

Early Learning Coalition of Florida's Heartland, Inc.

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ELCFH Finance Committee Meeting Minutes
Tuesday, September 22, 2009 – 9:00 a.m.
ELCFH Charlotte Office

Members Present: Alan Grimes, Ed Osborne, Kathleen Roehm (via conference call); Jackie Rawlings (via conference call), Joyce McClelland (via conference call)
Members Absent: Dr. Sharon Goodman, Dr. Mary Harder
Staff: Anne Bouhebert, Anna Brookbank, Helena Sloan, Pam Greve, Arvilla Brito

I. Introductions (Alan Grimes)

Meeting brought to order by 9:00 a.m.
Introductions were made.

II. Review of Current Financials/Utilization/Trends (Anna Brookbank)

- **Utilization and Expenditure Summary (page 1)**
Anna stated that the Coalition served 1,677 children in August and 1,716 children in July. This does not include ARRA children served in the month of August. As stated in the last meeting, the ELCFH will be separating out ARRA dollars in School Readiness and VPK budgets. Anna stated this will be further discussed during New Business. The ARRA is also referred to as "Stimulus" and in VPK budgets referred to as "SRSR" dollars. Anna noted a projected over expenditure of \$875,000 for the month of July; the current projection is \$673,999.34. Wait list pulls were done last month for Charlotte, DeSoto and Highlands and currently a pull is being done in Hardee. Anna stated the ELCFH is strategizing to do smaller and more efficient pulls in order to see results quicker.
- School Readiness Expenditures are 18.0% spent at 16.7% of the year (ending 8/31/09). Numbers are in alignment for Salaries and Operating, however, high in Slots/Scholarships due to being over expensed coming into the year high.
- Total expenditures for VPK is 12.5% spent at 16.7% of the fiscal year. In July, VPK Administration for De Soto was at 35.2% and in August is at 8.5% which is due to summer VPK programs to offset the expenses. Highlands was at 9.0% in July and in August at 6.9% due to lower enrollments. Anna noted VPK Administration spent for all counties is at 5.5% (4.85% is the annual cumulative maximum).
- Coalition expenditures for School Readiness Administration are at 0.4% (of a total maximum of 5%) and Eligibility/Non-Direct at 2.0% (of a total maximum of 14%).



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- **Attendance, Referrals and Enrollments** (page 2)

Anna reviewed the August 2009 Attendance, Referrals and Enrollments and noted changes to the bottom table on page 2. As a result of the last meeting, this table includes the addition of the "ARRA (American Recovery & Reinvestment Act)". Anna stated the coalition served 19 ARRA children last month. There are more ARRA appointments made across the four counties. Another line item added as a result of the last Board meeting was "YTD Unduplicated Child Count" (July-August 2009) which was 2,020 children (billed and enrolled). Anna noted the difference between this number and the 1,677 current total and the difference is a indication of the movement in Client Services with timed out referrals and families no longer eligible.

Kathleen Roehm asked about the state mandated 2,000 children quota. Anne stated the 2,000 mark that is referenced in statute is a monthly average. The OEL has informed coalitions not to be too concerned but to be mindful of it. Anne stated the challenge is trying to maintain the number with the cost of care increasing but funding not changing. Anne stated this is an issue that OEL is aware of. School Readiness Children served from 1,716 in July to 1,677 in August. These do not include ARRA children. Anna noted SR Wait List Total for Hardee – 78 children – all have been invited to come off the wait list since the report was issued. Also, the line item entitled "Less Expired Referrals/Attrition" – Charlotte 42 children, DeSoto 63, Hardee 34 and Highlands at 87. This is as a result of attrition across the four counties. There was an increase in VPK Children from 52 in July 1 to 1,653 in August. This increase is due to opening VPK appointments aggressively over the four counties, mass enrollments, a pilot program working with the school district in Charlotte County as well as a provider in Highlands and the ELCFH Quality staff assisting in VPK enrollments in order for ELCFH Client Services to continue to work aggressively in School Readiness.

- **Expanded Budgets – School Readiness and VPK** (pages 3,4)

Anna reviewed the School Readiness Grant Expenditures and noted that the total expenditures spent at 16.7% of the budget was 18.0% with \$72,261 total unallocated. Anna noted line items that were high: Other Personnel Expenses at 37.8% due to use of temporary staff since July because of open positions, vacation time and maternity leave; Non-personnel Expenses at 22.3% due to office and program supplies as well as upgrade to software; Furniture/Computers/Equipment at 76.7% due to purchase of new server and update of tape drives as well as the purchase of baby Dell computers for the Quality team for on site assessments. Anna also reviewed the Grant Expenditures by OCA Program.

- **Expenditures** (page 5-6)

Anna reviewed the VPK Grant Expenditures and noted unallocated funds of \$22,650.

- **Balance Sheet and Cash Flow** (pages 7-8)

Anna reviewed the Balance Sheet and stated the balance as of 09/17/09 shows \$181,477.17 The balance as of today is \$1,461,185.71 due to the processing of VPK and SR invoices along with SR ARRA and VPK ARRA invoices. Provider payments for School Readiness was sent to the providers banking institutions on 9/14/09 and the VPK payments will be in provider banks by 9/29/09.

- **Match Reports** (page 9-12)

Anna reviewed the match reports showing revenues and expenses for the month.

Anna informed the Committee of additional funds that are not reflected in the match reports. Updates to the report is the Highlands Hospital Grant totaling \$59,300 (out of the requested \$72,000). On page 12, for Charlotte there is \$5,000 Charlotte's Children Foundation for Literacy and \$500 from Kiwanis bringing the funds secured to \$16,600. The ELCFH is awaiting a response from Charlotte County Commissioners for the requested grant in the amount of \$60,000.

- **Utilization** (pages 13-24)

Anna reviewed the Utilization Reports. Charlotte, DeSoto & Highlands are on target; Hardee is under utilized. Anna noted for September there are 22 days in the billing cycle so there is an extra day of spending. Anna noted the historical trends for each county on pages 21 and 22. Anna referred to additional target sheets which were emailed to Committee members on 9/21/09 which depict a summary of all four counties for School Readiness funds.

- **HIPPY Invoice** (page 25)

Anna stated that the remaining funds for the fiscal year for the HIPPY Program is \$85,263.74 Pam Greve stated this report will be on a different form next month and will look more like SR and VPK Expenditures.

A discussion ensued about Hardee County and its low numbers. Anna noted there has been a decrease in enrollment across all four counties. Even though some of lowest amount of children lost is in a county having the most significant impact on the charts; the other counties have had different points in their favor as to why their numbers still balance. The Coalition has been proactive in wait list pulls; Hardee on a staggered pull in order for the wait list to be updated and to have time to grow. Transportation is an issue in Hardee and as a result of that the ELCFH is offering days with additional counselors so back to back appointments can be done for parents with transportation issues. According to AWI reports posted in August 2009, Hardee County ranks Number 9 in the State of counties ranked by unemployment rate. Hardee County's unemployment rate is 12.6%. Hardee County's rural status and the availability of non agriculture and/or manufacturing jobs directly related to non-agriculture businesses within the area. Transportation to neighboring areas where there might be non agriculture and/or manufacturing jobs is an issue as the closest availability is within 30 miles. Hardee is also experiencing a seasonal decline in agriculture and experiences continued weaknesses in the construction field and manufacturing does not exist. Internally, the ELCFH is also experiencing quicker notification of closed at-risk cases due to conversations with DCF and designated agencies. Non compliance terminations are affecting families in Hardee County. Termination of eligibility is occurring at a higher rate due to downsizing and not being able to find employment within the timeframe. Clients that were on the wait list and deemed eligible have lost jobs and are no longer eligible. The ELCFH is trying to shift these families into ARRA. ARRA funding awareness is on the rise, however, families do have to meet the eligibility requirements. Hardee County is also the hardest county for people to file for unemployment for a variety of factors from the language barrier to being paid in cash for work.

A discussion ensued about unemployment and the ranking of counties in the state. Hardee County is #9, Charlotte County is #15; Highlands #25 and DeSoto #26.

III. **New Business (Ed Osborne)**

- **Expenditures over \$5,000**

Anna stated there were two expenditures over \$5,000. In June expenditure in the amount of \$6,572 .59 for postage for Client Services mailings which was approved by a board member and in August expenditure in the amount of \$6,016.21 approved by Alan Grimes and Ed Osborne for the purchase of Dell computers for ELCFH Quality staff in doing on-site provider assessments.

- **Audit Plan FY 08-09**

Anna informed the Committee the Audit Plan FY 08-09 has been submitted to the State. The Auditors will be at the ELCFH beginning the week of September 28, 2009.

- **Updated SR/VPK Budgets – ARRA (pages 27-30)**

Anna reviewed the updated SR/VPK budgets with ARRA allocation. The ELCFH is required to report and track these funds separately. Anna stated there are currently 19 children in ARRA. The ELCFH is required to spend 50% by June 30, 2010 per OEL. Anna noted \$118,814 unallocated.

The Committee recommended to present the updated SR/VPK budgets to the Board for approval

- **4th Quarter Review from Eric Fontana**

Anna reviewed the 4th Quarter review from Eric Fontana and noted 2 items:

- **1. Paragraph two:** noted that the net loss reported for the 12 month period ending June 30, 2009 was approximately \$66,000. Anna stated an invoice has been incorrectly recorded in FY 09-10 and should have been recorded in FY 08-09. The correct amount is \$64,000 and the correction has been made.
- **Paragraph five:** Management has informed us that they are working on a year-end entry to capitalize any items (*insert colon*); greater than the capitalization limit. Anna stated this is a two-part question and was an email communication error with Eric Fontana. ELCFH is working on year end entry for capitalization of items and do not exceed the capitalization limit. Journal vouchers are being done in order to be in compliance with inventory submission and ready for the auditors on September 28th.
- Ed Osborne questioned **Item Number 4:** the AR report was prepared manually as the new software does not include an AR module. Alan Grimes stated the accounts receivable is not a lot and therefore does not justify the cost of the module. Mr. Fontana was in agreement with this decision.

- **Provider Reimbursement Rate Review**

- Anna stated every two years the State releases the new market survey rate. This is done by the State going into the EFS system and doing samplings. The reimbursement rate review is done by county; age level; center based; registered home care and licensed care. The ELCFH is looking for the Committee’s guidance on the provider reimbursement rates. Anna noted the last rate review was November 1, 2007 and the ELCFH implemented the high rates which as of today the ELCFH rates are considered up to date. Anne stated the higher dollars will mean less children enrolled. Anna gave a quick snapshot on where the ELCFH is in comparison to the maximum proposed rates:

Infants Only:

<u>County</u>	<u>Current Daily Rate</u>	<u>New Daily Rate (High)</u>
Charlotte	\$32	\$37
De Soto	\$24	\$28
Hardee	\$25	\$26
Highlands	\$27	\$29

A discussion ensued and it was requested by the Committee that the ELCFH will obtain provider feedback via a survey and open forum meetings. The ELCFH will also prepare information on the impact and affect on the budget, impact on slots as well as on provider payments if new rates are implemented. The ELCFH will present the data at the next Finance Committee meeting for additional review and discussion. Anna reminded the committee of the process for approval of the reimbursement rate, starting with the internal research, recommendation to the board, as needed and then a possible plan amendment for OEL/AWI approval.

IV.

Open Forum (Alan Grimes)

Anne requested the Committee consider changing the remaining meeting dates to one week later as a result of the additional ARRA budget reporting requirements. Anne stated the only impact would be the Finance Committee Minutes would not be in the next Board meeting packets but in the one thereafter.

The Committee approved the revised meeting dates FY 09-10. The ELCFH will re-post and inform Board members.

Pension Plan

Helena Sloan informed the Committee of a proposed company for the ELCFH Pension Plan effective 1/1/09 from American Funds to Mutual of America. Mutual of America has seven investment funds and offers a wider choice to the employee. This company works with other ELCs and non profit groups such as Goodwill and United Way. Ed Osborne asked if there were any surrender charges, upfront or back end charges to be incurred by employees as well as the type of shares. These questions will be addressed with Mutual of America and presented to the Board for a recommendation for approval and issuance of a board resolution. Helena stated there is no fiscal impact to the ELCFH.

The Committee recommended the Board approve the Mutual of America for the ELCFH Pension Plan pending answers to questions presented.

V.

Adjournment (Alan Grimes)

Meeting was adjourned at 10:16 a.m.

REMINDER:

**Next ELCFH Finance Committee Meeting Date:
Tuesday, October 27, 2009 @ 9:00 a.m.**