

Subject: Marklund: First Friday Report - February 2, 2018

Here are a few highlights over the past month:

- Since my last report, Marklund has received **\$1.7M** from the State of Illinois. Our aging for Residential and Developmental Training, through January 31, stands at \$2.5M which is 200K more than last month. We currently have our entire **\$7M** line of credit available.
- I would like to welcome our newest member to the board: **Sonya Evanosky**. As was shared at the Board meeting last week, Sonya is the Vice President of Finance, Strategy & Clinical Operations at Chamberlain University. In addition to her major role at Chamberlain she is also Co-Founder, along with her husband Bob, of Aspen Lane Wine Company. It was created in 2015 for the sole purpose of using its profits to provide support for organizations focused on helping children and adults impacted by disabilities. Sonya and Bob have three children with developmental disabilities.
- Thank you for your unanimous approval of the contract with Ter Molen, Watkins & Brandt last Thursday to conduct a capital campaign **feasibility study**. A final presentation will be made to the Board at the June meeting. We are very excited to start the process.
- The **REST research** study has been approved to be published by the *Home Health Care Services Quarterly*. This will make our program *evidence-based* in the eyes of the federal government. We are looking forward to it opening up some exciting new funding opportunities over the next year.
- Thank you for your support of the additional control added to the **Signature Authority Matrix** (under the Accounting Procedures for Internal Controls) that requires Board approval for using more than 50% (\$3.5M) of the Line-of-Credit. We certainly don't anticipate using that amount but appreciate the flexibility. I will continue to keep you updated monthly on where we are with the state and how we are using our line-of-credit.
- We will have a Parent/Guardian Panel at the April Board meeting and will have representatives from all three of our residential sites and the school. I plan to send them the following questions in advance as I did last year:
 - ✓ **Overall, how do you feel we are doing in fulfilling our promise to “make everyday life possible for individuals with profound disabilities”?**
 - ✓ **Areas to improve? Areas you feel are exceptional?**
 - ✓ **What is your biggest fear?**
 - ✓ **How likely would you be to recommend Marklund to a family member or friend?**
 - ✓ **Is there anything in particular that you feel the board needs to know?**

Please let me know if you have any suggestions as to additional or substitute questions.

- I went to the **Illinois Health Care Association (IHCA) 2018 Public Policy Forum** this past Tuesday in Springfield. It was very well attended by those providing nursing home and senior care but I was surprised to find that I was one of the few providers representing care for those with developmental disabilities. With this being an election year, there is some questions as to whether the legislature will be able to agree on an FY19 budget. They may pass a short-term budget and then leave it until after the election in early 2019 to finalize.

If we find ourselves without a budget on July 1 there is still a consent decree in place that will require the state to continue to make Medicaid payments. It is expected that the Governor in his budget address on Feb 14 will both pledge to present a balanced budget (the budget this year has a \$1.5B structural imbalance!) and begin to roll back the tax increase. There is only one way to do both – make substantial cuts. We will be watching this very closely.

Illinois has one of the lowest ratios of state workers to state population in the country. The reason is because the state contracts their care to nonprofits which is far cheaper than if done by state workers. With a reimbursement rate that dates back to 1994, we are going to be sure to remind our elected officials that it needs to be a true partnership. Between the challenges of talent management, increased costs, the new tax bill and additional regulations the nonprofit sector, particularly those in human services, are under tremendous pressure to continue our high quality care in the face of stagnate state reimbursements.

- I had a chance to talk to the lobbyist (Matt Werner) who has been advising the IHCA for many years. He is the principle author of the **MCDD Act** that, when passed, will bring substantial rate increases to both Bloomingdale and Elgin. We estimate that it will increase our reimbursement rate by \$2.2M. Matt said that even though he doesn't think that it will be passed during an election year they are going to start the process of "educating" our legislators on the need.
- I want to thank **Carie Carnie, Carol Donahue** and **Frank Murnane** for agreeing to serve on the **Claire Haverkamp Award** selection committee again this year. Frank has graciously agreed to present the award to one of the three finalist at the Employee Appreciation Dinner on Saturday, May 5. In order to be eligible for this award you need to have worked for Marklund for a minimum of seven years. Out of 402 full and part time staff there are a total of **126 employees** (30%) eligible for this award! You might be interested in the following information regarding our staff:
 - ✓ 40+ years – **5** (Ruth Gustafson – 49 years - Dental Hygienist)
 - ✓ 30 - 39 years – **6**
 - ✓ 20 – 29 years - **22**
- Just as a reminder, here are the **Board dates** for **2018**: **April 5**, May 24 (Finance only), **June 28**, August 17 (Board Retreat), and **October 25**.

I look forward to seeing many of you at Top Hat this weekend! It looks to be another fabulous extravaganza. Thank you SO MUCH for your support.

We are grateful for ALL you do to advance our mission to...*make everyday life possible for individuals with profound disabilities.*

God bless you!
Gil

GILBERT FONGER
President & CEO



Making everyday life possible for individuals with profound disabilities

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