



**Lonoke Exceptional School, Inc.
Outcomes Management Report
FY-2013/2014**

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FY 2013/2014**

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I. Introduction

Lonoke Exceptional School, Inc. is committed to quality improvement. In order to fulfill this commitment the Agency is undertaking the following:

- Maintain a data collection process from various internal and external sources regarding operations and service delivery.
- Analyze the data collected.
- Use the results of the data collection to make decisions regarding improvements in operations and service delivery.

The following Outcomes Management Report FY 2013/2014 presents a summary of this effort, including specific goals, analysis of results, and recommendations for the future. The report is organized as follows:

◇ Strategic Plans and Goals

◇ Consumer Satisfaction

- Characteristics of Persons Served
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◇ Stakeholder Satisfaction

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Strategic Plan

The strategic plan for 2014-2016 was developed with input from staff, consumers, and stakeholders. Goals were established in the following areas: transportation, physical plant, human resources, financial, marketing/development, consumer services, expansion, and technology.

This year was a year of planning for a new service system. When the threat of rate cuts were taken off the table based on the legislature passing the private option, plans for a new service system were in full swing. The major components comprising a new service system are the Community First Choice Option (CFCO), a merger of two service systems for children (DDTCS and CHMS), and a health home. CFCO when implemented should clear out the waiting list for home and community services. In our state, there is approximately 3,000 individuals on a waiting list which calculates to a 7 to 10 year wait for home and community services. The state contracted with a third party to conduct assessments using the InterRAI for all consumers receiving Home and Community-based services as well as all on the waiting list. The long-term plan is to assess all consumers receiving adult development services as well. A level of care will be assigned for each consumer and a rate methodology will be established based on the completed assessments to develop a payment structure for home and community-based services. The CFCO must be developed across populations receiving long-term care services such as the elderly, developmental disabilities, and mental health. The center-based children's program in Arkansas came under scrutiny based on growth patterns primarily in the CHMS sector. Our state provider organization (DDPA) began meeting with the CHMS provider organization to develop a plan to deal with the growth. A moratorium on opening new programs was put in place for CHMS this year just as had been done previously in the DDTCS system several years ago. This combined group also began meeting to design a new service system for children that combined the two similar programs into one program. In January, providers were surprised to learn DDS had been working with UAMS to develop a new evaluation system that would require all children to be evaluated by UAMS "Poster" program prior to receiving services through the hybrid children's program model. The projected cost for this evaluation system was over \$9 million per year. The proposal projected cost savings for Medicaid by less children needing center-based services. Providers were opposed to this model for multiple reasons including conflict of interest and a lack of capacity of UAMS. The provider groups responded by seeking legislative intervention and were successful in getting legislative support to stop consideration of this proposal. This began a somewhat adversarial relationship between DDS and provider organizations.

Work groups were established within DDPA to work on the two major projects. The children's program merger became known as EIDT. LEDC Executive Director, Janie Sexton served on the workgroup to develop the EIDT model. This involved meeting twice monthly for most of the year. DDS had already implemented one change as center-based services were no longer considered a participant in the Early-intervention model; First Connections. LEDC continued as a First Connections provider through the Outreach program providing intervention with a Developmental therapist, OT, PT, and Speech therapy.

As a member of the DDPA board, the Executive Director also stayed involved in developments with CFCO.

Plans for a health home were put in the background with the focus being on CFCO and the merger of the Children's program.

With the future of the service system in transition, the strategic plan process became a delicate balance between the needs for growth and progress for LEDC and the unknown systemic changes happening within the state service system.

Within LEDC, the focus of program development involved taking a fresh outlook on what programs were offered in adult development and in the children's program. The concept of person-centered practice was always at the forefront in planning the programming. The adult program updated the curriculum and assessment process to reflect more current practices. Planning for developing a business to supplement revenue and provide work opportunities, supported employment, and community living were in the forefront for adult services.

In the children's program, a new CHMS program opened in the Cabot community and provided some intense competition for preschool services. LEDC responded by an increase in advertising and a continued focus on provision of quality services for children.

Our business operations continued to explore ways to be more efficient. The use of MITC to record and process payroll continued to develop this year. The administrative team researched many options to improve efficiency of business operations. A technology committee was established also to address technology needs of LEDC.

The following is the update on our strategic plan goals: 37 goals were completed on our strategic plan. The strategic plan goals are listed as follows: Priority A should be accomplished within this fiscal year.

Priority B should be accomplished in the next fiscal year.

Priority C should be accomplished in two years.

Priority B and C goals are evaluated to be continued or modified each year.

Strategic Plan

Goal: Develop and implement an overall strategic plan.

- Community survey- Completed.
- Update Employee survey-Completed
- Consumer survey-Complete
- Board survey-Complete

Transportation

Goal: Develop a plan for transportation program.

- Quarterly safety meeting-Continue
- Phase out guaranteed hours-Ongoing
- Add GPS system-Cont.

- Develop and implement a procedure for maintaining back-up buses and a level system for continued use. 50% Developed, need to implement

Physical Plant

Goal: Develop a plan for building improvements.

- Upgrade playground surfacing in Lonoke and Cabot Complete
- Improve cosmetic appearance of Cabot and Lonoke. Partial completion.
- Explore options for keyless entry. Cont.
- Upgrade wiring in Lonoke preschool. Cont.
- Add kick-plates to doors in adult building. D/C Put on maintenance list.
- Modify awning at Lonoke preschool. D/C Resolved another way.
- Replacement of heating and air system in Lonoke. Cont.
- Purchase and install a camera system for security. Cont. 50%

Human Resources

Goal: Determine vital positions that are in need of cross training and cross train within departments.

- Cross-train specific jobs in HR, payroll, and accounts payable-Cont.

Goal: Develop a succession plan.

- Develop team functions. Complete
- Establish team leaders for daily operations. Cont.

Goal: Improve Quality of Training program

- Review content of new hire training and modify. Complete
- Develop a training manual for new hire. Complete
- Develop alternative methods for completing annual training. Complete
- Add safety topic to monthly staff meetings. Complete
- Coordinate department training with new hire orientation on same form. Complete.

Goal: Improve development and training of direct care staff.

Begin mentoring program. Complete

*This goal was also used as part of employee retention program.

Goal: Develop an internship program to increase staff recruitment.

- Network with local universities. D/C
- Develop guidelines for use of interns. D/C
- From internship program, develop a pool of staff for hiring when positions become available. D/C

LEDC attempted numerous times to make this connection. There was limited cooperation, interest, and follow-up by university personnel.

Goal: Update employee handbook and operations manual. Complete

Financial

Goal: Develop a financial plan for future.

- Develop a formal donor program. Continue
- Increase formal giving by \$5,000. Cont.
- Research feasibility of adding a business to supplement revenue for center. Complete
- Begin new business based on business plan to supplement revenue for center. Complete

Goal: Update formal inventory system.

Review equipment inventory each year at audit and add picture id system Cont.

Goal: Prepare for changes in funding due to Medicaid transformation and Health care reform.

- Develop a plan for any changes in Medicaid. Complete
- Make any revisions as needed to budget. N/A

Marketing/Development

Goal: Explore options of finding a fundraiser that people will look forward to each and every year.

Hold 2 major fundraisers. Complete

Hog Roast and Exceptional Arts for Exceptional Hearts

Goal: Increase # of fund-raisers

- Begin Planning fund-raiser for specific purchases. Cont.

Goal: Increase grant-funding level.

- Research more grant support using online support tool. Complete
- Pursue training for grant writing. Complete
- Submit proposals to 10 sources. Cont.

Prepare for changes in funding due to Medicaid transformation and Health Care Reform

- Receive training to become a health-care navigator. Complete
- Develop a plan for implementation. Complete

Consumer Services

Goal: Maintain CARF accreditation

- Develop ongoing quality improvement process. Complete
- Update changes from CARF manual. Complete
- Sponsor consultant to review process and make recommendations. Complete

Goal: Develop more vocational opportunities for consumers

- Develop new work program for consumers Cont.
- Explore adding supported employment. Complete

-Explore options for a business that would employ consumers and non-consumers
Complete

Goal: Implement STAR curriculum.

-Expand STAR program to Lonoke. Complete
-Add parent component at Lonoke preschool. Cont.

Goal: Increase outreach services.

-Increase number of consumers by 15. Modify
-Hire pt.-time therapist for outreach. Continue

Goal: Implement wellness program in adult program.

-Develop a wellness curriculum. Complete
-Implement new Life Education Curriculum-D/C selected another curriculum.

Expansion

Goal: Research feasibility and process for adding summer program.

-Send parent surveys. Complete
-Develop a plan for service and location. Complete
Had a plan developed; however, families that indicated this as a need did not want to pay for service. Unable to pursue without outside funding. This may possibly be pursued through a grant or by making a summer program part of EIDT service delivery model.

Goal: Increase number of center-based consumers applying for waiver.

-Host a parent meeting: Complete
-Assist eligible families in completing the application. Cont.

Goal: Participate in new autism waiver program.

-Explore options for private insurance funding. Cont.
-Add CARF accreditation for autism. Cont.

Goal: Research feasibility and process for adding Residential Services.

-Develop plan to access funding to add residential program. Complete
-Research options for funding. Complete
-Start Residential services. Cont.

Goal: Increase number of clients served in Waiver program.

-Expand waiver program to increase by 5. Cont. Increased by 1
-Add Pt.-time Case Manager Position when 32 on caseload. Cont.
-Add wellness component to waiver programming. Complete

Goal: Increase ability to serve dually diagnosed consumer

-Provide additional training for staff to address dually diagnosed consumers. Complete
-Begin accessing Waiver Cooperative services. Complete
-Identify staff to serve as START intern. Cont.

2013/2014

- Goal: Stay current on service options through Medicaid Payment reform
- Research feasibility of adding a health home. On Hold through state
 - If feasible, begin health home services. On Hold through state

Technology

- Goal: Upgrade automation capability with expand technology.
- Pursue additional technology support through internship. D/C Purchased additional support through current vendor.
 - Develop an internal web-based data base for clients that can be shared by common staff. Cont.
 - Develop an intranet system to improve internal communication. Cont.
 - Begin to transition toward paperless system by scanning dead file documents into Laserfische. A. Determine what documents need to be scanned. Complete B. Develop job opportunity for adult client for scanning function. D/C
 - C. Add new licenses as needed D/C

Administration team determined that Laserfische is not the most appropriate software for this function.

- Goal: Add security cameras to each classroom in Cabot and Lonoke for preschool and adult program.
- Purchase and install cameras and monitoring equipment. 50% complete

Consumer Satisfaction

Demographics:

LES served 400 clients in 2013/2014 compared to 468 in the previous year with 74% residing in Lonoke County, 9% in Prairie, 8% in Pulaski, 9% in White, and 1 individual in Faulkner and 2 individuals in Jefferson. 10 of our Waiver clients are also served in LEDC/DDTCS for 2013/2014. The Lonoke preschool served 107 children and Cabot preschool served 132 children. The Lonoke adult program served 80 adults and the Cabot program served 29 adults in adult development and 28 were served in our waiver program. Our outreach program served 24 children under the age of 3. See Appendix A.

Consumer Satisfaction Surveys

The survey was handed out at annual review for each consumer served. 123 surveys were returned this year for a response rate of 41%. This is an increase in the number of surveys returned from previous years. The surveys are department specific to the type of service provided (Preschool, Adult development, and Waiver). The responses for each category was listed from the Excellent and Good category unless the approval was less than 80%, then the fair rating was also listed.

Component	Program content	Staffing	Physical plant	Meals/snacks	Transportation	Special Health Care Needs	Advocacy	General
PS/Outreach	96%	100%	99%	84%	73%/ 23% n/a	96%	95%	99%
Adult	92%	94%	93%	60%/ 32% Fair	89%	89%	75%/18% N/A	96%
Waiver	89%	78%/14% Fair	N/A	N/A	93%	92%	N/A	93%

Our established target was at least 90% in the excellent range for overall rating. Preschool was closest at 85% in excellent rating, Adult services were at 44% in Excellent range, and Waiver was at 62% in Excellent range. Our target was not reached this year for an excellent rating; however, a combined Good/Excellent score was in the high percentile.

The poor ratings were also reviewed: Waiver had no poor ratings. Preschool had 3 people rate transportation with a poor rating in giving adequate advance notice when arriving early, arriving late, or when there are changes in the bus route. In adult development, there was 1 poor rating given in transportation and 2 poor ratings given for meals. These poor ratings were shared with the food service and transportation in their support staff meeting. An action plan will be developed to research reasons for the poor ratings in each area.

Quarterly Consumer Satisfaction Surveys- Quarterly surveys are sent out with quarterly progress reports.

An average percentage of individuals who expressed satisfaction with services for 4 quarters were calculated. The numbers are higher than reported with annual surveys of consumers who marked either pleased or satisfied with services.

Lonoke Adult-100%

Lonoke Preschool-93% for early intervention and 97% for Early childhood

Cabot Adult-95%

Cabot Preschool-93% EI and 96% for Early childhood

Waiver- 98%

Outreach-100%

Comments/Complaints:

LEDC has a grievance process for staff and consumers. No formal complaints were logged this past fiscal year. Typically concerns are able to be handled at the informal department level and not progress to a formal complaint. Examples of complaints that are handled informally are the bus being late to pick up consumer, lost personal items sent with preschool consumer, disagreement with nurse on illness policy, failure to send home "happy notes" with preschool to communicate how day went, staff changes in home and community-based services. Additionally, staff are encouraged to use a concern form to address issues that could not be addressed at supervisor level. All concerns addressed this year involved issues that were resolved at the Executive Director and/or

policy level. Staff concerns typically are in the category of job performance of their peer staff or disagreement about policy implementation.

Incidents:

There were 26 incidents that were reportable to DDS as the licensing agency. The incidents were reviewed during the quarterly safety meeting and by the Executive Director to consider trends or patterns. There did appear to be a trend identified in the Lonoke adult program as there was an increase in client injury. After closer consideration, it was concluded that more attention to the adult consumer aging population is needed with more caution taken by staff for those consumers that are requiring more assistance with mobility that was not required previously. Training in accident prevention was completed as a safety topic. Also, there was an increase in the target time for drill times added due to the need for more time for consumers to transition from one place to another. Physical Therapy was consulted for recommendations for specific consumers that had falls. The most significant number of incident occurrence was in reporting consumer abuse/maltreatment. Additional training was provided for staff in incident reporting during this year and it was concluded there was more staff sensitivity and awareness to reporting.

Accessibility:

An accessibility plan was updated in August, 2013 for the next year. The following were completed by June, 2014. Tactile signage outside restrooms in Lonoke adult building and signage that gives identifies accessible restrooms were completed this year. Improvements were made to the Cabot adult building by adding a ramp to increase the number of accessible entrances. Gains were made in employment access by becoming a supported employment vendor so that our consumers may better able access employment opportunities. This was accomplished by partnering with Arkansas Rehabilitation Services. LEDC added an additional small bus with a lift to increase the number of lift vehicles available for consumers in wheelchairs. There continues to be limited transportation available for consumers that use wheelchairs for mobility especially after center hours and on weekends for community access. LEDC increased the availability of residential options by making one house available for rental, made plans to purchase a duplex, and met with local housing authorities to see what grant opportunities might be available. The Home and Community Based waiver waiting list continues to be an issue in improving the community living options for our consumers. Even when housing is available, funding for supports is not available due to the waiting list. LEDC did increase the grant research capability by purchasing access to an online tool to research other funding options for providing support staff for those that want to live in the community in their own home.

Program Reports:

See attached Performance Outcomes plan chart for program specific results.

Stakeholder Satisfaction

Stakeholders are defined as any and all individuals that are not either an employee or a consumer. This is a large diversified group with different interests and priorities. Stakeholders include board members, families, parents, funding, and licensing bodies, as well as the general public. Each year LEDC is reviewed annually by DDS in the month of December. Since LEDC has become CARF accredited, DDS awarded deemed status. For deemed status, the DDS review focuses on personnel records and Home and Community Based services annually. LEDC did have findings with Home and Community Based Services and submitted a plan of correction which was completed by year end. LEDC has unannounced visits from DHS childcare licensing. There have been no citations. Data is no longer reviewed by DDS in early intervention for center-based services.

A survey was sent out to 39 selected stakeholders in the community regarding LEDC. Ten responses for a response rate of 26% were returned this year which was a decrease from the past survey. Survey monkey was used to collect responses this year. This strategy was used to increase response rate; however, it did not. 90% strongly agree that LEDC serves a need in the community and 10% somewhat agree. 80% strongly agree that LEDC has a good reputation in the community. 20% responded that they did not know. 100% of respondents strongly agreed that their interaction with staff has been positive. 80% of respondents strongly agreed that LEDC raises awareness of needs of individuals with developmental disabilities. 20% responded that they did not know. 90% of respondents strongly agreed that LEDC staff promptly addressed concerns that have been brought to their attention. 10% responded with don't know. 90% of respondents strongly agreed that the core value of integrity has been observed in interactions with LEDC. 10% answered don't know.

A board survey and self-evaluation was completed on August 27 with positive results regarding meeting schedule, organization of the board, participation by the board, and board preparation for meetings.

Employee Satisfaction

Employee turnover for 7/1/13-6/30/14 is 26%
Turnover rate for previous year was 19%.

Training: Increased emphasis on training for direct care staff was implemented this year. An increase in outside training and web-based internet training for preschool staff was introduced to our direct care staff this year. After an increase in our worker's compensation claims, monthly safety training was implemented. The needs identified in our training review by management were: improved quality of training for adult and waiver staff, the need for variations in presentation and source of trainings, and more flexibility in our training schedule.

Satisfaction:

2013/2014

An annual employee survey is completed each fall. This year, Survey Monkey was used to compile results. Each employee received notice of survey through their email accounts. 74 employees completed the survey for a 47% response rate. 57 employees completed the survey last year. The executive director receives a summary of those results and shares them with the board of directors.

90% of employees indicated that they were satisfied with their employment at LEDC which is an increase over previous year at 76%. 62% of staff indicated that supervisors reward outstanding performance which is a significant increase from 24% last year.

86 % of staff responded that it is evident that the center focuses on Consumer Satisfaction and 91% of responses indicated that they understand the center's mission statement, core values, and belief statements. 29% of the responses came from people that have been here less than 3 years. 54% of responses were satisfied with employee benefits. 25% are dissatisfied with benefits. Management staff reviewed and analyzed results. 99% of employees that responded feel they are an important part of their department. 64% responses came from the Cabot center and 36% from the Lonoke center.

Agency Operations

Audit:

The audit for the year was completed by October 27, 2014 by BKD. Total assets are 5,337,059. Unrestricted net assets are \$1,932,302. This was a decrease of \$312,512. Net cash provided by operating activities was \$93,052. There was an increase in cash reserves for the year in the amount of \$175,649. Financial performance for this year was fair. There was a greater increase in cash than in the previous year. Revenue was slightly higher; however, expenses were significantly higher as well. Reserves are solid; however, spending should be conservative for the next fiscal year. Major purchases should be made with caution. Another consideration is to use the reserves for a low-risk investment to target increasing the cash reserves.

The tax-exempt bond was refinanced in June, 2013 and then paid off in October, 2013. Bond issuance costs were a big expense this fiscal year.

Financial:

The agency continually addresses ways to improve financial control by increased tracking of income and expenses and improved documentation. MITC software tracking for payroll continues to be implemented. Full integration of the new payroll software was completed this year which appears to have provided savings in payroll. As payroll fluctuates with number of consumers enrolled, staff vacancies, and need for substitute staff; it is difficult to accurately track payroll cost savings. The accurate accounting of time and use of leave is at least a compliance improvement for payroll. Payroll was under budget for the year. Performance bonuses were given based on score on performance evaluation in December, 2013. A cost of living raise was not given to staff due to budgetary constraints this year. The Executive Director closely monitors attendance and enrollment which has a direct impact on revenue. Expenses are mostly predictable. Changes were made in menu planning and buying in volume for both centers which

decreased expenses in the food program. Enrollment in programs is stable, but not showing the growth that will improve overall financial performance. Major purchases will need to be thoughtfully made. More focus on increasing fund-raising capacity continues. Medicaid reimbursement remains flat and the state continues to look at transforming the payment system to provide cost savings. To date, final changes have not been implemented or approved.

Risk management:

An updated risk-management plan was put in place in August, 2013. Each year the property values, exposure, and liability insurance coverage are reviewed with our local insurance agent. Each year a walk-through inspection is completed by the insurance company to review exposures. There were no formal recommendations made through the visit. Suggested items included: better monitoring of gutters for build-up of plant growth to prevent water intrusion, increasing the emergency lighting, and expand drills to include a reverse evacuation from outside. Through our insurance provider, access to a loss control web-site for safety training, driver training, and discounted background checks is provided.

Numerous goals were completed this year and require ongoing attention: Monitoring of rental property for disaster damage to building, following attendance policy, cross-training of staff, monitoring reputation through participation in community organizations, increasing child-find to address the risk of decreased referrals, increased training and monitoring of drivers by supervisors by riding routes, compliance monitoring of records, hired a few more drivers that drive only, developed a donor base and purchased data base for grant research, developed an inclusive technology plan, researched options for a residential program, participated as part of DDPA board and on committees for Medicaid transformation, nurse consultation added to Home and Community-Based services, increased waiver supervision with unannounced home visits by Direct Support supervisor, scanned pertinent documents into shared drive for archiving, and began installation of video monitoring, and added additional back-up capability for critical data.

LEDC is a member of a self-insured trust through Arkansas Transportation Association Work Comp Solutions to provide worker's compensation insurance. Risk Management Resources provides plan administration for the trust. Again this year, there was a return of premium from prior years premiums due to low claims amount. Risk Management Resources provide training and consultation regarding risk management. To date, this has saved LEDC in premiums. We focused much of the safety training on reducing employee injuries as well as provided the same type safety training for consumers.

Technology Plan

LEDC contracts for tech support with Datamax Micro who serves as our network administrator. A performance report is issued monthly. Data continues to be backed-up daily at each center. Back-up tapes are stored off-site. Each user is issued an id and password to access data. There is a secure firewall to protect data with only outbound

access allowed. Norton's Symantec Anti-virus is used on each computer for virus protection and each computer is configured to automatically update daily. An acceptable use technology policy has been developed and reviewed with staff. MITC software updates continued this year. Disaster recovery and data protection is a specific area of concern. The technology committee began meeting on a quarterly basis and developed a technology plan for LEDC. The purpose of technology committee is to identify technology needs throughout LEDC and make recommendations for purchases as well as prioritize purchased based on budgetary constraints. The technology budget was increased this year to accommodate significant needs.

Health and Safety

Quarterly safety meetings are held at each center. Safety inspections are completed monthly at each center and reviewed at the quarterly safety meetings. At the safety meetings, safety concerns, reportable incidents, accident reports, worker's compensation claims, and status of prior concerns are all reviewed. The committee then determines if the issues have been resolved or needs to continue. LEDC has monthly fire drills and tornado drills. They are timed with a target amount of time. Recommendations are made for any concerns and explanations given on a report form. Any follow-up action that may be needed is documented and then reviewed by the executive director and safety committee. A regular emergency drill schedule is used to ensure annual timely drills.

The Lonoke preschool program completed their drills within target time frame for fire 58% of the time and 92% within target time for tornado drill. The Cabot preschool program was at 92% for fire and 75% tornado drills this year. The Lonoke adult program was 42% for fire drills and 33% for tornado drills. The Cabot adult program was at 100% for fire drill and 67% for tornado drill target times. New targets were established this year for drills based on performance of last year indicating target time was not achievable on a regular basis. The targets established appear to be better; however, targets in Lonoke adult program were still too high based on the continued significant number of consumers with mobility impairments. This will need further discussion in the next safety meeting.

In the spring of this year, a tornado hit a nearby community and the safety committee determined the need for a post disaster table-top drill to review the Continuing operations plan effectiveness. This was discussed and scheduled for August, 2014.

Facilities Report

The current plan for capital improvement projects is the upgrading of the heating and air units in Lonoke and improving the cosmetic appearance of the Cabot adult program. Adult program staff would like to paint and do some upgrades on the interior of the Cabot adult program to make it less "sterile" and more "welcoming" for consumers. Each center is trying to develop a technology lab with donated desk top computers for adult consumers. Our maintenance supervisor makes regular reports to the executive director on any repair requests and/or needs. These are reviewed in monthly management meetings. Based on budgetary constraints, requests are prioritized by safety and impact on operations. Our maintenance director has developed a long-term plan to gradually

upgrade the Lonoke facility. The Lonoke facility is continuing to age and needs updates to continue to operate as a quality building site.

Vehicles Report

Each year, a review of the fleet is completed by Executive Director and Transportation coordinator to determine need for replacement based on mileage and repair costs. Our transportation program had monthly safety meetings which have recently changed to quarterly due to coverage issues. Most of our transportation staff works in our direct care program. As drivers are replaced, part-time drivers are hired instead of using current employees to drive. This eventually will also provide a cost savings for the program as full-time employees are paid a guaranteed route which includes overtime pay even when they are not driving. The guaranteed route policy has resulted in a low turnover rate for our drivers, but at a significant payroll cost to the program. Safety is always a concern in our transportation program. Routes are constantly reviewed for safe transit and timelines by the transportation coordinator at each center.

LEDC has an aging vehicle fleet. The 5310 program through Arkansas Highway and Transportation Department is utilized to replace vehicles. Vehicles are purchased at a 20% match rate. Also through this department, a trans-lease agreement has been utilized to finance the purchase of vehicles interest-free. We received 1 bus with a lift this year and a 2nd bus through the 5310 program. Lonoke Exceptional School is a member of Arkansas Transportation Association which provides training for drivers and resources for information on transportation issues. Numerous vehicles were identified as disposable based on useful life check-list and was auctioned at a local auction in September, 2013.

Expanded monitoring and analysis would be possible if there was a data base developed to collect data. A GPS system would also be beneficial for monitoring and locating vehicles in the event of a breakdown.

Compliance Report

The Operations manual and employee handbook have been reviewed thoroughly in the process of CARF accreditation. Updates were made mid-year of 2013-2014 based on the CARF updates and other policy changes. For the upcoming Fiscal year 2015, Lonoke Exceptional School, Inc. will continue to monitor business indicators that focus on ensuring programs meet their established budgets, minimize turnover, maximize safety, monitoring training, ensure compliance, and track staff satisfaction. Information gathered will be utilized to continually review the mission and core values of the organization, improve the quality of programs and services which will facilitate organizational decision making and strategic planning. The compliance program will focus on documentation of services. As a program is reviewed, the compliance officer submits a report to the Executive Director and Department Head. The target is for a review of a specified program each quarter.

Inadequate documentation of services has been identified as an issue for providers across the state by the State Quality Assurance organization. There is a new Office of Inspector General (OIG) specifically organized by legislation to closely monitor Medicaid providers, use of Medicaid funds, and to identify fraud through an audit process. Increased compliance audits have been implemented this year. A report from a prior audit completed in spring of 2013 has not been issued to date.

The management staff of Lonoke Exceptional School, Inc. meets monthly. There are also team meetings where performance indicators are continually reviewed and compared to mission goals and core values. The Board of Directors meets with staff for a strategic planning meeting in the summer and will review the outcomes report in the fall. The management staff will utilize results gathered from the variety of resources to further the organizational and strategic initiatives of the organization.

The organization will review the strategic plan which will focus on the objectives of each organization moving forward and the risk management plan which identifies those areas of potential risk and ways to monitor and reduce that same risk for each organization. The organization will continue to monitor performance indicators which will help to ensure that the organization operates as efficiently and effectively as possible.

The development for mid-level managers continued this year as we moved from an operational model where there is one primary decision-maker to one where there is a more team-oriented philosophy with more accountability at the mid-level management. There was also much discussion regarding culture and culture change to focus our efforts on the targeted outcomes and less on the internal conflicts and traditions that often occur in non-profit organizations. The management staff participated in a training focused on development of leadership skills. The book used for this training was "Reality-Based Leadership-Ditch the Drama" by Cy Wakeman. The management staff met 2X monthly for 3 months for 2-hour sessions to review materials and completed assignments for each session.

The organization remained an active part of discussions and served on committees that influence Medicaid Transformation at the state level and monitored and advocated for decisions on the Federal level that may ultimately affect Medicaid and our funding for services.

The organization remains strong and continues to prepare to meet the demands of the upcoming year.

Attachment A
Characteristics of Persons Served

Component	Lonoke PS	Cabot PS	Lonoke Adult	Cabot Adult	Waiver	Outreach
Total Served	107	132	80	29	28	24
#Male	68	78	40	13	16	14
#Female	39	54	40	16	12	10
<i>Race</i>						
White	69	131	52	26	20	23
African Am.	37	1	28	3	7	1
Other	1				1-Asian	
<i>Status</i>						
Dependent	107	190	21	6	24	24
Independent	0	0	59	23	4	
Married	0	0	4			
<i>County</i>						
Lonoke	71	102	58	24	22	20
Prairie	22	0	9		2	1
White	4	21	4	4	2	1
Pulaski	8	9	9	1	2	2
Jefferson	1	0	0	0	0	0
Faulkner	1	2	0	0	0	0
<i>Funding source</i>						
Medicaid	104	103	80	29	28	18
Tefra	3	12	0			4
Private Ins.	3	16	0	2		6
Daycare		4	0			
Part C (EI)			0			
<i>DX:</i>						
Developmental Delay	104	88	0		1	17
Down syndrome	2	9	10	3	2	0
Autism	0	1	3	3	3	0
Cerebral palsy	0	1	7	7	6	0
Intellectual disability	0	0	56	13	14	0
HI, VI, Ep	1	0		0	0	1
Other	0	33	4	3	2	6

