

## 2020 Budget Request Form – Douglas County, KS

### Summary and Community Partner Overview

|                    |                         |
|--------------------|-------------------------|
| Community Partner: | <b>Cottonwood, Inc.</b> |
| 2020 Request       | \$686,000               |

|                 |                                   |
|-----------------|-----------------------------------|
| Contact Name:   | Sharon Spratt                     |
| Address:        | 2801 West 31 <sup>st</sup> Street |
| City, State Zip | Lawrence, KS 66047                |
| Phone No.       | 785-842-0550                      |
| E-mail:         | sspratt@cwood.org                 |

#### Community Partner Overview:

Cottonwood, Inc. continues to experience a strong partnership with the Douglas County Commission. Since Cottonwood’s very beginning in 1972, first as a Community Mental Retardation Center (CMRC), the Douglas County Commission voted to make a tax levy for the purposes of providing facilities and services for persons with mental retardation. And then in 1995, Douglas County maintained its funding when Cottonwood was established as the Community Developmental Disability Organization (CDDO) through the passage of the Developmental Disability Reform Act (DDRA). Cottonwood, in its dual role as Community Service Provider (CSP) and CDDO, operates within a structure of both state and local government supervision and control under two separate enactments; 1) DDRA K.S.A. 39-1801 et.seq.; and 2) K.S.A. 19-40014 et.seq.

As a **CSP**, Cottonwood provides the following array of services:

- Day Services
  - Work Center - Cottonwood Industries;
  - JobLink - Supported Employment;
  - Work Enrichment - Day Program; and
  - Retirement - Services for elderly consumers with Intellectual and Developmental Disabilities (I/DD).
- Residential
  - Small group homes (3-6); and
  - Semi-Independent Living.
- Health Supports
  - Nursing care;
  - Med-administration; and
  - Coordinating and transporting individuals to medical appointments.
- Case Management
  - Coordinate and monitor services under the Person-Centered Support Plan;
  - Referral to additional services; and
  - Advocacy for the individual served and their family.

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- Transportation
  - Transport individuals in our homes to and from work;
  - Transport people to activities throughout the Lawrence community; and
  - As noted previously, taking individuals to doctor and other health related appointments.

Cottonwood is licensed by the Kansas Department of Aging and Disability Services (KDADS). We also are reviewed by other external entities related to regulatory requirements including, but not limited to, SourceAmerica, Kansas Department of Transportation (KDOT), Housing and Urban Development (HUD), and our overall consolidated financial audit.

In an effort to diversify revenue sources as much as possible, Cottonwood has always operated a Work Center (Cottonwood Industries), to provide work opportunities for the individuals served, as well as to provide a source of revenue. While we have always performed contract work for area and regional companies, in 1999, we were successful in securing the Cargo Tie-Down Strap contract through the Department of Defense. This contract is awarded every five years, and we are pleased to report that Cottonwood secured the contract in October 2014 for another five years. Over the years, this contract has experienced high and low volume orders. Currently, we are receiving regular stock orders for this contract.

In 2013, Cottonwood bid for and acquired a second strap contract to produce a General Purpose Strap for the Department of Defense. Negotiations for a renewed five-year contract began in 2018 and have carried over into this year.

As a **CDDO**, Cottonwood CDDO is the 'single point of entry' for contact information, referral and eligibility determination for all persons with I/DD in Douglas and Jefferson Counties. The CDDO maintains a website of community resources for easy access at [www.cddo.cwood.org](http://www.cddo.cwood.org). It also provides information to individuals and families who are waiting to access services. The CDDO is required to provide quality oversight monitoring of all I/DD service providers in the two-county area and to ensure that corrective action is taken, if needed, for the health and safety of individuals receiving services. Cottonwood contracts directly with KDADS in its role as the CDDO. KDADS conducts a CDDO Review every two years to ensure we are in compliance with regulations. Our most recent review was March 20, 2019.

KanCare continues, and this past year Aetna was selected as a new MCO to replace AmeriGroup. We were successful in securing a 4% increase in the Medicaid (HCBS) rates effective July 1, 2018. We are pleased with this achievement but given that we went for ten years without increases, adequate rates continue to be a concern.

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### Service Overview - Metrics and/or data that describe the service impact:

As an organization, Cottonwood has a strong foundation for success through the establishment of our mission, our values, and a strategic planning process focused on the desired outcomes of the individuals we serve. We track our performance and produce an Annual Management Report that is reviewed at least annually for relevance and updated as needed.

In 2018, Cottonwood as a service provider, assisted nearly 300 individuals with Targeted Case Management services, helping individuals and their families access a variety of services and supports. Cottonwood provides over 130 individuals the opportunity to experience meaningful work and a paycheck through its onsite Work Center, Cottonwood Industries. JobLink services support over 260 individuals in accessing employment with local businesses. Cottonwood provides 24/7 personalized supports to 104 people in Residential services in over 50 living arrangements including 14 Cottonwood-owned homes as well as other homes and apartments throughout the community. Approximately 60 individuals with highly intensive and personalized supports are served through our Life Enrichment program, consisting of Work Enrichment and Retirement Enrichment services. As the individuals we serve age, the health and medical supports required by our staff have increased greatly, which adds to the overall cost of services. The duration of services to the individuals we support are lifelong in nature.

Some specific performance outcomes:

- In June of 2018, KDADS awarded Cottonwood a two-year license for Day, Residential, and Case Management Services.
- JobLink contracts with Kansas Rehabilitation Services/Kansas Department for Children and Families (KRS/KDCF) and implements the Vermont Progressive Employment (VTPE) service model targeting Lawrence high school students. Specifically, JobLink uses company tours, informational interviews, job shadows, paid work experiences, and on-the-job training as tools to get transitioning students with I/DD competitive, integrated jobs.
- JobLink partners with the Lawrence School District's Project SEARCH. Specifically, the JobLink Employment Consultant helps job coach Project SEARCH students/interns. We served eight members of the 2018 SEARCH class.
- Ten of JobLink's staff are Certified Employment Support Professionals.
- 97% of the jobs supported by JobLink during 2018 lasted more than 90 days (successful Vocational Rehabilitation closure).
- In Work Services, we are pleased to report that we had continuous work available for individuals served. This results in high satisfaction (98%) by persons serviced. Business customer satisfaction was 96%.
- Work Services also offers numerous fun activities throughout the year. Some of these include:
  - Valentine's Day, Halloween, and Christmas parties;
  - Singing in the Cottonwood Choir;
  - Having KU students volunteer at different times;
  - Participation in self-advocacy activities;
  - Enjoying a Health and Safety Fair; and

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- Performing in the annual Talent Show.
- Above all, in Work Services, consumers work hard and enjoy the comraderie of their friends and associates.
- Life Enrichment focuses on helping individuals maintain and increase their personal, social, and health needs to live a quality life. The scope of the services and supports are determined by the needs and desires of persons served.
- A few key outcomes in 2018 include:
  - The 19<sup>th</sup> Annual Life Enrichment Art Show hosted at the Lawrence Arts Center on October 26, 2018;
  - Having art featured at Kansas Public Radio for a second year;
  - Enjoying Choosing Healthy Appetizing Meal Plan Solutions for Seniors (CHAMPSS) lunches at Dillons;
  - Attending printmaking classes at the Lawrence Arts Center; and
  - Enjoying the monarch watch.
- Residential services reported 95% satisfaction by individuals accessing this service. Persons accessing Residential services lead very active and enriched lives. Lawrence is a welcoming community so that whether it is enjoying a cookout, shopping, or participating in the many activities for all Lawrencians, they enjoy a full life. Of particular note is the partnership with the Lawrence Parks and Rec activities designed to meet the needs of persons served.
- Case Management Services reported 96% satisfaction by individuals served.
- Our Case Managers have been the most directly impacted by KanCare, the State Managed Care System. Through it all, staff remain committed to providing quality and person-centered services to everyone we serve.
- Health Supports include a Health Support Nurse Manager, an RN, and LPN, and a Call-in Nurse. Additionally, there are three support staff who assist in transporting individuals to and from medical appointments.
- Health Supports reported 97% satisfaction by persons served.

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### Alignment to County Focus Areas and Collaboration:

|                    |                         |
|--------------------|-------------------------|
| Community Partner: | <b>Cottonwood, Inc.</b> |
|--------------------|-------------------------|

|  |                |
|--|----------------|
| <b>Focus Area:</b>   | Human Services |
| <p>As the CDDO, and as a Community Service Provider, Cottonwood serves an important role for the County in supporting individuals with I/DD. We are proud of our services, and we are very appreciative of the support from the County in fulfilling our mission. Our services allow individuals to lead full and productive lives. Cottonwood collaborates with many community and regional programs and services, some of which include:</p> <ul style="list-style-type: none"><li>• Bert Nash – Counseling, therapy, psychotropic medication management, wraparound services;</li><li>• USD 497 – Transition Personnel, Project SEARCH, End-Dependence Grant (EDK) contract;</li><li>• Kansas Rehabilitation Services through Department for Children and Families (DCF);<ul style="list-style-type: none"><li>○ EDK Contract; and</li><li>○ Short-term funding for individuals served by JobLink.</li></ul></li><li>• Douglas County Dental Clinic<ul style="list-style-type: none"><li>○ We have a dental clinic at Cottonwood acquired through a grant.</li><li>○ Dental hygienists from Douglas County Dental Clinic (DCDC) perform cleanings, x-rays.</li></ul></li><li>• Douglas County Health Department;<ul style="list-style-type: none"><li>○ Emergency response planning; and</li><li>○ Closed Point of Dispensing (POD) unit.</li></ul></li><li>• Lawrence Transit System (Cottonwood staff attend local meetings)</li><li>• Independence Inc.</li><li>• Senior Resource Center</li><li>• Heartland Community Health Center</li><li>• LMH Health (medical services)</li><li>• Lawrence Parks and Rec Special Population Division</li><li>• Numerous businesses throughout the area</li><li>• University of Kansas (KU)<ul style="list-style-type: none"><li>○ Best Buddies</li><li>○ Natural Ties</li><li>○ Music therapy</li><li>○ School of Engineering</li></ul></li></ul> |                |

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- Lawrence Arts Center
- Lawrence Workforce Center
- Lawrence Public Library
- Transition Council of Douglas County
- Court appointed Multidisciplinary Team
- Family-Centered Systems of Care
- Self-Advocate Coalition of Kansas (SACK)
- Self-Advocates of Lawrence (SAL)
- Douglas County Metropolitan Planning Organization (MPO)
- Heartland Works
- Other affiliated service providers in the area

## 2020 Budget Request Form – Douglas County, KS

double click on spreadsheet to open

2020 Budget Request Detail

calculated fields

| Community Partner:                     | <b>Cottonwood, Inc.</b> |                   |                   |                           |                              |                           |
|--|-------------------------|-------------------|-------------------|---------------------------|------------------------------|---------------------------|
|  | 2016<br>Actuals         | 2017<br>Actuals   | 2018<br>Actuals   | 2019<br>Adopted<br>Budget | 2019<br>Current<br>Estimates | 2020<br>Budget<br>Request |
| <b>Revenues:</b>                       |                         |                   |                   |                           |                              |                           |
| Unrestricted Fund Balance 1/1/xx       | 4,640,756               | 4,910,496         | 5,725,154         |                           | 5,698,910                    | 5,556,572                 |
| <b>Douglas County</b>                  | <b>654,000</b>          | <b>686,000</b>    | <b>686,000</b>    | <b>686,000</b>            | <b>686,000</b>               | <b>686,000</b>            |
| City of Lawrence                       | 0                       | 0                 | 0                 | 0                         | 0                            | 0                         |
| United Way                             | 22,518                  | 23,452            | 20,000            | 0                         | 0                            | 0                         |
| Grants                                 | 988,565                 | 953,288           | 911,708           | 963,001                   | 964,975                      | 965,000                   |
| Fundraisers                            | 0                       | 0                 | 0                 | 0                         | 0                            | 0                         |
| Contributions                          | 0                       | 472,834           | 430,147           | 375,655                   | 380,856                      | 375,000                   |
| Other: Jefferson County                | 75,000                  | 75,000            | 75,000            | 75,000                    | 75,000                       | 75,000                    |
| Other: Client Production Contracts     | 4,188,885               | 9,889,387         | 10,761,383        | 9,874,231                 | 9,499,548                    | 9,500,000                 |
| Other: HCBS                            | 6,261,081               | 6,004,782         | 5,981,641         | 6,130,571                 | 5,795,437                    | 5,840,000                 |
| Other: Other Services                  | 1,403,463               | 979,822           | 861,690           | 822,536                   | 787,282                      | 800,000                   |
| Interest                               | 260,769                 | 451,386           | (143,757)         | 170,200                   | 286,424                      | 200,000                   |
| <b>Total Revenues:</b>                 | <b>13,854,281</b>       | <b>19,535,951</b> | <b>19,583,812</b> | <b>19,097,194</b>         | <b>18,475,522</b>            | <b>18,441,000</b>         |
| <b>Total Revenues and Fund Balance</b> | <b>18,495,037</b>       | <b>24,446,447</b> | <b>25,308,966</b> | <b>19,097,194</b>         | <b>24,174,432</b>            | <b>23,997,572</b>         |
| <b>Expenditures:</b>                   |                         |                   |                   |                           |                              |                           |
| Salaries                               | 7,113,269               | 7,663,167         | 7,875,222         | 7,837,506                 | 7,776,546                    | 7,800,000                 |
| Employee Benefits                      | 1,165,223               | 1,184,841         | 1,265,895         | 1,305,455                 | 1,330,212                    | 1,330,000                 |
| Health Insurance                       | 818,732                 | 948,477           | 1,017,591         | 1,117,554                 | 1,054,092                    | 1,100,000                 |
| Supplies                               | 531,581                 | 625,671           | 656,748           | 629,250                   | 596,814                      | 600,000                   |
| Utilities, Building Maintenance        | 252,878                 | 269,358           | 256,788           | 260,244                   | 255,954                      | 260,000                   |
| Travel & Training                      | 47,429                  | 35,355            | 56,532            | 61,450                    | 40,463                       | 50,000                    |
| Office Equipment                       | 0                       | 0                 | 0                 | 0                         | 0                            | 0                         |
| Debt Payments                          | 6,600                   | 4,950             | 0                 | 0                         | 0                            | 0                         |
| Other: Contracted Services             | 551,231                 | 726,784           | 663,149           | 693,326                   | 480,974                      | 500,000                   |
| Other: Insurance                       | 283,190                 | 231,526           | 291,895           | 265,148                   | 247,261                      | 250,000                   |
| Other: Repair, Maint., & Gas           | 297,260                 | 371,130           | 461,904           | 400,548                   | 361,414                      | 365,000                   |
| Other: Federal Contract                | 1,990,324               | 6,068,513         | 6,527,474         | 5,967,792                 | 5,968,753                    | 6,000,000                 |
| Other: Depreciation                    | 323,183                 | 342,519           | 341,223           | 337,572                   | 335,584                      | 340,000                   |
| Other: All Others                      | 203,641                 | 249,002           | 195,635           | 135,936                   | 169,793                      | 200,000                   |
| <b>Total Expenditures:</b>             | <b>13,584,541</b>       | <b>18,721,293</b> | <b>19,610,056</b> | <b>19,011,781</b>         | <b>18,617,860</b>            | <b>18,795,000</b>         |
| <b>Ending Fund Balance 12/31/xx</b>    | <b>4,910,496</b>        | <b>5,725,154</b>  | <b>5,698,910</b>  | <b>85,413</b>             | <b>5,556,572</b>             | <b>5,202,572</b>          |

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### Budget Request Analysis

|                    |             |
|--------------------|-------------|
| Community Partner: | <b>Name</b> |
|--------------------|-------------|

#### Analysis of Revenue Sources:

Cottonwood's two largest revenue sources are Home and Community Based (HCBS) Medicaid Waiver funding and our Department of Defense Contracts. Additional sources of revenue include Vocational Rehabilitation, County funding, State Aid, and other contracts.

Cottonwood's funding request for 2020 is the same dollar funding as 2019. County funding assists in supporting the overall framework and services offered by Cottonwood. Over the years, Cottonwood has utilized county funding to help support individuals with I/DD who are NOT Medicaid-waiver eligible. That need continues, as State General Funds (SGF) have been eliminated and State Aid continues to be reduced. This year, county funding helped support 23 individuals accessing Day, Residential, and/or Case Management services. (Currently, there are 22 Day, 8 Residential, and 18 Targeted Case Management.)

County funding also helps to provide ongoing supports for individuals in JobLink who may be partially funded by Vocational Rehabilitation Services. In addition, county funding helps support the functions of the CDDO. Currently, there are 175 individuals from our CDDO area on KDADS' Statewide waiting list.

The biggest fluctuation we experience with revenue is the stock orders received for the strap contracts. There are no minimum guarantee orders. In 2012 and 2013, we received very few orders. It can vary greatly from year to year. This year, we were not awarded the \$20,000 grant funding from United Way that we had received the past several years.

#### Analysis of beginning & ending fund balances, and dedicated or restricted cash reserves:

Cottonwood's fiscal year runs from January to December. Cash and Cash Equivalents on January 1, 2018 totaled \$2,885,205. On December 31, 2018, Cash and Cash Equivalents totaled \$4,012,763, which was made up of \$2,960,283 in checking accounts and \$1,052,480 in short-term investments. This increase in cash was partially due to timing differences in raw goods purchased at the end of the prior year and products shipped in the current year. Cottonwood, Inc. corporate policy requires that we maintain a minimum of 90 days operating reserve, which is approximately \$4,900,000. At the present time, all other funds of Cottonwood, Inc. are restricted for operating reserve. Projected Cash and Cash Equivalents at December 31, 2019 is \$3,870,425.

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### Analysis of expenditure changes:

As a result of the 4% increase in Medicaid (HCBS) rates on July 1, 2018, we were able to provide a wage increase to staff. Although the lack of rate increases has affected our bottom line over the last ten years, there was still an expectation from the State that we demonstrate how we plan to use the additional funds going forward.

As mentioned above, the Department of Defense contract revenue can vary from year to year. Because of this, the expenses related to the contracts will fluctuate in direct relation to the revenues.

We have seen a steady increase in health insurance costs over the last several years. This continues to be one of the most valued benefits that Cottonwood provides employees. Management continues to look for solutions to stabilize these costs, while maintaining a competitive benefit package.