



Board Minutes March 11, 2015



ELC of Northwest Florida
March 2015 Board Meeting Minutes

Date: March 11, 2015

Location: CareerSource Gulf Coast, Panama City, FL

Minutes Taken By: Suzan Gage

Time: Meeting Called to order at 11:04 am by Jon McFatter (chair)

Full Board: Yes No Quorum: YES in attendance

Executive Comm. Yes No Quorum #:

Roll Call to Include Board Members on Telephone:

I. Roll Call:

Exec. Committee	FIRST NAME	LAST NAME	ATTENDANCE		
●	Rita	Acoba	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Present via conference call	<input type="checkbox"/> Absent
●	Tony	Bennett	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Present via conference call	<input type="checkbox"/> Absent
	Phil	Edwards	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Present via conference call	<input type="checkbox"/> Absent
	Wendy	Fletcher-Altman	<input type="checkbox"/> Present	<input type="checkbox"/> Present via conference call	<input checked="" type="checkbox"/> Absent
	Kim	Gillis	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Present via conference call	<input type="checkbox"/> Absent
	Linda	Hood	<input type="checkbox"/> Present	<input type="checkbox"/> Present via conference call	<input checked="" type="checkbox"/> Absent
	Jackie	House	<input type="checkbox"/> Present	<input checked="" type="checkbox"/> Present via conference call	<input type="checkbox"/> Absent
	Joe	Jernigan	<input type="checkbox"/> Present	<input type="checkbox"/> Present via conference call	<input checked="" type="checkbox"/> Absent
	Doug	Kent	<input type="checkbox"/> Present	<input checked="" type="checkbox"/> Present via conference call	<input type="checkbox"/> Absent
	Frank	Martin	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Present via conference call	<input type="checkbox"/> Absent
	Jeannie	Martin	<input type="checkbox"/> Present	<input checked="" type="checkbox"/> Present via conference call	<input type="checkbox"/> Absent
	Brandie	McCabe	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Present via conference call	<input type="checkbox"/> Absent
●	Al	McCambry	<input type="checkbox"/> Present	<input type="checkbox"/> Present via conference call	<input checked="" type="checkbox"/> Absent
●	Jon	McFatter	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Present via conference call	<input type="checkbox"/> Absent
●	Mary	McKenzie	<input type="checkbox"/> Present	<input checked="" type="checkbox"/> Present via conference call	<input type="checkbox"/> Absent
	Juliana	Melara	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Present via conference call	<input type="checkbox"/> Absent
	Johanna	Plumber	<input type="checkbox"/> Present	<input checked="" type="checkbox"/> Present via conference call	<input type="checkbox"/> Absent
	Neal	Reeves	<input type="checkbox"/> Present	<input type="checkbox"/> Present via conference call	<input checked="" type="checkbox"/> Absent
●	Jerry	Sowell	<input type="checkbox"/> Present	<input checked="" type="checkbox"/> Present via conference call	<input type="checkbox"/> Absent
	Guy	Tunnell	<input type="checkbox"/> Present	<input checked="" type="checkbox"/> Present via conference call	<input type="checkbox"/> Absent
●	Darrin	Wall	<input type="checkbox"/> Present	<input checked="" type="checkbox"/> Present via conference call	<input type="checkbox"/> Absent
●	Richard	Williams	<input type="checkbox"/> Present	<input type="checkbox"/> Present via conference call	<input checked="" type="checkbox"/> Absent
<i>Total</i>			8 Present	8 Present via conf. call	6 Absent

12 members = simple majority, 6 for Executive Committee

● Denotes Executive Committee Member

16 out of 22 members present. Quorum was was not established.

Coalition Staff Present: Lynne Eldridge, Joe Seabrook, Suzan Gage, Ken Whittaker, Adrienne Jenkins

Visitors Present: Elizabeth Caesar from DCF sitting in for Wendy Fletcher-Altman.

I. Action Items:

1. *Adoption of Consent Agenda*

Motion: To adopt consent agenda items as presented.	
Motion By: Tony Bennett	Motion Seconded By: Guy Tunnell
Member/s Recusing from Vote: <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
The motion carried.	

2. *Approval of Agenda*

Motion: To approve agenda as presented.	
Motion By: Jon McFatter	Motion Seconded By: Frank Martin, Brandie McCabe
Member/s Recusing from Vote: <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
The motion carried.	

3. *Committee and/or Full Board Reports*

A. Finance Committee/Full Board

Request to Approve Increase in Parent Co-pay/fees

Jerry Sowell/ED

The Executive Director explained that two major funding issues has created the need to revisit the percentage a parent currently pays as the portion designated for parent co-pay/fees. While the percentage of parent co-pay/fees have not been increased in approximately eight (8)years, the Coalition's current trending of over-utilization for direct services and the resulting upsurge of children on the Unified Wait List require additional funding. The Coalition has consistently paid the heaviest portion of a parent's cost of child care. By increasing the parent co-pay/fee percentage, the Coalition will free-up approximately \$200,000 over a designated timeframe. These funds can then be used to address direct service over-utilization and begin to serve additional children from the Coalition's Wait List (current wait list - 600 children)

The parent co-pay/fee cannot be more than 10% of parent's reported income. The Coalition is recommending a proposed increase of \$0.20 per day per first child and \$0.10 per day per each subsequent child in the family. If the Board approved this parent co-pay/fee increase, the Coalition will then request approval for the increase from the Office of Early Learning.

Recommendation

Approve parent co-pay/fee increase of \$0.20 per day for first child and \$0.10 per day for each sibling to be effective upon each parent's redetermination of eligibility for School Readiness services.

Vote Required

To approve Fiscal Impact Statement of Parent Co-pay/fee Increase, as presented.

Motion: To approve parent fee increase as presented.	
Motion By: Brandie McCabe	Motion Seconded By: Guy Tunnell
Member/s Recusing from Vote: <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
The motion carried.	

B. Personnel & Policy Committee/Full Board

Internal Control Self-Assessment - Fixed Asset Policy and procedures Changes

M. McKenzie

The Coalition's focus for the 2014-15 fiscal year targets strengthening internal controls through clarification, systemization, and centralization of the areas identified by the Internal Control Questionnaire, which serves as the Coalition's self-assessment tool. Based on the results of this tool, the Coalition identified that the Fixed Asset procedures needed to be revised, based on guidance received from Office of Early Learning and internal monitoring results.

The major elements of the revision to Coalition's current Fixed Asset Policy and Procedures include:

1. Utilize Office of Early Learning Guidance and terminology (Fixed - Attractive) to update current Fixed Asset Log from a Word Table spreadsheet to a Sharepoint Spreadsheet (Master Property List-OEL Terminology) to increase ability to manipulate, review, track, and present data by different components, to include year and type.
2. Renumber assets with a more "permanent and consistent" tracking method allowing for ability to access bar code and scanning capabilities.
3. Identify Fixed or Attractive asset at the point of *Authorization to Incur Expense* as an additional checks and balance to ensure all Fixed Assets are capitalized and declared on General Ledger.
4. Transition the initial tracking and review of Coalition's current Fixed Assets from *Finance Officer (Director)* to the *Operations Coordinator* function with fiscal approval of annual review. It is expected that this transition would increase a more succinct asset tracking flow while enhancing the levels of control related to Coalition's assets.

Recommendation

To revise the Coalition's Fixed Asset Policy and Procedures (*Master Property Inventory Management*), as presented.

Vote Required:

To approve change to Coalition's Fixed Asset Policy and Procedures (*Master Property Inventory Management*), as presented.

Motion: To approve change to Coalition's Fixed Asset Policy and Procedures (*Master Property Inventory Management*), as presented.

Motion By: Frank Martin

Motion Seconded By: Rita Acoba

Member/s Recusing from Vote: YES NO

The motion carried.

C. Legislative Committee/Full Board (Information)

Legislative Priorities

Rita Acoba

Ms. Rita Acoba continues to represent the Board in Legislative issues and will be traveling to Tallahassee in March to attend the Early Learning Advisory Council meeting and meet with legislative representatives, as scheduled and/or available. A meeting is scheduled for March 19th at 2:00 p.m. with Rep. Trumbull.

The following four Legislative Priorities have been sent to the Governor's Office and Legislators.

Priority One:

Provide adequate School Readiness funding to support working families and children at-risk

Priority Two:

Address Health and Safety Concerns

Priority Three:

Improve School Readiness performance standards

Priority Four:

Improve Florida's Voluntary Prekindergarten Program (VPK)

In addition, the Coalition Board continues to express concern, in partnership with CareerSource, addressing unintentional disparity resulting from the legislatively mandated Priority Placements. The Board continues to request that Placement Priority decisions, return to the local level decision making process.

II. Updates and Reports:

D. Executive Director Overview

Lynne Eldridge

1. *Internal Controls*

In an effort to strengthen Internal Control issues related to the Coalition's Self-Assessment the following policies and/or procedures have been updated. The Coalition is still in the "feedback" position in evaluating the effectiveness of the identified procedural/system changes.

- a. Coalition Purchase Order Process
- b. Coalition Policy and Procedures related to Management of Inventory
- c. Coalition Attendance Reimbursement
- d. Coalition Payment Validation

It is expected upon review of these internal control elements, that the Coalition will be able to validate consistency and validity within these processes.

2. *Upcoming Audits*

The Coalition is preparing for back to back audits and reviews in March and April 2015 from the Office of Early Learning.

a. *Accountability Review*

The Accountability Review will be a desk review this fiscal year. All requested documents have been uploaded to the Office of Early Learning SharePoint File. An Entrance Review will be conducted by telephone

b. Financial Audit

FINDING – In preparing for the upcoming Office of Early Learning Financial Audit, the Coalition failed to submit the requested 93 documents to the auditors within the required deadline. Coalition staff did not submit documents to auditors until after receiving an email requesting status, resulting in documents being submitted the day after required. Office of Early Learning has stipulated late submissions as an automatic finding.

MATCH - Jeannie Martin questioned the Coalition progress on meeting match dollars, as another organization received a finding on their audit for not meeting match. This Coalition received a finding on its Audit last year. Coalition staff is still in process of trying to raise Match funding but we are currently approximately \$20,000 behind what is needed, at this point. The increase in Match is due to serving more Working Poor children at the beginning of this fiscal year.

Recommendation:

The Board would like to explore the suggestion of going to individual cities that are served by this Coalition and request match dollars, similar to the model that was presented to the Bay County Board of County Commissioners, who granted match dollars. The Board recommends compiling data for the cities served, including dollar amounts that flow through, the number of constituents served, and the impact on the local economy to present with the requests. The Board recommends contacting the mayor or city manager once this data is available.

3. *Wait List and Priority Placement*

As of early November 2014, the Coalition had utilized all available funding for direct services, based on trending from October direct service payments to the end of fiscal year, June 2015.

To address this over-utilization of direct service funding, Coalition staff developed and implemented a *Spending Plan* that requires all children, except for Priority One and Two, to be placed on the Unified Wait List. School-age children are no longer being recertified as of January 1, 2015, due to Priority Placement requirements and serving children birth through five.

The Coalition is hopeful of being able to place from the Wait List beginning in July 2015, or earlier, as funding allows. The Board was supplied with individual county data from the Wait List and did not have questions regarding Wait List or Priority Placement.

4. *Provider Over-Payments*

Fiscal staff discovered that some Providers were paid at a higher rate than they should have been, resulting in an over payment for school readiness services.

The Coalition could not determine how this may have occurred so we contacted Office of Early Learning Information Technology Department and found that the Provider's rate was blank and so the process reverted to an unused rate, paying \$42.00 a day for child rather than the actual rate of \$25.00 per day.

Both the Coalition and Office of Early Learning spent several hours attempting to determine what caused the rate box to be left blank. While neither the Coalition nor Office of Early Learning IT could say for sure, they attributed the cause to when the Coalition completed Provider Updates in the Child Care Resource and Referral system. While this does not completely answer the many questions we have, the result is that the Office of Early Learning has determined eight (8) Providers' payment rates may have been impacted to where the Provider was paid more than they were eligible for. The Coalition has been able to substantiate that five (5) Providers were fiscally impacted. Three (3) of the five (5) Providers payment rate was minimal or addressed only one child in a specific category. The other two Providers were determined to have been overpaid substantial amounts.

The total overpayment to Providers equals \$23,842.81. The Coalition is in process of meeting with both Providers to determine pay-back plans. One Provider has already begun paying back the amount of over-payment. All funding must be repaid by the end of this fiscal year.

In the future, the Coalition's Finance Team will compare the Final Reimbursement Report to the Trial Reimbursement Report in order to confirm accuracy of Provider Rates and payments. In addition, the Office of Early Learning has provided access to a report that can be used to determine what rate

schedule a Provider was paid out of. This will allow the Coalition to check all Provider Payments prior to completing reimbursement. The Coalition will also be checking individual rates on all 120+ Providers.

5. *Fraud*

The Coalition continues to strengthen its emphasis on preventing fraud internally and by referring suspected fraudulent actions to the Office of Early Learning. The following summary reflects the financial impact of current restitutions. These restitutions are being made by parents who failed to provide the Coalition with updated information related to their eligibility for School Readiness services and benefits.

Coalition Collections	\$15,308.85
<u>Restitution Paid to OEL</u>	<u>\$3,599.66</u>
Total	\$18,908.51

Training

To support the increased change in perception of Fraud, the Coalition has changed how it represents Fraud to parents and to School Readiness/VPK Providers. The Accountability Officer has provided Fraud training to Providers for the last three (3) months and to Coalition staff for the last two (2) months. This training is addressed in the Coalition Fraud Plan and will be a critical component of changing the perception of Fraud for Parents and Providers.

The Accountability Officer has sampled Providers over the past three months and found multiple inconsistencies across the sample. The fraud language included in the new contracts will hold Providers accountable as business partners and will have repercussions related to the fraud.

The Board had no further questions regarding fraud. The Coalition will have for the board a fraud update each month, so members are apprised of fraud reviews.

6. *School Readiness Priority Placement and Spending Plan*

The Coalition implemented the Priority Placement and Spending Plan to reduce deficits in direct service funding by diverting all funds to School Readiness placement. Based on the trending of direct service spending, it appears that the strategies put in place to reduce the direct service overspending are working and the Coalition will not be overspent in this category. March reimbursement data will give more clarification to the spending trend.

7. *Staffing Update*

Based on recommendations from the Board, Coalition staff is in the process of comparing current job descriptions to actual workloads to determine if there is any disparity between the two so that adjustments can be made. In addition, the Coalition has completed an analysis of different pay increases and what that would cost, as well as insurance benefit changes. The Board would like to convene a committee to discuss the next steps regarding pay increases and benefit changes once the data has been compiled by Coalition staff.

8. *Building Lease*

The Coalition has signed the lease for additional square footage at its current location. It is not expected that this space will be renovated prior to July 1, 2015 or that any funds will be expended to pay for rent, until that date. Beach Community Bank owns the building. The Coalition will not be renting the entire building, but will be gaining an additional 4,000 square feet for a total of approximately 10,000.

FOLLOW-UP: The Board would like to be given information regarding placing new signs outside of the building in the area of 15th Street.

9. ArtKidDoo

The third annual *ArtKidDoo* event is scheduled for May 2nd in Chipley, FL. The Wiregrass Art Museum has expressed interest in participating. The Community Partnership Coordinator presented to the Washington County TDC and received a grant for marketing and radio advertisements. A video from the event in 2014 was shown to the Board.

FOLLOW-UP: Pastor Phil Edwards would like more information regarding *ArtKidDoo* and would like to explore the option of duplicating this event in Bay County.

E. DCF Report

Jeannie Martin reports that DCF held Child Care Provider meetings in nine locations in January and February in Bay and Washington Counties. There were 421 attendees trained, mostly owners and directors, but also Coalition staff. DCF is currently watching the progress of Senate Bill 7006 very closely as it impact Child Care Providers.

F. Other Business

Elizabeth Caesar has pamphlets to distribute from Wendy Fletcher-Altman regarding children and summer safety.

G. Meeting Adjourned

This meeting of the Early Learning Coalition of Northwest Florida, Inc. Board of Directors was adjourned at 12:21 pm CST.

Submitted by:

Darrin Wall, Secretary

DW:sg