



ELCHC Finance Committee Special Meeting Agenda Packet

October 18, 2021 @ 2:00 pm

Hybrid Meeting

6302 E. Dr. Martin Luther King Jr. Blvd., Suite 100 Tampa, FL 33619

<https://us06web.zoom.us/j/84338179348?pwd=MEhnWGIsMUloNGM0ZTIsb3VDaW8vdz09>

Meeting ID: 843 3817 9348

Passcode: 346245



ELCHC Finance Committee Special Meeting

October 18, 2021

I. CALL TO ORDER

L. Buzard

A. Roll call/Quorum Verification

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. ACTION ITEMS

A. Approval of Provider Rate Increases - 3

G. Meyer/G.
Gillette

IV. ADJOURNMENT

ELCHC FINANCE COMMITTEE SPECIAL MEETING – October 18, 2021

ACTION ITEM

III.A.

ISSUE:	Approval of Provider Rate Increases
FISCAL IMPACT:	\$5.8M per year (Pending the Finance Committee’s recommendation for approval at the special meeting of the Finance Committee on October 18, 2021)
FUNDING SOURCE:	Florida Department of Education Division of Early Learning, School Readiness
RECOMMENDED ACTION:	Recommend the provider rates increases of \$5.8M per year to the Board of Directors for full Board approval.

NARRATIVE:

Current SR-approved rates are below private pay rates for several care levels. To make SR providers more economically sustainable, ELCHC recommends, for Board approval, provider rate increases. These increases target the toddler, 3, 4, and 5-year-old care classes totaling a cost of \$5.8 M annualized if fully adopted by all providers.

(1 attachment)

Updated on October 13, 2021

Executive Summary

On October 4, 2021, the Finance Committee reviewed and approved recommending to the full Board a provider rate increase for toddlers, 3, 4, and 5-year olds to the 66% percentile, costing approximately \$4.1 million for a full year.

Since then, we have two updates. First, ELCHC received a large \$14.2 million wait list Notice of Award for FY22, 3.5 times the amount received in FY21. This allocation was based on the ELCHC's relative wait list as of 6/30/2021 compared to the other coalitions but was overestimated. We will under spend this allocation by a few million dollars.

Second, DEL strongly advised each coalition to not underspend their SR funding, as DEL unfortunately had to deobligate \$30 million in total back to the feds in FY21. They also confirmed that SR funding is fungible, and that coalitions should make spending plans that encompass the entirety of their base funding, provider rate increase funding, and wait list funding.

As a result, ELCHC leadership is revising its recommendation for a larger provider rate increase to 100% of the 75% percentile calculated by DEL in 2019 for toddlers and 90% of 75th percentile of the 3, 4, and 5-year olds. This larger rate increase costs approximately \$5.8 million for a full year. We had a preliminary conversation with DEL on October 13, 2021 confirming the soundness of our approach and are working with DEL on their formal process for their review and approval, to be submitted after the ELCHC Board review.

What does the provider rate increase cost by care level?

		ORIGINAL PROPOSAL	REVISED PROPOSAL								
SR Max Rate			Cost to Raise to Higher Percentile								
	Center Percentile	FCCH Percentile	50%	65%	66%	68%	70%	75%	Immediate Impact of 68%		
Infant	35%	50%									
Toddler	25%	40%	\$ 346,604	\$ 960,068	\$ 1,573,754	\$ 1,459,949	\$ 1,577,715	\$ 1,609,010	\$ 534,261		
2 Yr Old	25%	40%									
3 Yr Old	25%	40%	\$ 401,989	\$ 680,096	\$ 861,562	\$ 1,864,027	\$ 1,875,529	\$ 1,903,512	\$ 742,616		
4 Yr Old	25%	40%	\$ 386,784	\$ 624,151	\$ 1,123,976	\$ 1,708,672	\$ 1,728,288	\$ 1,751,247	\$ 694,375		
5 Yr Old	25%	25%	\$ 160,701	\$ 275,658	\$ 503,856	\$ 754,898	\$ 769,507	\$ 784,199	\$ 291,530		
School Age	30%	35%									
Total			\$ 1,296,078	\$ 2,539,973	\$ 4,063,148	\$ 5,787,546	\$ 5,951,040	\$ 6,047,968	\$ 2,262,782		
Pro rated for FY22 Impact, 11/1/2021 to 6/30/2022					\$ 2,708,765	\$ 3,858,364			\$ 1,508,521		

(Note that the Toddler rate for the Revised Proposal for the 68th Percentile is capped at the maximum of 100% of the 75% Percentile from the 2019 DEL Market Study. This is why it is lower than the Original Proposal that was not capped.)

How do the new proposed rates increase over the current SR-approved rates?

	Current SR-Approved Rate - FT		50% Percentile Rate - FT		65% Percentile Rate - FT		66% Percentile Rate - FT		68% Percentile Rate - FT	
	Center	FCCH	Center	FCCH	Center	FCCH	Center	FCCH	Center	FCCH
Toddler	\$ 31.28	\$ 27.20	\$ 32.53	\$ 28.29	\$ 35.03	\$ 28.29	\$ 37.54	\$ 28.29	\$ 36.80	\$ 30.00
% Increase Over Current			4%	3%	12%	3%	20%	3%	18%	9%
2 Yr Old	\$ 28.73	\$ 25.50	\$ 29.88	\$ 26.52	\$ 30.74	\$ 26.52	\$ 34.48	\$ 26.52	\$ 34.48	\$ 26.52
% Increase Over Current			4%	4%	7%	4%	20%	4%	20%	4%
3 Yr Old	\$ 23.25	\$ 21.75	\$ 24.18	\$ 22.62	\$ 24.88	\$ 22.62	\$ 25.34	\$ 22.62	\$ 27.90	\$ 22.62
% Increase Over Current			4%	4%	7%	4%	9%	4%	20%	4%
4 Yr Old	\$ 22.50	\$ 21.00	\$ 23.40	\$ 21.84	\$ 24.08	\$ 21.84	\$ 25.34	\$ 22.62	\$ 27.00	\$ 21.84
% Increase Over Current			4%	4%	7%	4%	13%	7%	20%	4%
5 Yr Old	\$ 22.50	\$ 20.25	\$ 23.40	\$ 21.06	\$ 24.08	\$ 21.06	\$ 25.34	\$ 22.62	\$ 27.00	\$ 21.06
% Increase Over Current			4%	4%	7%	4%	13%	11%	20%	4%

How do the new proposed rates compare to the DEL market rates calculated in 2019?

	Center			FCCH		
	Proposed Rate	Hillsborough	% of Hillsborough	Proposed Rate	Hillsborough	% of Hillsborough
		75th %	Rate		75th %	Rate
Infant	\$ 42.00	\$ 42.00	100%	\$ 34.00	\$ 34.00	100%
Toddler	\$ 36.80	\$ 36.80	100%	\$ 30.00	\$ 30.00	100%
2 Yr Old	\$ 28.73	\$ 33.80	85%	\$ 25.50	\$ 30.00	85%
3 Yr Old	\$ 27.90	\$ 31.00	90%	\$ 22.62	\$ 29.00	78%
4 Yr Old	\$ 27.00	\$ 30.00	90%	\$ 21.84	\$ 28.00	78%
5 Yr Old	\$ 27.00	\$ 30.00	90%	\$ 21.06	\$ 27.00	78%
School Age	\$ 16.00	\$ 24.00	67%	\$ 16.40	\$ 25.00	66%

How can ELCHC afford to fund this increase?

