



The Coalition's Mission is to provide leadership and advocacy that builds a community where all children are prepared for success in school

Finance Committee Meeting

Wednesday, June 1, 2011

9:00am to 10:30am

Early Learning Coalition of the Big Bend Region

Northwood Centre, 1940 North Monroe Street, Suite 70, Tallahassee, FL 32303

Committee Members Present:

Kim Kelling Engstrom, Chair
Willy Gamalero
Chris L. Jensen, Jr.
Jeremy Cohen

Staff Present:

Lauren Faison, Chief Executive Officer
Travis Gordon, Director of Finance
Kathy Hayes, Director of Quality Assurance and
Accountability
Sabrina Williams, Executive Assistant

Committee Members Absent:

Kimberly Moore

Guests Present:

n/a

1. Welcome and Roll Call

Kim Kelling Engstrom, Chair, welcomed committee members and staff. Roll call was taken and quorum was established at 9:07am.

2. Approval of Agenda

The motion to approve the agenda for this meeting was made by Chris L. Jensen. This motion was seconded by Willy Gamalero. This motion was approved.

3. Approval of Minutes for November 30, 2010

The motion to approve the minutes for the Finance Committee Meeting of March 3, 2011 was made by Chris L. Jensen. This motion was seconded by Willy G. This motion was approved.

4. Public Comment

There was no public comment

5. Monthly Reports

a. 2010-2011 Operating Budget Expenses Budget to Actual with Projections

Kim Kelling E. provided the committee with an update on the budget to actual for operating expenses as of April 30, 2011. Kim Kelling E. stated since the move from the Woodcrest location to the Northwood location there has been a reduction of cost since everyone is in the

same building. Kim Kelling E informed the committee that there was a reduction in the insurance premiums as well.

b. Utilization July 1, 2010 to April 30, 2011

Kim Kelling E. provided the committee with an update on the projective variance. Lauren Fasion updated the committee that the projected variance of \$546,716.04 which places the Coalition in an under spent situation in lieu of enrollment. Enrollment is ongoing for all clients who are eligible. Even with the ongoing enrollment and completions of several projects, there is a projected \$500,000 surplus. Lauren F. spoke with Board Chair; Larry DiPietro regarding de-obligating dollars to help a couple of Coalitions that are in a deficit situation. Larry supports the idea de-obligating dollars to assist those coalitions in deficit. Lauren informed the committee that dollars that do not get removed from the operating budget come July 1st will still be accessible to the coalition. ELC has purchased all materials for the fiscal year. Items can not be prepaid for next year. Lauren and the finance department will review the operating budget again and if it still shows a surplus, they will de-obligate dollars to other coalitions.

1. 2010-2011 Utilization Plan Update as of April 30, 2011

Kim Kelling E. provided the committee with an update on the Child Care Utilization Plan as of April 30, 2011.

2. School Readiness Budget Variance Analysis as of April 30, 2011

The committee was informed that the management plan has not changed. The ELC has used 75% of the School Readiness base funding on direct child care slots. The ELC has had open enrollment since October 2011. School Readiness enrollments as of April 30, 2011 totals 4,501. The committee was also informed that this was a record high for the coalition and there is no wait list in any of the seven counties. Lauren F. informed the committee that the 4,501 reflect actual paid enrollees. ELC have enrolled a lot more children, however there is a net minus for those children who have been terminated during the month.

3. School Readiness Utilization as of April 30, 2011

The Committee was informed that April processing did not include approximately \$15,000 of BG8 (money for the working poor) dollars due to late attendance. The committee was also informed that there were approximately \$3,000 net in negative adjustments for the month of April. April projected numbers were based on March. April attendance will look a little different because it reflects a fuller enrollment than March. The committee was informed the School Readiness expenditures, budget and distribution is at a record high of 74% of slot dollars used. The coalition has to meet the requirement of 70% slot dollars used every year.

4. Paid/Served Chart as of April 30, 2011

Kim Kelling E. went through the paid/served chart for the School Readiness base funding with the committee. Kim Kelling E. informed the committee that a new column was added. Ed Feaver at the last general board meeting requested a figure of an actual number of kids we serve. As of April 30, 2011, ELC is at 4,562 children served.

Wiley Gamalero inquired about the wait list. Lauren informed the committee that with a cost savings in reduction of salaries and operational costs, they were able to move dollars back to assisting serving families. In October, ELC immediately started enrolling qualified children off the wait list. Estimated \$600,000 in cost savings from last year was able to eliminate the wait list.

5. School Readiness ARRA Utilization as of April 30, 2011

Lauren informed the committee there are no changes in ARRA funding. Lauren stated that ARRA distribution dollars will go away as of July.

6. Voluntary Prekindergarten Utilization as of April 30, 2011

Kim Kelling E. went through the Voluntary Prekindergarten (VPK) utilization as of April 30, 2011 with the committee. She commented on the ELC billboard advertising for VPK and inquired about the funding source of that advertisement. Lauren F. informed the committee that there are VPK advertising dollars through a small grant as well a portion of the School Readiness budget which allows ELC to advertise. Lauren also informed the committee she is researching cost involved for a PSA to film a small commercial.

VPK allocation will probably not utilize all of the slot money.

7. 2010-2011 Match Development Plan as of April 30, 2011

Lauren informed the committee that ELC is required by the state to have a 6% of the budget to be matched either in cash or in-kind.

6. Review

a. 2010 – 2011 Fiscal Monitoring

Lauren informed the committee of a summary of findings based on our corrective action plan. Every year the Office of Early Learning performs a financial monitoring on all of the coalitions. A private audit firm, KPMG, spends a week at ELC performing an in-depth audit into all areas of the Coalition. Upon completion, KPAG gives recommendations of problem areas that need to be addressed. The overriding theme of the audit is going through and cleaning up the policy language with the coalition's attorney. Lauren informed the committee that in the cost allocation plan; we are doing exactly what was approved for us to do. The cost allocation plan that was approved by the State needs to change. A revision of that plan is being worked on and will be submitted to the state.

b. Budget Impact Analysis

The committee was informed that based on VPK administration cost will drop from 4.5% to 4%. ELC has normally come under that percentage. ELC's blended business model has helped with operating at that percentage. Lauren informed the committee that she feels confident the Coalition will be able to deliver the same level of services with a reduction to VPK administrative costs.

School Readiness will end up with a 7% reduction. Based award for school readiness was just over \$16 million. There was \$1.5 million rollover from ARRA dollars from the previous fiscal year. The total for School Readiness was just over \$18 million. For the 2011-2012 School Readiness year will be just over \$16 million with a reduction of \$2 million. Lauren informed the committee that by putting cost efficiencies in place, the reduction along with the absent of ARRA the ELC will still serve families at the same level.

Willy G. asked the committee if there's a way to know how many School Readiness and VPK children there will be next year.

Lauren informed the committee through planning and preparing for the cuts, the coalition will try to maintain the same level of enrollment from 2010/11 to 2011/12.

Action Items

c. Operating Budget for the 2011-2012 Fiscal Year

Lauren informed the committee that looking under School Readiness direct slots they have budgeted to spend the same amount on slots which allows us to serve the same if not more families during the course of the fiscal year. Lauren also mentioned the hard work of the finance team working to maintain the level of services even with the reductions. VPK didn't get an increase because they had ARRA dollars. Lauren stated there is not much change, but just merging two different accounts into one.

Jeremy C. asked the committee in terms of rent, what were we paying at the Woodcrest location. The committee was informed the rent has gone down and the business center has been efficient in keeping cost down as well.

The motion to approve the operating budget for the 2011-2012 fiscal year was made by Chris J. This motion was seconded by Jeremy C. This motion was approved.

d. Approval of Service Contracts and Agreements for 2011-2012 Fiscal Year

In June 2009, the Coalition went through an Invitation To Bid process, as defined in Florida Statute 287, in order to establish term contracts with several providers to purchase quality materials. A term contract is an undefined quantity contracts to furnish commodities or services during a defined period. Term contracts were signed with Kaplan, Lakeshore and Childcraft for the 2009 – 2010 fiscal year.

The committee was asked if these services are bid out. Lauren informed the committee many of services do not have to be procured.

The motion to approve the service contracts and agreement for 2011-2012 fiscal year was made by Chris J. This motion was seconded by Willy G.. This motion was approved.

e. Approval of New Credit Card Limits

The committee was informed after three months of usage it has been determined that there is a critical business need to have the credit cards limits increased. This increase will support the agency's efforts to continue to streamline purchasing processes and acquire goods and services at a more economical rate. The Finance Committee is asked to recommend to the Board that Travis Gordon, the ELC's Finance Director, credit card limit be increased from \$1,500 to \$3,000. After further discussion from the Committee, the members recommended amending the increase from \$3,000 to \$5,000. All existing credit card procedures previously approved by the Board will be adhered to.

The motion to approve the new credit card limits was made by Chris J. The motion was seconded by Jeremy C. This motion was approved.

Meeting adjourned at 9:41 am.

Minutes recorded by: Sabrina Williams, Executive Assistant

Committee Approval Date: 8/29/11

Committee Chair's Initials: MLC

Board Secretary Initials: AR

A digital recording of this meeting is available at the office of the Early Learning Coalition of the Big Bend Region.