

Early Learning Coalition of Florida's Heartland, Inc.

www.elcfh.org

ELCFH Finance Committee Meeting Minutes
Tuesday, March 23, 2010 – 9:00 a.m.
ELCFH Charlotte Office

Members Present: Alan Grimes, Ed Osborne, Kathleen Roehm (via conference call), Dr. Sharon Goodman (via conference call), Dr. Mary Harder (via conference call)

Members Absent:

Staff: Anne Bouhebert, Anna Brookbank, Helena Sloan, Pam Greve, Arvilla Brito

I. Introductions (Alan Grimes)

The meeting was brought to order by Alan Grimes at 9:00 a.m.
Introductions were made.

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

▪ **Utilization and Expenditure Summary (page 1)**

Anna stated the utilization summary now includes ARRA. The Coalition served 1,736 children in February with a projected over-expenditure of \$219,109.32. This is based on every child sitting in the seat every day for the remainder of the year.

- School Readiness Expenditures are 67.8% spent at 66.7% of the fiscal year (ending 2/28/10).
- School Readiness ARRA Expenditures are 32.8% spent at 66.7% of the fiscal year (ending 2/28/10) slightly under spent in slots. There is another wait list pull currently in process. The ARRA dollars spent should be at 50-55%; any funds not used will roll over into the next fiscal year.
- Expenditure Summary for VPK is 63.4% spent at 66.7% of the fiscal year. VPK Administration (of a total maximum of 4.85%) is at 4.6% and year to date is at 4.6%. Coalition expenditures for SR at 66.7% of the fiscal year is 1.7% (of a total maximum of 5%); SR-Eligibility/Non-direct is at 8.0% (of a total maximum of 14%).

▪ **Balance Sheet and Cash Flow (pages 9-10)**

Anna stated the balance as of 3/23/10 is \$1,463,791.35. Provider payments for School Readiness were paid on 3/12/10 and VPK payments which are the February true ups and April advance payments will be paid on 3/29/10.

▪ **Match Reports (pages 11-16)**

Anna reviewed the match reports and stated the matches are winding down as the year is coming into the third quarter. The ELCFH has secured over \$255,000 in match for this fiscal year for all four



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counties.

- **Utilization Reports** (pages 18-21)

Anna stated the only difference in the reports to note is the ARRA column. Last year some of the school readiness dollars were split into the stimulus dollars (which is ARRA dollars) in order to accommodate parents who were collecting unemployment compensation. Once that was completed, the second option was to start the wait list pull which started in November.

- **Utilization Graphs** (pages 22-30)

Anna stated the graphs include ARRA dollars and as a result the numbers are low. Anne Bouheben stated it was important to mention that the ELCFH is not required to spend 100% of the ARRA dollars and the balance not spent can be carried over to the next fiscal year. The ELCFH is required to spend 50% with OEL preferring 60%. If 50% is not spent by the end of this fiscal year there would be a mandatory de-obligation. Anne further stated the ELCFH will meet the 50% requirement but wanted the Committee members when looking at the under expenditure to know that 100% of the ARRA dollars is not required to be spent. Anna Brookbank stated the ELCFH does not want to spend all of the ARRA dollars as it would mean starting out the new fiscal year with a high enrollment and not knowing what the grant dollars are going to be for the fiscal year.

- **HIPPY Expenditures** (page 31)

Anna stated HIPPY expenditures is through 6/30/10 and the program is doing well.

Kathleen Roehm stated the Finance and Utilization Report cannot be on the Board agenda as an action item since it must be an audited report in order to be approved. Anne Bouheben stated this was confirmed with the Roberts Rules of Order and will be presented to the Board as informational only.

III. **New Business (Alan Grimes)**

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

Alan stated there were no expenditures over \$5,000.

- **Wait list pull results**

Anne stated ELCFH staff reviewed the wait list process in order to ensure that a family is eligible prior to putting them on a wait list. The review consisted of looking at current forms being used as well as the flyer that is sent to families to let them know what information they need to submit to the ELCFH. Anne further stated as a result of this review there was some language clarification that was done in order to make the messages clearer and to get an accurate snapshot of where the family was at the time of application with reference to income etc. The review also consisted of reviewing what is sent out to families after the fact and staff decided some fine tuning was needed. The materials were re-crafted to flow better and were much clearer on what the families needed to bring in to ensure eligibility. Anna stated the updated verbiage was used on the March 12th wait list pull and further stated it will be a test run to see how well it goes. There was also a cartoon block developed showing what the process is as well as the creation of a fill-able wait list application that will be put on the ELCFH web site. This fill-able application is in English as well as Spanish and will be on the web site by March 26th. This will help parents by not having them travel to an ELCFH office to get the wait list application. Anna stated with the wait list process staff continues to do the call backs and with re-determination of the nine month renewal of scholarship staff is now calling a couple days before to remind families to send in the packets prior to the deadline.

- **FY 11 Budget process**

Anna stated the FY10-11 budget process has not been done due to the staff working on modifications and that there is no guidance for the budget re: VPK funds. A draft of the budget will be presented to the Committee at the April meeting for review.

- **Line of credit renewal**

Anna stated the line of credit is due for renewal with Wachovia Bank and ELCFH is requesting the Committee's recommendation of approval to the Board. The line of credit is renewed every year because the ELCFH grants are one year. The paperwork has been submitted and the ELCFH will let the Committee know when approved and will submit to Board for approval.

The Committee recommends Board approval of the renewal of the line of credit with Wachovia Bank.

- **Highlands Office space**

Helena Sloan stated the ELCFH Highlands office lease expires on June 30, 2010. The current space is 5250 square feet with an annual increase of 5%. There is a lot of wasted space in the current location due to the configuration. The landlord was approached by the ELCFH last year when negotiations were being done with the DeSoto and Charlotte offices. The Highlands landlord was the only landlord that raised the rent and did so by 5%. Helena stated staff looked at a couple of offices and found one location that would meet the needs of the ELCFH. The proposed office space is less square feet than the current location, however, the layout is much better and allows privacy for confidentiality purposes as well as more ample parking spaces. The only setback was there was no space for training purposes; however, the unit next door became available. The total of the two spaces is 3500 square feet @ \$10.00 per square foot. Considering the current lease and the increase of 5%, the ELCFH would save \$18,603 a year. The rent for the proposed new space is locked in for two years. Kathleen Roehm asked if the ELCFH approached the current Highlands landlord with the information on the new office space and rate to see if he would meet the same lease terms. A discussion ensued and it was agreed to have the ELCFH contact the current Highlands landlord to determine if the same terms could be agreed upon for the current location. If the landlord will not agree to the terms then the Committee has instructed the ELCFH to proceed with the new location's lease.

The Committee recommends ELCFH staff contact the current Highlands's landlord and present proposed new lease rate and terms. If current landlord does not concur, ELCFH staff is instructed to proceed with the new location and agreed upon lease terms.

- **Draft FM policy regarding internal program timeline**

Anne referred to the draft policy FM-15 Amendments and revisions to approved budget: 4th quarter budget alignment. The ELCFH is requesting the Committee's recommendation for Board approval at the May meeting. The proposed addition to this policy is:

Mandatory Budget Alignment in 4th Quarter of Fiscal Year:

To ensure appropriate expenditure of funds, the ELCFH management team reviews the approved ELCFH budget and expenditures on an ongoing basis. Each budget line will be monitored for the percent expended against the percent of time in the current fiscal year. At the start of the fourth quarter (April 1), those program funds not expended or encumbered will automatically be transferred to deficit areas of the operating budget or to slots. ELCFH staff responsible for expenditure of program funds will be advised of the April 1 due date for expenditure and will be monitored in the first three quarters to ensure appropriate spending for program activities.

A discussion ensued and it was agreed to approve the proposed changes with the following language additions:

To ensure appropriate expenditure of funds, the ELCFH management team and Finance Committee reviews the approved ELCFH budget and expenditures on an ongoing basis.

The final statement to include is the following:

The final budget amendments and modifications will require ELCFH Board approval as stated in ELCFH policy.

The Committee recommends Board approval at the May meeting of the FM-15 4th Quarter Budget Alignment policy with additional changes.

- **FY 09-10 Budget modifications**

Pam Greve stated the ELCFH received a grant award from OEL today with a decrease in the grant award by a total of \$911,075 which is a decrease in slots of \$868,932 and operating expenses of \$42,143. Pam reviewed the proposed budget transfers.

The Committee recommends Board approval of the FY 09-10 budget modifications as presented

IV. **Open Forum (Alan Grimes)**

Anna Brookbank gave an update on the wait list pulls. On March 12, 2010 there were 274 children pulled from the wait list with callbacks being made today with responses due back by noon on March 26, 2010. The wait list was cleared for DeSoto with 32 children and Hardee with 48 children. In Highlands there was 110 children pulled (12 infants; 24 toddlers; 22 (2 year olds); 20 (3 year olds); 32 (4 year olds). In Charlotte there was 84 children pulled (23 infants; 24 toddlers; 19 (2 year olds); 18 (3 year olds). Anna further stated with this wait list pull it leaves only Highlands and Charlotte with children who are eligible for VPK and any school age children which are very small numbers.

V. **Adjournment (Alan Grimes)**

Meeting was adjourned at 9:53 a.m.

REMINDER:

**Next ELCFH Finance Committee Meeting Date:
Tuesday, April 27, 2010 @ 9:00 a.m.**