Early Learning Coalition of Escambia County  
Executive Finance Committee Meeting Minutes  
September 20, 2018 – 8:30 AM

Members in Attendance
Van Mansker  Roger Thompson  Brett Rowell  Mona Jackson

Staff
Bruce Watson  Dawn Engel  Vicki Pugh  Becki Rutchland  
Anne Cynkar

Members Absent
Mary Ann Winstead

I. Welcome and Introductions
The EXCOM meeting was called to order by Mr. Mansker

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. Jackson the Consent Agenda consisting of the Agenda, and the Minutes of August 23, 2018, and the June 2018 Financials were accepted and approved without objection.

IV. Status Reports
   a. SR/VPK Fiscal Year Benchmarks, Enrollment/Wait List Status Report, and Contracting Summary Report:

1. Benchmark Report:  
The final benchmark report for Fiscal Year 2017-2018, which included the end of year 13th invoice, was reviewed. The 13th invoice this year was less than usual. Of note, there were less than $5,000 worth of Provider payment adjustments as compared to other years which ranged from $30-40,000. The Coalition ended the year at 99.13% expenditure of the SR Grant Agreement leaving $150,000 not utilized despite the valiant effort made by the staff to enroll more children and spend all money budgeted for quality initiatives. 81.5% was spent on slots, just under 4% on Admin, and most significantly over 7% on quality. There were several bills form vendors that were not received in time to be billed in 2017/2018.

The OEL adjusted the VPK grant amount at the end of the year once the differences between the projected requirements and actual enrollments were reconciled. 3.98% of the allowable 4.0% was spent on Admin.

For July and August, no financials were available because of the ongoing issues with the EFS MOD system. The benchmark tracker for 2018/2019 indicates how much the Coalition has
spent, however, all Provider payments to this point have been based on estimation and not actual services rendered. To compensate for the inability of the EFS MOD system to calculate payments, the Coalition paid the Providers based on a percentage of what was paid each of them in June. The Providers were paid in July 110% of what they were paid in June and in August they were paid 115%. This was because in June there were 20 working days, and in July and August there were 22 and 23 respectively, which equates to 110% and 115%. The net result of that method is that slots expenditures for the year are slightly ahead of budget. One of the reasons that the Coalition is ahead on the Admin side is that in August the annual insurance bill was paid. In total $2,746,000 has been spent of which almost $2.4 million went to the Providers.

The Coalition realizes that the current method of paying Providers is not very accurate, however, for now it is the best method available; and it ensures the Providers receive a payment for services that should be close to what they are rightfully entitled. The goal is to ensure that no Provider experience any financial hardships during this transitional period. In some cases, the Providers may be receiving more than what they are entitled to. All differences will be reconciled with each Provider once the EFS MOD system is working properly.

2. **Enrollment /Wait List Status Report:**
Since July the Coalition has been unable to determine reliably the number of children enrolled in care. Ms. Rollins estimates that the Coalition presently has 3,271 children enrolled in the School Readiness Program. With the increase in the grant award the new a target for enrollments is between 3,400 and 3,500 children. Our target for enrollments went up this year because the OEL increased our grant award by $874,000. The OEL received $60M more dollars of federal money for this year, and the Coalition’s allocation was $874,000. Presently, the Coalition has concerns about receiving an allocation for additional slots for a year, with no assurances that the funding will be continued into next year. Enrolling additional children this year may lead to initially to having too many children enrolled and overspending in the beginning of next year which in turn leads to reducing enrollments through attrition and underspending in the second half of the year. In this extreme, this could force us to reduce enrollments and tell parents they are no longer eligible for care come July and August 2019. Ms. Winstead questioned when this additional money had to be spent and Mr. Watson stated that the Coalition must use this money between now and the end of June 2019.

The Wait List numbers from EFS MOD appear to be more reliable. Pulls were made on August 20 and 28 consisting of 325 children, from which 50% of the children were enrolled. As of September 17, there are 436 children on the wait list. Within the next two to three months the Coalition anticipates pulling all children currently on the Wait List.

Good news! We have enrolled over 2000 children in VPK. Presently we have a 300 child differential between the number of actual applications approved and those enrolled. However, not all Providers have entered all their children into EFS MOD. The School District has 529 children enrolled already and are within 30 children of filling all their slots. The School District is the number one and most popular VPK Provider.

3. **Contracting and Fraud Summary Report:**
There is one new Provider. Currently there are 91 SR Providers and 81 VPK Providers. There is no fraud to report and no Providers have been terminated. There are however two or three are in question due to too many Class Violations. Other terminations this year are because Providers have chosen to no longer have an SR contract.

V. Committee Recommendations
   a. None

VI. Old Business
   a. EFS MOD
   Mr. Watson summarized the history of the new EFS MOD system and explained what the ELCEC Coalition is doing locally. He explained that in the 1980’s, maybe 90’s an SQL database was used to create the original Enhanced Filed System (EFS). The OEL decided this system was too old and needed to be updated and the system we currently have was developed as a replacement. Our Coalition decided to not migrate our EFS to the state data center, and instead kept EFS operating on our local servers. For many years, every night the OEL would download data from our system to populate their database. Because we maintained our own system we have been able to use the data in EFS as of June 30, 2018 as the foundation for staff to backfill the activity we have performed since July 1 into EFS Legacy. Because July and August were a difficult transitional period getting data from that period into EFS Legacy was challenging, but the staff has done well, and we are almost caught up. Although this process is tedious and time consuming this will allow the Coalition to begin to pay Providers what they have earned. The plan is to get the Providers reconciled for months of July, August and September, and to continue using the old EFS to calculate reimbursements.

   Mr. Watson speculated, that if things don’t improve soon the OEL might be forced to turn the old system back as a result of being ordered by the court system to do so. Not paying Providers correctly can be seen as a breach of contract. Our Coalitions efforts to use EFS Legacy is an effort to ensure we are compliance with our Provider contracts. The outcome for the next few months does not look good, and in Mr. Watson’s opinion he does not foresee that the EFS MOD system will be able to pay Providers accurately until at least after the first of the new year, and that is assuming that it can do so ever.

VII. New Business
   a. New Chair Appointment:
   Governor Rick Scott appointed Van Mansker of Pensacola as the new Chair of the Early Learning Coalition of Escambia County on August 30, 2018. Mr. Mansker’s term is from August 30, 2018 to April 30, 2021.

   b. Chair Farewell
   Mr. Watson requested recommendations for a farewell for our former Chair, Kermit “Skip” Housh who has served as a Board member from 2006-2009, and as Board Chair from 2009-2018. A suggestion was made by Ms. Pugh to set up and endowment in Mr. Housh name to be presented annually in his honor. Plans are tentatively being arranged for early November 2018.
A motion was made by Mr. Thompson, seconded by Mr. Rowell, and approved without objection to recommend to the Board to approve a recognition endowment in honor of the Coalition’s former Chair Mr. Housh and approve a farewell for our outgoing Board Chair.

The outgoing Chair indicated an interest in being reappointed to the Board. In researching if this was possible the OEL pointed out that for private sector members to be on a Coalition Board they must work or reside in the Coalition service area. This would make the outgoing ineligible because of not meeting either criterion. Similarly, another Board member does not meet the work or residency policy. It is with regret that Susan Nelms is now not eligible to be a member of the Board. A motion was made by Ms. Jackson, seconded by Mr. Thompson, and approved without objection, to recommend to the Board to remove Susan Nelms as a member of the Early Learning Coalition of Escambia County Board.

The Escambia County School Board Designee, Mr. Gerald Boone, will be retiring in November and the October Board will be his last meeting. A plaque will be presented to Mr. Boone’s at the Board October meeting.

Two Board members have terms that expire in 2018, Mr. Craig Jones and Wendi Ochs. Both have indicated an interest to remain on the ELCEC Board after their terms expire. A motion was made by Mr. Rowell, seconded by Mr. Thompson, and approved without objection to recommend to the Board to appoint both Board members for a second term.

c. Board Meeting Convening Times
The Chair opened with a discussion to change the Board’s meeting convening times to best accommodate the members. Several Committee members voiced their opinion on what times would work for the upcoming meetings. Ms. Jackson shared that work constraints at Landrum HR and time away from the office make it more difficult to attend meetings at 10:00 a.m. Her recommendation was to have an earlier meeting in the morning or later in the afternoon. Mr. Rowell voiced that it is easier in morning because of late afternoon traffic but would go with the decision of the majority. Three meeting time options were proposed 8:30 a.m., 10:00 a.m., and 3:30 p.m. and the day will remain the second Thursday of the month. A motion was then made by Ms. Jackson, seconded by Mr. Thompson, and approved without objection to create a survey monkey questionnaire so that all members would have an opportunity to vote on an optimum meeting time. The results of the questionnaire will be presented directly to the Board so as decision can be made regarding Board meeting convening time.

d. Board Vice Chair Vacancy:
The position of Vice Chair is vacant. The goal of having a Provider Representative on the Executive Committee is met because one of the Provider Representatives is Co-Chair of the RDC. It was also noted that having six members, vice five, on the Executive Committee makes it more difficult to make a quorum. Mr. Watson suggested that Mr. Thompson remain as RDC Co-Chair, but also fill the position as Board Vice Chair. Mr. Thompson agreed with this suggestion. A motion was made by Mr. Rowell, seconded by Ms. Jackson, and approved without objection to recommend to the Board to appoint Mr. Thompson as the new Vice Chair for the Coalition.
c. **Staff Health Benefits:**
The Chair shared that 85% of the staff health care benefits are paid by the Coalition, which is not in line with other similarly sized Coalitions. The Chair proposed that the Coalition pay 100% of Staff Health Benefits be paid by the Coalition, to include supplemental vision and dental coverage, which is currently not paid. This additional cost to the Coalition $51,000 per year. The cost for this fiscal year will be about $45,000. The Coalition just completed the annual renewal of health insurance and related policies. Therefore, the timing is good to implement the company paying the full amount of the premium for employees. A motion was made by Mr. Rowell, seconded by Ms. Jackson, and approved without objection to recommend to the Board to accept the increase of the Staff Health Benefits from 85% to 100% and to add dental and vision coverage.

d. **Revised Coalition 2018/2019 Budget**
This budget is required because the OEL increased School Readiness funding by $874,761, which brings the total for School Readiness to over $15.5M. Because our operating budget for the year was already approved this increase was put into SR Direct Slots. Consideration was made to increase Quality, but even with this additional funding the amount dedicated to Quality is still at 6%, which is well above the 4% minimum. The addition of $51,000 for employee health benefits only negligibly affected the Admin percentage. The previous budget already approved a 5% COLA pay increase for staff, which goes into effect on October 1, 2018.

g. **Executive Director’s Evaluation**
The Chair opened the discussion by relating his opportunity to attend the County Commissioners budget meeting for 2019 while Mr. Watson was on travel. The Chair’s reason for attending this meeting was to defend our grant request for this coming year. Last year the Coalition received $238, 875, and there was hope of receiving even more this year. The detailed information that Mr. Watson provided for to support this grant request was impressive and without any doubt ensured the Coalition received another grant this year. The Chair used this an example to support the Executive Director’s evaluation scores and a proposal that he receive a 10% increase in salary, which is a 5% increase over the increase approved for all employees. This would make the Executive Director’s salary equitable salary to the ED salaries of similarly sized Coalitions. A motion was made by Mr. Rowell, and seconded by Ms. Jackson, and was approved without objection to recommend to the Board to accept the evaluation and a 10% salary increase for the Executive Director’s salary.

h. **Gulf Power Foundation (GPF) Grant**
A month ago, the Gulf Power Foundation approached the Coalition to put together a regional proposal to the Foundation to improve the quality of early learning in the four Northwest Florida Coalitions. The grant is $300,000 over a five-year period, $60,000 per year, will be divided among the four Coalitions in Northwest Florida. The Coalition is working with the ELCs of Santa Rosa, Emerald Coast, and Northwest to develop a regional proposal for the Foundation to consider. One stipulation made by the Gulf Power Foundation is that the donations could not go for slots. If approved, ELC Escambia will be the Executive Agency for the Gulf Power
Foundation. Our Coalition would receive $16,000 with an additional $3,000 to be the program administrator.

i. **Key**
Mr. Watson pointed out that there is a new key system summary at the bottom of the Agenda. One of these codes is assigned to every agenda item so Committee members will know what action is anticipated for each item. For example:
- EA is for EXCOM Action or Approval
- CR is for Committee Recommendations to the Board
- D is for Discussion items
- I is for Informational items

**VIII. Upcoming Financial review**

a. **Financial Review - On site visit October 22-26, 2018**
The OEL Financial Review on site visit is scheduled for October 22-26, 2018. The Coalition was exempt from receiving a Financial Review last year because of the stellar results from the year before. However, since there are no gaps allowable in periods Ms. Rutchland stated that the reviewers will probably review documents and records as far back as 2016. The staff is anticipating a month-long process with the pull list coming in late September.

Mr. Watson shared that there were some different types of questions on the review this year and that there are specific areas of interest to the reviewers such as; travel, technology and confidential information documentation.

**IX. ED/Chair Travel**

a. ED: AELC Meeting, September 26 – ELC Palm Beach
b. ED: First 1000 Days Conference (Presenter), September 26-28 – West Palm Beach
c. ED: Preschool Network Steering Committee, October 2-3, St. Petersburg
d. ED: Gulf Power Economic Symposium, October 10-11, Sandestin
e. ED: AELC/OEL ED/ELAC Meetings, October 24-26 – ELC Miami
f. Chair: ELAC Meeting, October 26 – ELC Miami

**X. Adjourn**
Meeting was adjourned at 9:30 a.m.

**Next Meeting:** October 18, 2018 - 8:30 a.m., at the Early Learning Coalition Office, 3300 North Pace Boulevard, Suite 210, Pensacola, FL 32505

*(Note this meeting is one week earlier than the original scheduled meeting date of October 25, 2018.)*