

EARLY LEARNING COALITION OF SARASOTA COUNTY
BUDGET AND FINANCE COMMITTEE MEETING

Cavanaugh & Company, LLP, Conference Room, 2381 Fruitville Road, Sarasota
10 December 2010

MINUTES

1. ATTENDANCE.

a. Members:

Janet Kahn Steve Spangler Linda Mason 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. FY2011 CCC/Business Manager Reports.

- 1. SR Enrollment & Provider Payments** – In October, our SR slot payment was \$337,148.00 with 1,086 children served. We are currently budgeted for \$289k in monthly SR slot expenditures over the next six months. James believes the \$337K will be the highest monthly SR payment slot amount we will incur in FY2011 because since we can only enroll children that are served in BG1 (Protective Services) and BG3 (Workforce Training) slots and we should see some attrition.
- 2. News's and Terms** – In October, net "News" were fifteen. As stated above, since our SR-ARRA slot dollars have been fully utilized, we will now only bring in children, who are mandated referrals.
- 3. BG1 SR Enrollment & Provider Payments** – October BG1 costs increased to \$65k. The number of children served in October was 150, which was an increase of 24 children from the previous month – (we served 126 in September). James stated that with this increase in children served and dollars paid out, we are projected to be in line with this year's FY2011 overall budget amount of \$700k.
- 4. BG3 SR Enrollment & Provider Payments** – Our BG3 costs for October came in at an all time record high of \$54,974.00. We are currently paying out \$17k more in monthly BG3 expenses than in FY2010 – at this rate we are looking to pay a total of \$575k in FY2011 BG3 costs compared to \$450k in FY2010. Janet asked James to perform an analysis as to why our BG3 costs continue to spike upward. She informed the committee that the Board of Directors did approve an Infant and Toddler rate increase at our March meeting, but she believes it could only account for part of the increase in the monthly payout costs. Steve stated that we should take two months from 2010 and compare them, making sure both months were after the rate increase was approved. He suggested June and October. In June, we served 124 children with a payout of \$47,274 and in October, we served 128 with a payout of \$54,974. Comparing months, we served only four more children yet paid out \$7,700.00 more in BG3 costs. James replied that he will have an analysis completed and present it to the committee at our next meeting – January 28, 2011.
- 5. SR Days Paid & Per Day "OEL" Cost** – October - OEL Cost per Child per Day came in at \$18.00 – which is slightly lower than our year to date average cost of \$18.15.

6. **Board Financial Indicators** – As of October, we are currently overall \$35k under budget in our Admin and Non-Direct costs. The next three indicators covered by James were (Quality, Gold Seal and Infant & Toddler). The Quality indicator is \$47k under budget – James commented to the committee that our Quality costs are normally higher in the second half of the fiscal year – because we place our Provider Mini-grant material orders at this time, which involves a substantial amount of Quality dollars being utilized. The next two indicators - Gold Seal and Infant Toddler are in line with expectations. CCR&R was discussed next – James stated our total projected dollar amount for the year is \$97,829 – which is \$4,171 dollars below the minimum amount of \$101,616. Janet asked Linda to review with our Child Care Connection staff to ensure that they are allocating their time correctly. The next indicator discussed was SR Child care slots, James reported that we are currently at 75.0% of total expenditures spent (this % is over the minimum required by AWI - 70%). James reminded the committee that this percentage will trend lower over the remainder of FY2011 as overall total expenditures rise and our SR monthly slot payments will likely fall below \$300k a month – however he added that we will still be comfortably over the 70% figure by Fiscal year end.

The last two indicators reviewed were our VPK and VPK ARRA slots. Our VPK admin expenditures are 6.1% vs. the target of 4.5%. James reminded the committee that this is normal occurrence at the start of each Fiscal Year as VPK enrollment costs are high in July and August while the VPK payment slots do not ramp up until the September reimbursement period. James believes we should be below the 4.5% threshold when we reconvene for our next meeting – held on January 28, 2011. For VPK-ARRA – we were allocated a total of \$928,402 for FY2011 – James informed the committee that with the completion of October reimbursement, all these dollars have now been fully utilized.

7. **SR Spending Plan** – Janet inquired as to why our Admin/Non Direct costs were higher than what are typical month's expenses. James replied that part of the increase was due to it being a five week payroll period compared to a 4 week period the previous month. Moving on, with the substantial increases in monthly BG1 and BG3 slot payments – approximately \$27k more per month than just two months ago – James has had to increase the expected monthly slot payouts for these two categories for the remainder of FY2011. We are now forecasted to have a \$140k shortfall in our FY2011 SR budget. As stated before – we are now only accepting mandated referrals.
8. **VPK Spending Plan** – James stated that we currently have a VPK surplus of \$30k – assuming that AWI does not come back and reduce our grant amount – we should be in good shape to finish out FY2011 with a small VPK surplus.

b. Accountant Reports.

James reviewed the A/R aging summary report with the committee. The \$86,834.25 dollars under the (Sarasota County – 31-60 day category) representing the September main County Contract - \$55,496.82 and PBS - \$31,337.43 contracts. These dollars were received and deposited on November 23rd. The last item was \$1,682.00 dollars under the (SB6 – 1-30 day category) representing the September reimbursement. These dollars were received and deposited on November 10th. There were no outstanding items on the A/P report.

The next report reviewed was the Budget vs Actual report. James informed the Board that as of October, our Coalitions salaries are \$29k under budget, CCC is \$8k under and VPK is \$9k over budget, which is to be expected because of VPK enrollment costs. James also added that during the next four months – as in previous fiscal years our VPK salary costs should decline to a more normalized amount.

Steve asked why under the Coalition Expense line “Provider Quality Materials” we would be \$21k under budget while the Contracted Support line “QIS Supplemental” would be \$116k over

budget. Janet replied that these are basically payment timing issues and would be smoothed out over the course of the Fiscal Year.

The last report covered was the Deferred Revenue report. James then provided additional comment to Steve's question on QIS costs – he stated we spent approximately \$160k in QIS supplemental payments which would further explain why we are substantially above budget on the QIS Supplemental line. The last inquiry was asked by Janet. She asked James if the remaining \$1,869.16 under the GCCFV Technology line has been spent, he replied yes. It will show a zero balance at our next meeting.

5. DISCUSSION.

There was one item brought up for discussion to the committee. Janet reported to the Committee that our FY2010 Audit was presented to the Board at our November meeting. As in the previous year, our audit was qualified as a "Low Risk" auditee for Federal and State purposes. Steve congratulated both Janet and James for this rating. In closing, Steve reminded James to provide the committee an analysis on our BG3 costs at our next meeting, James replied he would do so.

James stated our next Budget and Finance meeting is tentatively scheduled for Friday, January 28, 2011 at 8:00 a.m.

6. ADJOURN. The meeting was adjourned at 8:32 am.

James Pawlak