

EARLY LEARNING COALITION OF SARASOTA COUNTY
BUDGET AND FINANCE COMMITTEE MEETING

Cavanaugh & Company, LLP, Conference Room, 2381 Fruitville Road, Sarasota

31 July 2009

MINUTES

1. ATTENDANCE.

a. Members:

Linda Mason Janet Kahn Steve Spangler Chris Kofler

b. Staff:

James Pawlak

2. CALL TO ORDER. The meeting was called to order at 8:00 a.m.

3. OLD BUSINESS. *Utilization, see all items below*

4. NEW BUSINESS.

a. FY2009 CCC/Business Manager Reports.

1. **SR & ARRA Enrollment & Provider Payments** – In June we paid out \$268k in SR and \$142k in ARRA slot dollars. This compares to May in which we paid out \$317k in SR and \$114k in ARRA slot dollars. The total amount of slots payments was \$21 less than in the previous month.
2. **News's and Terms** – In June the net "Terms" for the month was 33 children. James stated that the reason we finished Fiscal year 2009 with a projected SR deficit of \$61k (before the final invoice, actual amount may be slightly higher) was that we did not see the type of attrition in our Termination numbers like we saw in FY2008. *Reviewing the last four months of each fiscal year we saw 602 terminations in 08' versus only 276 in '09.* As we head into FY2010, we continue to bring in only mandated children – (BG1 & BG3). We will need to anticipate and project that there will be much less attrition going forward
3. **BG1 SR Enrollment & Provider Payments** – FY2009 totals for BG1 were: 1865 children served with slot payments of \$789,951 dollars – which was an increase of 14.1% over FY2008. This dollar amount represented the highest yearly payout in the Coalition's history. The total dollars budgeted at the beginning of the 08' was \$650k. James stated he has initially budgeted \$750k for this category in FY2010. If this category's monthly payout continues to stay as high as it is, then it is unlikely that we will be able to enroll any BG8 (Working Poor) children for the remainder of this calendar year.
4. **SR Days Paid & Per Day Costs** – As expected, the cost of an average day of service increased to \$18.64. With less children being served, and the majority of our costs being fixed, James states our "OEL" per day costs will remain above average until we can open enrollment.
5. **Board Management Report** – James reviewed with the B&F committee each indicator as FY2009 has come to a close: For School Readiness - Admin costs were budgeted at \$195k, actual was \$164k – Non-Direct costs \$571k budgeted, actual was \$520k. So we were under in all operational costs due to careful review of spending and very efficient use of staff resources. We have consistently done this for the last 4years.

All \$458k that was budgeted for Quality will be spent and that is part of our expected match for the private local QIS funds that we receive. Gold Seal payment to providers was

budgeted at \$150k, based on prior years and we will only pay out \$97k. This requires some analysis as to whether it means that there are less GS providers or whether GS providers are now even less likely to serve SR children. James stated that he will only budget \$120k for this category in FY2010.

Infant & Toddler we were required to spend a minimum of \$56k – our actual number will be \$61k. The mandated minimum dollar amount for CCRR \$101k, and our actual was \$115k. Child Care payments had to be at least 70% of our base allocation and our actual payment percentage was 74.8. So we definitely met all three of those mandated minimum thresholds

Of the \$253k in ARRA funds allocated to us for FY 09, all but \$2k was spent, the remaining dollars will be rolled over into FY2010 ARRA category.

As stated as part of discussion of item 2 above, we will have a projected deficit of at least 61k, maybe higher, in SR child care slots. Janet reminded the committee that AWI recognizes that coming within 1.5% of total budget, either deficit or surplus is within expectations. In addition, the ARRA funds allocated for FY 2010 will cover this deficit and the higher than typical enrollment of children. The ARRA funds allow these children to remain in care and allow us the full year to work down from the high enrollment, although as has been discussed in prior B & F meetings, we will have to be very careful in monitoring utilization, given the continued trend of high mandated referrals, lower than usual attrition, and that the core base SR allocation was reduced in the last legislative session and the ARRA funds are only temporary.

In our VPK program, Admin costs were budgeted at \$180k, our actual was \$172k. VPK slot payments were \$106k over our reduced allocated amount of \$4.7 million. Janet stated that VPK is an entitlement program; therefore we are required to serve all children who request VPK and the state is required to cover the shortfall. In addition she said that the majority of our Coalitions around the state have experienced the same situation, as VPK enrollment has steadily increased over the past three fiscal years. Despite this, the legislature reduced all of the VPK allocations mid year and this has caused the deficit. James replied that he has been instructed by AWI to put the deficit carryover of \$95k into our VPK FY2010 Spending Plan.

6. **SR Spending Plan** – James provided the B&F committee with the FY2010 SR Spending Plan. After reviewing it, Steve asked James to produce an additional report for our next meeting. He would like to add two additional columns to this report. Next to the FY2010 Budget column, we would insert a column showing what the FY2009 Budget dollar amount was for that Financial metric and the next column would be what was the FY2009 Actual final dollar amount for that metric. James replied he will be ready to provide the report to the B&F committee at our next meeting in September. This will allow us to compare year to year. Janet asked for there to be a separate report showing the BG3/5 mandated referrals, like the BG1 report as this year, the mandated TANF referrals became an even greater determining factor in over utilization this past year.
7. **VPK Spending Plan** – As noted earlier, our FY2009 VPK slot payment overage of \$106k, has been carried forward to the FY 2010 plan. Our VPK admin budget amount is \$200k. Linda stated early indications are that we will achieve record enrollment for the FY 2010 VPK fall program.

b. Accountant Reports.

- a. James stated that all outstanding dollar amounts shown on the A/R Aging Report have been received. On the Profit & Loss Budget vs Actual report – He also stated that of the major line items – overall salaries came in \$10k under budget, occupancy costs were \$12k under budget

and office supplies were \$3k under budget. Steve inquired as to why we had to send a check in the amount of \$19,059.22 to the Community Foundation of Sarasota County. Janet replied that there were two expense items that we had not needed in Year 1 for our Early Literacy grant. The Community Foundation grant agreement requires that unused funds are returned but they stated that would reallocate the dollar amount in Year three of the grant to the overall project among all partners.

5. DISCUSSION.

a. James stated that this week he emailed to Carter Lane of Berman Hopkins Wright & LaHam all available documents (contracts, policies and procedures, financials–Profit & Loss report, prior audits, General Ledger etc...) so they can begin pre-site work on our audit. Two employees from their firm are tentively scheduled to be at our ELC offices the week of September 14th through September 18th to conduct the on-site work.

No other items were brought up for discussion. James informed the committee that we normally do not meet in August (not far enough into the new Fiscal Year yet to see trends, etc). It was agreed upon that the next meeting will be on Friday, September 25th at 8:00 a.m.

6. ADJOURN. The meeting was adjourned at 8:38 am.

James Pawlak