



Early Learning Coalition of Escambia County

Executive Finance Committee Meeting Minutes

January 23, 2020 8:30 a.m.

Members in Attendance

Van Mansker

Sheryl Rehberg

Mary Ann Winstead

Members Called In

Mona Jackson

Members Absent

Roger Thompson

Staff

Bruce Watson

Vicki Pugh

Becki Rutchland

Jamie Phelps

Dawn Engel

Paula Rollins

I. Welcome and Introductions

Notification of this Executive Committee meeting was posted to the Coalition Public Calendar Board and the Coalition website on December 27, 2019 and sent to the Pensacola New Journal for publication on January 3, 2020. The meeting was called to order by Mr. Mansker.

II. Public Comments

There were no public comments.

III. Consent Agenda

Mr. Watson requested the Committee add Mid-Year Operations Summary to the agenda for today's meeting. Upon a motion made by Ms. Winstead and seconded by Ms. Rehberg, the Consent Agenda, consisting of the Agenda, Minutes of the November 21, 2019 Executive Committee Meeting, and Financial Statements for October and November 2019, with the addition of the Mid-Year Operations Summary to the meeting agenda, and were approved without objection. There were no minutes for December 2019 as the meeting was cancelled.

IV. Status Reports

- a. SR/VPK Fiscal Year Benchmark Report, Enrollment/Wait List Status Report, and Contracting Summary Report

1. SR/VPK Fiscal Year Benchmark Report:

Mr. Watson noted that December reimbursements are still being processed but the proportional expenditures should not be significantly different because the number of children enrolled has not varied much. At roughly halfway through the fiscal year, the Coalition is under executed in SR spending by about \$1,000,000. This is because fewer clients are applying for services. Percentages for spending year to date are well within the statutory requirements with 82% going



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to direct services and less than 5% going to Administrative costs. Mr. Watson pointed out that for many years, Admin spending has been 3.5%, or less. However, as more time and resources are dedicated to dealing with EFS Mod, the percentage of funding allocated to Admin expenditures has risen for all Coalitions. Spending on Quality is above 6%, which is above the 4% minimum. Quality expenditures will increase once the Coalition begins reimbursing Providers for 50% of the cost of obtaining the new curriculum required by the State. VPK Admin was at just under 4.5% with six months remaining in the fiscal year. Admin was just 4% last year due to the cost of using EFS Mod. The increase in the percentage of expenditures in various categories due to having to implement and use EFS Mod was experienced statewide.

2. Enrollment/Wait List Status Report:

Despite the Coalition's best efforts to enroll more children, enrollment numbers have remained between 3,250 to 3,300. There are 77 children in the SR Match (SRMT) category. These are children who would otherwise not be eligible for regular SR services. The number of children in SRMT has not yet risen to the goal of serving 120 children. The of parents of 40 to 60 children a week apply for services, however, the trend of less than 50% of parents actually finishing the process and getting their children enrolled continues. Note was made that the Coalition is not the only Coalition with enrollments less than desired, although the issue in Escambia County may be more severe than some counties. Providers continue to experience challenges with recruiting, hiring, and retaining staff, which results in them not being able to serve as many children as their facility would otherwise allow. This in turn results in parents having difficulty finding Provider to care for their children. This issue impacts Protective Services (PS) children as well, and as result the Coalition started tracking placement of PS children. There are currently 27 PS referrals whose guardians have yet to find a facility in which to place their children, which is in addition to another 36 regular SR children who have recently come off the wait list. Tentatively, over the next couple of months, there may be a few new Providers coming on board. There are at least six vacant former childcare facilities available in the area and efforts are underway to identify potential new operators. Discussions have been held with the Business Leadership Institute regarding the possibility of offering business training to Providers. Mr. Mansker noted that there have been no Review Hearings in the last six months which means the Coalition has taken no actions to terminate any Provider contracts.

3. Contracting and Fraud Summary Report:

The Coalition has not terminated any School Readiness contracts this fiscal year. Eight Providers have terminated by their own choice. There has been one VPK contract termination due to failure to follow State requirements. There have been no new cases of fraud this fiscal year. One fraud case submitted several years was recently adjudicated. Ms. Eboni Singer was convicted of being the shadow owner of Legendary Christian Preschool during a time period in which she was prohibited from contracting with the State. She received a six-month prison sentence, 15 years of probation, and must pay restitution of approximately \$350,000. Ms. Singer's partner, who in a plea deal pled guilty and offered testimony, was adjudicated after Ms.



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Singer's case was closed and received five years of probation. It appears that Ms. Singer's partner never profited from the arrangement.

V. Committee Recommendations

- a. None.

VI. Old Business

- a. EFS Modernization Transition Update

The OEL has created a one-page document called the Supplemental Form for Coalitions to submit to account for payment discrepancies and money allocated to SR Recon in Fiscal Year 2018-2019. For last year, the Coalition had a zero balance for overpayments and underpayments and no money was allocated to SR Recon. It is expected that the OEL will require that reconciliation of the discrepancies between EFS Mod and what the Coalition has actually paid Providers in the current year will have to be done by July 2020. Mr. Watson applauded Ms. Rutchland's staff for doing a fantastic job of documenting the discrepancies so that the Coalition will be poised to do prior period adjustments as needed once the OEL has developed the function in EFS MOD that allows this to be done. Mr. Watson noted that the OEL keeps changing and updating the data and that the changes pose challenges with calculating the adjustments. A "Phase One" adjustment, correcting math errors, came out two weeks ago. A Phase Two adjustment, correcting duplicated rates and days of attendance, is coming out now. For the Coalition Phase Two contains 1,973 lines of data corrections, but only 167 are for the current year. Ms. Rutchland's staff will focus their analysis on these 167 lines of data. There may be a Phase Three adjustment for correcting prior period adjustment made before Phase One and Phase Two were implemented. It should be noted that, at this time, there is no tool yet available for doing all the adjustments required. The OEL hired the firm of Ernst and Young to conduct a risk assessment on EFS MOD. Mr. Watson hopes that underlying flaws in the structure of EFS Mod System may be identified as part of the risk assessment process.

- b. Local Provider Rates and State Market Rates

The Coalition has put on hold any local rate changes pending possible Legislative action which may limit or eliminate Coalition authority to change Provider rates. Mr. Watson noted that if the bill fails, the Coalition is poised to raise Providers rates starting in July 2020.

- c. Escambia Children's Trust Update

Efforts are ongoing but fundraising for the proposed Escambia Children's Trust has not kicked into full gear at this time. Initial estimates indicate that the campaign may cost around \$100,000. Mr. Watson will not attend the next meeting, but Ms. Pugh will attend. Mr. Watson noted that he will use PTO when attending these meetings in order to avoid any possible conflict of interest. He further noted that he will be available to assist and speak to any questions or concerns the County Commissioners may have. The proposal effort may "go live" with a fast campaign starting in June or July of this year. Initial results indicate that 60% to 70% of those surveyed indicate they are in support of the initiative. Mr. Watson suggested that the Coalition consider



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making a donation to the Children's Trust campaign from unrestricted funds and, most importantly, publicly name the Coalition as officially in support of the Trust. He added that this would require Board approval.

VII. New Business

a. Board Provider Representative Position

The Provider Faith Based Representative position on the Board of Directors is soon to be vacant. The incumbent's agency is no longer contracted with the Coalition hence the appointee is no longer eligible to be the Provider Representative on the Board. Mr. Watson recommended that the Faith Based Provider Representative remain unfilled for the time being because in July the three-year terms of both Provider Representatives expire and the process to identify two nominees for these positions has already begun. Mr. Mansker agreed with this recommendation. The Provider Representatives are selected by the Providers by ballot. Their selection is then presented to the Board for approval. Nomination forms will be routed to Providers next week as part of their attendance packages. Nominations are scheduled to go before the RDC and Executive Committee in May and to the Board in June for approval. Terms start in July. Mr. Mansker asked if there are any specific Providers the Coalition would like to recruit for membership on the Board. Mr. Watson said yes there were, and that he and Ms. Pugh would be encouraging these Providers to volunteer to serve on the Board.

The question was raised regarding was it possible for Ms. Winstead to continue serving on the Board as a Private Sector member. Mr. Watson checked with the OEL regarding Board eligibility and the OEL confirmed that people working in childcare not contracted with the Coalition can serve on the Board as Private Sector members. However, Mr. Watson suggested that because of the three Class One Violations Ms. Winstead's employer had received, that a suitable period of time should pass before Ms. Winstead be considered to serve on the Board. Mr. Watson thanked Ms. Winstead for her contributions and insight into the childcare business and extended an invitation to her to apply to be on the Board after at least a year has elapsed. As it stands with three Class One Violations, the Committee was requested to recommend that the Board vote to remove Ms. Winstead as a member at the February meeting. Ms. Winstead spared the Committee from having to take this action and tendered her resignation as the Faith Based Representative to the Board. Upon a motion made by Ms. Rehberg and seconded by Ms. Jackson the motion to accept Ms. Winstead's resignation was accepted and will be carried forward as a recommendation for Board consideration and approval. Mr. Watson noted that, for the record, Ms. Winstead abstained from voting on the motion regarding her intent to resign. Ms. Winstead submitted a Conflict of Interest Form accordingly.

b. IT Security Brief

Mr. Watson reminded the Executive Committee that the IT Security Brief that was distributed at the Executive Committee meeting in November and that, due to time constraints, was dropped from the Board Meeting agenda in December will be presented in February.



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c. 2020 Legislative Actions: House Bill 1013

A significant part of the proposed legislation is that there would no longer be an “Office” of Early Learning, it would now be the Division of Early Learning with more definitive lines of authority within the DOE. Under the proposed changes, the State Board of Education would exert greater control over the former Office of Early Learning. Mr. Watson expressed concern about statutory restrictions regarding the eligibility of entities exclusively under the authority of the Public School System to receive Children’s Services Council funding. Although there may be workarounds to the restrictions, Mr. Watson expressed concern over the legal interpretation and indicated that he has solicited advice over the matter.

The other big changes in the proposed legislation is that VPK would be assessed in a similar manner to SR assessments currently in place. ELAC would be abolished under the proposed legislation and a committee would be established whose primary function would be to develop a better method of establishing VPK Readiness Rates. A combination of CLASS scores, something perhaps related to FLKRS, and a follow on to the VPK assessments would be the factors for determining VPK Readiness Rates. There is general agreement that the VPK assessment is insufficient to be used for definitive consequences so development is underway for an assessment that would include social and emotional measurements, not just strictly academics.

Another key component of the proposed legislation is that minimum requirements to qualify as a VPK Director will increase significantly. A gradual phasing in of the new requirements has been proposed as there will be no grandfathering clause with respect to meeting the new standards.

Mr. Watson noted that there will be a significant increase in VPK payment rates, more so than in the last ten years.

An Estimating Conference has been proposed in order to determine the SR funding each Coalition would receive. The Conference will take into consideration not only the number of children served but other factors such as economic concerns. Prevailing Market Rates may be determined in order to establish base payment rates for the entire state with cost of living adjustments for each county factored in. The current wording of the legislation would not allow Coalitions to pay more or less than the established rate. Most Coalitions across the State are not in opposition to an established rate, however, Coalitions agree that authority to adjust the local rates to meet local needs should remain in the control of each Coalition.

Also included in the legislation is a proposal to reduce the maximum size of Coalition Boards from 30 to 15. Mr. Watson indicated that the average number of Board size statewide is about 21 and that even Miami only has 22 Board members. For Escambia County, there would be 10 or 11 designees, three Governor Appointees, and at most, one or two Private Sector Representatives. Coalitions have indicated that input from the Private Sector is critical.



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Language throughout the proposed legislation refers to Early Learning - 20, as opposed to K – 12, but focuses primarily on only VPK. Ms. Winstead indicated that a narrow focus on academics without equal consideration given to social and emotional development is one of the reasons her employer has chosen to no longer contract with the Coalition. Mr. Watson indicated that the bill has been submitted and will be in discussion over the coming months. He further noted that there is a chance that the bill may die because it lacks any budgetary analysis on funding the changes and the budget has already been submitted.

Related to this, Mr. Watson indicated that the Rule regarding the new SRPA cutoff rates was pulled largely due to his input regarding potential legal ramifications from Providers who fall between a 3.0 and a 3.5 and who had never been afforded a Quality Improvement Plan.

d. 8th Annual Early Learning Summit – Tentatively May 26, 2020

The Coalition is planning a new format for the annual Early Learning Summit, which is tentatively scheduled for May 26, 2020. The Coalition is planning to show a condensed version of the movie “No Small Matter” and to bring in one of the stars of the movie, Rachel Gianni, to address the Summit with a 30-minute presentation. The Summit is scheduled morning and afternoon sessions of about 90 minutes each. Venues for the Summit have yet to be determined. The Sacred Heart Greenhut Auditorium is under consideration for the morning session and other options are being considered for the afternoon session. Grade Level Reading is sponsoring the cost of screening the film and Mr. Watson is working with Gulf Power regarding permission to use some of the Gulf Power grant to cover food cost. The Coalition will work with DCF to have the sessions accredited so Providers can receive in-service hours. The Summit will coincide with the CSC campaign kick-off and will be a nice conclusion to the Ounce of Prevention campaign which goes throughout May. The Escambia Children’s Trust team and Grade Level Reading will be invited to set up an information table outside the Summit venues.

e. Match Funding Requests for 2020

In consideration of the under executing the School Readiness grant, Mr. Watson proposed abstaining from applying for United Way funding this year. The Coalition would remain a Certified Agency with United Way. Mr. Manskser expressed his support and reiterated that the Coalition can apply for United Way funding in the future as the need may arise. A motion was made by Ms. Rehberg to make a recommendation to the Board to abstain from applying for United Way funding this year. The motion was seconded by Ms. Jackson and passed without objection.

f. Mid-year Operations Summary

An overview of Coalition operations for the first half of fiscal year 2019-2020 was presented. Highlights include that the Coalition has given away over 10,000 books as of December, FaceBook is going very well, and there are just under 300 children in the TSG Program with six Providers. Mr. Watson will present the Mid-Year Operations Summary to the Board at the



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upcoming meeting in February and a full year recap will be presented at the Board meeting in August.

g. Coalition Reorganization

The Coalition proposed changes to the organizational structure of the Coalition. Under the new organization, the Program Improvement Department (which includes the Training and Assessment Divisions) is merged with the Program Integrity Unit to form the new Operations Department. In addition, a new Community Impact Department has been added. The Community Impact Director position will be a part time position. It is anticipated this arrangement will last at least 12 months, after which the outcomes and effectiveness will be evaluated, and a decision will be made to keep the department or merge it into another department or division. Ms. Pugh will be the Community Impact Director and Ms. Dawn Engel the Operations Director effective March 1, 2020. The proposed reorganization will make the Coalition's organization like that of many other Coalitions. The Provider Support and SR/VPK Contracts position was moved from the Finance Department to the Program Integrity Unit several months ago and that change is now reflected on the updated Organizational Chart. The new chart also reflects one additional FTE role in the Finance Department which was added in order to handle additional workload demands created by the EFS Mod system. The Coalition currently has 39 staff members, but that number may increase to 41 or 42 if the addition of VPK Program Assessment is added as a result of pending legislation. Further discussion will be held after the legislation is finalized in roughly two months. The Coalition may need to obtain additional physical space if the number of staff members increases. There is space available in the suite next to the Eligibility office so that may be a viable option. Ms. Rehberg expressed support for the proposed organizational changes, and she asked if there is impact to Administrative costs. Mr. Watson indicated that impact to Administrative costs will be minimal and they will remain well within the 5% cap. A motion to recommend Board to approval of the reorganization was made by Ms. Rehberg and seconded by Ms. Winstead. The motion was approved without objection.

Adjourn: Meeting was adjourned at 9:47 a.m.

Next Meeting: February 13, 2020 at 8:30 a.m. at the Early Learning Coalition Office, 3300 North Pace Boulevard, Suite 210, Pensacola, Florida 32505