

Early Learning Coalition of Escambia County
Executive Finance Committee Meeting Minutes
May 25, 2017 – 8:30 AM

Members in Attendance

Kim Carmody Brett Rowell Roger Thompson Mona Jackson
Van Mansker Tammy Hicks

Members Called In

Kermit Housh

Staff

Bruce Watson Becki Rutchland Dawn Engel Holly Stratton

I. Welcome and Introductions

The meeting was called to order by Ms. Carmody. Because he was unable to attend in person the Committee Chair, Mr. Housh, asked Ms. Carmody to Chair the meeting and she agreed.

II. Public Comments

There were no public comments.

III. Consent Agenda:

a. Consent Agenda Approval:

Upon a motion made by Mr. Thompson and seconded by Ms. Hicks, the Consent Agenda consisting of the Agenda, the Minutes of March 23, 2017 and the March and April 2017 Financial Statements were accepted without objection.

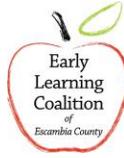
IV. Status Reports

a. SR/VPK Fiscal Year Utilization/Projections:

The Coalition finished April 1% below projected budget expenditures, however, the cost per child for child care always increases in May-June due to school agers going from part time to full time for the summer, so the Coalition currently being slightly below the expenditure timeline was planned for.

b. Enrollment/Wait List Status Report:

As of May 21, had 3,020 children enrolled in the School Readiness Program, of which 1,213 were school age children. The Coalition has been controlling enrollments steady at just over 3,000 children. There are 1,005 children on the Wait List. Of those children on the Wait List, 842 are birth to five, with 643 of those having no school age siblings. There are 163 school age children on the Wait List.



There are already 1,129 children enrolled in VPK for the 2017/2018 fiscal year. That means about half of the children that are expected to attend are already enrolled in VPK. This is a benefit of having an online enrollment system.

c. Contracting and Fraud Summary Report:

Currently, there are 140 SR providers. For this fiscal year, only 8 providers were terminated by the Coalition. The most recent termination was due to the provider hiring the son of an ineligible provider as their operations manager. There have been few fraud cases this fiscal year. However, there have been two recent cases involving clients. One client quit work two weeks after receiving a voucher a year ago, and the other client got married three years ago, but neither client reported their status change to the Coalition.

d. VPK Allocation Status:

For the first time, ever, the Coalition has had to request a re-obligation of funds for their VPK grant from OEL due to almost 200 more children enrolled in VPK in 2016/2017 than in 2015/2016. The grant amount for 2016/2017 was based on the VPK attendance from the previous year, 2015/2016. For the current fiscal year, the Coalition has already spent 100% of the VPK grant. The Coalition is waiting to see how OEL will address this issue.

V. Committee Recommendations

a. Developmental Screening Process Policy and Procedure, ELCEC 4300.1A, New Policy - Recommendation:

The Coalition has created a new policy and procedure to publish requirements for conducting developmental screenings. The Developmental Screening Process Policy and Procedure states the Provider's and Coalition's responsibilities in accordance with Rule 6M-4.720, F.A.C. Mr. Watson gave kudos to the staff for putting together this policy. Upon a recommendation from the Resource Development Committee and seconded by Mr. Thompson, the Executive Committee recommends that the Board approve the Developmental Screening Process Policy and Procedure, ELCEC 4300.1A.

b. Rate Change, QRIS, Child Priority Proposal – Multiple Recommendations:

The details and RDC recommendations pertaining to these agenda items are in Section VIII.

VI. Old Business

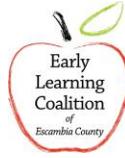
a. Accountability Review – January 23-25, 2017: OEL Report Pending:

OEL provided the final report to the Coalition earlier this week. The Coalition now has thirty days to prepare Corrective Action Plan for each finding. There were no findings that impacted the Coalition's finances or provider payments.

VII. New Business

a. Anti-Fraud Plan, ELCEC 4101.1D, Policy Revision - Recommendation:

Each fiscal year OEL requires the Coalition to update its Anti-Fraud Plan. Mr. Watson reviewed with the Committee the few revisions that needed to be made to update the policy. Upon a



motion made by Ms. Hicks and seconded by Mr. Rowell, the Executive Committee recommends that the Board approve the Anti-Fraud Plan, ELCEC 4101.1D as revised.

b. Legal Services Agreement - Approval:

Mr. Watson presented to the Committee the annual agreement, Conditions of Service, between the Coalition and Fountain, Schultz & Associates, P.L. for legal services. Upon a motion made by Mr. Thompson and seconded by Ms. Hicks, the Committee recommends that the Board approve the Conditions of Service agreement.

c. Capitalization Threshold – Approval/Recommendation:

OEL allows the Coalition to have a Capitalization Threshold up to \$5,000. Mr. Watson is proposing that the Coalition increase its current threshold of \$1,000 to match the State's threshold of \$5,000. Upon a motion made by Mr. Rowell and seconded by Ms. Jackson, the Committee recommends that the Board approve the proposed increase.

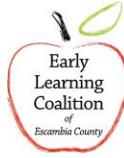
d. Department of Health Medical Support Services Contract for 2017/2018 – Recommendation:

There were no substantive changes in the contract for medical support services with the Department of Health for 2017/2018. The budget for the coming year is only slightly different in the total amount, less than \$100, and there were some changes in the cost allocations. The only notable change in the contract was in the addition, or modification, of the various assurances that are required by the State in all contracts. Mr. Watson added that both he and the Providers have only good things to say about the medical support staff. Upon a motion made by Ms. Hicks and seconded by Mr. Thompson, the Committee recommends that the Board approve the Department of Health support contract.

e. Fiscal Year 2017/2018 Budget – Recommendation:

The draft Fiscal Year 2017/2018 budget assumes that next year's funding will be the same as this year's. Legislative actions this year resulted in only minor changes in the funding for early education programs. We are still waiting to see what impact, if any, these changes will have on local grant awards. When OEL provides the Coalition its' grant awards, the budget will be revised if required and presented to the Committee. The Coalition is required to expend at least 78% of its School Readiness budget on direct child care services. The FY2017/2018 budget has dedicated 80.5% to slots and 7.82% to Quality. Mr. Watson requested a 3% increase in staff salaries, effective October 1, 2017. The Committee thought 3% was not enough, and proposed 5% instead. After further discussion, Mr. Housh recommended that staff salary increases be readdressed after the final grant award is received. Mr. Watson thanked Ms. Rutchland for getting the FY2017/2018 budget completed. It was agreed that a final decision regarding an increase in staff salary would be delayed until the grant award for FY2017/2018 was received. Approval of the budget is necessary to give the Coalition staff the authority to expend funds starting July 2017. Upon a motion made by Mr. Thompson and seconded by Ms. Jackson, the Committee recommends that the Board approve the budget as presented, except for the proposed staff salary increase. Conflict of Interest forms were signed by Mr. Rowell and Ms. Hicks.

f. Division of Blind Services Appreciation Award to ELCEC:



The Division of Blind Services recently had their 75th anniversary celebration. They recognized the Coalition with an Appreciation Award for employing three blind people in the past three years, as well providing summer employment for students in their Teen Transition Program.

VIII. Special Topic – Provider Rates, QRIS and Child Eligibility

a. QRIS Program Guide – Recommendation:

Mr. Watson reviewed with the Committee additions and changes to the QRIS Program Guide. The Coalition conducted two workshops and received helpful feedback from Providers. Mr. Watson pointed out that there was a typo on page seventeen of the Guide under the section Calculation of STAR Rating, the entry “40 (60%)” needs to be amended to read “60 (60%)”. Mr. Watson stated that he will correct the typo before the Guide goes to the Board for approval. The RDC recommended approval of the guide. Upon a motion made by Ms. Jackson and seconded by Mr. Thompson, the Committee recommends that the Board approve the QRIS Program Guide as amended.

b. Provider Rate Change – Recommendation:

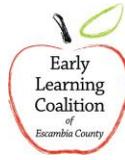
The cost differentials of various rate change options were presented by Mr. Watson to the Committee. The change in service rates is proposed for two reasons; to bring the Coalition rates and market rate percentile closer to State averages, and use the cost saving benefits for rate incentives associated with a quality rating system. Mr. Watson suggested that the Committee recommend to the Board the option to cut the afterschool rate by 10%, cut all other rates by 5%, and to not change the Gold Seal rates, in FY2017/2018. The RDC recommended approval of the rate changes as suggested by Mr. Watson. Upon a motion made by Ms. Hicks and seconded by Ms. Jackson the Committee recommends that the Board approve to cut the afterschool rate by 10%, cut all other rates by 5%, and keep the Gold Seal rate unchanged in FY2017/2018.

c. QRIS Rates - Recommendation

Mr. Watson reviewed with the Committee two variable rate incentive options for a quality rating system. Option A sets the maximum rate at 20%, and Option B sets the maximum rate at 15%. Mr. Watson pointed out that Option B could be implemented this year, and Option A could be implemented in two to three years after the program matures. He also noted that the cost benefits of adopting Option B initially, would be outweighed by the motivational benefits and enthusiasm to participate in the quality rating system if Option A was implemented from the onset. This support of the program by Providers is necessary as participation in the quality rating system is voluntary. Mr. Watson noted the RDC recommended Option A and suggested that the Committee do likewise. Upon a motion made by Mr. Thompson and seconded by Mr. Mansker, the Committee recommends that the Board approve the quality rating system maximum rate at 20%, which is Option A.

d. Child Eligibility Proposal – Recommendation:

There was discussion on policy change proposals for children served by the Coalition. Transitional Child Care (TCC) and Protective Services (At-Risk) children are not affected by the proposed changes in child eligibility. Mr. Watson pointed out the Coalition has one of the highest percentages of school-age children in care in the State, however, early learning and serving children birth to five is one of the paramount mission goals of all Coalitions. The



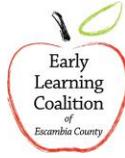
Coalition is currently averaging between 600 to 800 children birth to five on the wait list. In an effort to reprioritize the ages of children served and reshape the composition of children across age group, Mr. Watson proposed starting July 1, 2017 the Coalition discontinue its policy of using a whole family approach and enrolling the school-age siblings of children birth to five in Priority 3. Instead, as permitted in statute, all school-age children, with or without younger siblings, will be classified as Priority 6. This practice is common in other Coalitions, and is more in line with the original intent of the legislated priority classifications. Additionally, Mr. Watson proposed that the Coalition also no longer serve children in the Priority 6 category that are age ten or older. The Committee discussed what the appropriate age cutoff should be. It was agreed that if this proposal is approved that no children would be dis-enrolled. In all cases, current and future, children would always be allowed to complete their current voucher, regardless of when they turned ten years old. Also, no school-age child would lose their eligibility before August 10, 2017 when public school resumes this year. The RDC recommended approval of both the change to have all school-age children classified as Priority 6 and to only serve children in Priority 6 that are age 9 or younger. Upon a motion made by Mr. Thompson and seconded by Mr. Mansker, the Committee recommends that the Board accept the Coalition's proposal to no longer serve children ages ten, eleven and twelve, and to reclassify all school-age formerly in Priority 3 as Priority 6.

e. Sliding Fees/Parent Fees and Incomes Caps – Recommendation:

The Coalition has a requirement to ensure no parent pays more than 10% of their income for child care. One option to meet this requirement would be to implement a program whereby a parent fees are discounted for two or more children. This also referred to as a sibling discount. It is estimated it would cost the Coalition \$423,000 a year to implement a sibling discount program. OEL is developing as part of EFS Modernization a more efficient and less costly method of calculating parent fees to ensure families do not spend more than 10% of their income on child care. Mr. Watson recommends the Coalition not adopt a sibling discount program, but wait instead until OEL has implemented the functionality in EFS to compute parent fees as required. The Coalition, however, must submit a new sliding fee scale for FY2017/2018 to OEL by June 15, 2017. Mr. Watson informed the Committee that he recently became aware that the Coalition has the highest parent fees of any Coalition in Northwest Florida. He proposes a change to bring local parent fees more in line with those of other Coalitions. Mr. Watson proposes a \$0.25 per day reduction in the parent fee rates, and to make other adjustments in the sliding fee schedule so it has a consistently graduated scale in \$.80 and \$0.40 increments, for full time and part time services respectively. The costs to make these changes is at most \$190,000 per year. This reduction in parent fees will coincidentally bring the parent fees for almost every family within the 10% income limit, which will significantly reduce the budgetary impact of implementing the OEL parent fee computation program later this year. The RDC recommended approval of the approach of waiting for OEL to develop their new parent fee computation program, and adopting the new sliding fee scale with proposed parent fee reductions. Upon a motion made by Ms. Hicks and seconded by Ms. Jackson, the Committee recommends that the Board adopt the Coalition's proposed changes to the sliding fee schedule.

IX. Board Member Changes

a. Provider Representative Turnover/Election Results – Recommendation:



The three-year terms for Ms. Hicks and Ms. Brittany Curtis serving on the Coalition's Board as Provider Representatives will end in June. Three months ago, the Coalition solicited input from the Provider community to nominate candidates for a private pay representative and a faith-based representative to the Coalition's Board. There was only one nominee submitted in each category. Nevertheless, the providers were asked to vote and given the opportunity to write-in a candidate. Mr. Watson shared the voting results; Ms. Peggy Steward from Jamison Street Preschool was elected the private pay representative and Ms. Mary Ann Winstead from Myrtle Grove Baptist was elected the faith-based representative. Mr. Watson recommended that the Committee request the Board to accept both candidates. Upon a motion made by Mr. Rowell and seconded by Mr. Mansker, the Committee recommends that the Board accept both candidates.

b. DOH Representative Change/Retirement:

Ms. Pam Hagan is retiring in June 2017 from the Florida Department of Health (DOH) in Escambia County. She is the DOH designee to the Coalition's Board. The DOH will appointment a new designee to represent them on the Coalition's Board.

c. DCF Representative Change/Retirement:

Ms. Jeanne Martin will be retiring in November 2017 from the Department of Children and Families (DCF). She is the DCF designee to the Coalition's Board. The DCF has tentatively agreed to appoint Mr. Thompson as their designee to replace Ms. Martin on the Coalition's Board. Since Mr. Thompson's third term on the Board officially ends July 1, there may be a period after June 30 that he will not be a voting member of the Board.

d. Other Representative Changes – Recommendation:

Ms. Mona Jackson's first term on the Board ends in August 2017. Mr. Watson discussed with Ms. Jackson a second term and she has agreed to accept a second term if it is offered to her. Mr. Watson recommends to the Committee that the Board offer her a second term. Upon a motion made by Mr. Thompson and seconded by Ms. Hicks, the Committee recommends that the Board offer a second term to Ms. Jackson.

Ms. Carmody's three-year term on the Board ends in August 2017. Mr. Housh brought up that recruitment needs to begin to fill the Board Vice Chair position being vacated by Ms. Carmody. Mr. Watson suggested to the Committee that until the Governor's office appoints a successor to Mr. Housh as the Board Chair, Mr. Mansker would be a good recommendation as Vice Chair.

X. ED/Chair Travel

Travel for Mr. Watson is provided to the Committee for informational purposes only.

- a. AELC ED Meeting, Orlando, June 13, 2017
- b. ELAC Webinar, July 14, 2017
- c. AELC ED Meeting, ICW One Goal Conference, Tampa, July 19, 2017

XI. Adjourn

Meeting was adjourned at 10:25a.m.

Next Meeting: June 22, 2017 at 8:30 a.m. at the Coalition Office.