

**BOARD OF JUVENILE AFFAIRS
MEETING MINUTES**

June 17, 2016

BOARD MEMBERS

Present: Tony Caldwell
Dr. Stephen Grissom
Mark Hixson
Michael Willis
Dr. Donnie Nero
Kristin Jarman

Absent: Scott Williams

PRESENT FROM THE OFFICE OF JUVENILE AFFAIRS

Dorothy Brown, Rachel Holt, Matt Stangl, Travis Kirkpatrick, Jim Goble, Donna Glandon, Melissa White, Carol Miller, J'Lynn Hartman, Vicki Maxwell, Paula Christiansen, Ryan Jones, Tammy Kelly and Brenda Caskey

OTHERS

Terry Smith, Terran Manning – Crossroads Youth and Family Services, Lisa Winters, Crossroads YFS, Jennifer Lester, Ursula Walls, Marcus Butler – ODMHSAS, Darla Cheek – Mid-Del YS, Kami Kuykendall, Youth Services of OK County, Melanie Anthony – YSOC, Jacqui Welch- OPEA, Shawn Black – OAYS, Brett Sebastian – JRLR, Latanya Freeman – Canadian County, Keith Wilson

CALL TO ORDER

Kristin Jarman, Vice-Chair, called the June 17, 2016 meeting of the Board of Juvenile Affairs to order at 10:00 a.m., at the Centennial Building, Employee Development Center, 3815 North Santa Fe, Suite 170, Oklahoma City, OK 73118.

STATEMENT OF COMPLIANCE WITH THE OPEN MEETING ACT

Ms. Tammy Kelly, Board Secretary, confirmed that the Board of Juvenile Affairs is in compliance with the Open Meeting Act.

WELCOME GUESTS

Kristin Jarman, Vice-Chair welcomed all guests to the OJA Board meeting and thanked them for coming.

PUBLIC COMMENTS

None

REPORTS

EXECUTIVE DIRECTOR'S REPORT

Mr. Steven Buck, Executive Director introduced Lisa Winters, Executive Director of Crossroads Youth and Family Services.

Lisa Winters introduced three youth from the emergency youth shelter to share their concerns with the Board. Ms. Winters stated that the youth will be uncensored and she has no idea what they will say.

Scotty spoke for the group and stated they will share problems they have faced and seen along with possible solutions. Scotty shared that youth constantly face the problem of lack of opportunity. Children in DHS should be able to speak their minds and voice their opinions more often. A good solution would be to have more all age conferences and meetings held regularly throughout the year, giving kids the chance to speak. Conferences should take advantage of all school breaks instead of just the summer. Another problem is workers being personally disconnected with their kids/cases. Although there are many workers who try their best to help kids, I have witnessed others who make the kids feel like they are not a priority. Some children feel that their workers do not know them on a personal level and simply treat them like a job to get done. We are children with names, stories that define us, and make us unique. We need your help. We want to be more than what others told us we deserve. We don't want to be just another face in the lost crowd, but a figure that stands out. If you give us the opportunity to speak, we can make a difference. We will supply the fuel, but you are the spark that ignites the explosion that shapes not only our future, but the future of the following generations as well.

Turner stated a problem he faced while in DHS custody was not having a say in where he was placed. At one point, a worker tried to put him into a home that he did not want to return to. He felt uncomfortable in that home for personal reasons that he shared with his caseworker. After spending more than an hour on the phone arguing with my caseworker and her supervisor, I was finally able to convince them that this was not the place for me. This was extremely frustrating for me as I did not feel I should have to fight that hard for a placement where I would feel safe and welcome. I think we should always have a say in where we are placed. I think we should have the opportunity to meet potential foster parents before having to decide on a placement. Turner thanked the group for giving time for him to speak.

Lexi shared about a couple of problems she faced while in DHS custody. Those are; limited social interaction and a lack of necessary resources. Lexi stated that while in the system, one thing several youth miss out on is going to public school. This is important for a couple of reasons, we miss out on opportunities to learn social skills and meet new people. We also miss out on everyday life experiences that most children take for granted. We don't have the opportunity to get a job and work for a living. While this may seem like a minor problem, it is something that will follow us throughout our lives. We do not get the experience for applying for jobs, managing funds, and how to behave appropriately in social settings. Those of us who have started a job are forced to give it all up and we are forced to move placements. A simple solution is transportation. If DHS would provide children with transportation to go to a public school and work, we would no longer miss out on these experiences. The second obstacle is the recent ending of clothing vouchers. Although, I understand this is not a resource we can use on a regular basis, I feel like it should be available when needed. We are constantly growing and clothes we previously purchased may not fit us anymore. In addition, clothes get torn and lost as we move from place to place. This resource needs to be reinstated. Thank you so much for inviting us to speak today. We really appreciate you taking time out of your busy schedules to let us be heard.

Mr. Buck stated I hope you appreciated those perspectives and though there was a conversation relative to our sister agency, who as we know is working very mightily to do good things, I don't think this was in any way suggestive as a criticism of that specifically, but reminds us that within our network of care, young people that we serve directly and that we might serve will be struggling or challenged by similar circumstances as each one of them so eloquently talked about today. I value their courage in stepping forward. I hope you appreciate that it's important for us to be continually reminded that bending the curve for these kids and doing what we can to provide different paths will benefit our state and be very helpful. So, I am very thankful for our provider network that these young people. I am very thankful for partnerships with other state agencies, be it OJA, DMH, DRS, whatever it might be. We in our roles have a very high calling and sometimes it's easy to get lost in the bureaucracy. Thank you for reminding us that we are not a bureaucracy.

The youth presented Mr. Buck with a painting they made for him. The painting reads "I believe that everyone has a superhero inside them waiting to be discovered".

Mr. Buck stated he didn't know to what to expect when he was in the facility and then they presented the painting to me after lunch. My two boys for five of the six Halloweens they have been in our home have been Superman and Batman, so that was a very meaningful gesture and I can promise that OJA will gratefully accept that work of art and we will find a nice prominent place to display it and remind us on a daily basis why we do what we do. Thank you for that.

Advocates and Programs Visited – Mr. Buck stated I am really excited about some conversations I have engaged in with the University of Central Oklahoma. Dr. Pope and Jaime Burns on staff there, we are in some early conversations about some potential research they can assist us with to understand how youth get into our system and the depth that they penetrate and some of the circumstances that are determinates to help us understand why one group may be placed at a certain level or another level. I am very excited about that dialogue. I have a long relationship with Dr. Pope and think that process will lend us some information that will help us significantly in our improvement.

Muskogee Youth Services and Workforce Oklahoma - Muskogee Center I spent a good part of the afternoon at McCoys, a group home that we contract with out there. I wanted to highlight how encouraged I was at McCoys to visit with a representative of what used to be known as WIBS – Workforce Improvement Boards. They were there and we had a very good dialogue. Governor Fallin is in the midst of a significant Oklahoma Works Initiative where she is focusing on employment opportunities for Oklahomans and trying to make sure we have a fully engaged and educated workforce. At the local level, I was absolutely thrilled to see that the workforce board had an interest in figuring out ways to do more creative workforce programming for our kids. That was a really exciting and noteworthy moment. You might recall one of the metrics I talk a lot about is employment engagement for our young people. That being something I will use to measure our success, I was thrilled to see that level of involvement.

Public Relations – I was on a panel at the Sovereignty Symposium and was absolutely honored to be a part of that justice initiative. It was a very large turnout and I had a chance to sit on the panel and have some dialogue with some tribal nation representatives and was honored to be part of that panel. I was really impressed with the level of participation and the chance to take part and represent the agency.

In terms of State Agencies discussion, let me tell you how much I am enjoying going out and meeting with our respective JSU districts. I come back from those exceedingly frustrated while exceedingly excited. We set those up as a town hall. I give ten to fifteen minutes of remarks and we let them ask questions as long as they want to ask questions. I am finding those conversations to be really encouraging, really pressing certain issues such as the tools that we give the people in the field to effectively do those jobs. Those types of things have really been impressed upon me. I appreciate Jim Goble very much for helping facilitate those for me.

I did have a chance to visit with Director Allbaugh, Department of Corrections. He and I had a really good discussion and I am very encouraged by and working with the Department of Corrections, you see Joe on my report and Terri Watkins, who is one of his senior staffers. This is an opportunity for us to work collaboratively and to help us more effectively bend that curve for kids. Director Allbaugh has made it very clear that he wants to do all he can with our efforts to make sure our kids don't move from our care into his care. He has very strong impressions in that area and I think he and I will have a very good working relationship. He has a great respect for our mission, so I am grateful for that partnership moving forward.

I will add one additional thing to my report. I want to extend appreciation to Shawn Black and all of his colleagues. Out of the forty-two youth services agencies, we probably caught thirty-six or thirty-seven of them. Jim Goble, Kevin Clagg, myself, and Dennis Gober actually took part in conference calls yesterday with all the clusters. We had three conference calls, 14 in each cluster and talked through questions about contracting, future developments, whatever the case may be. I appreciate him putting that together on short notice. I was very impressed by the level of participation and the level of engagement. We will continue to make stakeholder engagement a priority. I tell Tammy if somebody asks me to show up, I am going to show up. We do our best to make sure we continue that level of stakeholder engagement.

I want to talk now about an agenda item, with the Board consent, to hiring decisions I have made. I would like to talk about that item broadly. During my interview process and during my first four months with the agency I talked to you very clearly and consistently about my desire to more effectively align the organization, to make it a more agile organization to layer back what could have been seen as a top heavy side of the organization chart. Provided your consent today, the process will come to some level of conclusion. As part of that process, I want to be very candid and acknowledge that the process created a certain level of anxiety in our office. As part of that, I would like to share that this agency employs true professionals. I have been absolutely appreciative and respectful of the level of professionalism and the commitment to the mission that has been shown during this period of time which was a painful process. It was a necessary process. When Kevin presents the budget to you in a few moments, you will see an FY17 Budget that reflects an administrative cost rate of around 4.3% which is down significantly over the budget this Board approved last year and I am very proud we have been able to work hard to manage our administrative costs effectively. We are also in the closing phases of a voluntary buyout process that was timed to sync with the leadership realignment. As part of the voluntary buyout process we will be saying goodbye to nineteen employees. Our target was twenty, we were one short of our target but I am very appreciative of the progress that has been made. That will amount to just under \$1.5 million dollars relative to our structure that is primarily in JSU and in our central office staff. We did not go deeply into the facilities relative to our voluntary buyout. We will note the impact of that and will have to adjust and have to work diligently to address the realignment as we move forward. I am appreciative of those who have served us and will now be stepping away. We will make sure they step away with the appropriate honor and recognition they deserve. The 1.4 million dollars will help us in a very significant way to manage our 2017 budget and also with the prospects of a revenue failure it's very important we have taken those step to streamline at this time.

With that, I want to verbally walk through the appointments I have made and the appointments I am requesting of you for your consent. My original objective was to move from eight to four senior leadership positions. That was the goal. I have, as part of this process, repurposed one of my existing staff members into an area of emphasis that I think is very important. For our communications, public policy and performance management lead I have asked Tierney Tinnin to serve in that capacity. Some of you might recognize Tierney's name, she served as a morning anchor on KOCO Channel Five for a number of years and is currently in service as the senior communications and community relations manager for OKC public schools. I am absolutely thrilled that she has chosen to join our team. She will be starting in mid-July. I have asked Kevin Clagg to serve in the position of Deputy Director of Finance and Administration. You all know Kevin; he has served this organization effectively for a number of years. I am thrilled he has agreed to accept this role. Janelle Bretten who has served as the interim for a period of time, will work on special projects for us in the short term, things I consider to be high importance, trend line benders. I look forward to having some conversations with my colleagues at Mental Health. I am glad to see Marcus Butler here today. I am asking Janelle to work with colleagues such as Dr. Grissom, Dr. Cooper who have experience in this area to understand the mental health needs of the kids we serve from point of entry to point of exit what we are doing to assist them to make sure they are having as I say "the right dose at the right time". It's very important that we provide them the skills in therapeutic assistance that they need. She will be going through this very comprehensive inventory in preparing research to help us with future decision making. Those are the three appointments that I have made directly.

The other two appointments require your consent as defined in statute. The first of those is our director for institutional support. I am calling it residential, but the statute speaks to it as institutional. For this position I have asked the Board to consider Terry Smith. Terry is a well-known commodity within the Office of Juvenile Affairs. He has served this agency very effectively. I have worked with Terry in different capacities for over a decade now. He brings tremendous experience and I really respect his perspective. I think he will work very diligently and effectively with me and he shares with me his commitment to the children and the youth we care for. I have also for community services and JSU, asked Jim Goble to accept an interim appointment in that area until December 31, 2016. I think that is very important for a couple of reasons. First, Jim has a knowledge set that will be very hard to parallel. Jim will be able to help transition a new leadership team by being an anchor of knowledge. I am very appreciative that he has accepted this opportunity. Also though, I think it was important to make this an interim appointment so that I can analyze future budgetary circumstances. Even though we were well

treated in the last appropriations process and the Governor and Legislature were very kind to us, should we step into a revenue failure, those choices become automatic, they are not selective at that point. In order to provide the agency some flexibility, I thought it appropriate to go with an interim perspective. I will be asking the Board for an interim appointment for Mr. Goble in that capacity.

Mr. Willis made a statement that he appreciated all the work that Mr. Buck reported on. He also thanked Scotty, Turner and Lexi and stated it is very refreshing to get a perspective from three young leaders who are progressing through our sister agency's system. As a parent of a couple of really young kids, it's nice to see three emerging leaders come in and address us with your concerns and doing it in a respectful manner. It means a lot that you were willing to come in and talk to us. Thank you.

Madam Chair Jarman thanked Mr. Buck for going to offices and reviewing programs. That creates a difference for our agency. I would like to add to what Mr. Willis said and say that it is your voices that create the environment that starts the spark in all of us here today. I do appreciate that and hopefully that spark will continue to move mountains.

Madam Chair Jarman stated we will now move on to action items.

DISCUSSION AND POSSIBLE ACTION TO APPROVE MINUTES OF THE APRIL 15, 2016 BOARD MEETING

Motion by Dr. Nero with a second by Mark Hixson to approve the minutes of the April 15, 2016 Board Meeting

Voting Aye: Tony Caldwell
Dr. Stephen Grissom
Mark Hixson
Dr. Donnie Nero
Michael Willis
Kristin Jarman

MOTION PASSED

Absent: Scott Williams

Melissa White, Education Director reported. Ms. White said the first thing she wanted to bring to the board's attention was the Charter School contract. Updates have been made to be in compliance with the new charter law. The title was changed to show it was amended. I just want to say that I feel like these are really good changes because at first we were required to come back yearly, the Board of Education wanted quarterly reports, they really wanted some oversight. I think the recommended changes show they have some trust in our ability to provide a quality education to kids in our care. The first change is changing the term of our contract from one year to five years. So, July 2016 our contract will be a five year contract instead of yearly. The other change is the annual report. Instead of having to do quarterly reports to the Board of Education we now only have to report annually. They also requested that I don't have to go every year. I will probably go anyways, but I thought that was nice. We just need to submit a typed report for them to review at their board meeting. The board attorney recommended these changes. The other change is the criteria of where and how we will be evaluated. I have it here if you would like to review it or I can send it to you.

Oklahoma Youth Academy Charter School – Ms. Melissa White, Superintendent presented.

Our star assessment is how we check the benchmarks of our kids to see the progress made. We give the star assessment when a student enters our school and at the end of the year but as well if they exit before then. We had a 67% increase in reading scores and a 50% increase in math scores and that is from the baseline to the second test taken. On the end of instruction assessments, we just got those reports in and are looking them over. The scores are not really what I wanted to see as far as proficient scores, but what I looked at was growth. Over 50% of our students made growth on those assessments. Some we still need to work on.

Our juniors got to participate in a pilot program provided by the Department of Education. All juniors in the state of Oklahoma got to take the ACT for free. The State Department of Education really worked

well with us this year. They allowed us to test any student that was classified as a junior at any time this year. Our overall composite score average was a 14 which is relatively low but the state average is a 16. Our range went from 10 to 25. A 25 is a very high ACT score so I want to recognize the students for their hard work and achievement.

Our last day of school is next Wednesday. We had 1,344 credits earned by our students. We had eight tested for GED with seven being proficient and passing that. We had seven students that were concurrently enrolled and successfully earned college credit while at our school. My most exciting thing is we had twenty students graduate this year. We had our graduation at SWOJC on Tuesday and Senator Schultz was our keynote speaker. It was a great ceremony and we had five kids that walked the stage. On Wednesday we had another great speaker, Director Buck was our keynote speaker at COJC and we had five students walk the stage. One of the first kids I had the opportunity to talk to and work with walked the stage that day. It really made me excited. He had an awesome, proactive caseworker. When I went to Muskogee's district meeting and introduced myself, this caseworker reached out to me and said we want him to graduate because we just don't know how well he will do if he goes back to school. He did it, we set the goals and he did it all by himself. I was very proud of him.

Ms. White spoke about another success. The "Words Unlocked" poetry contest is a contest for students in alternative settings. There were over a thousand entries and we had a student at Southwest that made it in the top 100. He is the only student from Oklahoma that got that recognition. With that, he will be published and a hard copy book with his poem will be entered.

Three students entered the spelling bee at Altus and out of fourteen teams, our team placed fourth. I was very proud of that group. Also at Altus, we have our auto mechanic shop. The shop teacher has an El Camino that did not work or run at all and they completely rebuilt the motor from scratch. There was a long silence as they turned the ignition, but a huge roar of cheers sounded when it actually started. We entered it in the Burnout Contest at the Altus Rock and Rumble and we took second place. This program is really exciting and the kids really love it!

Looking forward, we have some teacher vacancies to fill. We have some great potential employees coming onboard that we are really excited about. On June 6th and 8th we had an outside audit and I am looking forward to the report with this audit and I hope they are really hard on us. I hope they give us suggestions to continue to work hard and to be better. I will share the report with you as soon as I get it. This next week I have a reflection planning meeting with our principals. I take their feedback seriously, they are living it every single day. Our first day of school is July 20th and teachers report back on July 11th for mandatory training.

In closing, we had an open house and one of the kids was giving his mom a tour of the school and said, "When I am at school, I forget where I am". I want school to be a place where our kids love to learn and realize it's a fun process. One of the things I say to every one of our graduates is "Don't let this be the last stage you walk across".

Mr. Hixson asked if everything is going well and the State Department of Education is glad they partnered with us? Ms. White answered yes.

We had our accreditation visit and it went very well. We had one deficiency, "highly qualified teachers", but I think the Board of Education will waive that deficiency. We did have the ability to apply for emergency certification for our teachers that didn't have certification. Our teachers are taking the necessary steps to become highly qualified. There are 475 schools that will be getting that same deficiency.

Mr. Buck commented for those in our audience who may not have been here previously, this governing body has the unique perspective as also effectively serving as the Board of Education for the Oklahoma Youth Academy. This is an important fiduciary responsibility of theirs. I want to give appreciation to all of those involved in our education. It requires extensive collaboration with our institutions and their leadership and staff. Doing education is a very, very challenging process and I want to acknowledge their hard work.

I had a chance to attend the COJC graduation and I was in dialog with a young man and his mom came up as I was visiting with him. His mom was in tears and she said, "You're the first one to make it". That was a moment where I thought, we can make a difference here. I really appreciate that. The program we offer is a rigorous one and is in a rigorous environment, so I appreciate it.

Ms. White requested that the board approve the OYACS contract with the quarterly report. After some discussion, it was decided that OJA legal needs to review the contract before the board votes on it. The consensus was to move the approval of the contract to next month's meeting.

OKLAHOMA YOUTH ACADEMY CHARTER SCHOOL - ACTION ITEMS
DISCUSSION AND/OR POSSIBLE VOTE TO APPROVE OKLAHOMA YOUTH ACADEMY CHARTER SCHOOL (OYACS) QUARTERLY REPORT

Motion by Mark Hixson with a second by Michael Willis to approve the OYACS Quarterly Report

Voting Aye: Tony Caldwell
Dr. Stephen Grissom
Mark Hixson
Dr. Donnie Nero
Michael Willis
Kristin Jarman

MOTION PASSED

Absent: Scott Williams

DISCUSSION AND POSSIBLE ACTION REGARDING THE MONTHLY FINANCIAL REPORT

Michael Willis reported the finance committee met by phone conference and discussed financial matters for almost an hour. Mr. Kevin Clagg, Chief Financial Officer, presented the year to date Financial Report as of May 31, 2016, using a PowerPoint presentation.

<http://www.ok.gov/oja/2016 Board Document.html>

Motion by Tony Caldwell with a second by Dr. Stephen Grissom to approve the monthly financial report

Voting Aye: Tony Caldwell
Dr. Stephen Grissom
Mark Hixson
Dr. Donnie Nero
Michael Willis
Kristin Jarman

MOTION PASSED

Absent: Scott Williams

Dr. Nero asked if the Capital Improvement Plan items Mr. Clagg presented were in priority order. Mr. Clagg said they were not, he just put them out there as he ran across them. He said he would get Dr. Nero a list in priority order. We recommend priorities to the Commission and they combine them with all the other agencies and then publish the prioritization.

Mr. Caldwell asked if that plan will come before the board so we have a chance to look at it? Mr. Clagg responded yes. Mr. Caldwell asked with respect to the Capital Improvement Plan have we done a concurrent cost savings analysis to ask the question if we were to have the \$40 million dollars to do those projects, what the operating cost savings would be? Mr. Clagg stated, the reports are very detailed but mainly what they are concerned about is will it increase our operating costs. To answer your question, we have to start combining projects. If we are able to do this one, then maybe we can make a change in our infrastructure and that will result in savings.

Mr. Caldwell stated, if the legislature was to authorize issuance of \$40 million dollars in Capital Improvements the cost of those including amortization of 20 years, my question is pointed at if we improve our operating infrastructure, do we have \$3 million dollars or more of cost savings that can be achieved? If we haven't done that, my recommendation is that we do that very carefully.

Dr. Grissom stated, part of the documentation and the argument has to do with future costs if we don't do some of those things. The classic example from the old Rader Center is the deferred maintenance issues on the air conditioning system at intensive treatment that was deferred until 2 years prior to the facility's closure. The chillers then had to be rented and hauled in. They were so old; there were no spare parts to be had. It's not just how much do we save, it's how much extra cost do we avoid. That needs to be part of the thinking. If we don't do some of the deferred maintenance, then there are bigger expenses that happen.

Mr. Caldwell commented it is important that as a governing board for a subset of the State of Oklahoma, that as a significant set of deferred capital needs, we can demonstrate and I hope we will in the new analysis if we were to restructure the financing of this agency with respect to long-term capital, we could avoid a significant additional increase in cost that otherwise the taxpayers of Oklahoma will undoubtedly incur. I know that across state government there are a number of deferred capital items that have been deferred for years. It's difficult for example to get in the State Capitol building from the south. So, I do think it's incumbent on us to show a responsible long range, long term plan to address those and along with that the inescapable logic of using long term financing to finance long term projects. We obviously in the State of Oklahoma have a tremendous current revenue challenge. That doesn't mean we still cannot address long term needs and we have the opportunity to lead the way here. I hope that other agencies will do the same because it certainly is a tool that we could use and it would help us a great deal. I would like to see that when you redo your list.

Mr. Clagg noted that is what the long range capital commission is working on, the FY18 recommendations to the next legislature. Yes, we will incorporate that in.

Mr. Buck thanked Mr. Clagg for including that discussion and stated it's a very important conversation. It was important to discuss the pressure on our facilities in terms of our long term needs from the standpoint of the budget work plan that Mr. Clagg will be asking you to approve in a couple of minutes. We have effectively taken away our cushion to address short term catastrophic failures. So, if a chiller goes down or something like that, the budget you are going to be asked to act upon, the budget work plan has removed that cushion for us. We are doing all we can to put our money directly into the kids without that operational cushion. Paying attention to capital budgets will become much more important with this agency as we work diligently to spend down any potential cushion that we have.

DISCUSSION AND POSSIBLE ACTION TO APPROVE THE OJA BUDGET WORK PLAN FOR FY17

Mr. Willis stated that in the Finance Committee Meeting, the majority of discussion and deliberation was spent on this work plan for FY17. Director Buck, Mr. Caldwell, myself and Mr. Clagg talked quite a while about this and I feel staff have put a lot of work into sort of pulling a rabbit out of a hat. It is a tough situation we are in. I just wanted to recognize the work that has gone into this. It has not been easy but I want to thank Mr. Buck and Mr. Clagg and turn it back over to Mr. Clagg. Mr. Kevin Clagg, Chief Financial Officer presented. <http://www.ok.gov/oja/2016 Board Document.html>

Dr. Grissom stated that he understands what we are doing, but what happens when there is an emergency? Mr. Clagg responded, we will figure it out.

Mr. Caldwell stated that part of the committee discussion was on that question. Staff are working on a variety of contingency plans for that. But, essentially, we have the ability because of the time of the year right now with 2016 and 2017 coming on if we were to have some kind of capital problem, air conditioner failure or something like that, the ability to recover from it gets tougher and tougher obviously as we go through the fiscal year and that difficulty of risk is compounded as we go through the year with the likely revenue failure that could occur early fall. Optimistically, we hope that doesn't happen, but realistically it's more than likely going to happen. So, it's going to be very difficult towards the end of this year if we have anything happen.

Mr. Clagg stated we have to balance between holding things back when there are programs out there that need those funds and services now.

Dr. Grissom stated he understands, but his goal is to make sure we clearly have on the record that the agency recognizes that we are increasing our risk if something bad happens. And we have to, I understand that. I just want everybody to be clear that this has the potential to get ugly.

Mr. Clagg stated we spend a lot of time on what ifs and we do have plans. As those things evolve, then we put those plans into place. The point is that we don't have the cushion that we have had in the past and most agencies don't at this point. Dr. Grissom expressed his confidence in Mr. Clagg.

Mr. Willis stated one thing we didn't talk about and probably should have, on item number five, do we have a targeted amount we would like to see put into that initiative? Mr. Clagg stated, as much as we can. Mr. Willis stated, if we were to go out and shop a potential grant to some philanthropic organization, what would we ask for? Mr. Clagg responded that what he envisions is 2-5% of the contract as a starting point.

Mr. Buck stated a couple of things come to mind here, ODMHSAS leads the country in an innovative, enhanced payment model for community-based mental health services. It has allowed them to gain an increase in the Federal Medicaid dollars that they are able to capture on behalf of the state. That's an example of a source we need to be looking at. DOC has taken advantage of a social capital bond type of approach where they have used that to purchase pay for performance delivery for certain concepts. The Legislature and Governor's Office has shown some interest in this. On behalf of the kids we serve we need to put as many resources as possible in the hands of our direct line staff as well as our service partners. We will look at a lot and try to find something to support that.

Dr. Nero asked Mr. Clagg if there is a state statute in place for agencies to have monies in reserve. Mr. Clagg responded there is no requirement that he was aware of. We have just used that as a practice in the past. Our duty is to present a workable budget that best delivers the mission of the agency.

Mr. Caldwell stated that it was his understanding we were directed from a budgetary process this year by the leadership of the legislature to strip those reserve funds, so the fact that we have no cushion is not only known to the policy makers at the Capitol, but was a part in parcel of their direction to us.

Dr. Nero stated it is going to be very difficult when an air conditioner goes out and we have to go to the State legislature or our representative for monies and we have kids who are burning up. I understand where we are and what we need to do, but in some cases, it just doesn't seem realistic.

Mr. Clagg stated that even if we had a reserve going into next year's budget negotiations, it would probably be swept and used to fill in holes elsewhere.

Mr. Caldwell stated, at the same time, I asked the question, if we had a crisis and we needed money, is there anywhere we can go to get it and the answer is no. So, we are on our own.

Motion by Dr. Stephen Grissom with a second by Tony Caldwell to approve the OJA FY17 Budget work plan

Voting Aye: Tony Caldwell
Dr. Stephen Grissom
Mark Hixson
Dr. Donnie Nero
Michael Willis
Kristin Jarman

MOTION PASSED

Absent: Scott Williams

DISCUSSION AND/OR POSSIBLE VOTE TO APPROVE FY17 ENCUMBRANCES FOR OKLAHOMA YOUTH ACADEMY CHARTER SCHOOL

Mr. Clagg presented. Last year we came to you month by month and added items as we came across them. This year we are submitting them all at once. There will be some changes, but these are our needs for now. These are estimates, I don't expect us to spend that much.

Motion by Mark Hixson with a second by Michael Willis to approve FY17 Encumbrances for Oklahoma Youth Academy Charter School

Voting Aye: Tony Caldwell
Dr. Stephen Grissom
Mark Hixson
Dr. Donnie Nero
Michael Willis
Kristin Jarman

MOTION PASSED

Absent: Scott Williams

DISCUSSION AND/OR POSSIBLE VOTE TO APPROVE THE ENGAGEMENT OF WILSON, DOTSON & ASSOCIATES, PLLC TO PERFORM THE FINANCIAL AUDIT OF THE OKLAHOMA YOUTH ACADEMY CHARTER SCHOOL PURSUANT TO THE TERMS OF THE MAY 25, 2016, AUDIT ENGAGEMENT LETTER

Motion by Michael Willis with a second by Mark Hixson to approve the engagement of Wilson, Dotson & Associates, PLLC to perform the financial audit of the Oklahoma Youth Academy Charter School pursuant to the terms of the May 25, 2016 audit engagement letter

Voting Aye: Tony Caldwell
Dr. Stephen Grissom
Mark Hixson
Dr. Donnie Nero
Michael Willis
Kristin Jarman

MOTION PASSED

Absent: Scott Williams

POSSIBLE VOTE TO CONVENE INTO EXECUTIVE SESSION

Information was furnished to the Board in advance and no executive session was required.

POSSIBLE VOTE ON ITEMS FROM EXECUTIVE SESSION

Motion by Mark Hixson with a second by Michael Willis to consent to the appointment of Terry Smith as the Director of the Division of Institutional Services as provided in 10A O.S.Supp. 2015, SS 2-7-202 and as authorized by the Open Meeting Act, 25 O.S.Supp.2015, SS 307(B)(1)

Voting Aye: Dr. Stephen Grissom
Mark Hixson
Dr. Donnie Nero
Michael Willis
Kristin Jarman

MOTION PASSED

Abstain: Tony Caldwell

Absent: Scott Williams

POSSIBLE VOTE ON ITEMS FROM EXECUTIVE SESSION

Motion by Mark Hixson with a second by Michael Willis to consent to the appointment of Jim Goble as the Interim Director of the Division of Community-Based Youth Services and the Division of the Juvenile Treatment Services as provided in 10A O.S.Supp. 2015, SS 2-7-202 and as authorized by the Open Meeting Act, 25 O.S.Supp.2015, SS 307(B)(1)

Voting Aye:

Dr. Stephen Grissom
Mark Hixson
Dr. Donnie Nero
Michael Willis
Kristin Jarman

MOTION PASSED

Abstain:

Tony Caldwell

Absent:

Scott Williams

NEW BUSINESS

None

ADJOURN

Motion by Dr. Donnie Nero with a second by Michael Willis to adjourn the Board of Juvenile Affairs Meeting

Voting Aye:

Tony Caldwell
Dr. Stephen Grissom
Mark Hixson
Dr. Donnie Nero
Michael Willis
Kristin Jarman

MOTION PASSED

Absent:

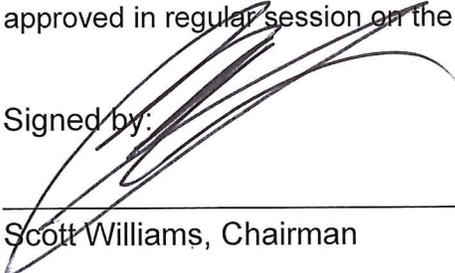
Scott Williams

The meeting was adjourned at 11:57 a.m. Minutes approved in regular session on the 15th day of July, 2016.

Prepared by:

Tammy Kelly, Secretary
Board of Juvenile Affairs

Signed by:



Scott Williams, Chairman