Kind benefits received by families and nondiscretionary expenses that they must pay. The SPM also employs a new poverty threshold that is updated with information on expenses for food, clothing, shelter, and utilities that families face. Results showed higher SPM poverty rates than the official measure for most groups.

In addition, the distribution of people in the total population and the distribution of people classified as in poverty using the two measures were examined. Results showed a higher proportion of several groups were poor using the SPM. The groups were adults aged 18 to 64 and 65 and over, those in married-couple families or with male householders, Whites, Asians, the foreign born, homeowners with mortgages, and those with private health insurance. The shares of the poverty population were also higher with the SPM for those residing in the suburbs and the Northeast and West. Other findings showed that the SPM allows us to examine the effects of taxes and in-kind transfers on the poor and on important groups within the poverty population. As such, there are lower percentages of the SPM poverty populations in the very high and very low resource categories than we find using the official measure. Since in-kind benefits help those in
extreme poverty, there were lower percentages of individuals with resources below half the SPM threshold for most groups. The effect of benefits received from each program and expenses on taxes and other nondiscretionary expenses on SPM rates were examined. It was shown that medical out-of-pocket expenses had an important effect of SPM rates and on the well-being of those 65 years and older, in particular.

The report “The Research SUPPLEMENTAL POVERTY MEASURE: 2010” is at:  

Child Welfare

Child and Family Services Improvement and Innovation Act, HR 2883

On September 21, the Child and Family Services Improvement and Innovation Act, HR 2883, overwhelmingly passed in House of Representatives. This bill amends title IV part B (Child and Family Services) of the Social Security Act (SSA) to extend through FY2016 the authorization of appropriations for the Stephanie Tubbs Jones Child Welfare Services Program. It also revises requirements for child visitations by caseworkers. It extends through FY2016: (1) the Safe and Stable Families Program, and (2) specified reservations of funds for monthly caseworker visits and regional partnership grants.

The Child Visitation by Caseworkers language in the law reads as follows: “Each State shall take such steps as are necessary to ensure that the total number of visits made by caseworkers on a monthly basis to children in foster care under the responsibility of the State during a fiscal year is not less than 90 percent (or, in the case of fiscal year 2015 or thereafter, 95 percent) of the total number of such visits that would occur during the fiscal year if each such child were so visited once every month while in such care.”

H.R. 2883 reauthorizes the Department of Health and Human Services’ (HHS) authority to grant new child welfare demonstration waivers through FY 2014. Under current law, the waiver authority allows states to waive certain child welfare spending requirements and according to HHS, allows states to “test innovative approaches to child welfare service delivery and financing.” The bill would modify the waiver program to allow ten waivers per state, per year from FY 2012 through FY 2014. In addition, states would be required to implement specific child welfare improvement policies outlined in the bill and states would be required to report spending before and during the waiver process. The bill would also end the Mentoring Children of Prisoners program, for which no funds were appropriated in FY 2011.

The text of HR 2883 “Child and Family Services Improvement and Innovation Act” is at:  
http://www.gpo.gov/fdsys/pkg/BILLS-112hr2883ds/pdf/BILLS-112hr2883ds.pdf

Elementary and Secondary Education Reauthorization Act:
In addition to continuing to focus Federal education resources on students from low-income families through the Title I, Part A College- and Career-Ready Students program, the Administration’s ESEA reauthorization plan would retain longstanding programs and authorities designed to meet the needs of special populations, including English learners, migrant students, neglected and delinquent students, Native Americans, and homeless children and youth.

The Administration’s ESEA reauthorization plan reflects a fundamental rethinking of the appropriate Federal role in elementary and secondary education. The plan includes a restructuring of ESEA program
authorities to reduce the number of programs administered by the Department of Education, increase the role of competition in awarding Federal education funds, focus more closely on desired program outcomes, and expand State and local flexibility to achieve those outcomes. For example, the reauthorization proposal would create 11 new programs, 9 of which would consolidate 38 existing authorities. These new programs would emphasize using competition to allocate funds, giving communities more choices in implementing activities, and using rigorous evidence to fund what works. With this new emphasis on competition, safeguards will be put in place to ensure that geographic location does not dictate results. In particular, programs will be structured to ensure that rural communities have a fair chance to successfully compete.


**Supplemental Nutrition Assistance Program (SNAP)**

SNAP Regional Directors Memo: Routine Checks with Neighboring States to Prevent Duplicate Participation and Performing Deceased and Prisoner Verification Matches, 11/15/2011

The Food and Nutrition Service (FNS) expects that all States perform a match against the Social Security Administration’s (SSA) Death Master File to ensure that no benefits are collected under the name of a deceased person. Further, FNS requires States to establish systems and take periodic action to ensure that an individual who is detained in a Federal, State, or local penal, correctional, or other detention facility for more than 30 days shall not be eligible to be counted as a household member participating in SNAP. Also, FNS requires that States verify that an individual does not receive benefits in more than one jurisdiction within the State and to assure that no individual participates more than once in a month, in more than one jurisdiction, or in more than one household within the State. In addition, FNS encourages border States to execute agreements to share data on individuals receiving SNAP to determine if an individual or household is already receiving SNAP benefits in another State.


**Medicaid**

Medicaid Program: Eligibility Changes Under the Affordable Care Act of 2010 (Proposed Rule, Federal Register Vol. 76, No. 159/Wednesday, August 17, 2011

The Affordable Care Act (ACA) extends and simplifies Medicaid eligibility. Starting in calendar year (CY) 2014, it replaces the complex categorical groupings and limitations to provide Medicaid eligibility to all individuals under age 65 with income at or below 133 percent Federal Poverty Limit (FPL), provided that the individual meets certain non-financial eligibility criteria, such as citizenship or satisfactory immigration status. Children, and in some States, pregnant women will be eligible at income levels equal to or higher than the 133 percent level, depending on existing State-established income eligibility standards.

In addition, States will have a new option to expand eligibility beyond the new simplified Federal minimums. Starting January 1, 2014, eligibility for Medicaid for most individuals, as well as for CHIP, will be determined using the methodologies that are based on modified adjusted gross income (MAGI), as defined in the Internal Revenue Code (IRC) of 1986. Per the Affordable Care Act, eligibility for advanced
payments of premium tax credits for the purchase of private coverage through the Exchange will use MAGI as it is defined in the IRC to determine eligibility as well. Medicaid, CHIP and the Exchanges will use common income methodologies used to evaluate eligibility for most individuals under all three programs.

The alignment of the methods for determining eligibility is one part of an overall system established by the ACA that allows for real time eligibility determinations of most applicants and allows for prompt enrollment of individuals in the “insurance affordability program” for which they qualify. In the proposed rule, insurance affordability programs include Medicaid, CHIP, advance payments of premium tax credits and cost-sharing reductions through the Exchange, and any State-established Basic Health Program, if applicable. Individuals will not have to apply to multiple programs nor will they be sent from one program to another if they initially apply to a program for which they are not ultimately eligible.

Section 2001 of the Affordable Care Act ensures that States will receive an increased FMAP for all newly eligible individuals, defined as those who would not have been eligible in the State in December 2009. The FMAP for these newly eligible individuals will be 100 percent for Calendar Year 2014 – 2016, gradually declining to 90 percent in 2020 where it remains indefinitely.

Starting in 2014, individuals and small businesses will be able to purchase private health insurance through State-based competitive marketplaces called Affordable Insurance Exchanges. Exchanges will offer Americans competition, choice, and clout. Insurance companies will compete for business on a level playing field, driving down costs. Consumers will have a choice of health plans to fit their needs. And Exchanges will give individuals and small businesses the same purchasing clout as big businesses.


Medical Program: Recovery Audit Contractors; Final Rule 42 CFR Part 455 (effective January 1, 2012)

The final rule implements section 6411 of the Patient Protection and Affordable Care Act, and provides guidance to States related to Federal/State funding of State start-up, operation and maintenance costs of Medicaid Recovery Audit Contractors (Medicaid RACs) and the payment methodology for State payments to Medicaid RACs. The rule directs States to coordinate with other contractors and entities auditing Medicaid providers and with State and Federal law enforcement agencies.

Section 6411 of the Patient Protection and Affordable Care Act directs States to establish programs by December 31, 2010 in which they will contract with 1 or more Recovery Audit Contractors (Medicaid RACs). While States were required to establish their Medicaid RAC programs by December 31, 2010, via the State Plan Amendment process, the Medicaid RAC programs are not required to be implemented by that date. States are required to fully implement their Medicaid RAC programs by April 1, 2011. The Medicaid RACs will review Medicaid claims submitted by providers of services for which payment may be made under the State Plan or a waiver of the State Plan to identify overpayments and underpayments.

Section 1902(a)(25) of the Act requires States to take all reasonable measures to determine the legal liability of third parties to pay for medical assistance furnished to a Medicaid recipient under the State Plan. Several States have elected to do so thorough the use of contingency fee arrangements with TPL contractors. In addition, several States currently contract with contingency fee contractors to recover Medicaid overpayments unrelated to TPL. CMS revised their policy prohibiting Federal financial participation (FFP) for States to pay contingency fee contractors unrelated to TPL. The revised policy allowed contingency fee payments if the following conditions were met: (1) The intent of the contingency fee contract must be to
produce savings or recoveries in the Medicaid program and (2) the savings upon which the contingency fee payment is based must be adequately defined and the determination of fee payments documented to CMS’s satisfaction. Under Section 1902(a)(42)(B)(ii)(I) of the Act, payments must be made to a Medicaid RAC under contract with a State only from amounts recovered, payments to Medicaid RACs may not exceed the total amounts recovered. The intent of the statute is for States and the Federal government to reduce improper payments in the Medicaid program in order to realize savings. Additionally, payments to contractors may not be made based upon amounts merely identified but not recovered, or amounts that may initially be recovered but that subsequently must be repaid due to determinations made in appeals proceedings.

The final rule requires entities to hire a minimum of 1.0 FTE Contractor Medical Director who is a Doctor of Medicine or Doctor of Osteopathy in good standing with the relevant State licensing authorities and has relevant work and educational experience and to hire certified coders unless the State determines that certified coders are not required for the effective review of Medicaid claims. The final rule also requires that the entity develop an education and outreach program component, including notification to providers of audit policies and protocols and requiring RAC customer service measures including providing a toll-free customer service telephone number in all correspondence sent to providers and staffing the toll-free number during normal business hours.

The Medicaid Program: Recovery Audit Contractors; Final Rule is at:

**Temporary Assistance for Needy Families (TANF)**

**TANF Reauthorization**

The Temporary Assistance for Needy Families block grant program was scheduled for reauthorization in 2010. However, Congress did not work on legislation to reauthorize the program and instead they extended the TANF block grant through September 30, 2011 as part of the Claims Resolution Act (P.L. 111-291). During this period Congress once again did not reauthorize the program but passed a three-month extension (H.R. 2943) through December 31, 2011.

H.R. 2943 does not include funding for the Supplemental Grants, the additional allotments created by the 1996 welfare bill to adjust for historical inequalities in the amount of funding received by different states. The Claims Resolution Act did not provide full FY 2011 funding for these grants, but on June 22, 2011, Lloyd Doggett introduced a bill to provide funding for these grants for the duration of FY 2011. Nevertheless, the $612 million to fund the full fiscal year of the Contingency Fund was provided under the FY 2011 Continuing Resolution. As with the Claims Resolution Act, this recent extension did not include the TANF Emergency Fund, created by the American Recovery and Reinvestment Act.

The from the Clasp website:
http://www.clasp.org/federal_policy/pages?id=0021

9
Child Care

Program Instruction CCDF-ACF-IM-2011-06; Child Care and Development Fund (CCDF), Continuity of Child Care Services

A high-quality childcare subsidy system that meets the needs of children and families is an essential factor in the health of the economy as well as the healthy development of young children. In order to further establish programs that are child-focused, family-friendly, and fair to providers, the OCC strongly encourages States, Territories, and Tribes to develop and implement policies that promote continuity within the child care subsidy system. At the Federal level, OCC is working to promote this issue by adding key language and questions to the CCDF Plan that ask Lead Agencies to describe how their policies promote continuity of care for children and stability for families. Additionally, in the fall of 2011, OCC will introduce the new National Center on Subsidy Innovation and Accountability that will provide valuable technical assistance to Lead Agencies as they reexamine their policies.

The full text of CCDF-ACF-IM-2011-06: Child Care and Development Fund (CCDF), Continuity of Child Care Services and Enhance Subsidy Systems is at:

Child Support

AT-11-10 Notice of Changes to the OCSE-157 Form Regarding Medical Support

The need to renew clearance of the OCSE-157 form through the Office of Management and Budget (OMB) provided the opportunity to consider revisions to the definition of medical support in the instructions. These changes are needed in order to be consistent with the Children’s Health Insurance Program Reauthorization Act of 2009 (CHIPRA) (P.L. 111-3), the Affordable Care Act (P.L. 111-148 and P.L. 111-152), and Secretary Sebelius’ goal of enrolling all eligible uninsured children in Medicaid and the Children’s Health Insurance Program (CHIP) by 2014. Also, OCSE plans to issue a Notice of Proposed Rulemaking in the next year to allow states to use the flexibility provided by sections 452(f) and 466(a)(19) of the Social Security Act to improve interoperability with Medicaid and CHIP.

The primary change to the definition of medical support is that publicly funded programs will now be included in the definition of medical support regardless of whether there is an order for a cash contribution. Thus, the changes to the OCSE-157 medical support instructions will provide states with the option to define medical support to include private health insurance as well as other publicly funded health care coverage such as Medicaid, CHIP, other state coverage plans, and cash medical support.

The complete text of the AT-11-10 is at:

Ms. Roy asked for acceptance of the report.
Ms. Brenda Weisz of North Dakota moved for acceptance of the report with Mr. Dagne Clark of New Hampshire seconding the motion.

Discussion—Mr. Jeff Reynolds of Louisiana asked if anyone knew what CMS is doing with the electronic health records grant being liquidated to $0. Ms. Mary Fernald of Ohio stated that the reductions were made temporarily until mid-December until further funding can be found.

President Brown expressed her thanks and expressed a job well done.

President Brown called for a vote. The report was accepted.

**Membership Report**

Ms. Melissa Lange of Oklahoma presented the following Membership Report.

Madame President, Members:

We ended 2011 with 44 paid member agencies and plan to mail out the 2012 membership invoices within the next two weeks.

A copy of the contact list is being circulated at this meeting so that members can update any contact information for themselves or other states in their regions.

Ms. Lange moved acceptance of the report with Mr. Doug Robinson of West Virginia seconding the motion.

President Brown called for a vote. The report was accepted.

**Time and Place Report**

Ms. Michele McDonald of Maryland presented the following:

The 2012 Spring Planning Meeting will be held in Burlington, VT on Saturday, April 28 – Wednesday, May 2, 2012. The Spring Planning Meeting will be held at the Hilton Burlington Hotel.

The 2012 Annual Conference will be held in Baltimore, Maryland from September 16 through September 21, 2012. The conference will be held at the Marriott Hunt Valley Inn.

The 2014 Annual Conference will be held in Louisville, Kentucky. More details will be given as they become available.

Ms. McDonald of Maryland moved for acceptance of the report, with Ms. Michelle Grose-Bray of Alaska seconding the motion.

President Brown called for a vote on the report. The report was accepted.

Ms. McDonald made a motion to hold the 2013 Annual Conference in Columbus, Ohio. The motion was seconded by Mr. Hank Fitzer of Maryland.
Discussion:
Mr. Jeff Reynolds asked which agency was hosting and inquired as to preliminary plans. President Brown asked Ms. Mary Fernald of Ohio to speak to the request. Ms. Fernald stated that in anticipation of a positive response to the motion, the 2013 Annual Conference is anticipated to be held July 27 – August 2, 2013, and could be adjusted based on site visits or site selection. The RFP for the hotel location was developed and disseminated requesting a response by November 28, 2011. Seven hotels responded to the RFP. A small group will be appointed by President Brown to do site visits in mid-January most likely. The 2013 Annual Conference will be hosted by the Ohio Department of Job and Family Services. Ms. Fernald stated that the Department has plenty of resources and that the hosting of this conference is absolutely supported from the top. Ms. Fernald also added that Mr. Stan Mead would be assisting in negotiating the hotel contract.

Mr. Harry Roberts of Delaware would strongly suggest that if there are other Ohio agencies that would like to support the conference, that one agency serve as the host agency.

President Brown called for a vote on the motion for the 2013 Annual Conference to be held in Columbus, Ohio. The motion was passed.

Ms. McDonald requested that the Time and Place report be amended to reflect that HSFO is actively seeking a state to host the Fall 2012 Planning Meeting, the Spring 2013 Planning Meeting and the Annual Conference for 2015.

Ms. McDonald moved the motion to modify the report to reflect the above statement. The motion was seconded by Mr. Dague Clark of New Hampshire.

President Brown called for a vote on the modification to the Time and Place report. The modification was accepted.

Resolutions Report
Ms. Renee Close of Kentucky presented the following on behalf of Mr. Stephan Gearheart of Kentucky:

To date, no Resolutions have been received. Members are urged to consider appropriate submissions for FY 2012 and send these to the Resolutions Chair as soon as possible.

Ms. Close of Kentucky moved for acceptance of the report, Ms. Michelle Grose-Bray of Alaska seconded the motion.

President Brown called for the vote. The report was accepted.

By-Laws Report
Mr. Doug Robinson of West Virginia presented the following report on behalf of Mr. Jason Sanchez of New Mexico:

Madam President:
The by-laws chair is reviewing the by-laws for proposed changes. There are no proposed changes received to date to the By-Laws. It is recommended that the full membership review the by-laws posted on the website. This would allow the opportunity for full disclosure and discussion of suggested revisions.

Mr. Robinson moved for acceptance. The motion was seconded by Ms. Michele McDonald of Maryland.

Discussion was held to review the by-laws and make sure the by-laws reflect our practices and make any necessary changes.

President Brown called for a vote. The report was accepted.

**Newsletter Report**

Mr. Mark Story of Arkansas presented the following:

Good Morning. The first newsletter of the current federal fiscal year was sent out to over 700 email addresses in the week before Thanksgiving. Those receiving the newsletter included members, corporate sponsors and other interested parties.

The focus of this edition was the conference in Charleston, West Virginia, the election of new HSFO officers, training reviews and opportunities, the success of youth hospitality at the Charleston conference, acknowledgement of and thanks to HSFO corporate sponsors, and a message from the past president. We will continue to look for interesting ideas and items for inclusion in the newsletter and hope for your input in making it both informative and enjoyable for our membership.

Madam President, this concludes my report.

Mr. Story moved for adoption of the report, with Ms. Michelle Grose-Bray of Alaska seconding the motion.

Jerry Berry of Arkansas mentioned that he felt the newsletter was simply outstanding and we are receiving a lot of nice compliments back. Mr. Story mentioned that he would like to include our corporate sponsors to a higher degree and would look to the Board for assistance in how to accomplish that goal.

Mr. Stan Mead pointed out that Mr. John Young of IVA, one of our corporate sponsors, was in the room. Applause followed.

President Brown called for the vote. The report was accepted.

**Nominating Report**

Mr. Jerry Berry of Arkansas presented the following:

Madam President, Board, old Past Presidents, I have received zero nominations from any member of HSFO. I therefore file my report without any nominations for any office in HSFO.
Ms. Brenda Weisz of North Dakota motioned for the acceptance of the report with Mr. Hank Fitzer of Maryland seconding the motion.

President Brown called for a vote on the report. The report was accepted.

**Training Committee Report**

Mr. Richard Brennan, West Virginia, presented the report as follows:

Since the Spring Planning Meeting, HSFO has sponsored two Training offerings. Grants Administration Basic was offered in Juneau, Alaska, in June, as reported on during the Annual Business Meeting in Charleston. There were 46 attendees at this offering, which was conducted by Sequoia Consulting. For the session, there were Revenues of $23,000. Expenses of $18,710, for a net of $4,290.

Cost Allocation Fundamentals was offered September 13-15, 2011, at the Embassy Suites in Lexington, KY. Training was conducted by PCG. In significant part, this offering was scheduled at that location to meet prior commitments made to the hotel. There were 22 paid registrations for this Training, comprised of 17 Member registrations and 5 non-Member registrants. Total Revenue for this offering was $12,000, total Expenses were $13,479, for a net loss of $1,479. All CPEs have been awarded for this offering, and the Evaluations were generally extremely good.

The value of the last Cost Allocation offering was far greater than demonstrated by the bottom line for the individual offering. We had some Federal registrants for the Training, including Judi Wallace, who has been significantly involved in Cost Allocation and in School Based services. We were also fortunate to have Past President Billera in attendance, and participating. There was significant dialogue both in the Sessions and outside. Those in attendance will be encouraging their federal peers to attend future Trainings. Additionally, it was an opportunity to show our intent to help our Members do things “in the right way”, but also to engage the feds in explaining and defending positions taken on issues.

We have also put forth an RFP for a Medicaid Training series to replace the original Contract and curricula, which are currently almost 8 years old. The selected Proposal was submitted by PCG. This provides for a three-course sequence, with options for Special Topics offerings. We are working on the Contract now, and expect to begin offerings in the Spring. We are also looking to release an RFP for Child Welfare Training as soon as possible, and have already had inquiries of interest from a couple of Vendors.

The Grants Administration Advanced offering is being completely redone, and we expect a Draft for Review in January. Richard Humiston has assisted with that revision. We have asked for a strong emphasis on FFATA requirements and practices in this offering, as well as some focus on transparency issues. This is also a hopeful offering for the Spring.

As of right now, what we are planning for the Spring includes:

1) One Cost Allocation – Basic in Juneau. Currently, we are looking at March 20-22, 2012, at the Centennial Hall.
2) One Advanced Cost Allocation in Little Rock, with dates to be determined. That will either be at the Clinton Holiday Inn or at the Embassy Suites.
3) One Advanced Grants Administration (revised course) – TBD – probably Charleston or Louisville, so I can attend and monitor first offering.
4) One each on at least two of the new Medicaid offerings (e.g., I and II) – probably Charleston or Louisville, so I can attend and monitor first offerings.

This will get us through May, and possibly very early June. If we get an RFP released and a selection made in time, I’d also like to run a Child Welfare offering.

By the Spring Planning Meeting, we should have a better understanding of state budgets for the 2013 SFY, as well as the economy and the dominant issues, and can then look to schedule for offerings through the Fall of next year.

I have asked the Executive Board to examine our Training Fee schedule to determine Organizational comfort with our rates and margins. As new contracts are signed, we can expect our Vendor fees to increase somewhat. Additionally, we are starting to see newer price arrangements, Vendor partnerships, etc. Diligence just requires awareness of what is changing over time. I believe the “package” that we are currently offering as part of our Training is optimal.

I’ve also note that we are now out of the Training bags, so a determination will need to be made as to whether to order some and continue providing them, or look to something different.

The workshops offered at the Annual Conference also went over very well and we will look to continue that at future conferences.

Mr. Brennan moved for acceptance of the report with Ms. Karen Fricke of Arkansas seconding the motion.

Discussion:
Mr. Doug Robinson of West Virginia inquired as to who Mr. Brennan is working with on child welfare to which Mr. Brennan replied that it was still open. Mr. Robinson continued with expressing his concern that if HSFO is going to continue to offer workshops on Sunday of the Annual Conference, we will need to modify the conference registration to allow for daily registration for just Sunday for those interested. Mr. Jerry Berry of Arkansas recommended HSFO continue the use of bags for future trainings. Many agreed.

President Brown called for vote on the report. The report was accepted.

**CPE Committee Report**

Ms. Renee Close of Kentucky presented the report as follows:

Madam President, members:

The following report of Continuing Education Committee activities since the last report at the business meeting in August.

The Committee has issued 37 CPE certificates the 2011 annual conference. This is an increase from the 28 issued for the 2010 conference.
In addition, the Committee has issued 45 certificates for the Grants Administration training held in Alaska in June and 16 certificates for the Cost Allocation training held in Kentucky in September.

I am working with the past committee chair to transfer archived records in order to have what is necessary in case of an audit by NASBA.

This concludes my report.

Ms. Close moved for acceptance of the report with Ms. Michelle Grose-Bray of Alaska seconding the motion.

President Brown called for a vote. The report was accepted.

**Arrangements Report-Baltimore**

Mr. President:

Planning work continues on the HSFi 65th Annual Conference in Baltimore, Maryland.

The proposed budget for the event will be presented and discussed later in the agenda.

The conference dates are Sunday, September 16 through Friday, September 21, 2012.

**Hotel:**

As a reminder, the site is the Marriott Hunt Valley Inn, 245 Shawan Road, Hunt Valley, Maryland. As reported on earlier occasions, the location is approximately 19 miles north of downtown Baltimore, and approximately 30 miles from BWI Airport. By car, it is directly off of I-83, exit 20A, and has ample free parking for guests and conference attendees. Across from the hotel is the Hunt Valley Mall, which offers a large variety of dining and shopping venues. The hotel operates a free shuttle over to the mall. In front of the mall, a Light Rail stop connects Hunt Valley with downtown Baltimore, Oriole Park at Camden Yards, and Harbor Place (a 40 minute ride).

Rooms are $131 per night plus 14% tax, and include a daily hot breakfast buffet in the hotel restaurant. Rooms are blocked from Friday September 14 thru Sat September 22.

At the consent of the Executive Board, the organization's room night guarantee has been reduced by 10%, from the contract's original 850 room nights (original minimum guarantee 85%, or 722) to a current 765 room nights, of which we must now guarantee 85%, or 650 room nights. As per the contract, in return for exercising the 10% room night reduction, a modest meeting space surcharge of $615 will be imposed, which is calculated as 10% of the value of our otherwise complimentary meeting space.

Our contract provides for a hotel food & beverage minimum of $17,000.
In the event that we do not meet the 650 room night minimum, the hotel has agreed to an additional concession. They will credit food and beverage expenditures that exceed the $17,000 contract minimum, at the ratio of $2 food & beverage to $1 room attrition, against room night attrition fees that might be incurred. Our current attendance forecasts and cost projections estimate that in any case, hotel food and beverage costs will be more than double the contract’s $17,000 minimum. At a 2 for 1 ratio, this would allow us at least $8,500 of food and beverage dollars that we are in any case spending, to apply against room attrition, if the need arises.

Any federal employee that receives the federal rate, the Hotel will credit the room to the HSFO room block. The Hotel will do this for any federal, state or other governmental employee who receives a special government rate rather than the HSFO rate. Those that do not sign up under the HSFO room block will not receive the breakfast tickets.

At the hotel’s request, we have re-submitted our application for direct billing (originally submitted in June, 2010) with updated information on more recent HSFO events. The Hunt Valley Inn did not act on our original application, preferring to wait 6 to 8 months out from the event for a more current credit picture.

Events:

The Spouse / Guest Event on Monday, September 17 will be a morning tour of the Ladew Topiary Gardens with a sandwich style lunch at the gardens, followed by an afternoon tour of the nearby Boordy Vineyards.

We are planning the Tuesday, September 18 afternoon Special Event to be a tour of Fort McHenry, followed by a picnic / crab feast at the waterfront facility of a local caterer, Conrad’s Ruth Villa, on Middle River in Baltimore County.

We remain flexible on the possibility of providing youth events and entertainment. However, at some point (we suggest no later than the Spring 2012 Planning Meeting), we ask direction from the Board on whether or not the organization wants to offer and advertise for youth attendance. While we would expect turnout to be small, some degree of lead time will still be required in planning, and some level of funds will probably need to be committed in advance.

We have a $100 deposit on the Board Dinner at an off-site restaurant, for Saturday, September 15.

Additional contracts, deposits and funding needs after January 1:

Ladew Topiary Gardens. $100 deposit due with contract in January, 2012.
Conrad’s Ruth Villa. $1,000 deposit due with contract in January, 2012.
Rohrbaugh’s Charter (bus) service, $1,200 deposit due with contract in January, 2012.

This concludes the Baltimore 2012 Arrangements Report.

Mr. Fitzer moved for acceptance of his report with Mr. Doug Robinson of West Virginia providing a second.

Discussion:
Inquiries included questions surrounding transportation from the airport, light rail, shuttle or other means of transportation from the airport including costs and times. Mr. Fitzner will be providing information in the future. Also discussed were the pros and cons of having children at the conference.

President Brown called for a vote on the report. The report was accepted.

**Arrangements Report - Planning, Burlington, VT**

Mr. Hank Fitzner of Maryland presented the following on behalf of Mr. Jim Giffin of Vermont:

The 2012 Spring Planning Meeting will be held in April 28, 2012 – May 2, 2012 in Burlington, VT at the Hilton Burlington Hotel.

Group room rates are $114.00 plus tax and this rate is available two days prior and two days after the official program dates.

The hotel is not able to guarantee room type, but will accommodate guest requests to the best of their ability at the time of reservation so get your reservation in early.

Mr. Fitzner moved for acceptance of the report with Mr. Harry Roberts of Delaware seconding the motion.

President Brown called for a vote. The report was accepted.

**Audit Report**

Ms. Jodi Osborn of Idaho presented the following:

Mr. President, Board Members, Past Presidents and guests.

We will begin auditing the Annual Conference that was held in Charleston, WV, the Fall Business/Planning Meeting in Lexington, KY, the Spring Business/Planning meeting in Boise, ID and the financial records maintained by Mr. Ted Martin.

Later this month we will begin the process of gathering the documentation from the Charleston Conference and Mr. Martin. A full audit report will be presented at the annual conference in Baltimore, MD with an update at the Spring Business/Planning Meeting in Burlington, VT.

Ms. Osborn moved for acceptance of the report. Ms. Michele McDonald of Maryland seconded the motion.

President Brown called for a vote on the report. The report was accepted.

**Renewal of Internet Contract**

Mr. Richard Billera of New York mentioned the proposed contract for internet services for the upcoming year, pointing out there were no changes. He discussed that he has heard that there is a need to update the website and would suggest that the President appoint a committee to accomplish this project.
President Brown appointed Dague Clark of New Hampshire, Vonetta Allenbaugh of Oklahoma, Rick Brennan of West Virginia and Mark Story of Arkansas to work with Richard Billera.

Mr. Brennan questioned where we are at with offering webinars. Mr. Billera stated the issue is with state restrictions and the fact that HSFO does not have any training material to place out on webinars.

President Brown asked Mr. Billera to leave the room for a vote on the contract.

Mr. Harry Roberts of Delaware moved to accept the contract as offered. Mr. Doug Robinson of West Virginia seconded the motion.

President Brown called for a vote. The motion passed.

Tuesday, December 6, 2012

Treasurers Report

Mr. Dague Clark of New Hampshire presented the Treasurer’s report as follows:

The Treasurers report was dated 11/30/11 and included the Statement of Income and Expenses for the period of 12/01/09 thru 11/30/10, and the balance sheet for the period ending 11/30/11. Statements are prepared on a cash basis.

Mr. Clark read through the detail of the Balance Sheet and the Statement of Income and expenses.

The balance sheet through 11/30/11 reflected that HSFO had Total Assets of $278,124.71 Total Liabilities were $0.00 and Total Equity was $278,124.71.

Total Income was $249,956.71 and Total Expenses were $204,197.33, with a total net income of $45,759.38.

Mr. Clark moved for acceptance of the report with Mr. Doug Robinson of West Virginia providing a second to the motion.

Discussion followed as to what categories expenditures should be charged and reported.

President Brown called for a vote. The report was accepted.

Review of Fee Schedule

President Brown referenced the 2012 Fee Schedule and mentioned the fees for 2012 will not increase. However, there is a contingency that training fees may change based on the new RFPs issued. President Brown asked for a motion for the above. Ms. Brenda Weisz of North Dakota so moved with Mr. Harry Roberts of Delaware seconding the motion.
President Brown called for a vote. The report was accepted.

**Sponsor Development**

Mr. Doug Robinson of West Virginia presented the following:

Good day Madam President, Board Members, and Past Presidents:

Deena thank you for selecting me to serve as your Sponsor Development Chair. I look forward to working closely with the Board to retain our current sponsors and work on finding new ones.

Past President and last year’s Sponsor Development Chair, Jim Redyma, sent me a sample invoice, a sample letter and the mailing list for corporate sponsors. He shared some suggestions with me about working with the corporate sponsors.

I also had a brief discussion with Past Presidents Stan Mead and Rick Brennan and both gave me some good suggestions on how to work with the corporate sponsors. Hopefully all the wisdom shared with me by the Past Presidents will help me find a new corporate sponsor or two for the upcoming year.

Invoices have been prepared, but not mailed, awaiting the final decision on fees for the next year. The invoices will be mailed in early January 2012.

This concludes my report.

Mr. Robinson moved for acceptance of the report with Mr. Dague Clark of New Hampshire providing a second to the motion.

Discussion: Past President Stan Mead mentioned that in the future the Executive Board may wish to assign the Corporate Sponsor Chair the responsibility of notifying our corporate sponsors of the planning meetings and discuss with the President who solicits the donations for the Planning meeting. President Brown so noted the recommendation.

President Brown called for a vote. The report was accepted.

**Budget-2012 Annual Conference – Baltimore, Maryland**

Mr. Hank Fitzer of Baltimore discussed the details of the 2012 Annual Conference to be held in Baltimore Maryland with total revenue of $126,425 and total expenses of $117,443, with a projected net income of
$8,982. Mr. Fitzer also noted that since the conference is being held in September it was decided not to offer youth activities and the change to remove youth activities was reflected in the revenue and expenses reported.

Mr. Fitzer moved to accept the Baltimore Annual Conference budget. Mr. Doug Robinson of West Virginia seconded.

Discussion included the price difference between the Vendor luncheon and the Board luncheon.

President Brown called for a vote. The motion was accepted.

**Budget- HSFO 2012 Budget**

President Brown presented and discussed the details of the HSFO FY 2012 budget, which included training and planning meeting components.

Ms. Brenda Weisz of North Dakota moved to accept the HSFO FY 2012 budget. Mr. Dague Clark of New Hampshire seconded.

President Brown called for a vote. The motion passed, to accept the HSFO 2012 budget as presented.

**Presentation of 2011 West Virginia Final Conference Revenue / Expense Statement**

Mr. Rick Brennan of West Virginia presented the final actual revenue and expense statement of the 2011 West Virginia HSFO conference.

Mr. Brennan moved for the acceptance of the report which was seconded by Mr. Jerry Berry of Arkansas.

Discussion: Mr. Doug Robinson discussed the need to make sure to establish a firm cutoff date for accepting presentations for making copies. Ideas were exchanged on how to limit future copy costs.

Appreciation of staying within budget was expressed to Mr. Brennan and those that assisted.

President Brown called for a vote. The motion passed.

**Program Committee**

Ms. Karen Fricke of Arkansas presented the report of the Program Committee.

First Ms. Fricke wanted to thank those that are helping with the Program Committee and recognized that it is a joint effort.

At this point the Committee has been considering the theme of NEW SOLUTIONS FOR THE NEW NORM(AL)
The Committee presented format recommendations after considering the FY 2011 Conference to include a Sunday workshop/training, a “View from Washington” to follow the Keynote speaker; a “Team Building Event” on Tuesday afternoon; a presentation from Dr. Johnson on Wednesday morning; the Business Meeting on Wednesday afternoon; and Charles Miller on Thursday afternoon with a longer session as was offered at the West Virginia Conference.

The Committee has worked on various topics and potential speakers to include corporate sponsors, which Ms. Fricke presented and discussion followed.

Ms. Fricke made a motion for acceptance of the report with Ms. Michelle Grose-Bray of Alaska providing the second.

Discussion:
It was noted that Ms. Karen Fricke was to go forward and secure the following speakers: Matt Salo, Sheri Steisel, and Trinity Tomsic for the View from Washington; Dr. Johnson and Charles Miller.

President Brown called for a vote. The report was accepted.

President Brown asked for any new business, and with nothing being brought forward, Ms. Brenda Weisz of North Dakota moved to adjourn the meeting. Ms. Melissa Lange of Oklahoma seconded the motion.

Meeting was adjourned.