

EARLY LEARNING COALITION OF SARASOTA COUNTY
BOARD OF DIRECTORS

School Board of Sarasota County, Brown Awning Building
The Landings, 1960 Landings Boulevard, Sarasota
6:00 PM – January 21, 2009

MINUTES

1. ATTENDANCE

a. Voting Members Present:

Laura Benson	Mike Breton	David Hicks
Chris Kofler	Bill Little	Janice Mee
Lois Natiello	Kathryn Stuckey	Pauline Tracy
Tami Conetta (via conference call)		

b. Non-Voting Members Present:

Dr. Norman Goldstein	Hope Kinney	Lisa Williams
Sonia Figaredo-Alberts		

c. Absent (Voting):

Laura Bauman	Jill Jacoby	Steve Spangler
--------------	-------------	----------------

d. Absent (Non-Voting):

None

e. Staff:

Janet Kahn	Mary Wolf	James Pawlak
Julia Smirnov	Marjorie Fondacaro	Dianne Lawrence

f. Visitors:

Raphael Gomez	Randee Tolbert	Sandy Carpenter
Jennifer Ourednik	Jackie Fountaine	

2. Laura Benson called the meeting to order at 6:03pm.

3. The Consent Agenda was approved unanimously (*motion David Hicks– 2nd Janice Mee*)

4. ACTION ITEMS.

Since Tami Conetta was participating in the Board meeting via conference call, Laura asked that we move on the Action items first while Tami was able to be on the call and be part of the quorum.

a. Laura asked for a motion for the renewal of Board terms for Tami Conetta, Mike Breton and Steve Spangler (*Motion passed, motion Chris Kofler, 2nd Janice Mee*)

b. Tami Conetta explained that after new information was considered following the last Board meeting, the Nominating Committee was now making a motion for the approval of Constance Snyder, Director of Child Care of Pines of Sarasota, as the new private provider board representative. (*Motion passed, motion of committee, 2nd Mike Breton*)

5. PRESENTATION AND APPROVAL OF ANNUAL AUDIT

Laura Benson invited Larry Kraujalis of Florida CPA Services, P. A. to review the annual audit and financial statements with the Board. (*copies were distributed to all Board Members*)

Larry went over the Audit and *Financial Statements June 30, 2008*, which was previously reviewed by the members of the budget and finance committee. The final changes and modifications were approved by the committee prior to this presentation.

He walked board members through each page in detail and explained the various attached letters and listings of expenses and income. He reviewed and highlighted any changes from prior year. Revenues increased due to greater participation of VPK and the implementation of the Look for the Stars QIS program.

He moved on to the Independent Auditor's Report on Internal Control over Financial Report and Compliance. Page 13 and 14 are the independent auditor's report on compliance with requirements and internal control based on the major programs, federal and state. Page 15 is the last page and is the Schedule of Findings and Questioned Costs.

Bottom line is that there were no reportable conditions, questioned costs or concerns noted and it is considered a "clean audit"

Pauline Tracy asked on the page 4 Statements of Functional Expenses what was the difference between the "Professional fees and consultants" and "Contracted support"

Janet answered that Contracted support are for those services that are contracted out such as quality support, inclusion, etc (like our contracts with FCCFD, SCTI). Professional fees would be like hiring a lawyer or a consultant for a particular project.

Larry agreed and added that last year Professional fees and consulting activities were about \$18,000. Janet stated that we have been working on refining all of our budget categories so it is very clear what expenses are in each category.

Bill Little asked what is our typical cash demand on monthly basis. James replied for SR it is about \$500,000 for provider reimbursement, and for VPK it is also about \$500,000. Invoices combined reimbursed from the state are about \$1,000,000 each month. James clarified that the state gives us an advance based on average of the highest month the year before so we do have funds in the bank to make payments and then we are reimbursed each month. Janet added that each month the cash advance is reconciled against actual expenses, then James projects how much we are anticipating needing for the following month. Bill asked about the deferred revenue, which is related to the QIS funds, mostly from the Gulf Coast Community Foundation grant which came in December, when we started our Look for Stars program, so when our FY ended June 30th, we had cash left over that was spent in the last 6 months of the calendar year.

Mike Breton asked if the advance from the state prevents us from having to use our line of credit. James answered that we drew on it once, in October-08 because of having much higher than anticipated VPK enrollment, the highest month we ever had, \$700,000, whereas the cash advance had only been \$430,000. The advance was adjusted the next month to cover that. We do hold a line of credit for those times when due to timing issues, we might be short on cash to cover the expenses. Janet also commented on the fact that the County's Fiscal year is different and there is a significant delay before we get our first payment of county dollars.

Sonia Figaredo-Alberts commented that it is a challenge when we are dealing with 3 different sources of money, each with a different fiscal year.

Laura Benson commented that she appreciates this annual visit from our auditor and especially appreciates hearing that there are no findings or questioned costs. She thanks the staff for doing a great job.

Laura asked where else we are required to present this audit. Larry stated that it goes to all of the Coalition's funders and is sent to the state and federal clearinghouses, etc

There was some discussion as to the nature of this audit and whether there is some duplication with other audits such as what the state does with the Coalition. While there is some duplication, each process has its unique purpose. Mike Breton commented that any funder has the right to monitor, and everyone agreed.

Laura asked for a motion for Board Approval of the Financial Audit, which was approved unanimously - (*Motion Chris Kofler, 2nd - Janice Mee*)

6. CHAIR REPORT.

Laura introduced Raphael Gomez. He is our new Regional Training Coordinator/Analyst replacing Doreen Moskowitz. He used to be an Executive Director of the Early Learning Coalition of Volusia County and understands the challenges. He is located in Deltona, FL. He was recently a Resource and Referral Coordinator at the state office in AWI and is now back to an Analyst position. He is happy to be working with our Coalition and commented that he was very impressed with our clean audit.

Laura gave an update on the quarterly ELC Chair's meeting, the advisory committee to work with the staff from AWI and DOE (known as ELAC). She said the meetings have been helpful to share goals and best practices with one another. She feels that another important role is to give recommendations to carry to the legislators and the Governor.

Laura serves on the ELAC quality committee. There was discussion about the efforts across the state with developing QRIS systems. Laura commented that with our quality program being as advanced as it is now, she hopes that if this becomes a statewide system that they take into consideration what has been done locally and incorporate those elements. The statewide collaborative group of Coalition staff members still meet regularly and continue working on aligning their respective systems requirements. Laura stated that we don't want to re-do what we have. We put a great program together with strong partnerships and high volume of participation of our providers as well as their willingness to participate because they understand the benefits.

The discussion from the ELAC Legislative committee was also a good discussion. Laura reported that facing budget cuts, staff from state agencies are working hard to prevent the required cuts from legislative budget process impacting children. The Chairs' recommendation was to find regulations in place that are costing money and that by removing those regulations this could create the savings necessary. The goal is not to take money away from Coalitions. So much of the funds come from the state match that every dollar taken away loses those federal dollars that are drawn down.

Laura mentioned there is another 4% holdback and that there were some cuts. James replied that we lost \$80,000 at the beginning of the year, and that the SR allocation was reduced by another \$48,295 and for VPK, the cut was \$31,138. The cuts are proportioned to the size of the total allocation. There was also a reduction in the % of VPK total admin and the provider payments.. Bill asked if these costs would result in disenrollment of children and Janet replied that no, it would not. We knew cuts were coming and had held back funds, reduced staff and scaled all expenses back to the minimum. Laura stated that the next Chairs quarterly meeting is March 12 and 13 in Tallahassee where the Chairs would have the opportunity to visit with elected officials.

Laura also mentioned that the Chairs viewed a video that the Flagler Volusia ELC developed to do outreach and to engage the business communities. AWI is going to share this video with all of the Coalitions. Laura stated that we have started this discussion locally and it will be a focus for us to engage business communities in understanding how important early child care is to economic development. How it attracts employers, retains employees, cuts down on absenteeism. AWI will also be compiling some data at the state level for local coalitions to use.

Laura mentioned the invitation to present to the Education Committee of the Chamber of Commerce in Venice on March 24th.

Janet reminded the Board, as a follow up to this discussion, that we need to make sure our local legislators know the about the work of the Coalition and the value of the Coalitions within the local

communities. Across the state there are new legislators, some who know little about the Coalitions and may not value the work that is done. Laura recommends sitting with our local legislators one on one and just going over what we do, who we are, and not ask them for anything, just help them understand the roles of the Coalitions. Laura asked the Board to think about those opportunities. Laura also wants to take advantage of the fact that Janice Mee has a great experience with the legislature, due to her 16 years of service on the local School Board.

b. Building Better Boards- annual Board self evaluation process

Laura reminded the Board about the Building Better Boards annual self evaluation process. Chris Kofler commented that some of the Board members had extensive interviews with AWI monitoring staff and didn't that count as evaluation? Laura commented that we did receive feedback from that process as to the functioning of our Board, but that the Building Better Boards is a local service provided by Gulf Coast Community Foundation. We have participated in this over the years and it is helpful to see the content of what comes in the report, changes and areas where Board members themselves identify as either strengths or areas for improvement.

7. DISCUSSION ITEM/ NEW BUSINESS.

Establishing possible cap on protective services children, if needed to manage budget

Janet framed the discussion on a possible cap on protective service children. She mentioned that this is something several other Coalitions have done in order to manage the high volume of protective service referrals. They develop memorandums of understanding between the ELC and DCF. The billing category of BG1 refers to the protective services children who referred by the DCF. Laura commented that she thought all children in protective services are mandated and that as long as they are BG1 they will stay under that category, they will be considered protective services.

In practice all Coalition try to honor that intent and serve all BG1 children but technically the law only covers the Rilya Wilson 3 year olds. This came up in the recent Budget and Finance committee meeting. Because we are not required to serve these children, we have to examine this in the context of our budget issues and ensure that there is a dialogue with DCF and Safe Children Coalition and that there needs to be accountability for the children referred.

Janet informed the Board that out of the 17 cases cited during our eligibility audit, 10 of them were out of compliance, specifically due to missing or incorrect information on the protective services referral, and/or the case has been closed and we were not informed. These can result in disallowed costs. Linda Mason has made numerous attempts to work with DCF staff on this issue and they are not always receptive. Laura commented that it was an issue to deal with a partner agency, to ensure that at least we were serving right children in the right category.

There was some discussion as to the implications of establishing a cap. Lois Natiello defends her agency and explains the atmosphere in which DCF has been operating in recent year, the huge cuts in staff and some of the constraints. She asked about doing electronic referrals instead of faxes, as that is causing delays and inefficiencies. It could be about 2-3 days until the referral has reached the right person, therefore the it delays communication between DCF and Coalition. She stated that another issue is if the family is not interviewed within 10 days, they must have another referral.

DCF and Coalition should establish clearer communication and meet to discuss these issues and come up with a solution that makes the referral system work better. Laura asks Lois to facilitate this since Linda has tried and has not been successful in getting the current DCF staff person to meet.

Rafael mentioned that this has been an issue for a long time across the state. Both sides are affected. He suggested quarterly meetings at a minimum between two agencies to establish referral consistency.

Sonia shared that previously there were issues her agency had when dealing with two different age groups and different agencies and that it took some time to coordinate meetings and implement some new systems. Now the system has been working great and meetings helped out a lot. Sonia suggests that both agencies find what are the system issues that are adversely impacting both agencies, what do

we need to do to serve our children and what are the barriers that are interfering and then develop the resources appropriate to manage the process successfully for both. Lois committed to working with Linda on making this happen.

Bill Little commented that we were \$60,000 ahead last year on expenditures for BG1 and that this billing group is growing very quickly as are the TANF families billing group, which are mandated. He questioned how we can both meet the demand and prioritize. What are the strategies to meet increased demands. Janet answered that we have to live within our budget, period, and Coalitions must manage that by ensuring that we are serving the children most in need. We can ask for additional funds when available but we cannot count on that to keep within our budget.

Hope Kinney mentioned developing systems and suggested Lois assign a specific DCF liaison for better communication.

Mike Breton suggested using technology as much as possible.

Rafael mentioned that there are sometimes issues with the appropriateness of the referrals and workers do not always understand the impact of each referral if not correct.

Laura suggested that within the next month that there be a meeting with DCF and give an update as to the steps to resolve the issues, so that a firm cap is not necessary, but instead a better system of communication for prioritizing children/referrals.

NO PUBLIC COMMENT

8. EXECUTIVE DIRECTOR REPORT.

Written report was sent to the Board members prior to the meeting

Janet mentioned the upcoming annual Provider Conference and we have 387 people already registered. It is the 8th annual conference and it has come a long way since the first one. Janice Mee and Bill Little will come and speak to providers and thank them for commitment to children and their participation in the Look for the Stars program. Bill asked how many were at the 1st conference. Hope and Janet both thought about 100, and that was considered good at that time!

9. OLD BUSINESS:

Audit Committee update

Mike reported that he and Laura Benson had an initial meeting with Janet and James to review the areas that might be focused on from an Audit Committee perspective. He stated that it is important to review the procedures in place and the protocols that exist and ensure that they work as intended. He also said that for example, one thing would be to determine if the firm selected to conduct the annual such as the one who presented tonight was selected according to an appropriate process and meets the qualifications, standards, etc.

Laura asked Rafael if he had experience with other Coalitions and if they have their own audit committees and the scope of work they perform. Rafael stated that it depends on operationally how you do your quality assurance, what tools have been developed for this purpose, etc.

Mike stated that as a best practice recommendation for non-profits, we want to implement it but we also don't want to reinvent the wheel. We need to look at what systems are in place and if they are effective and doing what they should be doing. Initially Laura and himself sat down with Finance Manager and Executive director and from there ask them to advise us on what they do to ensure the fiduciary responsibilities are being met, then we'd carry it to the next level which would be discussions with the contracted CPA and our audit firm. If every thing is copasetic then we don't have an issue. If we see something that we question, then it is the responsibility of the Board to address it.

Janet stated that yes, this is being recommended as best practice, coming out of all the issues of fraud etc that have happened with a variety of organizations over the years where there was complacency of

board of directors in their governance over the organization. The Board needs to be assured that when we say we have appropriate practices in place, that we follow them, and to catch something should if happen. Other areas for review, according to a Audit Committee Tool Kit that has been developed for non profits, include looking at whether the organization has appropriate insurance, and an evaluation of other risks, and that there is appropriate procurement. This is in addition to monthly fiscal review processes and the annual single audit process. Laura stated that she wants to ensure that it adds no more work to staff and that it is not duplicating something that is already being done. Laura is very aware that the monitoring and audits that are requested take an extraordinarily amount of staff time and that cost alone is significant. She would like us to perform the function but not in such a way that we are creating more work.

Hope Kinney stated that Head Start has a system in place to evaluate financials, that includes all the audit aspects, and it's an annual requirement and the system is already there, bringing in outside people, with a system already there with the check list. Rafael stated that we already review at the Finance committee the financial statements, review your monthly statements at the board level and he plans to go back and look into it further from the state perspective. Laura stated she's struggling with it because she finds it redundant. Basically from reviewing the kit, it's an exception based processing system, what is the system you have in place and is it serving it's function. Janice Mee stated that James does a very thorough job for us each of monthly meetings, with several separate documents that he prepares and she thinks things are in good shape. Janet stated that she would send Raphael the Audit Kit and also the items from the state that indicate this is something that will be required of Coalitions. Mike and Laura said that they will continue to explore and evaluate what is truly needed and the best process to meet this requirement.

Retreat plans

Laura stated that the Board had decided to put off talking about retreat until after the holidays, looking at March meeting being a possible retreat meeting.

There was some back and forth discussion as to the focus for this retreat. Janet reminded the Board that they had wanted to talk about more connection with the business community and how we really do that in a meaningful way. She also mentioned that Mike Bigner, formerly of the Gulf Coast Community Foundation, is now a consultant and is available to facilitate a Board retreat.

Sonia asked what the purpose of this retreat would be and what is the outcome that we are trying to achieve. Laura replied that every year or two, we establish the strategic plan for the staff and for the board to determine in which direction shall we move, we analyze the plan that we created in the past and ask are we where we want to be, it's our review. It sets the strategic plan.

Janet stated we are at the end of a three year plan and one of the things that we thought we might have to do is a new plan for the state. That is on hold and we will be doing an update and extension but we are at the end of the current plan and have met most of our current goals. She reminded the Board that at the meeting in November, she raised the issue of what are the next big areas of focus. Sonia said her purpose of bringing the question to the group is you have met the goals and where do you take the coalition from now, wouldn't you reassign your purpose and your new initiatives based on the state plan, aligning your next steps or goals on what the state is going to expect from the coalition.

Janet replied that yes to some extent but the broad areas of purpose for the Coalition remains the same from the state perspective and current mandates. We are to continue to work with partners in the community to prepare children to be ready for school. Sonia asked how deep can you go next. Janet said that is a local decision, we have a lot of autonomy at the local level, Rafael confirmed that is it based on the expectations of the state and the legislation, but your specific goals are based on your local community needs. Janet said the State expects for the local boards to determine local priorities, there is a list of activities that are mandated and how we will carry them out but the rest is how we are going to improve the quality of care for example, is based on the locally determined community goals. Janet stated that one other issue that has been talked about is reaching parents whose children are not in preschool, for example. Janice Mee stated that she would like to go back to the point of the focus on the economic message to the business community.

Mike asked about the prior process for developing the current three year plan that is going to end. Janet discussed the process that was engaged in three years ago to develop the current Plan. It is an extensive process where all community partners are engaged to discuss needs, gaps, expected outcomes, etc. That is a different process than a Board reviewing priorities at an annual retreat. The Board could determine that we need to do that extensive process, even if the state is not requiring it now. But we could also do that assessment on a smaller scale.

Laura said that in order to set a retreat, the strategic planning committee usually begins meeting now and start to set the definitions of what data we need and where we want to focus. That's where some of this discussion would be. Laura said she thinks it is a multi step process to do a strategic plan. In the past we have hired a facilitator and it began the process of strategic planning. We haven't had to go through that in the last several years. The Strategic planning committee may decide that we need to have another big meeting like in the past. Laura stated that Tammy has always chaired the Strategic Planning committee and then asked who else could volunteer to be on the committee. Kathy Stuckey and Hope Kinney volunteered to help at this point.

9. FINANCE Report.

Written monthly update was distributed by James and reviewed with the Board members.

10. ADJOURNMENT.

Laura Benson adjourned the meeting at 7:13pm

Next Board of Directors meeting February 18, 2009