

EARLY LEARNING COALITION OF SARASOTA COUNTY
BUDGET AND FINANCE COMMITTEE MEETING
Cavanaugh & Company, LLP, Conference Room, 2381 Fruitville Road, Sarasota
28 May 2010
MINUTES

1. ATTENDANCE.

a. Members:

Linda Mason Janet Kahn Steve Spangler Janice Mee Nicole Parker

b. Staff:

James Pawlak

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

3. OLD BUSINESS. *None*

4. NEW BUSINESS.

a. *FY2010 CCC/Business Manager Reports.*

1. **SR & ARRA Enrollment & Provider Payments** – In April, our SR slot payment was \$309,478 with 1,065 children served and our ARRA slot payment was \$37,740 with 106 children served. Our projected deficit for FY2010 is \$107k. Our letter to AWI requesting and additional \$125k in SR funds has been declined as we were instructed that we needed to use ARRA funds to cover this. In June, we will have to transfer children from SR into SR-ARRA after we utilize the total amount of our FY2010 SR Grant award of \$5,297,553. Then we will move them back in the new fiscal year as ARRA funds will end.
2. **News's and Terms** – In April, net "News" were forty-five. As stated above our request to AWI for additional funds has been denied. For the remaining of this fiscal year we will only be accepting mandated referrals.
3. **BG1 SR Enrollment & Provider Payments** – For the fourth consecutive month, BG1 costs of \$50,057 continue to be in line with our Budgeted amount of \$52k. We are currently on pace to spend \$700k for FY2010 – down from last year's amount of \$789k. Janice asked if the area's economy had improved which might explain the monthly reduction of BG1 outlays. Janet replied that our area's economic conditions are showing a slight improvement over the past six months. James stated he would probably look to budget \$675k in BG1 costs for FY2011.
4. **BG3 SR Enrollment & Provider Payments** – April saw our first decrease in monthly reimbursement dollars (\$41K vs \$48K in March) Janice remarked that workloads at "Job's Etc...)" are trending slightly lower over the past sixty days. Steve inquired if that was because there are less people living the County. Janet's response was she did not believe that was the case. She mentioned that the area's cost of living has now become more affordable due to the economy. The true test will be over the summer months – that is when the families that we serve generally move in and out of the area. We will see if we lose families overall at that time.
5. **SR Days Paid & Per Day "OEL" Cost** – April - OEL Cost per Child per Day came in at \$16.65 which is below the FY2009 average of \$17.43.
6. **Board Financial Indicators** – James stated we are currently \$16k under budget in our Admin and Non-Direct costs. He reminded the committee that any excess dollars in these

line items will be moved to our SR slot category to reduce our projected deficit. The next three indicators covered by James were (Quality, Gold Seal and Infant & Toddler) He stated we continue to be in line to spend what we had budgeted for in each of these categories. Janice asked why our Gold Seal payouts have declined over the past two years (down from \$150k in FY2008 to \$106K projected in FY2010 – Janet responded that the requirement to maintain the designation at the NAEYC level is very costly and getting harder to maintain. She also added the feedback from our Providers stated they did not see much benefit from continuing the certification and some have let it lapse. SR Child care slots were discussed next, we are currently at 71.4% of total expenditures spent (the minimum required by AWI is 70%).

The last two indicators reviewed were our VPK and VPK ARRA slots. James informed the committee that he projects a deficit of \$107k for FY2010. All VPK-ARRA monies (\$536,873) have been utilized in FY2010.

7. **SR Spending Plan** – Since our letter to AWI requesting additional funds for FY2010 has been denied, we will have to flip children out of BG8 and CCEP into ARRA before we can process the June invoice. James had hoped to carryover about \$200k in ARRA funds for FY2011 – it now looks like the amount will be less than \$100k.
8. **VPK Spending Plan** – James stated the VPK admin costs will finish FY2010 under the 4.65% threshold. We currently are running at an expenditure rate of 3.5%. He still forecasts a VPK deficit of \$137k.

b. Accountant Reports.

James reviewed with the committee the outstanding items on the A/R aging summary report. We had one item in the over 30 day category – which was \$108,197.16. James informed the committee that these were three March County Invoices (Main Contract, Positive Behavior Support and Challenging Behavior Program. As of yesterday, May 27th – we still have not received payment for these invoices. James will contact the County this morning to receive a status on when we can expect payment. He is confident that we should receive the dollars within the next week. James has noticed this pattern over the course of FY2010 – the County is taking an extra one to two weeks to reimburse us. The other item on the A/R report is in the 61 to 90 day category – which is \$439.00. This amount is actually a bookkeeping error. James worked with Eric Fontana and the entry which included this amount has been properly credited – it will not show on next month's report. There were no outstanding items on the A/P report. Moving on to the Deferred Revenue report – James stated that the remaining \$4,456.33 in Early Literacy dollars has been utilized. The yearly report will be finalized next week and forwarded to the Community Foundation of Sarasota County. Janet asked Janice if she knew if the third year grant dollars (\$83,790) has been approved. She replied as far as she knows it has been.

5. DISCUSSION.

Janet opened up the discussion portion of the meeting to inform the Board that we would consider changing PEO's sometime in the future. Our former PEO (Selective HR) was merged into AlphaStaff in January. While our Human Resources manager decided to stay with the company, the level of service overall we have received from them is not the same. She is particularly concerned with the new 401(K) plan. At SelectiveHR – the plan was administered by Mass Mutual Insurance Company – a nationally well known and respected Insurance Company. The new plan would be administered by Capital Plan Retirement Services out of Ponte Vedra Beach, FL. She would feel much more comfortable with a reputable financial company.

Steve stated that "Oasis" a local PEO uses "Lincoln Financial Insurance Company" for their 401(k) plan. Janet asked James to send out emails, requesting information from four local

PEO's. The Committee decided the four would be – Administrative Concepts, Paychex, Oasis & ADP. Linda will also call references provided by the PEO's and ask them how they would rate their current level of HR support. Janet stated one good thing did come out of this situation, we were able to hire our former Payroll Specialist from Selective HR (Erin Anderson), whose position was eliminated with the merger, to fill our current opening in our Finance Reimbursement department. James stated to the Committee that he feels she is going to be a great fit for the position and for our ELC organization.

At this time, no further items were brought up to the committee, so James ended the meeting stating we are tentatively scheduled to meet again on June 25th at 8:00 a.m.

6. ADJOURN. The meeting was adjourned at 8:35 am.

James Pawlak