

**CLI Incorporated**

**16 West Main Street**

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**CLI DODD Transformation Grant  
Assessment Portion  
Draft 2**

## **CLI's Vision**

CLI's mission is to increase the earnings and status of persons with DD.

## **Introductory Statement**

This Transformation assessment has been developed by the CLI Incorporated (hereafter referred to as "CLI") Board of Directors with the assistance of CLI's administrative staff as part of CLI's DODD Transformational Grant. Contributions for this assessment were made by CLI Board members, CLI management, CLI direct care staff, individuals with developmental disabilities, family members, other providers, public agencies, CARF surveyors, and community members. Methods used to collect input were 1:1 interviews, written correspondence, team meetings, an online survey, group discussions, and formal sessions.

### CLI Board Members:

Darlene Bartlett, Margie Bleile, Nate Lucal, Troy Pittenger, Roxanne Sandles, Vickie Stoll

### CLI Administration officially tasked with coordinating Transformation Grant Assessment & Plan:

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## **Guiding Question:**

Full credit to CLI's mentor on this Transformation project-- Tim Vogt with Starfire Council-- for pushing us to identify strategic questions rather than statements about the current status quo. It is an incomplete list, but here are some of the structural questions that we've identified to frame this assessment:

1. What are the dynamics related to conflicts between what people think they want short-term vs. long term vs. what they know?
2. What is our role related to the personal development of people with DD?
3. What is status and how do people get it?
4. What provides people with DD the greatest status?
5. Do we know where we want to go in any given situation? If so, what are the steps to get there?
6. Is there already an answer to any given problem? Do we agree with that answer?

7. How do we help people and their families imagine alternatives to the legacy workshop programs?
8. How does the local community see people with DD? How do they see the agency? Is either productive relative to the mission?
9. Is it enough to integrate someone in the community if it means that they are just like anyone else working fast food and trying to exist below the poverty level?
10. Community Integration is the highest goal-- but that means social and economic-- in proportion to the typical population. 50-50 is not integrated if only 5% of the general population fits your demographic.
11. Are there enough community resources to go around? Is there something that CLI should do for the larger community while it serves it's own mission?
12. CLI spends more than \$2,000,000 every year. What are we buying? Is it worth it? Who does it benefit? Could it buy more outcomes if spent in a different way? How do we know?

#### Assumptions and Core Values:

This assessment below considers what CLI does typically and so it ignores some of the individualized successes that we have had a hand in. CLI embraces individual choice, the inherent value of all people including people with DD, and the importance of community not just as a service resource but as something that CLI must develop and invest in.

#### Next Step Questions:

1. Is CLI's mission sufficient?
2. Over the past two years we've identified some key secondary "must-haves" in order to reach our primary mission-- namely that CLI must invest in our communities and that we must do more to professionalize direct services as a career.
3. Or-- do we need to just hire better managers and lean into the practice of employing staff that require active management?

#### **CLI Current Programs**

1. Adult day services-- community based
2. Adult day services-- facility based
3. Community employment support services
4. Individual community connection and personal development supports
5. Transportation services
6. Vocational habilitation services-- community based
7. Vocational habilitation services-- facility based

## **Background Statement/History**

CLI was incorporated in 1976 in order to provide vocational training and paid work experience to adults with developmental disabilities. From 1976 to 2016, CLI operated as a private partner to the Huron County Board of Developmental Disabilities (HCBDD). CLI's business income typically was around \$650,000 per year. HCBDD provided operating space and all program staff so that CLI could allocate operating income to paying people with developmental disabilities (DD). All Medicaid reimbursements for the provision of services were collected by HCBDD. CLI's revenue during this period was limited to business operations such as assembly, document destruction, and recycling.

CLI is governed a non-profit by an active board of directors. Until 2016 CLI's Director was an HCBDD employee appointed by HCBDD's superintendent. In 2015 CLI and HCBDD drafted a transition plan based on a SWOT compiled at that time. Late in 2015 the two boards agreed upon a 12 month separation contract. In January 2016, CLI hired its CEO and 2 director level administrators directly. In July 2016, CLI hired its own direct care staff and HCBDD ceased providing any Medicaid funded direct services to people with DD. As of January 2017, CLI does not receive any special funding or in-kind supports from HCBDD. Projections indicate that 75% of income in 2017 will consist of Medicaid and HCBDD payments for services CLI provides to individuals with DD. The remaining 25% of CLI's income will come from non-DD business services.

## **CLI Board, Management and Staff Structure**

A CLI Table of Organization is included as an appendix to this document. CLI's bylaws mandate a 5 - 9 person board, who are charged with hiring a CEO to administer all CLI operations. The CLI Board is actively engaged in CLI's development not only as a private provider, but in management's goals related to transforming CLI's operations.

When CLI completely spun away from from HCBDD, it offered employment to not only its Director of Adult Services (now titled CEO) but also 2 experienced Program Managers (now Executive Officers). This is a significant investment in leadership, the intent being that those leaders would enable the newly privatized organization to pivot quickly after initial privatization. CLI has invested significant resources in fostering buy-in among direct service staff, with a number of "Team Leader" positions to encourage/reward direct care staff to personally invest in their career with CLI. Recruiting ambitious staff has begun to be a problem. CLI's typical applicants tend to be more traditional "caregivers". Innovative DD services will require organic leaders at every level. CLI is actively working to abandon the traditional top down management structure by giving staff resources such as credit cards, business cards and cell phones-- and more importantly-- the authority to make decisions and follow their own lead. However, simply giving people those resources doesn't make them capable.

### Next Step Questions:

1. How does CLI recruit ambitious, capable staff?

2. How do we keep them?
3. How do we train to facilitate growth (individually and agency-wide)?
4. The current medicaid rates do not support professional level pay scales for direct services; if CLI intends to professionalize and keep good staff, how do we support them at a professional earnings level?

### **Huron County Demographics**

Please see appendix A-- CLI's 2017 Cultural Diversity Plan

### **Firelands Area Community/Geography**

CLI's clientele primarily comes from Huron County with a few people living in surrounding counties. The region is referred to as the "Firelands" because in the war of 1812, many people were granted land in the Western Reserves (Ohio) after their homesteads had been burned. This is a rural area with a few population centers (Sandusky & Norwalk) of 20,000+ and a number of smaller cities. We are located midway between Toledo and Cleveland-- approximately an hour drive from each. The local communities are close-knit and generally people either know each other or at least of each other. Familial history is important and many activities are related to kids sports and/or agricultural activities. Support for people with DD is strong, albeit traditional. The community at large values it's institutions-- perhaps not exactly the buildings, but the idea of the historical adult programs (historically known as "christie lane") has grown out of shared investment and is something that they are proud of.

### **Firelands Area Learning/Education**

The Firelands area and Huron County in particular has a hands-on ethic. People typically dress in working clothes and it is difficult to identify levels of wealth and education based on appearance. There are many contractors because that has enabled people to build an income that allows them to stay in the area. Typically those with college education seem to be employed in banks, local hospitals & medical office, insurance, schools, etc.

### **CLI SWOT Analysis (from CLI 2017 Strategic Plan)**

#### Strengths:

- Successful year as a private stand-alone provider as measured by client satisfaction, staff morale, productivity and net income.
- Increased percentage of staff leaders. CLI has vested, mission-driven direct-care staff. CLI also has administrative staff who are committed to quality.

- Legacy as a DD provider. CLI has built a positive reputation as progressive, safe and kind. We have long been the only provider in Huron County and currently the large majority of adults with DD wanting day services choose CLI.
- Wages paid to people with DD. CLI pays between \$300,000 - \$400,000 each year distributed to around 100 individuals with DD and has paid at least \$8.15/hour since 2016.
- Legacy related to niche business services. CLI has built a strong reputation for customer service and solving business problems. That competence and our USP as a DD employer means that if CLI offers a business service at equal cost to the competition, most area businesses will choose to do business with CLI.
- Flexibility and creativity. CLI is more nimble than similar agencies. Management and staff are reasonably comfortable and challenged by change.
- Local culture and public support. The firelands area is home to many farmers and other small business owners. As a region our communities value entrepreneurialism and industry.

#### Weaknesses:

- Uncertain funding. The statewide DD system is in a state of flux so that CLI is not only forced to deal with privatization, but also with restructuring to become a community-based service provider (instead of a facility-based service provider). Economic incentives in place favor traditional facility-based services. Although this is listed as a weakness, it might also be considered to be a strength as well because it provides strong revenue to CLI's traditional provider services.
- Legacy as a desirable provider of traditional yet friendly, person-centered services means that the community and a seeming majority of people/families identify CLI's workshop as their preferred outcome. The fact that CLI typically pays decent wages adds to the sticky-trap nature of the workshop.
- Commitment to current obligations, whether that be residential programs/family needs for 1st shift coverage, or continuing to serve individuals that perhaps aren't in our wheelhouse.
- Too much dependence on DD funding. 75% of CLI's budgeted income in 2017 comes from DD services.
- Time. The amount of competition is increasing for CLI's current market share for traditional services like NMT transportation and sheltered employment. Also, the funding for those traditional services is scheduled to sunset in 2022.
- Confusion in purpose. CLI still strives to be all things to all people. This has meant that we have provided less quality of services to some individuals in order to stretch to maintain services for others. CLI has worked toward tightening our focus, but further work in this area is still needed.
- Weaker staff members. While CLI is fortunate to have a high percentage of strong team members, we also have a number of individual staff who require active management. This is problematic as CLI works toward a staff-directed (vs. top down management) model. CLI has addressed this issue partially since the previous plan.

- All programs are still hubbed from a large segregated site. Where you start each day matters-- and why you start from that location.

#### Opportunities:

- Leverage. CLI enters 2017 with the majority of market share for DD services in Huron County. This means that if those people continue to choose CLI as their provider, we have guaranteed income that we can invest toward future services. The CLI Board's strategic plan has identified the need to shift toward sustainable alternative models of service delivery quickly. In order to further CLI's mission of increasing earnings of people with DD-- and in adding value to our local communities-- some of those new models should be in business development that ideally would provide additional net income that can be reinvested.
- HPC services. HPC stands for "homemaker personal care". Many individuals in Huron County and surrounding counties have allocated funds that they are not utilizing because they can not find willing, quality providers. This would be new income that would directly tie to CLI's mission.
- Young adult services. Changing federal and state rules mean that young adults are no longer able to easily enter into a sheltered workshop. However, many people still need comprehensive supports and training. It is in their and CLI's interests for CLI to develop those new "wrap-around" services. Further, once CLI obtains CARF accreditation, CLI can bill OOD for services to young adults still in school. This would also be new income that would tie directly into CLI's mission.
- There are current CLI clients that are not fully utilizing their budget allocations. If 100% of all current CLI clients utilized 100% of the funds available to them right now, that would equate to an increase of \$900,000 of gross income. This is an opportunity for CLI to improve its services. Our job is to help people build a life and there is work to be done. It is possible that some people are not utilizing their allocation because our current services are not providing them what they want or need.
- New opportunities for community relevance and additional public goodwill using CLI assets & CLI's new public space at 16 West Main Street is operational and ready for CLI use and community rentals.

#### Threats:

- CLI still needs additional cash reserves although does have approximately 2-3 months of cash reserves as of April 2017. CLI must grow revenues.
- Competition from other providers. NMT transportation is seen as low-hanging fruit for some residential providers. Current DD funding has set NMT up as a funding prop for day programs.
- US Department of Labor changes. CLI provides sheltered employment services and pays some people piece-rate for the work that they do. There is a lot of attention being paid to DOL's special certificate program. There are two inherent risks. The first is the risk of an

investigation and subsequent fines if we are incorrect in how we are applying wage & hour standards. The second is that without that certificate, it would be very difficult to employ people who could not meet productivity standards. That may or may not be a factor in some individuals choosing another type of day program. CLI has minimized this threat in moving to 100% minimum wages paid to all clients (no piece-rate).

- Uncertain DODD structure(s).

#### Next Step Questions (specific to SWOT)::

1. Is this SWOT comprehensive enough?
2. An underlying assumption is that CLI must be sustainable on it's own business revenues-- should CLI consider grants in addition to, or in lieu of, fee-for-service revenues.

#### **Current Innovative Practices**

1. CLI (and HCBDD) has always been a contradiction in that we have been innovative in our level of community involvement and integration for some individuals, but very traditional in being a county-run program that has embraced the need for us to provide comprehensive 1st shift coverage for families and residential providers. We have had a 100% community-based afterhours/weekend recreation program since 1998. We have actively worked toward person-centered services for almost as long. CLI continues to color extremely well within the traditional lines. The upside is that as an agency we are well regarded by the community as a partner-- and so far preferred by individuals/families. The downside is the inertia that comes with the latter. The community sees CLI as an agency that invests in the community and would welcome even more. Individuals served really like the new stuff, but also like the old stuff too.
2. When CLI spun away from HCBDD in 2016, we pushed not only the inevitability of privatization, but more importantly the need to move away from segregated services. In this way CLI's transformation has not just been about privatization, but also educating our families that we must change what we do and where we do it. This has been a consistent message pushed out through multiple gatherings, individual planning meetings, the agency website ([www.christielane.com](http://www.christielane.com)), and bi-weekly newsletters.
3. CLI leadership identified that we will only be successful if we are able to foster leadership at the individual staff level-- and that we invest in those staff. This requires transparency, working managers, and capital investment in direct care staff. CLI has weekly all-staff meetings Thursday evenings at 5pm which allows 50 training hours not only for required trainings, but also for group brainstorming and team building. These meetings include frank discussions of agency finances including full quarterly budget reports. CLI has pledged quarterly staff pay bonuses based on net income for each previous quarter. It is important that staff understand how CLI is generates revenue and spends money. It is necessary to make money in certain areas in order to invest/spend it in other less compensated areas. Staff benefits include 6



weeks PTO, major medical health care, ancillary benefits, paid holidays & program closed days, smart phones, and the ability to utilize company assets (buildings, vehicles, equipment) at low costs.

4. CLI pays all individuals served at least minimum hourly wages (\$8.15/hour). We also work with each person to try to provide them with the level of work that they want-- even if they are not able to work up to productivity quotas. CLI's justification for no longer paying piece-rate less than minimum wage is based on our core values and our recognition that there is a capital cost to administering DOL compliant sub-minimum wages. It was our strategic decision to "lose" a bit of money through inefficiently overpaying individuals with DD rather than to "lose" it by investing in the additional staff time needed to legally justify sub-minimum wages.
5. Firelands Local LLC-- CLI created an LLC that we can use for cooperative community ventures. The LLC is registered and able to do business. The intent is to create new community activities that are branded away from DD programs so that the general public doesn't pigeonhole. That will create more opportunities for an individual or perhaps a pair of individuals to blend into that activity.
6. Collaborative fundraising. CLI hosts fundraising events for other community organizations more than for CLI. So far this spring CLI has raised almost \$3,000 for local charities. These events are opportunities to integrate and demonstrate that people with DD add value.

Next Step Questions:

1. If CLI (and HCBDD) have been actively trying to promote person-centered planning for so long, why hasn't it yielded more progressive outcomes when looking at client outcomes on a larger scale?
2. What is holding us back?

**CLI Physical Infrastructure (Buildings)**

1. Workshop building at 306 South Norwalk Road West, Suite B, Norwalk, Ohio 44857: this property was built by HCBDD on county-owned land in 1981 to the typical state specifications for a sheltered workshop building. All of CLI's day operations hub from this space. This dependence on the workshop is problematic.
2. 16 West Community Space at 16 W. Main Street, Norwalk, Ohio, 44857: CLI purchased an old 1870 3 story building in order to renovate the first floor to be our first accessible community hub that we could use to host integrated events and that would also allow us a quick community-based respite (restroom, special diets, etc.) that would enable small groups to stay away from the workshop building.
3. Higher Grounds Coffee Shop inside Mercy Hospital of Willard: this is a 3-way partnership between Mercy Hospital, HCBDD and CLI. CLI staff and clients run the coffee shop full-time as a community employment training site.

4. Leased office suite space in Mercy Hospital of Willard's ancillary buildings: CLI uses this space as a Willard hub for community-based activities. The staff that has developed this program has done a nice job of creating integrated, value-added activities in Willard area nursing homes and other non-profits.
5. Norwalk Public Library, Norwalk Salvation Army, Norwalk Recreation Center: CLI utilizes these types of community resources on designated days each week to volunteer and/or participate in activities at that location-- again as "hubs" in order to move away from a workshop-based model.
6. Area church social halls: CLI staff partners with a number of area churches who allow small otherwise community-based groups to use their facilities as hubs between activities.

Next Step Questions:

1. How can CLI be less dependent on the large facility?
2. What are the reasons that people choose the workshop?
3. What is the workshop building useful for?
4. What is the workshop building least useful for?
5. Can CLI ever abandon the single large workshop? If so when and what would replace it?
6. How do we increase community integration as a default vs. an add-on?
7. Are there small steps that we could take to decrease the amount of time the workshop is an available service location for people?

**Budget**

CLI's FY 2017 Operating Budget is approximately \$2,100,000. A preliminary projected budget is attached as Appendix B.

CLI has completed its first 12 months as a private agency away from the Huron County Board of DD and has generated net income for the period. We are still dependent on DD fee for service income, which makes up 75% of our operating budget. This becomes a golden handcuff problem that is a barrier to immediate transformation. However, CLI has a strategic plan that includes leveraging traditional service revenue to invest in alternative models of service that are more integrated and less facility-based. One example of this is CLI's current community development program to purchase blighted properties in key uptown Norwalk area and renovate those properties to be multipurpose space that can be used not just for CLI activities and as a lunch/accessible restroom depot-- but also available to the larger community. These new sites also create new opportunities for meaningful integration and integrated employment at community events.

Next Step Questions:

1. Now that CLI has achieved financial independence and is more certain, how should CLI leverage net income?

- a. Option: decrease number of clients served which would decrease net income, but enable more personalized services with same number of staff;
  - b. Option: invest capital in ways to build community resources that can be used for CLI's integration efforts and also shared with other community members;
  - c. Option: invest capital in staff pay & training;
  - d. Option: use money to subsidize 1:1 community connection opportunities that might not otherwise be in an individual's budget;
  - e. Option: save the money for the future.
2. How should CLI change how we spend money?
  3. Should CLI seek more grants and/or donations?

### **Summary:**

CLI applied for the Transformation Grant because we had already determined that we needed to radically change our model-- and this seemed to be a good opportunity to partner with DODD and other agencies. Our strategy outlined in 2015 was to use the conflict-free management crisis to present larger structural changes to individuals served, families and the community.

A large part of CLI's energy during last year's privatization was spent in changing the organizational structure and culture to foster staff development and leadership. We've used the process to advise all stakeholders over and over again for 2 years that privatization is not the hard part. The leap to community integration was always the hardest part.

### **Recommendations for Planning Phase:**

1. CLI leadership needs to explore other innovative programs around the state to learn from them;
2. CLI should explore whether mission is broad enough or needs to clearly include integration and community. Subsequent to this, explore changes related to staff responsibilities/table of organization.
3. CLI must firmly commit to a Unique Selling Proposition as a DD provider. What do we do and what do we not do?
4. CLI needs to explore questions related to the workshop facility-- in particular how to limit participation, whether to abandon, etc. Subsequent to this discussion, CLI needs to move boldly toward those identified outcomes.
5. Nothing changes until something changes. CLI has identified that we are on a slowly burning platform and while we have committed to moving toward an exit, it is time to plan our leap(s) down off the platform. It's time to leap. The reason why we applied for this grant is because we intend to leap. The question is, to what?
6. CLI's strategic plan has some pretty specific goals related getting people who attend CLI for day services (not paid work) out of the workshop ASAP. Currently CLI is using business net

income to accomplish this. Should CLI focus more specifically on fundraising in order to expedite this process?