

Children's Trust Fund of Michigan
Board of Directors Regular Meeting
September 12, 2012 @ 1:30 p.m.
Jackson National Life Insurance Company
1 Corporate Way
Lansing, Michigan, 48951

MINUTES

In Attendance:

John Brown
Shelley Kester (Phone)
Sgt. Michelle Robinson
Jocelyn Vanda (Phone)
Lori Wortz

DHS Staff: Stacie Bladen

CTF Staff: Mike Foley, Emily Schuster-Wachsberger

Minutes from June 12, 2012

Motion to approve: Not able to approve due to lack of Board quorum. Minutes will be reviewed at the December meeting.

Motion seconded – N/A

DHS Report of 4-E Waiver – Stacie Bladen

Stacie reported that DHS has made application to the federal government for a IV-E waiver which would enable a portion of federal money to be diverted from the Foster Care funding to front-end prevention services, compatible with the kinds of programming that CTF supports. The waiver is in its final stages of approval. Utilizing the Family Preservation, Protective Factors, and Strengthening Families models, Michigan plans to administer secondary and tertiary prevention programming, targeting the 0-5 population within specified geographic regions during this 5 year opportunity. Evidence-based programming will be implemented, as available and continuous quality measurement procedures will be employed. There is also discussion about expanding services to additional regions and/or with special populations. It was noted that this opportunity is considered cost-neutral.

Finance Committee Report – Mike Foley

Mike Foley discussed that the Finance Committee is recommending that the 2013 budget be revised to address additional obligations related to the state employee post-employment benefits legislation and the hiring of a ¾ FTE position at CTF (which had previously been an hourly rate only position without benefits). ***A vote to consider the revised budget will be deferred for a future meeting.***

Lori Wortz recommended that a committee be formed with board members from both the Program and Finance Committees to begin some strategic discussions on the

broader issue of projected 2014 CTF revenue as it relates to the operations of the organization.

The Finance Committee is seeking approval of the full Board to further investigate ways to increase the predictability of CTF's trust fund dollars. This could be accomplished by treating the Funds in Treasury in a manner similar to the Foundation community. Rather than having the previous year's earnings available for operations (as the law currently states), the Trust Fund earnings would be averaged over a period of time (5 to 10 years). This would significantly mitigate how year to year fluctuations in the market impact CTF's ability to budget predictable manner. ***The Board members present agreed to investigating this further and coming back in December with more details and possibly a recommendation for moving forward.***

On a related issue, the Finance Committee is recommending a change in how CTF Fiscal Year budgets are developed. The legislation directs the earnings from the Trust Fund from the prior year are to be available for operations in the next fiscal year. However, CTF has been using current year earnings in the current year. The Finance Committee is recommending that beginning with the current FY 2012 budget, the revenue line item for Trust Fund earnings be adjusted to reflect the earnings of the Trust Fund from FY 2011 and that all budgets in the future use the Trust Fund earnings from the prior year. ***The members present directed the Finance Committee to draft a motion for the Board to approve that would amend the current 2012 budget to use FY2011 Trust earnings and that the motion allude to the fact that the amendment is being done to better align with the direction provided in the legislation. From there forward we budget according to the legislation.***

Program Committee Report—Mike Foley

- Currently 64 Local Council 2013 applications have been approved by CTF.
- The Direct Services grant RFP is currently open and live in the electronic grant system. Trainings have been conducted to assist applicants.

Fund Development Committee – Mike Foley

- A decision has been made that Sterling Corporation will be the vendor for the 2013 Pam Posthumus Signature Auction Event.

ED Report – Mike Foley

The report was deferred until the next scheduled meeting. A written report was provided to the Board and is included with the minutes.

The meeting was adjourned at 2:34 PM

Minutes by: Emily Schuster-Wachsberger