

**Department of Health and Human Services (DHHS)
Grants Management Advisory Committee (GMAC)
Special-Called Meeting December 22, 2015**

DRAFT Minutes

Location: Held via Teleconference

GMAC Members Present

Jeff Bargerhuff
Leslie Bittleston
Deborah Campbell
Jeff Fontaine
Minddie Lloyd
Dan Musgrove
Marcia O'Malley (signed off before last motion)
Diane Thorkildson
Allie Wright (signed off before last motion)
Candace Young-Richey

GMAC Members Absent

Michele Howser
Cindy Roragen
Greg Wieman

DHHS Staff Present

Laurie Olson, Chief, DHHS Director's Office, Grants Management Unit (GMU)
Laura Adair, Elena Espinoza, Toby Hyman, Pet Petrie, Cindy Smith, Gloria Sulhoff, GMU

Members of the Public Present

Noliena Castellanos, Battle Mountain Family Resource Center (FRC)
Scott Cooksley, Catholic Charities of Northern Nevada
Shannon Ernst, Churchill County Social Services
Amanda Haboush-Deloye, UNLV, Nevada Institute for Children's Research and Policy, Prevent Child Abuse Nevada
Fallon Hill, Battle Mountain FRC
Maite Kovis, Battle Mountain FRC
Jeffrey Munk, Director, Frontier Community Coalition
Tara Phebus, Nevada Institute for Children's Research & Policy
Janine Robinson, Frontier Community Action Agency
Stacy Smith, NyE Communities Coalition
Duane Young, Tobacco Prevention Coordinator, Division of Public and Behavioral Health, Tobacco Prevention and Control
Korine Viehweg, Northern Nevada RAVE Family Foundation

Participants identified themselves and a quorum of GMAC members was confirmed prior to the start of the meeting. Laurie Olson commented that teleconferences are difficult to manage and asked everyone to mute their phone when not speaking. She also asked that they do not put the call on hold due to the disruption caused by background music.

I. Call to Order, Welcome, Introductions and Announcements

Chairman Jeff Fontaine thanked everyone for joining the teleconference and called the meeting to order at 1:33 pm. Mr. Fontaine read a letter addressed to Ms. Hyman, written on behalf of GMAC members, regarding her impending retirement from State service, in which he expressed their deepest appreciation for her commitment to children and families across the State (see Attachment A). Ms. Hyman thanked the GMAC, adding that it has been an honor to have worked with them.

II. Public Comment

Amanda Haboush, Prevent Child Abuse Nevada, commented regarding the letter to the Department of Education (DOE). She wanted to inform the GMAC that the Task Force on the Prevention of Child Sexual Abuse is compiling a list of evidence-based child self-protection training programs. They are also helping teachers become more aware of what to look for and how to implement the program into their regular curriculum.

III. Barriers to Child Self-Protection Training in Public Schools

Ms. Olson read aloud the draft letter to the DOE (see Attachment B).

Mr. Fontaine opened the floor to GMAC members for discussion. Members noted that it was a well-written letter; in particular, paragraphs three and four get right to the point. They discussed the phrase in paragraph four "...that you assist in removing **barriers** to the implementation of these programs..." and discussed whether the barriers should be identified or remain non-specific. They amended the phrase to read "...that you assist in removing **any barriers there may be to...**"

Due to some extreme audio feedback issues during the discussion, Ms. Olson suggested everyone hang up and call back in. She then noted the audio was much improved and confirmed 28 participants were back on the line, including a quorum of ACPG members.

- Deborah Campbell moved to accept the letter as written with the aforementioned revision. Mr. Fontaine brought up a technical point. The introductory sentence states that the GMAC members were appointed by the Director of the Department, Richard Whitley. He suggested that Mr. Whitley's name be deleted because some GMAC members were appointed by former directors. Ms. Campbell accepted the revision, the motion was seconded by Dan Musgrove and carried unopposed.

IV. 2016 Statewide Community Needs Assessment

Ms. Olson read aloud the draft letter to DHHS Director Richard Whitley (see Attachment C).

Mr. Fontaine called for discussion by the GMAC; there being none, he entertained a motion to approve the letter.

- Dan Musgrove moved to submit the letter as written. The motion was seconded by Leslie Bittleston and carried unopposed.

V. Battle Mountain Family Resource Center (FRC) Briefing

Ms. Olson thanked the GMAC for considering this additional agenda item during the meeting. She explained that the Battle Mountain FRC, which was awarded grant funding through the GMU, is under review for suspected fiscal mismanagement. Their funding in fiscal year 2016 includes

\$18,015 in Fund for a Healthy Nevada (FHN) money for the FRC, and a little over \$9,000 in Community Services Block Grant (CSBG) funds received as a subawardee of Frontier Community Action Agency (FCAA). They have drawn over half of the FRC award and two-thirds of the CSBG award so far this year.

Ms. Olson reviewed a two-year history of site reviews and fiscal audits, which found no concerns until recently, when Battle Mountain FRC submitted a request for an advance in funds from the FRC program to pay the rent. Their quarterly program report was submitted late with noted inaccuracies, and they were found to be in default with the Secretary of State for not having submitted a current board list. About the same time that these red flags surfaced, staff of the Women Infants and Children (WIC) program at the Division of Public and Behavioral Health (DPBH), which also funds Battle Mountain FRC, conducted a fiscal audit that raised concerns. GMU staff and representatives from FCAA visited the FRC just before Thanksgiving and met with two board members and a former board member, with the executive director participating via phone. The serious nature of suspected fiscal mismanagement was discussed and the board was asked to produce certain documentation within eight days including board membership, agendas and meeting information; backup for a few questioned costs; and bank statements dating back to July 1, 2014. Some of the requested materials were produced by the due date. The executive director subsequently resigned, new board members were quickly recruited, and the Department extended the deadline for one week. Some additional documentation was subsequently received including the bank statements. Staff reviewed the statements and identified a long list of questioned costs; all debit card charges and quite a few cash withdrawals with no accountability on how the cash was used. Questioned costs totaled about \$48,000 in calendar year 2014. In addition to deposits from WIC, FRC and CSBG, there were \$140,000 in unidentified funds, all comingled in the same account. It's reasonable to assume that FHN funds were not misused, but it is a cause for concern because it speaks to fiscal mismanagement which jeopardizes all grant funds.

Ms. Olson stated that it is not within the GMU's expertise, scope of work or authority to conduct a criminal investigation. The Attorney General's Office is aware of the situation, and the Lander County District Attorney has an open case. The GMU's responsibility is to take corrective action as outlined in the Grants Instructions and Requirements (GIRS). One option is grant termination, which requires a hearing before the GMAC. The meeting in progress could be used as a hearing since advance notice was provided to the board and executive director. Ms. Olson noted that three representatives of Battle Mountain FRC were on the call and could respond to any questions the GMAC might have. In addition, two people from Frontier Community Action Agency (FCAA) were on the line to respond to questions about the CSBG subaward.

If the GMAC were to make a recommendation about termination, the DHHS Director would have the final authority. Other options include special award conditions, but Ms. Olson indicated that this may not be the best option since the GMU's first priority is to protect state funds. Lander County residents could continue to be served through an FRC and a Community Action Agency (CAA) in a neighboring county. Later, if Battle Mountain FRC corrected its internal problems, the grant could always be reinstated. Ms. Olson offered three options: Recommend termination of the award; call another special meeting in January; or take no action at all. This last option would produce the same result as the second, because the GMAC would need to be involved if the Department decided to move toward termination.

Mr. Fontaine opened the floor to GMAC members for discussion. Ms. Campbell asked whether services were still being provided. Fallon Hill, of the Battle Mountain FRC, said that people are being served. The FRC staff is working on a volunteer basis, serving clients with WIC and case management, and organizing fundraisers to try and keep going. Minddie Lloyd asked how many people would be affected if they were to terminate the award. Ms. Hill gave some monthly and weekly estimates of clients served by the various programs. Ms. Olson cited the GMU Annual Report, which showed that last year the Battle Mountain FRC served 462 unduplicated adults and children with about \$14,000.

Ms. Campbell asked if clients would be affected if the GMAC defunded or withheld funds until the investigation is completed. Noliene Castellanos, president of the Battle Mountain FRC board of directors, responded that they would probably have to close. Ms. Olson concurred that they probably could not remain open without these funds. However, those residents could be served through the FCAA in Winnemucca. If the FCAA agreed, their staff could go to Battle Mountain, or someone in Battle Mountain could be retained.

Janine Robinson with FCAA stated they could potentially serve that community on an appointment-only basis. They don't have the ability to go out there every day, but could perhaps travel once a week, provided they receive additional funds from Battle Mountain's award to supplement the service. In response to a question from Ms. Lloyd, Ms. Olson confirmed that, while Winnemucca would serve as the fiscal manager, Lander County money would be allocated for services to Lander County residents.

Mr. Musgrove asked the FRC representatives whether they felt they had enough control at this point to assure the GMAC that funds are being used appropriately. Ms. Castellanos stated that they have tightened controls and implemented safeguards and definitely have a better monitoring system in place, having increased board membership from three to seven. When asked whether any of the same individuals are still there who previously were involved with signing checks or handling money, Ms. Castellanos replied no. She added that they have closed the account, opened a new one, and handed the other account over to law enforcement. Ms. Olson noted that Ms. Castellanos, board president, has served as treasurer in past. She resigned as treasurer in middle of 2015, and is back on board now.

Mr. Fontaine asked how much of the \$27,000 in FHN and CSBG funds remains unspent. Ms. Olson confirmed approximately \$12,000 remained. He asked whether Lander County is providing any funding and was told that award amounted to around \$20,000 in the past but it was not renewed this year. The only other funding the FRC has is from the Legacy Fund, endowed through mine workers' payroll contributions, which fluctuates every year.

Ms. Olson reminded the Chair of the time and suggested the members be polled to ensure they can stay past the one-hour time frame. Dr. Wright indicated she needed to leave. Ms. Thorkildson said she would need to leave at 3:00. Roll call was taken and a quorum was confirmed with the following members still present: Deborah Campbell, Jeff Bargerhuff, Jeff Fontaine, Diane Thorkildson, Leslie Bittleston, Minddie Lloyd, Dan Musgrove, and Candace Young-Richey.

- Mr. Musgrove motioned that the GMAC not suspend the FRC's funding; that the GMAC recommend to the Director that he also not suspend funds; and to support the reconstituted board on the condition they provide staff with monthly updates on how funds are being used. The motion was seconded by Ms. Lloyd.

Mr. Fontaine called for discussion on the motion. Ms. Campbell asked if the remaining \$12,000 would keep the doors open, and for how long. Ms. Castellanos responded that she hoped long enough until they can get the County money back, which would not be until July 1, 2016. It was noted that the County funds were not guaranteed. Ms. Lloyd asked if the \$12,000 would cover employee salaries. Ms. Castellanos said they submitted a Request for Funds (RFF) for September, and were still back-paying bills. It should keep them going for a few months and hopefully they will get Legacy funding in January, which will keep them going a few more months. Ms. Robinson from FCAA added that the CSBG grant paid a portion of the case manager's salary in addition to providing direct services, but she had not received RFFs for August, September, October or November.

Ms. Thorkildson asked Ms. Olson whether she was comfortable that adequate fiscal controls were in place. Ms. Olson responded that she didn't know what controls were in place, but if the GMAC recommended continued funding, the Department would be putting special conditions on the award as provided for in the GIRS. Due to some federal rules that are more stringent than the State's, termination might have to be revisited anyway. As of today, she said she was not comfortable releasing funds without more conditions on the award.

Ms. Campbell stated that, if the Department would be imposing more controls on behalf of the GMAC, she would be okay moving forward.

Mr. Fontaine asked Mr. Musgrove if his motion stood as originally stated. Mr. Musgrove asked Ms. Olson to restate the motion with the inclusion that the GMU has authority to request additional conditions.

- Ms. Olson restated the motion to recommend funding not be terminated, and at the discretion of GMU staff, provide reimbursement of grant-eligible costs with adequate documentation and controls in place to assure funds are not being misused. Mr. Musgrove confirmed his motion, which had been seconded by Ms. Lloyd. The motion carried unopposed.

VI. Public Comment

None.

VII. Adjournment

Mr. Fontaine thanked the GMAC and adjourned the meeting at 2:48 pm.