



ELCHC Finance Committee Meeting Amended Agenda Packet

October 4, 2021 @ 3:00 pm

Hybrid Meeting

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

<https://zoom.us/j/98155039496?pwd=ZEVNOU16aWlpYWRYM2VEYzBBbDNQQT09>

Meeting ID: 981 5503 9496

Passcode: 146834



ELCHC Finance Committee Meeting

October 4, 2021

I. CALL TO ORDER

L. Buzard

- A. Roll call/Quorum Verification
- B. Approval of Minutes for August 23, 2021 Regular Meeting - 3

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

G. Meyer

- A. FY21 Full Year Financial Statements as of June 30, 2021 - 7
- B. FY22 YTD Financials through August 31, 2021 - 10
- C. FY22 Notice of Award Update

IV. ACTION ITEMS

- A. Provider Rate Increase Proposal - 13

G. Meyer

V. CEO REPORT

G. Gillette

- A. American Rescue Plan Act (ARAP) Proposed Spending Process - 22

VI. DISCUSSION ITEMS

- A. Facilities Update

R. Rampersad

VII. ADJOURNMENT

Monday, August 23, 2021, at 2:00 pm
Zoom Meeting

MEETING ATTENDANCE

Facilitator: Luke Buzard, Chair

Committee Members Present:

Luke Buzard*, Carl Harness*, Candy Olson*, and Dr. Shawn Robinson

Committee Members Absent:

ELCHC Staff:

Alison Fraga, Gordon Gillette, Kelley Minney, Kiyana Scott, Abigail Perez, Gary Meyer, Megan Folts, Nancy Metsker*, Rick Rampersad, and Helen Sovich

Other Attendees:

Tonia Williams* and Aakash Patel

*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 2:02 pm.

Approval of June 7, 2021, Finance Committee regular meeting minutes

Candy Olson made a motion to approve the June 7, 2021, Finance Committee regular meeting minutes. Dr. Shawn Robinson made a second. The motion carried unanimously.

PUBLIC COMMENT

There was no Public Comment.

FINANCIAL REPORT

A. Actuals through May 31, 2021, and Full Year Forecast including updates through June 30, 2021

Gary Meyer, Chief Financial Officer, presented the financial statements from May 31, 2021, and updates through June 30, 2021. In addition, Mr. Meyer highlighted the following:

- Childcare Provider Rate Increases – 153 or 30% of providers are below the new market-rate set by the Department of Education Division of Early Learning (DEL).
- Operations expenses – overspent on overtime and hiring temporary staff to assist with the School Readiness Wait List (SRWL) and the eligibility determination process of School Readiness applications.



The Committee suggested that the staff ensures that providers are made aware of how to increase their rates. Megan Folts, Director, Provider Relations, explained that the Coalition has held informational webinars on the rate increases and continues to work with providers.

Committee Chair Luke Buzard requested Mr. Meyer to provide an update on the rate increases during the next Finance Committee Meeting on October 4, 2021.

B. School Readiness Match Allocations

Mr. Meyer reported that \$1.3M was allocated to the ELCHC for the School Readiness (SR) Match program. The SR Match program provides services to families at or below 200% of the federal poverty level.

C. FY 21 Balance Scorecard Results

Mr. Meyer highlighted that there were five (5) areas of measurement on the Balanced Scorecard and reported the final scores for each:

1. Compliance – 0.9 out of 1
2. Employees - 0.75 out of 1
3. Customer Experience – 0.72 out of 1
4. Finance – 0.75 out of 1
5. Resource Development – 0 out of 1

Resulting in a total score of 3.12. The Early Learning Coalition of Hillsborough (ELCHC) staff did receive a bonus payout.

D. RFP for Research & Evaluation Company Update

On June 21, 2021, the Board of Directors requested an update on whether the Coalition can have a single source for a request for proposal. Mr. Meyer informed the Committee that DEL confirmed that it is acceptable to have a single source and requires the *Notice of Intended Dictions to Enter into a Single Source Contract (PUR 7778)* form to be posted to the Coalition's website at least three (3) days.

ACTION ITEMS

A. Execute School Readiness Funding Match contract with Children's Board of Hillsborough County

Mr. Gillette reported that the Coalition completed its provider improvement plan with the Children's Board and expressed his appreciation of their continued partnership. The total contract amount is \$775,770. The contract will be executed from October 1, 2021, to June 30, 2022.

Candy Olson made a motion to approve. Lee Bowers made a second. The motion carried unanimously.

B. Execute contract with Hillsborough County Board of County Commissioners (BOCC)

Mr. Gillette reported that the contract with BOCC is in the third year of a four-year contract renewal for funding in the amount of \$276,000 for childcare assistance that will be expended from October 1, 2021, to September 30, 2022.

Candy Olson requested that a statement be included in future memos outlining the anticipated use of funding.

Candy Olson made a motion to approve. Carl Harness made a second. The motion carried unanimously.

C. Execute Community Development Block Grant (CDBG) contract with City of Tampa

Mr. Gillette reported that the Coalition applied for funds up to \$100,000 for ALICE>150 and iSpy Tampa.

Dr. Shawn Robinson made a motion to approve. Lee Bowers made a second. The motion carried unanimously.

D. Approve allocation of funds to Discount Office Furniture

Mr. Meyers reported that allocating funds to Discount Office Furniture will supply infant and toddler furniture and materials to create new classrooms at childcare sites.

There was further discussion on the average cost of furniture and materials needed for each childcare site and classroom.

Ms. Folts explained that the Coalition's initiative builds capacity and quality for infant and toddler classrooms. Ms. Folts reported that providers were selected through an application process and evaluated the provider's history (i.e., CLASS Observation scores).

Dr. Shawn Robinson made a motion to approve. Candy Olson made a second. The motion carried unanimously.

CEO REPORT

Mr. Gillette reported on the following:

- Childcare worker shortage in Hillsborough County
 - The Coalition estimated a shortage of approximately 500 childcare workers in contracted childcare sites.
- COVID-19
 - As of August 20, 2021, 335 reported cases of COVID-19.
- COVID-19 Funding
 - The Coalition received \$17M under the Coronavirus Aid, Relief, and Economic Security Act (CARES ACT).
 - The Coalition is expecting additional funding for phase 5 and 6 grants.
- American Rescue Plan Act (ARPA) Funding
 - State of Florida will receive approximately \$2.5B.
 - ELCHC will receive approximately \$164M.
 - ARPA funding will be distributed over six quarters starting in January 2022.

Department of Education Division of Early Learning Leadership

Mr. Gillette reported that DEL announced General Counsel Matt Mears as the new Chancellor of DEL, replacing Executive Director Shan Goff.

FY 21-22 Accountability Monitoring

Mr. Gillette reported that DEL conducted their FY 21-22 Accountability Monitoring.. The accountability monitoring is a full desk review of activities and transactions performed by the ELCHC. In addition, DEL conducted a childcare provider survey, and Mr. Gillette informed the Committee that the Coalition received a 91% favorable to somewhat favorable customer service level.

Cybersecurity Update

Mr. Gillette reported that on July 30, 2021, the Coalition informed the full Board of Directors of technology challenges that started on July 29, 2021. After further investigation, it was identified that a ransomware attack had occurred. The MIP Fund Accounting System was affected; the system is used to pay childcare providers. Mr. Gillette noted that the Coalition is working with the Federal Bureau of Investigation (FBI), legal counsel, MIP, and Roebuck. Mr. Gillette stated that there were no delays in payment to childcare providers.

Mr. Gillette stated on Thursday, an official press release addressing the ransomware attack will be made public. The Coalition will formally disclose the information to any affected parties (excluding families- as no family data was impacted).

ADJOURNMENT

Dr. Shawn Robinson made a motion to adjourn the meeting at 3:00 pm. Candy Olson made a second. The motion carried unanimously.

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

ELCHC FINANCE COMMITTEE MEETING – OCTOBER 4, 2021

FINANCIAL REPORT

ITEM III.A.

ISSUE:	FY21 Full Year Financial Statements as of June 30, 2021
FISCAL IMPACT:	Full Year
FUNDING SOURCE:	Florida Department of Education Division of Early Learning, School Readiness, Voluntary Prekindergarten, and Local Funding

NARRATIVE:

Financial Statements for FY21 full year as of June 30, 2021.

(1 attachment)



EARLY LEARNING

COALITION OF HILLSBOROUGH COUNTY

Budget to Actual June 30, 2021

	Actual	Budget	Difference	
	Full Year	Full Year	YTD favorable /(unfavorable)	%
Program Revenue				
School Readiness	59,078,869	59,610,398	(531,529)	-0.9%
School Readiness - CARES	8,452,066	4,162,334	4,289,732	103.1%
School Readiness - CRRSA for Phase V grants	7,839,027	-	7,839,027	100.0%
School Readiness Match - DEL	1,375,665	1,551,647	(175,982)	-11.3%
 School Readiness - Local Funders:				
Children's Board HC	697,416	700,770	(3,354)	-0.5%
Metro Ministries (Children's Board)	15,808	150,000	(134,192)	-89.5%
Hillsborough County BOCC	276,000	276,000	-	0.0%
HC Childcare -Licensing & Fees (Carryforward)	482,788	482,788	-	0.0%
HC Childcare -Licensing & Fees (Current Year)	505,470	430,000	75,470	17.6%
City of Tampa	-	210,000	(210,000)	-100.0%
Robles Park	37,292	25,000	12,292	49.2%
United Way	62,829	62,829	-	0.0%
Caspers	50,000	50,000	-	0.0%
St John	10,689	-	10,689	100.0%
School Readiness - Local Funders	2,138,292	2,387,387	(249,095)	-10.4%
Total School Readiness Revenue	78,883,920	67,711,766	11,172,154	16.5%
 Other Local Funders:				
Hillsborough Infant/Toddler Initiative	61,056	159,000	(97,944)	-61.6%
Conn Foundation	70,500	45,500	25,000	54.9%
Spurlino Foundation	60,000	50,000	10,000	20.0%
ELCHC Program Income SRPI	21,796	-	21,796	100.0%
Lastinger Project	212,800	212,000	800	0.4%
HELN	5,537	-	5,537	100.0%
ELFL	82,645	15,000	67,645	451.0%
General Contributions and Gifts	93,406	300,000	(206,594)	-68.9%
Total Local Funders, Contributions and Gifts	607,741	781,500	(173,759)	-22.2%
Total School Readiness Revenue and Local Revenue	79,491,660	68,493,266	10,998,394	16.1%
 Program Expenses				
School Readiness				
Direct Services - SR	48,526,507	51,127,064	(2,600,557)	-5.1%
School Readiness - CARES	8,452,066	4,005,334	4,446,732	111.0%
School Readiness - CRRSA for Phase V grants	7,839,027	-	7,839,027	100.0%
School Readiness Match - DEL	1,360,343	1,551,647	(191,304)	-12.3%
School Readiness - Local Funders	1,362,112	1,904,599	(542,487)	-28.5%
General Contributions and Gifts	428,647	214,864	213,783	99.5%
Total Direct Services	67,968,702	58,803,508	9,165,194	15.6%
ELCHC Operating	9,958,273	8,094,258	1,864,015	-23.0%
CCL/ECC	1,138,493	1,149,500	11,007	1.0%
Inclusion Cost	-	317,000	317,000	100.0%
Scholarships and Other	142,079	129,000	(13,079)	-10.1%
Total School Readiness & Other Expenses	79,207,547	68,493,266	(10,714,280)	-15.6%
 SR Change in Net Assets	284,114	-	284,114	100.0%



**Budget to Actual
June 30, 2021**

	Actual	Budget	Difference	
	Full Year	Full Year	YTD favorable /(unfavorable)	%
GOALS				
< 5.00 % School Readiness - Admin	3.20%	3.88%	0.68%	17.55%
> 4.00 % School Readiness - Quality	8.17%	6.73%	1.44%	21.42%
< 22.00% School Readiness - Non-Direct	17.06%	13.94%	-3.12%	-22.38%
> 78.00 % School Readiness - Direct	82.94%	86.06%	-3.12%	-3.62%
VPK Revenue				
Voluntary Pre-Kindergarten	21,503,447	31,469,824	(9,966,377)	-31.7%
VPK Closures - CARES	87,330	-	87,330	
Total VPK Revenue	21,590,778	31,469,824	(9,879,046)	-31.4%
Voluntary Pre-Kindergarten				
Direct Services	20,376,788	30,092,151	(9,715,363)	-32.3%
VPK Closures - CARES	87,330	-	87,330	
ELCHC Operating	1,103,842	1,357,673	253,831	18.7%
ECC	14,406	20,000	5,594	28.0%
Total Voluntary Pre-Kindergarten	21,582,367	31,469,824	9,887,457	31.4%
VPK Change in Net Assets	8,411	-	8,411	
Total Revenue	101,082,438	99,963,090	1,119,348	1.1%
Total Expenses	100,789,914	99,963,090	(826,824)	-0.8%
Change in Net Assets	292,524	-	292,524	
GOALS				
4.00 % VPK - Admin	5.10%	4.10%	-1.00%	-24.42%
ELCHC Expenditure Categories:				
Personnel	8,073,763	7,305,444	(768,320)	-10.5%
Staff Development	43,101	58,679	15,578	26.5%
Professional Services	632,371	560,706	(71,665)	-12.8%
Occupancy	433,718	505,000	71,282	14.1%
Postage, Freight and Delivery	8,316	2,800	(5,516)	-197.0%
Rentals	8,818	24,000	15,182	63.3%
Supplies	172,765	121,400	(51,365)	-42.3%
Communications	33,667	16,057	(17,610)	-109.7%
Insurance	54,369	59,000	4,631	7.8%
Tangible Personal Property	64,935	66,600	1,665	2.5%
Quality	1,452,026	617,285	(834,741)	-135.2%
Travel	8,809	46,661	37,851	81.1%
Depreciation	-	-	-	0.0%
Other Operating Exp (Excludes Personnel)	2,988,352	2,146,487	(841,864)	-39.2%
Total ELCHC Operating Expenses	11,062,115	9,451,931	(1,610,184)	-17.0%

ELCHC FINANCE COMMITTEE MEETING – OCTOBER 4, 2021

FINANCIAL REPORT

ITEM III.B.

ISSUE:	FY22 YTD Financials through August 31, 2021
FISCAL IMPACT:	Year-to-date
FUNDING SOURCE:	Florida Department of Education Division of Early Learning, School Readiness, Voluntary Prekindergarten, and Local Funding

NARRATIVE:

Financial Statements for FY22 YTD through August 31, 2021.

(1 attachment)



Budget to Actual August 31, 2021								
	Actual	Budget	Difference		Actual	Budget	Difference	
	YTD	YTD	YTD favorable /(unfavorable)	%	2022 YTD Actual/Forecast	2022 Budget	YTD favorable /(unfavorable)	%
Program Revenue								
School Readiness	9,747,219	11,219,318	(1,472,099)	-13.1%	65,843,807	67,315,906	(1,472,099)	-2.2%
School Readiness Match - DEL	-	162,519	(162,519)	-100.0%	1,363,363	1,525,882	(162,519)	-10.7%
School Readiness - Local Funders:								
Children's Board HC	-	-	-		700,770	700,770	-	0.0%
Metro Ministries(Children Board)	2,355	25,000	(22,645)	-90.6%	150,000	150,000	-	0.0%
Hillsborough County BOCC	-	46,000	(46,000)	-100.0%	276,000	276,000	-	0.0%
HC Childcare -Licensing & Fees	-	71,667	(71,667)	-100.0%	430,000	430,000	-	0.0%
United Way	-	11,519	(11,519)	0.0%	69,112	69,112	-	0.0%
Caspers	-	8,333	(8,333)	-100.0%	50,000	50,000	-	0.0%
School Readiness - Local Funders	2,355	162,519	(160,164)	-98.6%	1,675,882	1,675,882	-	0.0%
Total School Readiness Revenue	9,749,574	11,544,355	(1,794,781)	-15.5%	68,883,052	70,517,670	(1,472,099)	-2.1%
Other Local Funders:								
HC Community Development, incl. ALICE>150	-	-	-	0.0%	175,000	175,000	-	0.0%
Hillsborough Infant/Toddler Initiative	-	-	-	0.0%	64,000	64,000	-	0.0%
Conn Foundation	-	10,667	(10,667)	0.0%	45,500	45,500	-	0.0%
Spurlino Foundation	-	-	-	0.0%	50,000	50,000	-	0.0%
SR Program Income (training, IECF memberships)	-	-	-	0.0%	20,000	20,000	-	0.0%
HELN (Hillsborough Early Learning Network)	-	-	-	0.0%	6,000	6,000	-	0.0%
ELFL (Early Learning Florida)	-	-	-	0.0%	82,000	82,000	-	0.0%
Lastinger Project	-	10,000	(10,000)	-100.0%	212,000	212,000	-	0.0%
Misc. Donations	-	35,333	(35,333)	-100.0%	300,000	300,000	-	0.0%
Total Local Funders, Contributions and Gifts	-	56,000	(56,000)	-100.0%	954,500	954,500	-	0.0%
Total School Readiness Revenue and Local Revenue	9,749,574	11,600,355	(1,850,781)	-16.0%	69,837,552	71,472,170	(1,472,099)	-2.1%
Program Expenses								
School Readiness								
Direct Services	8,573,187	9,565,448	992,262	10.4%	55,263,768	56,256,030	(992,262)	-1.8%
School Readiness Match - DEL	-	162,519	162,519	100.0%	1,389,128	1,551,647	(162,519)	-10.5%
School Readiness - Local Funders	-	-	-	0.0%	1,675,881	1,675,881	-	0.0%
General Contributions and Gifts	-	-	-	0.0%	686,500	686,500	-	0.0%
Total Direct Services	8,573,187	9,727,967	1,154,780	11.9%	59,015,278	60,170,058	(1,154,780)	-1.9%
ELCHC Operating	1,081,996	1,602,269	520,272	32.5%	9,613,612	9,613,612	-	0.0%
CCL/ECC	47,701	192,679	144,978	75.2%	1,149,500	1,149,500	-	0.0%
Inclusion Cost	-	46,518	46,518	100.0%	317,000	317,000	-	0.0%
Scholarships and Other	3,600	25,500	21,900	85.9%	222,000	222,000	-	0.0%
Total School Readiness & Other Expenses	9,706,484	11,594,933	1,888,449	16.3%	70,317,390	71,472,170	(1,154,780)	-1.6%
SR Change in Net Assets	43,090	5,422	(37,668)	-694.7%	(479,837)	0	(479,837)	-100.0%
GOALS								
< 5.00 % School Readiness - Admin	4.20%	4.50%	-0.30%	-6.58%	4.52%	4.22%	0.30%	7.21%
> 4.00 % School Readiness - Quality	1.97%	8.25%	-6.29%	-76.15%	8.74%	8.82%	-0.09%	-1.00%
< 22.00% School Readiness - Non-Direct	7.64%	18.59%	-10.96%	-58.94%	10.90%	10.38%	0.51%	4.92%
> 78.00 % School Readiness - Direct	92.36%	81.41%	10.96%	13.46%	89.10%	89.62%	-0.51%	-0.57%



EARLY LEARNING

COALITION OF HILLSBOROUGH COUNTY

	Budget to Actual August 31, 2021							
	Actual	Budget	Difference		Actual	Budget	Difference	
	YTD	YTD	YTD favorable /(unfavorable)	%	2022 YTD Actual/Forecast	2022 Budget	YTD favorable /(unfavorable)	%
VPK Revenue								
Voluntary Pre-Kindergarten	2,019,996	3,324,831	(1,304,835)	-39.2%	29,753,768	31,058,603	(1,304,835)	-4.2%
Total VPK Revenue	2,019,996	3,324,831	(1,304,835)	-39.2%	29,753,768	31,058,603	(1,304,835)	-4.2%
Voluntary Pre-Kindergarten								
Direct Services	1,875,649	3,134,011	1,258,363	40.2%	28,537,283	29,797,058	(1,259,775)	-4.2%
ELCHC Operating	140,429	190,820	50,391	26.4%	469,882	1,241,545	(771,663)	-62.2%
CCL/ECC	-	3,333	3,333	100.0%	16,667	20,000	(3,333)	-16.7%
Total Voluntary Pre-Kindergarten	2,016,077	3,328,164	1,312,087	39.4%	29,023,831	31,058,603	(2,034,772)	-6.6%
VPK Change in Net Assets	3,919	(3,333)	(7,252)	217.6%	729,937	-	729,937	-100.0%
Preschool Development Grant (PDG) Revenues								
PDG FY21 Carryover Revenues	-	-	-	0.0%	204,792	-	204,792	100.0%
PDG FY22 New Revenues	-	-	-	0.0%	412,094	-	412,094	100.0%
Total PDG Revenues	-	-	-	0.0%	616,886	-	616,886	100.0%
Preschool Development Grant (PDG) Expenses								
PDG FY21 Carryover Expenses	-	-	-	0.0%	204,792	-	(204,792)	0.0%
PDG FY22 New Expenses	-	-	-	0.0%	412,094	-	(412,094)	0.0%
Total PDG Expenses	-	-	-	0.0%	616,886	-	(616,886)	0.0%
Preschool Development Grant Change in Net Assets	-	-	-	0.0%	-	-	-	0.0%
Total Revenue	11,769,570	14,925,186	3,155,616	21.1%	100,208,207	102,530,773	(2,322,566)	-2.3%
Total Expenses	11,722,561	14,923,097	3,200,536	21.4%	99,958,107	102,530,773	(2,572,666)	-2.5%
Change in Net Assets	47,009	2,089	(44,920)	-2150.2%	250,100	0	250,100	-100.0%
GOALS								
4.00 % VPK - Admin	7.31%	5.32%	1.99%	37.46%	3.98%	3.80%	0.18%	4.76%

ELCHC FINANCE COMMITTEE MEETING – OCTOBER 4, 2021

ACTION ITEM

IV.A.

ISSUE:	Provider Rate Increase Proposal
FISCAL IMPACT:	\$4.1M per year
FUNDING SOURCE:	Florida Department of Education Division of Early Learning, School Readiness
RECOMMENDED ACTION:	Recommend the Provider Rate Increase proposal 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 \$4.1M annualized if fully adopted by all providers.

(1 attachment)

Executive Summary

While DEL funded a School Readiness provider rate increase effective 1/1/2021, it did not provide sufficient funds for providers at certain care levels to be reimbursed sufficiently to adequately run their child care centers and allocate slots for School Readiness children. (The most significant rate increase was at the infant care level (37%), so the rate increase recommended in this document will focus on the other care levels.) As a result, child care workers continue to be underpaid and migrate to other fields to be compensated appropriately. In addition, we continue to see a shortage of providers for the children on our waitlist, preventing our moving children into care.

Coalitions can increase provider rates with Board approval. ELCHC proposes using existing School Readiness funding to fund an ELCHC-led increase. Over \$3M of School Readiness funding went unused in FY21 as the funding for the DEL-funded rate increase was overestimated based on the ability of providers to raise rates and provide care for the maximum projections that derived the funding. We project this gap to increase as DEL doubles the FY21 half-year rate increase for FY22.

In conclusion, ELCHC can conservatively fund a rate increase for toddlers, 3, 4, and 5-year-olds to the 66% percentile, costing approximately \$4.1 million.

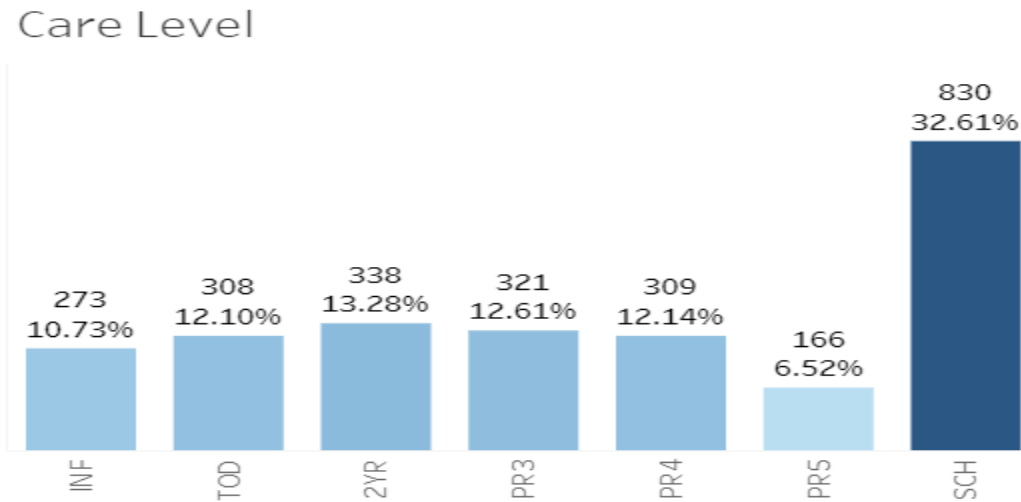
What are private pay rates and how do they relate to current SR-approved rates?

Most of our child care providers (88%) provide care to both children eligible for our SR program and children who are not. Those children that are not SR-eligible are called “private pay,” and the rates providers charge them are called “private pay rates.” We also call “private pay rates” market rates, as providers can charge rates for non-SR children at whatever rates the market can bear and support. Often, providers charge higher private pay rates to make up for lower margins on SR children.

Of all children cared for by our contracted providers, 50% are in the SR program and 50% are private pay. This is important to know, as it demonstrates the significant economic force private pay rates play in the economic landscape of our providers. It highlights the importance of providing SR rates as close to markets rates as possible to fund provider economic sustainability, including reinvestment.

How many children are on our waitlist?

As of August 31, 2021, we had 2,545 children on our waitlist, broken down by care level as follows:



We need to pay at competitive rates for all care levels for our providers to allocate sufficient slots to School Readiness children.

Where are our private pay provider rates currently relative to the current SR-approved rate?

Our Toddler, 4-Year-Old and 5-Year-Old private pay rates are particularly skewed higher than (above) the current SR-approved rates, as seen in the below charts. The first chart is a summary of the data, where “At SR” is defined at equal to or a plus or minus 5% deviation from the current SR-approved rate.

	<u>Infant</u>	<u>Toddler</u>	<u>2 Year Old</u>	<u>3 Year Old</u>	<u>4 Year Old</u>	<u>5 Year Old</u>	<u>School Age</u>
Below SR	18%	4%	36%	37%	3%	3%	6%
At SR	52%	60%	60%	60%	61%	61%	67%
Above SR	30%	36%	4%	2%	36%	36%	27%
	100%	100%	100%	100%	100%	100%	100%

The second chart is derived from the same data as the above chart. It includes the detailed distribution of private pay rates compared to the current SR-approved rate.

		Infant	Toddler	2 Year Old	3 Year Old	4 Year Old	5 Year Old	School Age
<	-20%	15	1	40	40	1	1	3
<	-15%	9	1	84	87	1	1	29
<	-10%	27	8	2	1	7	7	1
<	-5%	30	10	68	75	9	8	4
<	0%	18	23	154	161	10	21	4
Equal SR	0%	109	142	153	161	162	150	274
>	0%	106	145	13	7	159	160	167
>	5%	39	59	6	2	64	65	65
>	10%	6	6	3	3	6	5	4
>	15%	3	1	2	6	-	1	0
>	20%	56	80	5	0	87	86	79
>	25%	28	40	6	2	41	41	34

These higher private pay rates indicate providers can charge higher rates to non-School Readiness families. And providers earn less revenue when they care for School Readiness-funded families, unless they can charge the balance via a differential charge. So we want to guard against School Readiness-eligible children getting shut out of providers in favor of higher-paying private pay families.

We do not prioritize increasing School Age rates; they are relatively low priority to remove from our waitlist into care and are not the focus of our early learning mission.

Where are the current SR-approved provider rates currently, relative to the private pay rates of providers?

Our provider rates are currently at about the 25th percentile, varying slightly depending on care level and provider type. A percentile is **a score below which a given percentage of scores in its frequency distribution falls**. For example, the 50th percentile (the median) is the score below which 50% of the scores in the distribution may be found.

See the tables below for detailed information on current rates and the impact of increasing rates to various higher percentiles.

SR Max Rate			Cost to Raise to Higher Percentile						Immediate Impact of 66%
Center Percentile	FCCH Percentile		50%	65%	66%	68%	70%	75%	
Infant	35%	50%							
Toddler	25%	40%	\$ 346,604	\$ 960,068	\$ 1,573,754	\$ 1,573,754	\$ 1,577,715	\$ 1,609,010	\$ 618,635
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	\$ 352,136
4 Yr Old	25%	40%	\$ 386,784	\$ 624,151	\$ 1,123,976	\$ 1,708,672	\$ 1,728,288	\$ 1,751,247	\$ 441,806
5 Yr Old	25%	25%	\$ 160,701	\$ 275,658	\$ 503,856	\$ 754,898	\$ 769,507	\$ 784,199	\$ 186,541
School Age	30%	35%							
Total			\$ 1,296,078	\$ 2,539,973	\$ 4,063,148	\$ 5,901,351	\$ 5,951,040	\$ 6,047,968	\$ 1,599,118
Pro rated for FY22 Impact, 11/1/2021 to 6/30/2022					\$ 2,708,765				\$ 1,066,078

How much would the rates increase over the current DEL rates?

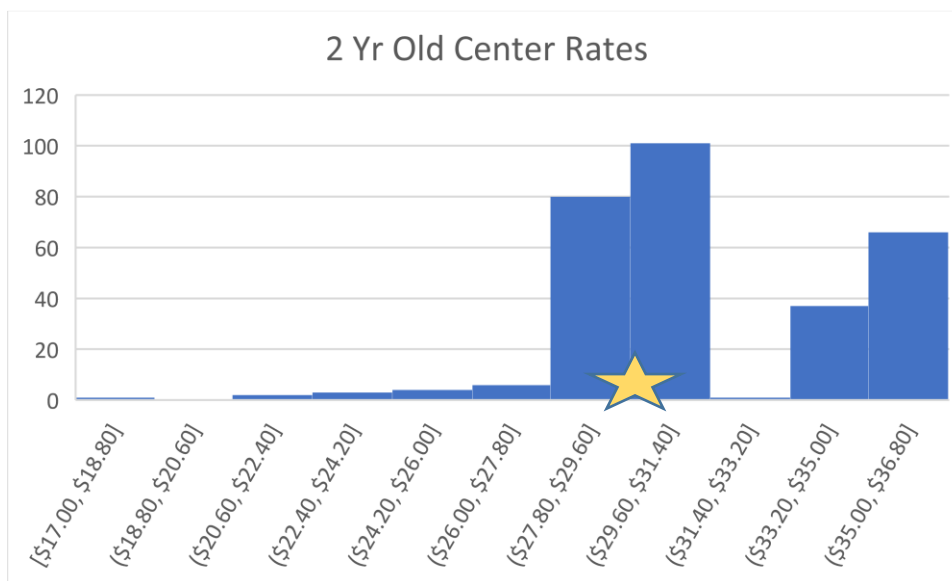
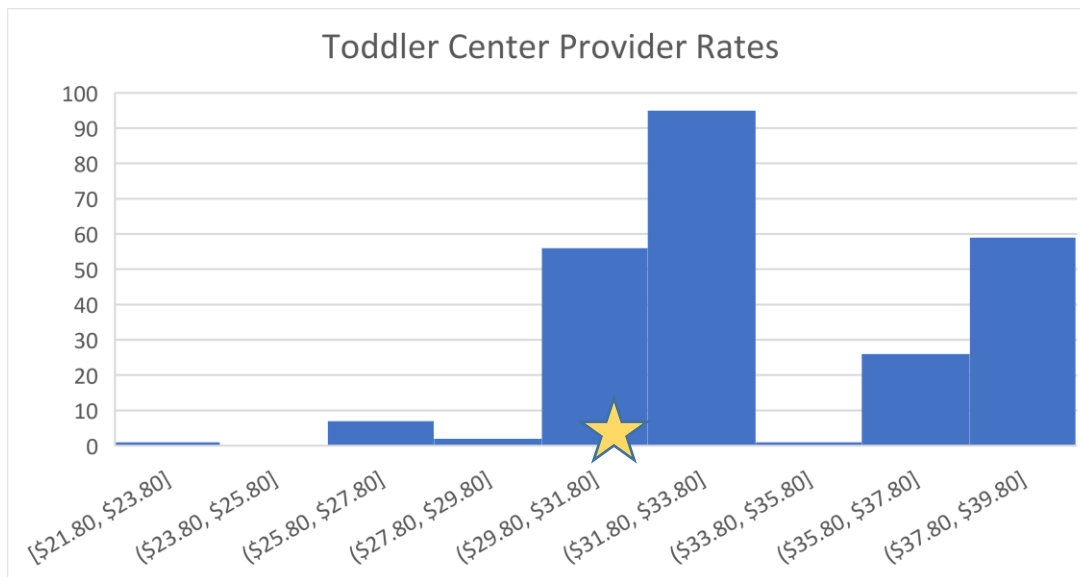
	Current SR-Approved Rate - FT		50% Percentile Rate - FT		65% Percentile Rate - FT		66% Percentile Rate - FT		70% Percentile Rate - FT		75% Percentile Rate - FT	
	Center	FCCH	Center	FCCH	Center	FCCH	Center	FCCH	Center	FCCH	Center	FCCH
Toddler	\$ 31.28	\$ 27.20	\$ 32.53	\$ 28.29	\$ 35.03	\$ 28.29	\$ 37.54	\$ 28.29	\$ 37.54	\$ 28.29	\$ 37.54	\$ 29.10
% Increase Over Current			4%	3%	12%	3%	20%	3%	20%	3%	20%	6%
2 Yr Old	\$ 28.73	\$ 25.50	\$ 29.88	\$ 26.52	\$ 30.74	\$ 26.52	\$ 34.48	\$ 26.52	\$ 34.48	\$ 26.52	\$ 34.48	\$ 27.29
% Increase Over Current			4%	4%	7%	4%	20%	4%	20%	4%	20%	6%
3 Yr Old	\$ 23.25	\$ 21.75	\$ 24.18	\$ 22.62	\$ 24.88	\$ 22.62	\$ 25.34	\$ 22.62	\$ 27.90	\$ 22.62	\$ 27.90	\$ 23.27
% Increase Over Current			4%	4%	7%	4%	9%	4%	20%	4%	20%	7%
4 Yr Old	\$ 22.50	\$ 21.00	\$ 23.40	\$ 21.84	\$ 24.08	\$ 21.84	\$ 25.34	\$ 22.62	\$ 27.00	\$ 21.84	\$ 27.00	\$ 22.47
% Increase Over Current			4%	4%	7%	4%	13%	7%	20%	4%	20%	7%
5 Yr Old	\$ 22.50	\$ 20.25	\$ 23.40	\$ 21.06	\$ 24.08	\$ 21.06	\$ 25.34	\$ 22.62	\$ 27.00	\$ 21.06	\$ 27.00	\$ 21.67
% Increase Over Current			4%	4%	7%	4%	13%	11%	20%	4%	20%	6%

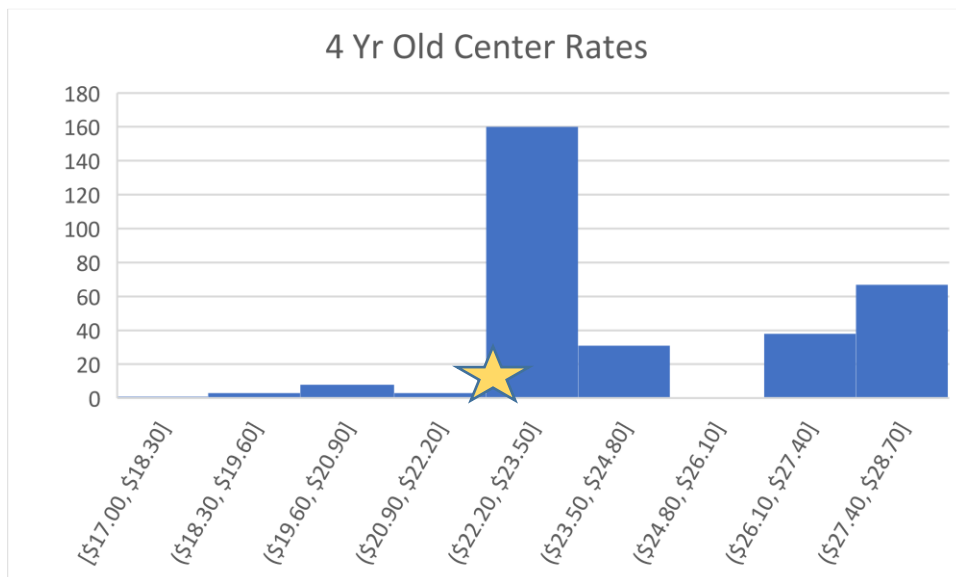
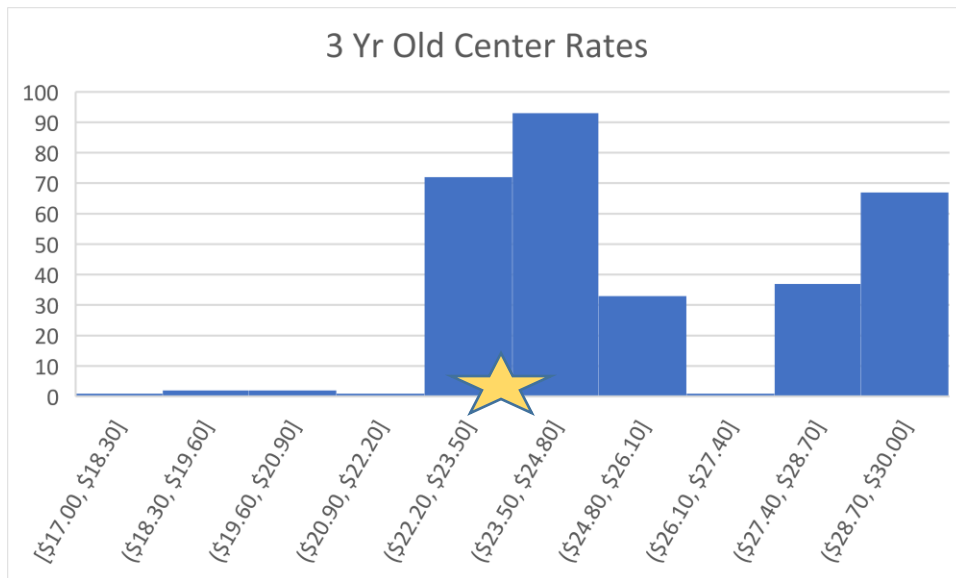
How do our new proposed rates compare to the Hillsborough County and statewide market rates at the 75th percentile (as of 2019)?

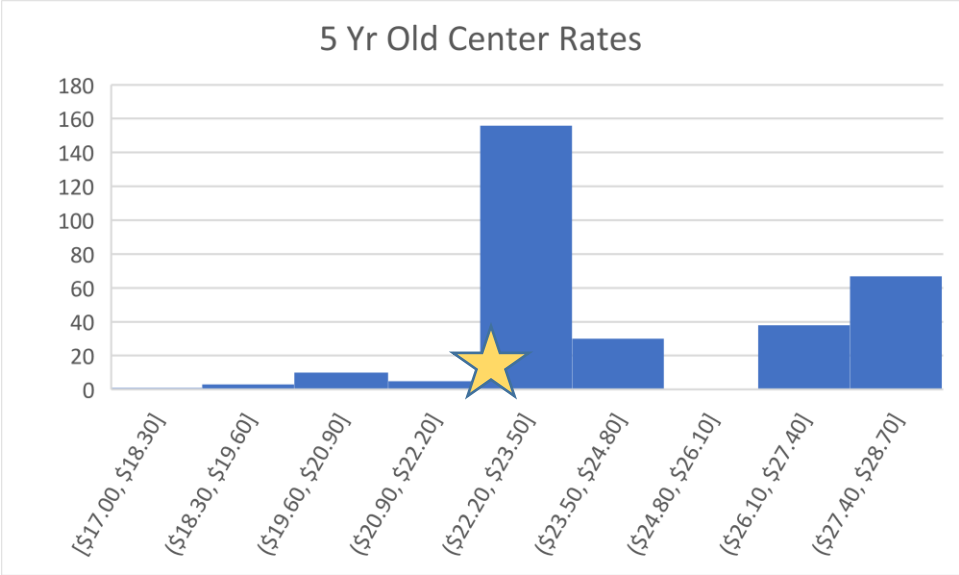
	Center			Large FCCH		
	Proposed Rate	Hillsborough 75th %	% of Hillsborough Rate	Proposed Rate	Statewide 75th %	% of State Rate
Infant	\$ 42.00	\$ 42.00	100%	\$ 34.00	\$ 34.00	100%
Toddler	\$ 37.54	\$ 33.80	111%	\$ 28.29	\$ 29.00	98%
2 Yr Old	\$ 28.73	\$ 36.80	78%	\$ 25.50	\$ 32.00	80%
3 Yr Old	\$ 25.34	\$ 31.00	82%	\$ 22.62	\$ 28.00	81%
4 Yr Old	\$ 25.34	\$ 30.00	84%	\$ 22.62	\$ 28.00	81%
5 Yr Old	\$ 25.34	\$ 30.00	84%	\$ 22.62	\$ 27.00	84%
School Age	\$ 16.00	\$ 24.00	67%	\$ 16.40	\$ 25.00	66%
	Center			Large FCCH		
	Proposed Rate	Statewide 75th %	% of State Rate	Proposed Rate	Statewide 75th %	% of State Rate
Infant	\$ 42.00	\$ 40.00	105%	\$ 34.00	\$ 36.00	94%
Toddler	\$ 37.54	\$ 34.00	110%	\$ 28.29	\$ 31.00	91%
2 Yr Old	\$ 28.73	\$ 36.95	78%	\$ 25.50	\$ 32.00	80%
3 Yr Old	\$ 25.34	\$ 32.40	78%	\$ 22.62	\$ 30.00	75%
4 Yr Old	\$ 25.34	\$ 30.00	84%	\$ 22.62	\$ 30.00	75%
5 Yr Old	\$ 25.34	\$ 30.00	84%	\$ 22.62	\$ 28.00	81%
School Age	\$ 16.00	\$ 27.00	59%	\$ 16.40	\$ 26.00	63%

Where do private pay rates fall in relation to the current SR-approved rate (marked with a star)?

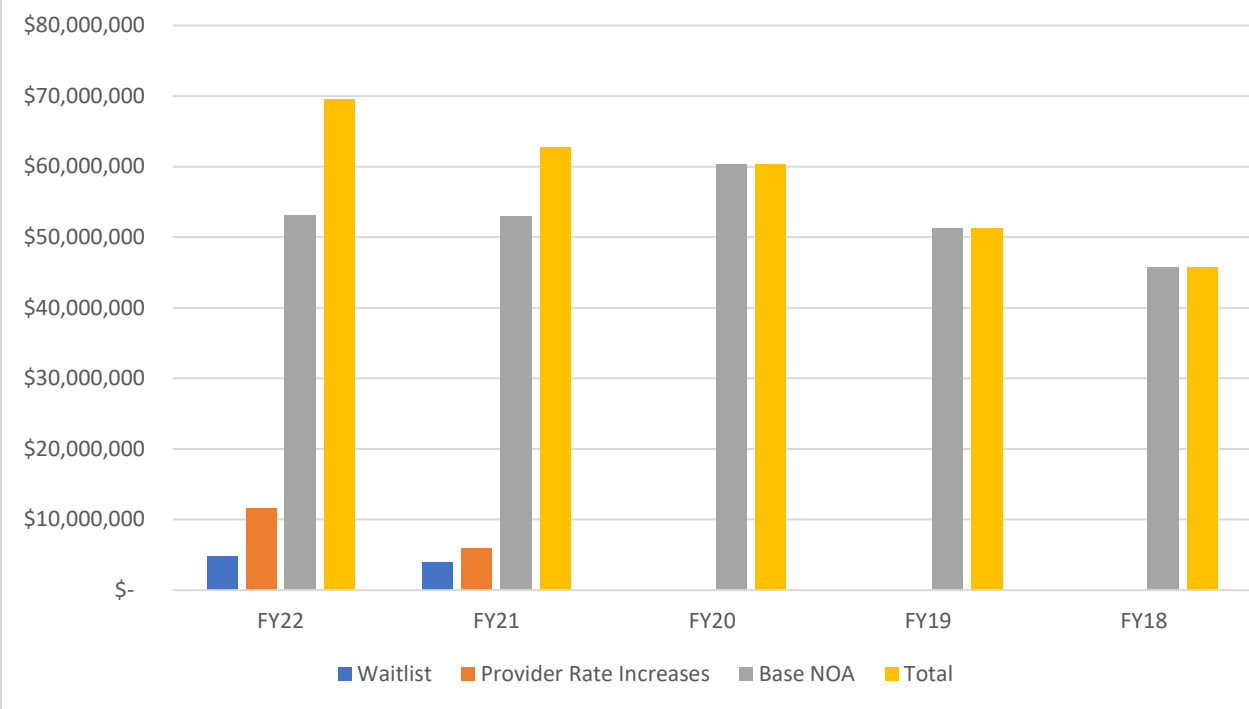
Below are histograms of private pay rates. Each bar shows the number of providers within the stated rate band. Bars to the left of the star are rate bands and numbers of providers **below** the current SR-approved rate, and bars to the right are rate bands and numbers of providers **above**.







School Readiness Funding Increased 52%
Since FY18



ELCHC FINANCE COMMITTEE MEETING – OCTOBER 4, 2021

CEO REPORT

V. A.

ISSUE:

CEO Report

NARRATIVE: Gordon Gillette's CEO Report will highlight the following:

- American Rescue Plan Act (ARAP) Proposed Spending Process

(1 attachment)

AELC Proposed ARPA Spending Process

Providers will receive base relief grants and may opt-in to the Support Funding model and receive target funding/supports to help them achieve goals and sustainability.

Funding Source?	ARPA Stabilization (\$1.5B)	ARPA CCDF Discretionary (\$950M)
Who?	<i>All Providers</i>	<i>All Providers</i>
How?	<i>Base grants by capacity and care level with additional funding available based on specific provider characteristics</i> <ul style="list-style-type: none"> <i>• Birth to Kindergarten Entry – Higher Rate</i> <i>• School Age – Lower Rate</i> 	<i>Support funding model with agreement to keep money in business to achieve goals (contract required). ELCs may cover costs of interventions or provide additional funding to sustain goals.</i>
Specifics?	<i>Added variables:</i> <ul style="list-style-type: none"> <i>• Serving Infants/Toddlers – 10%*</i> <i>• Non-traditional Hours – 3%</i> <i>• Region with Low Quality – 3%</i> <i>• Quality – CLASS 5+ 10% and/or Accreditation 10%</i> <i>• Social Vulnerability Index (SVI) – 20%</i> 	<i>Goals:</i> <ul style="list-style-type: none"> <i>• Affordability for Families</i> <i>• Business Solvency</i> <i>• Quality Teachers</i> <i>• Sufficient Workforce</i> <i>• Infrastructure/Space to Meet Child Care Demand</i>

**All percentages are place holders and subject to change relative to available funding*