

APPROVED AT FEBRUARY 2, 2021 FINANCE COMMITTEE MEETING

Early Learning Coalition of Broward County, Inc.

Finance Committee Meeting Minutes

December 1, 2020 at 1:30 pm directly following the Executive Committee Meeting

Virtual Meeting

Members in Attendance	Renee Podolsky; Cindy Arenberg-Seltzer; Laurie Sallarulo; Twan Russell; Zachary Talbot
Members Absent	
Staff in Attendance	Renee Jaffe, CEO; Christine Klima, CAO; Hubert Cesar, CIO; Howard Bakalar, CPO; Judith Merritt, COO, Reiner Potts, Financial Analyst; Allison Metsch, Director of Education & Quality Initiatives; Elys Silvestre, Executive Assistant
Others in Attendance	Jacob Jackson, General Counsel; Monica King

Item	Action/Discussion
Welcome & Call to Order	Cindy Arenberg Seltzer called the Finance Committee to order at 1:47 pm. Roll was called and a quorum was established. Chair may need to leave the meeting for another meeting.
CONSENT AGENDA	a. Approve September 10, 2020 Finance Committee meeting minutes There was a Motion to move the Consent Agenda by Laurie Sallarulo and Seconded by Zachary Talbot. Unanimously approved. Motion Passes.
REGULAR BUSINESS:	a. FIN212RB1 Approve October 2020 Interim Financial Statements CAO spoke about our slot expenditures being very high due to pandemic waivers still in place through December 31. When the waivers expire, expenditures are expected to drop significantly. It is difficult to project how steep the decline will be, because we can't predict how attrition, attendance and new enrollments will be affected by the changing pandemic landscape over the next 6 months. Staff will monitor trends going forward. b. FIN212RB2 Approve Budget FY 21 Amendment #2 OEL will be phasing out CARES act funding for first responders between January 1 and March 31. The final round of CARES grants to providers are currently in process and the OEL granted K-Transition contract between the ELC and the school board at no cost extension through March 31, 2021.

<p>c. FIN212RB3 Recommend that Board Empower Finance Committee to Approve Revised Provider Rate Increase Proposal</p> <p>d. FY19 & FY20 EFS Mod Overpayment Communication and Action Plan (PowerPoint Presented at Meeting)</p>	<p>Learning pods were ramped up and then ramped down. It came online in September and ramped down in October. Twan wanted to know if there is anything we should be concerned about. Cindy responded that we might have a lot of money left over but that we need to look for ways to spend it that benefit the community. One of the challenges with allocations coming in the middle of the year instead of the beginning of the year is ramping up quickly enough to expend all of it before the allocation expires on June 30.</p> <p>There was a Motion to Approve October 2020 Interim Financial Statements by Twan Russell and Seconded by Zachary Talbot. Unanimously approved. Motion Passes.</p> <p><u>Approve Budget FY 21 Amendment #2</u></p> <p>There have been quite a number of changes to our budget. There is a \$6.8M net increase to revenue and expenses, mostly due to some significant revenue changes. We received an additional \$9.8M for SR waitlist enrollment, we need to enroll about 2,000 children by the end of the fiscal year. We received an additional \$6.6M from OEL in CARES funding to support child care for first responders and operating grants for providers through the end of December. There is a big reduction in VPK, that is our reduction, not OEL's, which we reduced because VPK spending is low due to pandemic closures early in the year. It took a while for enrollments to get back to where they would be normally. Those lost months will dampen our expenditures for the rest of the year. We reduced the \$40M allocation by \$10M to take the related admin portion out off the table for planning purposes.</p> <p>We also received an additional \$100k from OEL for mental health support to providers and families. We are prohibited from supplanting other funding or existing expenses with this grant. So we must add new capacity instead.</p> <p><u>Expenses</u></p> <p>3 really big categories:</p> <p>Additional staff costs, planning to add 19 FTE staff. These are roles that we are adding to address the current needs that we have within the program. Frontline staff, staff to enroll additional 2,000 children. EFS mod has not yielded efficiencies that were originally promised and we now have to compensate for the inefficiencies of the program.</p> <p>PDG funding requires us to add additional staff/capacity. Expert consultants to train providers on mental health topics. The plan is currently under review with OEL and we are waiting for their approval to start recruiting for those roles.</p> <p>We need an additional HR assistant to help with recruiting as well as two additional quality specialists.</p> <p>We have \$200k for class observers for required CLASS observations between now and June 30. We cannot complete this without consultants. We are ready to move forward with that.</p>
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We have \$1.2M sitting in unallocated funds. If it goes unused, we typically apply them to slots. It's still too early to know what we will do with it. We may need to think about doing another grant program to support providers and the community.

There was a **Motion** to Approve Budget FY 21 Amendment #2 by Renee Podolsky and **Seconded** by Twan Russell. **Unanimously approved. Motion Passes.**

Provider Rate Increase:

The Board approved a \$2.50 provider increase per day per child. OEL declined to approve the proposal because the underlying funding was not fully awarded for FY21 at the time of the first submission in June. We would like to discuss today and at the board meeting to ultimately get the most money we can for the providers.

Staff reported they had a call yesterday with OEL to discuss options and get a sense for their criteria for approving a rate increase. OEL advised us that a proposal of up to 15% in any one care level would be considered and they requested we include a detailed explanation about how we manage attrition, local funding, and utilization to ensure sustainability of the proposed change. If we provide the OEL finance staff with this information, then they can educate the decision makers at OEL on whether or not to approve this amendment based on their review.

They gave us some hope that if we come back with more info and a higher proposal not greater than a 15% increase that there is a good chance that we can get approval.

We may still need to convene an ad hoc optional finance committee meeting to tweak the proposal based on feedback before the February Board meeting. The updated proposal will be higher than the original \$2.50 proposal and staff would like to bring it directly to the Board with the Committee's consent.

There was a **Motion** to authorize staff to bring the maximum amount that they can get through to OEL but no less than the \$2.50 originally proposed directly to the Board, by Laurie Salarullo and Seconded by Renee Podolsky. **Unanimously approved. Motion Passes.**

Overpayment EFS Mod

CAO went over a presentation regarding ELC's plan to recover overpayments in a detailed PowerPoint

Twan commented that the plan is very gentle and this is a very thoughtful approach for the repayment. The Committee agreed that this is a good approach and a good plan for repayment.

Laurie wants to know what the feedback is from the providers that do owe money. What is the sentiment. CAO answered that it varies widely by providers. The larger providers are aware and going through it statewide, they have procedures in place and have been planning for it. Other providers are less prepared and this will be a challenge. A handful have called to see what they owe. The ones that call, so far have not turned

	<p>out to owe us anything. Some haven't been paid enough, we are processing those immediately as soon as the amount is confirmed.</p> <p>Christine mentioned on a separate topic that the auditors are still waiting for some of the Board members to fill out a form that was sent to them and that we would follow up with those individuals today.</p>
NEW BUSINESS	There was no discussion.
MATTERS FROM CHAIR	There was no discussion
MATTERS FROM COMMITTEES	There was no discussion.
PUBLIC COMMENT	There was no comment.
NEXT MEETING DATE	February 2, 2021 at 1:30 PM
ADJOURN	Laurie Salarullo motioned to adjourn the meeting at 2:56 PM.

These minutes contain the action items of the Board meeting of the Early Learning Coalition of Broward. They do not include all the Committee's discussions or comments on each matter or issue raised during the meeting. A tape recording of the meeting is held in the Coalition office. Corrections from the Committee will be taken prior to approval at the next meeting.