

**FINANCE COMMITTEE  
MEETING AGENDA**

Monday, February 1, 2021 at 3:00 pm  
Zoom Meeting

**I. CALL TO ORDER**

- A. Roll Call/Quorum Verification L. Buzard
- B. Approval of Minutes for October 5, 2020 Regular Meeting (pgs. 3-4) L. Buzard

**II. PUBLIC COMMENT I**

*Individuals wishing to address the Early Learning Coalition of Hillsborough County Board of Directors must complete a Public Comment Request Card and submit it to the official recorder prior to the noticed start time of the meeting. Said comments will be limited to three (3) minutes per individual on a first come, first serve basis, and only at such time as is identified on the official meeting agenda for public comment. All public comment in Public Comment I must pertain to an item on the approved agenda.*

**III. FINANCIAL REPORT**

Y. Hernandez Tamayo

- A. Budget to Actual – December 31, 2020 (pgs. 5-6)

**IV. ACTION ITEM**

- A. Tentative 2021 School Readiness Provider Rate Increases (pgs. 7-8) G. Gillette

**V. CEO REPORT**

G. Gillette

- A. OEL Independent Auditor Findings and Management Responses (pgs. 9-16)
- B. MSL Update
- C. CFO Update & MIS Update

**VI. DISCUSSION ITEMS**

**VII. ADJOURNMENT**

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**UPCOMING MEETINGS**

**Executive Committee Meeting** – Monday, February 8, 2021 at 3:00 pm

**Legislative Affairs Committee Meeting** - Monday, February 9, 2021 at 2:30 pm

**Board of Directors Meeting** - Monday, February 15, 2021 at 3:00 pm

**Governance Committee Meeting** – Monday, March 29, 2021 at 3:00 pm

**UPCOMING EVENTS**

**Feeding Tampa Bay Mobile Pantry Distribution** – February 2, 2021 at 4:30 pm

**Zoom Meeting Information:**

Join Zoom Meeting

<https://zoom.us/j/92192299145?pwd=V1E5Sm5SV3NWSTBwTE55RWhrGJPQT09>

Meeting ID: 921 9229 9145

Passcode: 275155

One tap mobile

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Meeting ID: 921 9229 9145

Passcode: 275155

Find your local number: <https://zoom.us/j/abepvy3ESS>

Monday, October 5, 2020 at 3:00 pm  
Zoom Meeting

**MEETING ATTENDANCE**

**Facilitator:** Luke Buzard, Chair

**Committee Members Present:**

Luke Buzard\*, Dianne Jacob\*, Candy Olson\*, and Dr. Shawn Robinson\*

**Committee Members Absent:**

Joe McElroy

**ELCHC Staff:**

Alison Fraga\*, Gordon Gillette\*, Devin Jaglal\*, Kelley Minney\*, Kiyana Scott\*, Abigail Perez\*, and Helen Sovich\*

**Other Attendees:**

Tonia Williams\*

\*Indicates attendance by Zoom Meeting platform.

**CALL TO ORDER**

**Quorum Verification**

Noting a quorum was present, Committee Chair, Luke Buzard, called the meeting to order at 3:05 pm.

**Approval of August 10, 2020 Finance Committee meeting minutes.**

***Candy Olson made a motion to approve the August 10, 2020 Finance Committee meeting minutes.***

***Dr. Shawn Robinson made a second. The motion carried unanimously.***

**PUBLIC COMMENT**

There was no Public Comment.

**FINANCIAL REPORT**

Devin Jaglal, Director, Finance, reviewed and responded to Committee questions about the financial statements as of June 30, 2020; including the 13-month invoice, Financial Statements ending July 31, 2020, and the updated Notice of Award (NOA) for FY 20-21. Mr. Jaglal highlighted the following items:

1. Program revenue first month's financials for FY 20-21.
  - a. \$1.9M in local funding and \$781,500 from other local funders not directly related to School Readiness.
2. Revenues vs. Expenses for School Readiness (SR) and Voluntary Pre-Kindergarten (VPK).

3. CARES funding totaling in \$8.1M was allocated in May 2020, and as of date, \$4.5M has been utilized.
4. Preschool Development Grant (PDG) funding.
5. The staff will meet quarterly, or regularly to review the budget and actual results.

There was further discussion about the utilization of the CARES funding.

#### **ACTION ITEMS**

##### **Request Approval of FY 20-21 Revised Budget**

***Dr. Shawn Robinson made a motion to approve the FY 20-21 Revised Budget that includes stipulations that we are still pending a Notice of Award and that there is a consideration to be made about attendance and how it will affect our ability to have support for admin costs. Dianne Jacob made a second. The motion carried unanimously.***

#### **DISCUSSION ITEMS**

There were no Discussion Items.

#### **ADJOURNMENT**

***Dr. Shawn Robinson made a motion to adjourn the meeting at 4:07 pm. Candy Olson made a second. The motion carried unanimously.***

Read and approved by: \_\_\_\_\_ Date: \_\_\_\_\_  
Dr. Stephie Holmquist Johnson, Secretary



Budget to Actual December 31, 2020							
	Actual	Budget	Difference	Actual	Budget	Difference	
	YTD	YTD	YTD favorable /(unfavorable)	2021 YTD Actual/Forecast	2021 Budget	YTD favorable /(unfavorable)	%
<b>Program Revenue</b>							
School Readiness	29,084,638	29,712,398	(627,760)	59,086,528	59,610,395	(523,867)	-0.9%
School Readiness - Cares	6,569,669	4,162,334	2,407,335	7,268,630	4,162,334	3,106,296	
School Readiness Match - OEL	427,273	796,848	(369,575)	1,551,647	1,551,647	-	0.0%
<b>School Readiness - Local Funders</b>							
Children's Board HC	-	233,590	(233,590)	700,770	700,770	-	0.0%
Metro Ministries(Children Board)	8,794	75,000	(66,206)	68,794	150,000	(81,206)	-54.1%
Hillsborough County BOCC	276,000	138,000	138,000	276,000	276,000	-	0.0%
HC Childcare -Licensing & Fees(CF)	-	241,394	(241,394)	-	482,788	(482,788)	-100.0%
HC Childcare -Licensing & Fees(CY)	248,379	215,000	33,379	430,000	430,000	-	0.0%
City of Tampa	-	-	-	-	210,000	(210,000)	-100.0%
Robles Park	26,793	25,000	1,793	37,292	25,000	12,292	49.2%
United Way	31,415	31,415	-	62,829	62,829	-	0.0%
Caspers	50,000	50,000	-	52,756	50,000	2,756	5.5%
St John	10,689	-	10,689	10,689	-	10,689	
<b>Total School Readiness - Local Funders</b>	<b>652,070</b>	<b>1,009,399</b>	<b>(357,329)</b>	<b>1,639,130</b>	<b>2,387,387</b>	<b>(748,257)</b>	
<b>Total School Readiness Revenue</b>	<b>36,733,651</b>	<b>35,680,979</b>	<b>1,052,671</b>	<b>69,545,934</b>	<b>67,711,763</b>	<b>1,834,171</b>	<b>2.7%</b>
<b>Other Local Funders</b>							
Hillsborough Infant/Toddler Initiative	30,749	79,500	(48,751)	159,000	159,000	-	0.0%
Conn Foundation	70,500	45,500	25,000	70,500	45,500	25,000	54.9%
Spurlino Foundation	60,000	50,000	10,000	60,739	50,000	10,739	21.5%
ELCHC Program Income SRPI	2,834	-	2,834	2,834	-	2,834	
Lastinger Project	106,400	106,400	0	212,800	212,000	800	0.4%
HELN	2,298	-	2,298	2,298	-	2,298	
ELFL	43,845	5,000	38,845	43,845	15,000	28,845	192.3%
Total General Contributions and Gifts	59,220	-	59,220	209,220	300,000	(90,780)	-30.3%
<b>Total Other Local Funders</b>	<b>375,846</b>	<b>286,400</b>	<b>89,446</b>	<b>761,236</b>	<b>781,500</b>	<b>(20,264)</b>	<b>-2.6%</b>
<b>Total School Readiness Revenue and Local Revenue</b>	<b>37,109,497</b>	<b>35,967,379</b>	<b>1,142,117</b>	<b>70,307,171</b>	<b>68,493,263</b>	<b>1,813,908</b>	<b>2.6%</b>
<b>Program Expenses</b>							
<b>School Readiness</b>							
Direct Services - SR	28,168,886	28,505,770	(336,884)	49,433,832	49,920,637	(486,805)	-1.0%
School Readiness - Cares	3,919,509	593,558	3,325,951	7,268,630	4,162,334	3,106,296	
School Readiness Match - OEL	427,273	796,848	(369,575)	1,551,647	1,551,647	-	0.0%
School Readiness - Local Funders	465,666	1,193,694	(728,028)	1,639,130	2,387,387	(748,257)	-31.3%
Other Local Funders	173,306	390,750	(217,444)	761,236	781,500	(20,264)	-2.6%
<b>Total Direct Services</b>	<b>33,154,640</b>	<b>31,480,620</b>	<b>1,674,020</b>	<b>60,654,475</b>	<b>58,803,505</b>	<b>1,850,970</b>	<b>3.1%</b>
ELCHC Operating	3,704,738	3,539,645	165,093	8,186,765	8,094,258	92,507	1.1%
CCL/ECC	436,098	336,726	99,372	1,149,500	1,149,500	-	0.0%
Inclusion Cost	122,500	149,154	(26,654)	317,000	317,000	(0)	0.0%
Scholarships and Other	75,193	22,500	52,693	129,000	129,000	-	0.0%
<b>Total School Readiness &amp; Other Expenses</b>	<b>37,493,169</b>	<b>35,528,645</b>	<b>1,964,524</b>	<b>70,436,740</b>	<b>68,493,263</b>	<b>1,943,477</b>	<b>2.8%</b>
<b>SR Change in Net Assets</b>	<b>(383,673)</b>	<b>438,734</b>	<b>(822,407)</b>	<b>(129,570)</b>	<b>(0)</b>	<b>(129,569)</b>	
<b>Other Revenue(Information Only)</b>							
CARES- Rising Kindergarten Summer Program	1,245,600	1,245,600	-	1,245,600	1,245,600	-	
Preschool Development Grant Services	75,680	141,979	66,299	513,523	359,000	(154,523)	
<b>Other Expenses</b>							
CARES- Rising Kindergarten Summer Program	1,245,600	1,245,600	-	1,245,000	1,245,000	-	
Preschool Development Grant Services	75,680	141,979	66,299	513,523	359,000	(154,523)	
<b>PDG Change in Net Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0)</b>	<b>(0)</b>	
<b>VPK Revenue</b>							
Voluntary Pre-Kindergarten	9,404,936	15,975,992	(6,571,055)	20,898,769	31,469,824	(10,571,056)	-33.6%
<b>Total VPK Revenue</b>	<b>9,404,936</b>	<b>15,975,992</b>	<b>(6,571,055)</b>	<b>20,898,769</b>	<b>31,469,824</b>	<b>(10,571,056)</b>	<b>-33.6%</b>
<b>Voluntary Pre-Kindergarten</b>							
Direct Services	8,887,003	15,322,974	(6,435,970)	19,701,594	30,092,151	(10,390,556)	-34.5%
ELCHC Operating	514,076	609,311	(95,234)	1,185,025	1,357,674	(172,649)	-12.7%
ECC	2,150	10,000	(7,850)	12,150	20,000	(7,850)	-39.3%
<b>Total Voluntary Pre-Kindergarten</b>	<b>9,403,230</b>	<b>15,942,285</b>	<b>(6,539,055)</b>	<b>20,898,769</b>	<b>31,469,825</b>	<b>(10,571,056)</b>	<b>-33.6%</b>
<b>VPK Change in Net Assets</b>	<b>1,707</b>	<b>33,707</b>	<b>(32,000)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	

<b>Total Revenue</b>	<b>46,514,433</b>	<b>51,943,371</b>	<b>(5,428,938)</b>	<b>91,205,939</b>	<b>99,963,087</b>	<b>(8,757,148)</b>	<b>-8.8%</b>
<b>Total Expenses</b>	<b>46,896,399</b>	<b>51,470,930</b>	<b>(4,574,531)</b>	<b>91,335,509</b>	<b>99,963,088</b>	<b>(8,627,579)</b>	<b>-8.6%</b>
<b>Change in Net Assets</b>	<b>(381,966)</b>	<b>472,441</b>	<b>(854,408)</b>	<b>(129,570)</b>	<b>(0)</b>	<b>(129,570)</b>	
<b>ELCHC Expenditure Categories:</b>							
Personnel	3,286,019	3,123,754	162,265	7,458,559	7,296,294	162,265	2.2%
Staff Development	9,833	26,502	(16,669)	42,010	58,679	(16,669)	-28.4%
Professional Services	150,579	279,056	(128,477)	432,229	560,706	(128,477)	-22.9%
Occupancy	229,925	252,500	(22,575)	482,425	505,000	(22,575)	-4.5%
Postage, Freight and Delivery	2,108	1,600	508	3,308	2,800	508	18.1%
Rentals	2,523	12,000	(9,477)	14,523	24,000	(9,477)	-39.5%
Supplies	35,526	40,900	(5,374)	116,026	121,400	(5,374)	-4.4%
Communications	5,289	8,029	(2,739)	13,318	16,057	(2,739)	-17.1%
Insurance	4,569	17,000	(12,431)	46,569	59,000	(12,431)	-21.1%
Tangible Personal Property	10,000	33,300	(23,300)	43,300	66,600	(23,300)	-35.0%
Quality	431,016	289,935	141,081	767,516	626,435	141,081	22.5%
Travel	2,580	22,080	(19,500)	27,160	46,661	(19,500)	-41.8%
Other Operating	48,847	42,300	6,547	74,847	68,300	6,547	9.6%
Depreciation	-	-	-	-	-	-	-
Other Operating Exp(Excludes Personnel)	932,795	1,025,201	(92,406)	2,063,231	2,155,637	(92,406)	-4.3%
<b>Total ELCHC Operating Expenses</b>	<b>4,218,814</b>	<b>4,148,956</b>	<b>69,859</b>	<b>9,521,790</b>	<b>9,451,931</b>	<b>69,859</b>	<b>0.7%</b>

## ELCHC FINANCE COMMITTEE MEETING – February 1, 2021

### ACTION ITEM

### IV.A.

<b>ISSUE:</b>	<b>Tentative 2021 School Readiness Provider Rate Increases</b>
<b>FISCAL IMPACT:</b>	\$5M
<b>FUNDING SOURCE:</b>	School Readiness
<b>RECOMMENDED ACTION:</b>	Authorize the Executive Director to amend the coalition's School Readiness Plan and providers' contracts to implement provider rate increases when finalized by the Office of Early Learning.

#### NARRATIVE:

The 2020 Legislature appropriated \$50 million in Child Care Development Funds (CCDF) to the Office of Early Learning (OEL) for provider rate increases. The requirements of this appropriation are below.

From the funds in Specific Appropriation 85, \$50,000,000 in nonrecurring funds from the Child Care and Development Block Grant Trust Fund is provided to the Office of Early Learning to provide eligible early learning coalitions with school readiness provider rate increases to reduce variance and inequities in provider payment rates across the state. The funds shall be placed in reserve. Upon the completion of a detailed allocation plan that identifies the school readiness provider payment rates that will be increased and how the \$50,000,000 will be allocated to the eligible early learning coalitions, the office is authorized to submit budget amendments for the funds being held in reserve pursuant to the provisions of chapter 216 Florida Statutes.

The Office of Early Learning (OEL), in collaboration with the coalitions, has proposed to prioritize care levels as follows:

1. Infants/Special Needs\* (5% of total SR population)
2. Toddlers and Preschool Age 2 (10% and 13% of total SR population)
3. Preschool Ages 3, 4 and 5 years old (15%, 15% and 11% of total SR population)

A tiered methodology will be used to model the increases by care levels for a maximum allocation of \$50M for January – June 2021. The following is the current recommendation.

Care Level /Percent of the 75 <sup>th</sup> Percentile	Infants: Percent of the 75 <sup>th</sup> Percentile	Toddlers: Percent of the 75 <sup>th</sup> Percentile	2 Year Olds: Percent of the 75 <sup>th</sup> Percentile	3 Year Olds: Percent of the 75 <sup>th</sup> Percentile	4 Year Olds: Percent of the 75 <sup>th</sup> Percentile	5 Year Olds: Percent of the 75 <sup>th</sup> Percentile	Estimated Fiscal Impact for 120 Days (6 Months)
	100%	85%	85%	75%	75%	75%	\$47,873,265

\*240 days is the average SR attendance rate which equates to 92-93% attendance.

Current statewide average SR base reimbursement rate percentages and average reimbursement rate amounts as compared to the 75<sup>th</sup> percentile by care level and provider type are displayed in the

table below. Note that since the Market Rate Survey categories (Large Family Day Care Homes and Family Child Care Homes) do not directly align with the SR Plan Rates for Licensed Family Child Care Home as SR Plan Rate as a percentage of the 75th Percentile, for Licensed Family Child Care Home rates, the greater of the Market Rate Survey Large Family Day Care Home rate or Family Child Care Home rate was used. For Registered Family Child Care Home rates, the Family Child Care Home rate was used.

		Statewide Average											
		Current SR Plan Base Reimbursement Rates						Current SR Plan Base Reimbursement Rates as % of the 2019 Market Rates					
		Non Gold Seal			Gold Seal			Non Gold Seal			Gold Seal		
Unit Of Care	Care Level	Licensed / Exempt	Licensed Family Child Care Home	Registered Family Child Care Homes	Licensed / Exempt	Licensed Family Child Care Home	Registered Family Child Care Homes	Licensed / Exempt	Licensed Family Child Care Home	Registered Family Child Care Homes	Licensed / Exempt	Licensed Family Child Care Home	Registered Family Child Care Homes
Full Time	Infant	\$29.98	\$22.05	\$13.88	\$35.88	\$26.38	\$16.58	78.02%	61.18%	40.80%	75.70%	60.48%	38.02%
	Toddler	\$25.79	\$19.70	\$12.52	\$30.86	\$23.57	\$14.95	76.36%	62.48%	41.27%	76.25%	60.59%	38.44%
	2 Year Old	\$24.15	\$18.49	\$11.72	\$28.90	\$22.13	\$14.00	74.37%	57.64%	38.19%	72.12%	55.75%	35.28%
	Preschool 3	\$22.60	\$17.49	\$11.27	\$27.04	\$20.93	\$13.46	75.21%	58.10%	38.73%	72.96%	55.43%	35.67%
	Preschool 4	\$22.20	\$17.16	\$11.14	\$26.57	\$20.53	\$13.31	77.63%	57.75%	40.31%	72.80%	57.51%	37.29%
	Preschool 5	\$21.95	\$16.94	\$11.07	\$26.26	\$20.26	\$13.22	77.55%	60.70%	40.59%	72.92%	59.81%	39.15%
Part Time	Infant	\$20.85	\$14.98	\$9.49	\$24.95	\$17.92	\$11.11	61.04%	51.98%	35.54%	62.51%	50.29%	31.19%
	Toddler	\$18.37	\$13.46	\$8.54	\$21.98	\$16.10	\$9.98	61.17%	53.81%	34.16%	62.34%	50.66%	31.42%
	2 Year Old	\$17.09	\$12.64	\$7.95	\$20.44	\$15.12	\$9.31	60.27%	51.11%	32.57%	58.19%	45.10%	27.76%
	Preschool 3	\$15.65	\$11.92	\$7.63	\$18.72	\$14.25	\$8.93	60.81%	50.20%	33.55%	59.50%	46.45%	29.10%
	Preschool 4	\$15.50	\$11.77	\$7.55	\$18.55	\$14.08	\$8.83	63.16%	51.42%	34.37%	59.27%	47.39%	29.72%
	Preschool 5	\$15.41	\$11.68	\$7.54	\$18.44	\$13.97	\$8.82	63.72%	53.11%	34.53%	60.51%	47.00%	29.67%

		Rate Increase Percentage of the 75th Percentile	Proposed New Rates						Rate Increase Amount					
			Non Gold Seal			Gold Seal			Non Gold Seal			Gold Seal		
Unit Of Care	Care Level		Licensed / Exempt	Licensed Family Child Care Home	Registered Family Child Care Homes	Licensed / Exempt	Licensed Family Child Care Home	Registered Family Child Care Homes	Licensed / Exempt	Licensed Family Child Care Home	Registered Family Child Care Homes	Licensed / Exempt	Licensed Family Child Care Home	Registered Family Child Care Homes
Full Time	Infant	100%	\$38.43	\$36.23	\$34.01	\$47.41	\$43.61	\$43.61	\$8.45	\$14.18	\$20.14	\$11.52	\$17.23	\$27.03
	Toddler	85%	\$28.71	\$27.17	\$25.77	\$34.40	\$33.07	\$33.07	\$2.92	\$7.46	\$13.26	\$3.54	\$9.49	\$18.11
	2 Year Old	85%	\$27.60	\$27.41	\$26.08	\$34.06	\$33.73	\$33.73	\$3.45	\$8.92	\$14.36	\$5.16	\$11.61	\$19.73
	Preschool 3	75%	\$22.54	\$22.80	\$21.82	\$27.80	\$28.31	\$28.31	\$0.00	\$5.31	\$10.56	\$0.76	\$7.39	\$14.85
	Preschool 4	75%	\$21.45	\$22.45	\$20.74	\$27.37	\$26.78	\$26.78	\$0.00	\$5.29	\$9.59	\$0.80	\$6.24	\$13.46
	Preschool 5	75%	\$21.23	\$21.26	\$20.45	\$27.01	\$25.41	\$25.33	\$0.00	\$4.33	\$9.38	\$0.75	\$5.15	\$12.11
Part Time	Infant	100%	\$34.16	\$29.43	\$26.70	\$39.91	\$35.63	\$35.63	\$13.31	\$14.45	\$17.21	\$14.96	\$17.71	\$24.51
	Toddler	85%	\$25.53	\$21.89	\$21.24	\$29.97	\$27.01	\$27.01	\$7.16	\$8.43	\$12.71	\$7.99	\$10.91	\$17.02
	2 Year Old	85%	\$24.10	\$21.51	\$20.75	\$29.87	\$28.49	\$28.49	\$7.01	\$8.87	\$12.80	\$9.42	\$13.37	\$19.18
	Preschool 3	75%	\$19.30	\$18.29	\$17.05	\$23.60	\$23.01	\$23.01	\$3.65	\$6.37	\$9.42	\$4.88	\$8.76	\$14.08
	Preschool 4	75%	\$18.41	\$17.70	\$16.47	\$23.47	\$22.29	\$22.29	\$2.91	\$5.93	\$8.92	\$4.92	\$8.21	\$13.45
	Preschool 5	75%	\$18.14	\$17.09	\$16.37	\$22.86	\$22.30	\$22.30	\$2.73	\$5.41	\$8.84	\$4.41	\$8.33	\$13.48

It is important to note that there will be no reductions in provider rate reimbursements when the coalition's base reimbursement is at or above the statewide base reimbursement rate. To implement these provider rate increases, OEL will provide coalitions with a Simplified Plan Amendment form. Given that the provider rate increase is a statewide action, Board approval of the Coalition Plan amendment is not required.



ELC 19 – Early Learning Coalition of Hillsborough County, Inc.  
Exit Conference Memo  
Monitoring Period: August 1, 2019 – July 31, 2020  
Monitoring Dates Onsite: October 12, 2020 – October 16, 2020

Date: October 16, 2020

Time: 4:00 PM

Individuals Attending:

Onsite Monitoring Team Members	Lindsey Gregory
	Alex Frey
OEL Staff Members	Laura McKinley
Entity Management Team Members	Devin Jaglal
	Gordon Gillette

## I. Introduction

### 1. Review Purpose of Engagement

- a. Subrecipient monitoring is a required grant award requirement for entities receiving Federal and/or State funds for SR/VPK programs' administration.
- b. The purpose of monitoring is to assist in making improvements during the program year that enhance operations and/or compliance with applicable grant program rules.
- c. The Florida Office of Early Learning (OEL) has contracted with Thomas Howell Ferguson (THF) CPAs to perform onsite financial monitoring procedures.
- d. The scope for 2020-21 fiscal monitoring includes sampling selected areas of operations to (1) examine processes and internal controls, (2) determine the extent of compliance with federal and state grant program requirements, (3) identify corrections that may be required, and (4) to discuss related strengths or weaknesses that are noted during this process.

### 2. Summary of Finding(s) and Observation(s)

- a. The Entity resolved 6 of 6 Finding(s) from the prior monitoring period.

### 3. The entity has been very helpful and responsive in completing monitoring tasks.

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Category	Status of current period draft results				Status of prior period findings		
	Finding(s)	Item(s) Requiring Additional Information	Observation(s)	Item(s) for OEL Follow-Up	Resolved	Partially Resolved	Unresolved
1.0 - PCAP Implementation	-	-	-	-	-	-	-
2.0 - Financial Management Systems	-	-	-	-	1	-	-
3.0 - IC Environment	-	-	-	-	-	-	-
4.0 - Cash Management	-	-	-	-	3	-	-
5.0 – OEL’s Statewide Information System	-	-	-	-	-	-	-
6.0 - Prepaid Item(s)	-	-	-	-	-	-	-
7.0 - Cost Allocation Plan & Disbursement Testing	3	-	-	-	2	-	-
8.0 - Travel	2	-	-	-	-	-	-
9.0 - Purchasing	2	-	-	-	-	-	-
10.0 - Contracting	1*	-	-	-	-	-	-
11.0 - Subrecipient Monitoring	1	-	-	-	-	-	-
<b>Total</b>	<b>9*</b>	-	-	-	<b>6</b>	-	-

### Materiality threshold

Note: OEL has implemented a materiality threshold as part of its ongoing efforts to enhance efficiency and effectiveness of this oversight and reporting process. All results from the onsite monitoring visit will be shared with your entity’s management team during this exit conference, and instances involving small dollar amounts may, *at OEL’s discretion*, be omitted from the draft/final monitoring reports. All draft discussion items impacted by this materiality threshold will be marked and/or highlighted for you in this memo.

## II. Review of Testing Results:

### 1.0 Preventive Corrective Action Plan (PCAP)

#### a. Finding(s):

#### **Prior Period Finding # ELC 19-2019-20-001**

Financial Management Systems – *Untimely submission of items requested for the 2019-2020 fiscal monitoring*

Finding/Condition: All of the data items requested from the Coalition to prepare for the onsite monitoring visit were not received in a timely manner.

- The deadline for submission of requested data items was 9 a.m. on October 7, 2019.
- All items were filed late.

Status: **Corrective actions resolved.**

### **Finding # ELC 19-2020-21-001**

Cost allocation and disbursement testing – *Missing required expenditure documentation*

Finding/Condition: During detailed testing of disbursements, we noted 2 of 39 sampled transactions did not include sufficient documentation to allow a proper determination to be made on whether the examined expenses are necessary, reasonable, or allowable.

□ **Date:** 6/18/2020; **Amount:** \$522.31; **Grant period/OCA Code:** 2019-20/97BBA, VPADM; **Vendor/Payee:** Survey Monkey; **Description:** Survey Monkey – Team Advantage

□ **Date:** 6/5/2020; **Amount:** \$2,649.50; **Grant period/OCA Code:** 2019-20/97BBA, VPADM; **Vendor/Payee:** Constant Contact; **Description:** Subscription services for email/event blast

**Issue(s):** Documentation was not retained to provide a reason for why the services are being used. This prevented the Monitor from being able to make a determination on whether the expenses were necessary, reasonable or allowable.

**R/ Jonna Johnson:** The reason why we've chosen Constant Contact as a consistent go-to over the years and throughout several ELCs is because of the versatility of Constant Contact to communicate via email, social media integrations, survey and event management with our providers, families and board members. Constant Contact charges less per additional service like the ones mentioned above. Constant Contact also doesn't limit the number of items per month you can send and authorized number of administrators, like Mail Chimp.

We consistently use email marketing to communicate to our contracted VPK and SR providers about upcoming policy changes in their contracts, procedural reminders, and upcoming professional development training opportunities. We also communicate with families who utilize our services regarding additional resources and family engagement opportunities through CCR&R.

Lastly, Constant Contact provides many FREE integrations with merchant payment systems and doesn't limit you to merchant carriers or their preference.

**R/ Kelley Minney:** We use Survey Monkey to help us capture accurate data quickly. The surveys help us gain a better understanding of the families, providers, and team members' needs so that we can improve our efforts in customer service and the overall culture of our organization. Survey Monkey allows us to send specific surveys tailored to the families and providers we serve and is convenient and easy for them to use. For example, Survey Monkey was used to help us understand the impact that COVID 19 has had on our child care provider's operations. The information that was collected from the survey helped our Board of Directors launch a supply drive to get the necessary PPE supplies in the hands of our providers so that they could remain open.

### **Finding # ELC 19-2020-21-002**

Cost Allocation and Disbursement Testing – *Lack of OEL approval for selected cost items*

Finding/Condition: During detailed testing of disbursements, we noted expenses related to memberships where required prior approval from OEL was not obtained.

□ **Date:** 2/17/2020; **Amount:** \$335.20; **Grant period/OCA Code:** 2019-20/VPADM; **Vendor/Payee:** Tampa Bay Chamber; **Description:** ELC chamber membership

**R/ Yarima:** Finance Team need to study/implement OEL Purchasing rules

**Finding # ELC 19-2020-21-003**

Cost Allocation and Disbursement Testing – *Inaccurate coding of GL expenses*

Finding/Condition: During detailed testing of disbursements, we noted one instance in which an expense was miscoded. Monitor noted that the expense was coded to travel-out of state, but upon inspection of the supporting documentation it was determined the expenses should have been coded to travel-in state.

□ **Date:** 12/1/2019; **Amount:** \$135.41; **Grant period/OCA Code:** 2019-20/COMPROJ; **Vendor/Payee:** Employee Initials GG; **Description:** employee reimbursement for instate travel costs.

b. Item(s) requiring Additional Information: None noted.

c. Observation(s): None noted.

d. Item(s) for OEL Follow-up: None noted.

**8.0 Travel**

a. Finding(s):

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**R/ Gigi:** Yes, you are correct, but it was charged to Comproj because we didn't have the prior authorization

**Finding # ELC 19-2020-21-004**

Travel – *Missing required supporting documentation*

Finding/Condition: During detailed testing of travel expenses, we noted two of four sampled transactions missing supporting documentation as required by the Coalition's Travel Policy.

□ **Date:** 9/5/2019; **Amount:** \$52.59; **Grant period/OCA Code:** 2019-20/GEN;

**Vendor/Payee:** employee with initial AMB; **Description:** Travel Reimbursement for 08/01/19-08/27/19; **Issue(s):** The employee did not include a map as required by the Coalition's Travel Policy when submitting for mileage reimbursement.

□ **Date:** 12/1/2019; **Amount:** \$135.41; **Grant period/OCA Code:** 2019-20/GEN;

**Vendor/Payee:** employee with initials GG; **Description:** Travel Reimbursement 11/13/19 - 11/22/19; **Issue(s):** The employee did not include a map as required by the Coalition's Travel Policy when submitting for mileage reimbursement.

**R/ Brittanni:** The map was not required for vicinity mileage at this point it will be going forward, Gordon's travel did not have the map or prior authorization, so it was reimbursed with community projects instead of federal or state money

**Finding # ELC 19-2020-21-005**

Travel – *Untimely processing of employee reimbursement*

Finding/Condition: During detailed testing of travel expenses, we noted one of five sampled transactions was not reimbursed in a timely manner in accordance with the Coalition's Finance

Policy.

□ **Date:** 6/8/2020; **Amount:** \$351.90; **Grant period/OCA Code:** 2019-20/VPADM; **Vendor/Payee:** employee with initials TS; **Description:** Tuition Reimbursement- ENC1101, CGS 1000 and SLS 1106; **Issue(s):** The employee submitted for reimbursement of an expense and the expense was not reimbursed for 6 months, which exceeds the allowable time period for expenses to be reimbursed based on ELC policy. *Note: Although this is an instance of noncompliance with Coalition policy this cost is determined to be allowable.*

b. Item(s) requiring Additional Information: None noted.

c. Observation(s): None noted.

d. Item(s) for OEL Follow-up: None noted.

## **9.0 Purchasing**

a. Finding(s):

**R/ Brittanni:** – In regards to the tuition reimbursement for classes taken in Fall of 2019, based on policy, I thought reimbursement request would have to be done before March 1, 2020. It appears it was reimbursed in June of 2020. I was hoping you could help me understand the reimbursement

### **Finding # ELC 19-2020-21-006**

Purchasing – *Missing required procurement process – Quote(s) from CMBEs*

Finding/Condition: During detailed testing of procurements, we noted one of six sampled transactions missing documentation of a quote from a Certified Minority Business Enterprise (CMBE).

□ **Date:** 7/31/2020; **Amount:** \$300.00; **Grant period/OCA Code:** 2019-20/97BBA & VPADM; **Vendor/Payee:** Treefrog Cinegraphix Website Develop; **Description:** Website development; **Issue(s):** The entity did not document that a quote from a Certified Minority Business Enterprise (CMBE) was received as required by state purchasing rules.

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State purchasing rules require at least one quote should be from a CMBE or else the ELC should document why this was not obtained. Based on an inspection of the state listing of CMBEs, there is no CMBE in the county that provides these contracted services that should have been considered.

**R/ Yarima:** Finance Team need to study/implement OEL Purchasing rules

### **Finding # ELC 19-2020-21-007**

Purchasing – *Missing required procurement processes and related compliance issues*

Finding/Condition: During detailed testing of procurements, we noted one of six sampled transactions with one or more instances of potential noncompliance and/or required but missing documentation as required by various federal/state grant program rules, state and federal purchasing rules, related party disclosure requirements from state statutes as well as

USDHHA/CCDF guidance.

□ **Date:** 1/10/2020; **Amount:** \$20,500.00; **Grant period/OCA Code:** 2019-20/97BBA & VPADM; **Vendor/Payee:** Randall Zavertnik; **Description:** Accounting Consulting services, which were needed to perform temporary CFO duties when the ELC's former CFO resigned from this position in the summer of 2019; **Issue(s):** See below for more details.

Potential instances of noncompliance and/or required but missing documentation

1. The entity did not issue a public/competitive procurement nor were additional quotes obtained as required by federal and state purchasing rules.

2. The service contract did not place a compensation cap for services provided and the hourly rate granted (\$125/hr.) exceeds the USDHHS/CCDF 2019 hourly rate maximum of \$92.45, per rules for the annual CCDF salary cap.

3. These costs benefitted and were split between the SR/VPK programs, which means additional analysis is needed to calculate any portions of contract costs charged to the SR program in excess of the pro-rated maximum allowable hourly rate for 2019-20 per USDHHS CCDF salary cap rules.

4. The consultant hired is a related party of the CEO, and related party provisions in state statutes apply that were not followed.

b. Item(s) requiring Additional Information: None noted.

c. Observation(s): None noted.

d. Item(s) for OEL Follow-up: None noted.

## **10.0 Contracting**

a. Finding(s):

**R/ Gordon:** This was a situation in which the ELCHC needed some rapid consulting in the finance area in order to bridge the gap of an exiting Director, Finance that gave two weeks notice and the hiring of a new Director, Finance. The position of the ELCHC is that the work of Randall Zavertnick was of a consulting nature and Mr. Zavertnick was not acting as Director, Finance. He was retained simply to provide support to the Finance team and the CEO during the transition. Final financial decision-making was in the hands of the Manager and the CEO during this interim period. Standard bid processes were not followed because of the nature of the situation. A new Director, Finance was hired within a month and a half of the prior Director's leaving.

**Finding # ELC 19-2020-21-008\*** *numbered for discussion/presentation purposes*

*The issues described below represent matters noted during the current fiscal monitoring cycle. They do*

*not represent a monitoring report finding or observation comment, and they have been presented here*

*for management discussion purposes only. These comments will not be included in the ELC's 2020-21*

*monitoring report. See comments in Section 2.0 for more information.*

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Contracting – *Required federal and state provisions missing from vendor contract*

Finding/Condition: Four of five sampled contracts did not include required federal and state contract provisions as detailed here.

- ☐ **Date:** 2/1/2020 - 6/30/2020; **Amount:** \$19,750.00; **OCA Code:** 97BBA, VPADM; **Payee:** Renee Dabbs, LLC; **Description:** Provide the Board of Directors opportunities to determine priorities for the 2020 fiscal year through a Board retreat/consulting over the course of 4-5 months
- ☐ **Date:** 7/1/2019 - 6/30/2020; **Amount:** \$18,875.00; **OCA Code:** Various; **Payee:** Blue Jean Ware; **Description:** Hosting support for ELC Portal
- ☐ **Date:** 3/11/2019 - 3/10/2022; **Amount:** \$38,208.00; **OCA Code:** Various; **Payee:** TechSitters/Ahoy Telecom; **Description:** Hardware infrastructure
- ☐ **Date:** 8/19/2019 - 8/31/2026; **Amount:** \$3,519,333.00 (\$502,762 annually); **OCA Code:** Various; **Payee:** B&L Investments, Interstate LLC; **Description:** Building for ELC office.

The missing federal/state provisions may include the following.

- ☐ Byrd Anti-Lobbying Amendment – *contracts of \$35,000 or more*
  - ☐ Clean Air Act and the Federal Water Pollution Control – *contracts of \$150,000 or more*
  - ☐ Debarment and Suspensions disclosures – *federal provision*
  - ☐ Equal Employment Opportunity – *federal provision*
  - ☐ Procurement of Recovered Materials (buy green) – *federal provision*
  - ☐ Remedies clause – *federal provision*
  - ☐ Termination clause – *federal provision*
  - ☐ Public access/public records
  - ☐ Remedies for noncompliance/nonperformance
- b. Item(s) requiring Additional Information: None noted.
- c. Observation(s): None noted.
- d. Item(s) for OEL Follow-up: None noted.

### 11.0 Subrecipient Monitoring

a. Finding(s):

**R/Gordon:** ELCHC will include these provisions as appropriate in future contracts. ELCHC is requesting legal counsel review of new contracts, including determination of applicability of the above clauses. Staff involved in contracting are being trained to request this legal review before the CEO signs agreements.

### Finding # ELC 19-2020-21-009

Subrecipient Monitoring – *Missing required federal processes for subrecipient*

Finding/Condition: During our detailed testing of sampled subrecipient contract, we noted lack of documentation of subrecipient monitoring and instances of required monitoring activities that were not performed.

- ☐ **Date:** 7/1/2019-6/30/2020; **Amount:** \$71,500; **Grant period/OCA Code:** 2019-20/97QIN, VPADM; **Vendor/Payee:** Early Childhood Council of Hillsborough County; **Description:** Inclusion Support Services; **Issue(s):** Monitoring report not provided to subrecipient.

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□ **Date:** 7/1/2019-6/30/2020; **Amount:** \$1,128,904; **Grant period/OCA Code:** 2019-20/97Q00; **Vendor/Payee:** Hillsborough County Board of County Commissioners; **Description:** Child Care Licensing; **Issue(s):** Monitoring procedures required by federal/state grant program rules were not performed.

□ **Date:** 7/1/2019-6/30/2020; **Amount:** \$700,000; **Grant period/OCA Code:** 2019-20/97QPD; **Vendor/Payee:** Children’s Forum, Inc.; **Description:** Child Care WAGES Florida Program; **Issue(s):** Monitoring procedures required by federal/state grant program rules were not performed.

b. Item(s) requiring Additional Information: None noted.

c. Observation(s): None noted.

d. Item(s) for OEL Follow-up: None noted.

**R/Gordon:** ELCHC will undertake monitoring procedures for these contracts going forward, as practical. In some cases, COVID has limited the ability to monitor.