



ELCHC Finance Committee Meeting

June 7, 2021

Zoom Meeting



ELCHC Finance Committee Meeting Agenda Packet

June 7, 2021

I. CALL TO ORDER

L. Buzard

- A. Roll call/Quorum Verification
- B. Approval of Minutes for April 5, 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. Budget to Actual - April 30, 2021 - 6

IV. ACTION ITEMS

- A. Request Approval: FY 2021-2022 Finance Committee Meeting Schedule - 9 L. Buzard
- B. Request Approval: FY 2021-2022 Proposed Budget - 11 G. Meyer
- C. Request Approval: Allocation of funds for Interstate Corporate Center lease expansion - 19 G. Meyer
- D. Request Approval: Allocation of funds to the INCENTIVE\$ Program - 26 L. Gamson
- E. Request Approval: Allocation of funds to the School Board of Hillsborough County - Early Intervention & Evaluation Services - 27 H. Goble
- F. Request Approval: Allocation of funds to the Early Childhood Council - 28 H. Goble
- G. Request Approval: Execute Agreement with United Way Suncoast - 29 K. Minney
- H. Request Approval: Outdoor Science/Nature Classroom Materials for iSpy Tampa Bay 3-5 Initiative - 30 M. Folts

V. CEO REPORT

G. Gillette

- A. FY 2021-2022 Local Funding/Match Commitments

VI. DISCUSSION ITEMS

VII. ADJOURNMENT

Monday, April 5, 2021, 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*, Kelley Minney*, Kiyana Scott*, Abigail Perez*, Gary Meyer*, Yarima Hernandez Tamayo*, Lorinda Gamson* and Helen Sovich*

Other Attendees:

Jeff Goolsby*, Sheena Cisneros*, 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 3:04 pm.

Approval of February 1, 2021 Finance Committee meeting minutes

Dianne Jacob made a motion to approve the February 1, 2021 Finance Committee meeting minutes. Candy Olson made a second. The motion carried unanimously.

PUBLIC COMMENT

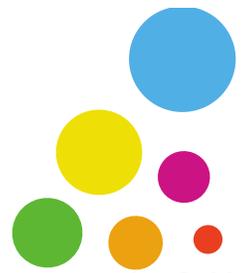
There was no Public Comment.

FINANCIAL REPORT

MSL Report on FY 19-20

Jeff Goolsby, Shareholder, and Sheena Cisneros, Audit Manager from Moore, Stephens, Lovelace (MSL) CPAs & Advisors, presented the audited Financial Statements for Years Ended June 30, 2020 and 2019. Mr. Goolsby reported that MSL issued an unqualified clean opinion; no findings.

Mr. Goolsby provided the committee with an update on the Forensic Audit Procedures that were performed and noted that no unusual items were discovered during testing.



IRS Form 5500/990 FY 13-18 Compliance Update

Mr. Goolsby reported that the Early Learning Coalition of Hillsborough County (ELCHC) received two (2) penalty notices totaling \$31,000 from the Internal Revenue Service (IRS) for tax years 2015 and 2016 due to the 401(k) Deferred Compensation Plan (Form 5500) not being filed. Mr. Goolsby informed the committee that after an internal investigation, it was noted that the 401(k) third-party service provider entered the incorrect Employee Identification Number (EIN) for tax years 2013-2018. Mr. Goolsby reported that the 401(k) third-party service provider has filed to amend the form 5500 for tax years 2013-2018, and on March 22, 2021, MSL submitted a penalty abatement letter to the IRS. MSL is awaiting official confirmation from the IRS to waive the penalties for all tax years, but the confirmation may be delayed due to the COVID-19 pandemic.

Mr. Goolsby updated the committee on the issue of the ELCHC receiving a penalty notice in the amount of \$19,000 from the IRS due to the annual return Form 990 not being filed on time for tax year 2017. Mr. Goolsby reported the following resolutions:

- Form 990 for tax year 2017 was filed timely
- A response letter was submitted to the IRS in October 2020
- MSL had a call with the IRS and received a full waiver of the penalties

Mr. Goolsby stated that the ELCHC would receive a letter from the IRS confirming the resolution and penalty waiver.

IRS Form 990 FY 19-20 Update

Gary Meyer, Chief Financial Officer, reported that the Form 990 for FY 2019-2020 preparation is on course to meet the May 17, 2021 filing deadline.

Chair Buzard agreed to review the Form 990 before the Board of Directors' review and approval at the Board of Directors April 19, 2021 meeting.

Budget to Actual FY 20-21/Forecast

Mr. Meyer reported the Budget to Actual FY 2020-2021 and Forecast and highlighted the following:

- ELCHC was awarded \$5.8M for the School Readiness Provider Rate Increase, and based on the forecast, \$1M of the awarded amount may not be utilized. ELCHC is considering additional ways to use all funds.
- The forecast assumed reducing the School Readiness Wait List.
- Hillsborough County Infant & Toddler Initiative funds not spent in the FY 2020-2021 can be spent in the first quarter of FY 2021-2022.
- ELCHC staff authorized to work overtime and on Saturdays to reduce the School Readiness Wait List. Focused efforts by ELCHC have been made to minimize the impact of overtime.

ACTION ITEMS

A. Audit Report and Financial Statements for Years Ended June 30, 2020 and 2019

Jeff Goolsby and Sheen Cisneros presented and received the audit for financial statements for years ended June 30, 2020, and 2019.

Chair Buzard called for a motion to approve the Audit Report and Financial Statements for Years Ended June 30, 2020, and 2019. Candy Olson made a motion. Dianne Jacob made a second. The motion carried unanimously.

CEO REPORT

A. School Readiness Provider Rate Increase Implementation

Mr. Gillette provided an update on the implementation of School Readiness Provider Rate Increases and answered questions from Committee members.

B. House Bill 419

Mr. Gillette highlighted the following on House Bill 419:

- VPK Enhancements, Coordinated Screening and Assessment, VPK accountability, and requirement of annual submission of the Executive Director's performance evaluation
- The governance of the Coalitions by the Department of Education
- The current House Bill 419 may be consolidated with House Bill 7011
- Continuous of School Readiness Wait List and School Readiness Provider Rate Increase funding

C. 40 Hour Work Week

To align with OEL's policy guidance and an audit finding, Mr. Gillette informed the committee that the ELCHC moved from a 37.50 hour work week to a standard 40 hour work week effective March 29, 2021.

DISCUSSION ITEMS

There were no Discussion Items.

ADJOURNMENT

Dianne Jacob made a motion to adjourn the meeting at 3:53 pm. Candy Olson made a second. The motion carried unanimously.

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

ELCHC FINANCE COMMITTEE MEETING – June 7, 2021

FINANCIAL REPORT

III.A.

ISSUE: **Budget to Actual – April 30, 2021**
FUNDING SOURCE: Florida Department of Education Division of Early Learning, School Readiness, School Readiness Match, VPK, and Local Funding
RECOMMENDED ACTION: Review of Budget to Actual – April 30, 2021

NARRATIVE: Budget to Actual – April 30, 2021.

(1 Attachment)



| Budget to Actual April 30, 2021 | | | | | | | | |
|---|-------------------|-------------------|---------------------------------|--------------|-----------------------------|-------------------|---------------------------------|---------------|
| | Actual | Budget | Difference | | Actual | Budget | Difference | |
| | YTD | YTD | YTD favorable /(unfavorable) | % | 2021 YTD Actual/Forecast | 2021 Budget | YTD favorable /(unfavorable) | % |
| Program Revenue | | | | | | | | |
| School Readiness | 46,598,955 | 48,302,720 | (1,703,765) | -3.5% | 60,717,014 | 59,610,395 | 1,106,619 | 11.7% |
| School Readiness - Cares | 7,663,335 | 4,162,334 | 3,501,001 | 84.1% | 8,001,864 | 4,162,334 | 3,839,530 | 92.2% |
| School Readiness - CRRSA for Phase V grants | - | - | - | - | 10,003,500 | - | 10,003,500 | 100.0% |
| School Readiness Match - OEL | 1,174,798 | 1,286,210 | (111,412) | -8.7% | 1,551,647 | 1,551,647 | - | 0.0% |
| School Readiness - Local Funders: | | | | | | | | |
| Children's Board HC | 568,810 | 467,180 | 101,630 | 21.8% | 700,770 | 700,770 | - | 0.0% |
| Metro Ministries (Children's Board) | 13,325 | 125,000 | (111,675) | -89.3% | 68,794 | 150,000 | (81,206) | -54.1% |
| Hillsborough County BOCC | 276,000 | 276,000 | - | 0.0% | 276,000 | 276,000 | - | 0.0% |
| HC Childcare -Licensing & Fees (Carryforward) | 482,788 | 362,091 | 120,697 | 33.3% | 482,788 | 482,788 | - | 0.0% |
| HC Childcare -Licensing & Fees (Current) | 373,975 | 322,500 | 51,475 | 16.0% | 430,000 | 430,000 | - | 0.0% |
| City of Tampa | - | 210,000 | (210,000) | -100.0% | - | 210,000 | (210,000) | -100.0% |
| Robles Park | 37,292 | 25,000 | 12,292 | 49.2% | 37,292 | 25,000 | 12,292 | 49.2% |
| United Way | 52,358 | 52,358 | - | 0.0% | 62,829 | 62,829 | - | 0.0% |
| Caspers | 50,000 | 50,000 | - | 0.0% | 52,756 | 50,000 | 2,756 | 5.5% |
| St John | 10,689 | - | 10,689 | 100.0% | 10,689 | - | 10,689 | 100.0% |
| School Readiness - Local Funders | 1,865,236 | 1,890,129 | (24,892) | -1.3% | 2,121,918 | 2,387,387 | (265,469) | -11.1% |
| Total School Readiness Revenue | 57,302,324 | 55,641,392 | 1,660,932 | 3.0% | 82,395,943 | 67,711,763 | 14,684,180 | 21.7% |
| Other Local Funders: | | | | | | | | |
| Hillsborough Infant/Toddler Initiative | 36,763 | 132,500 | (95,737) | -72.3% | 95,000 | 159,000 | (64,000) | -40.3% |
| Conn Foundation | 70,500 | 45,500 | 25,000 | 54.9% | 70,500 | 45,500 | 25,000 | 54.9% |
| Spurlino Foundation | 60,000 | 50,000 | 10,000 | 20.0% | 60,739 | 50,000 | 10,739 | 21.5% |
| ELCHC Program Income SRPI | 17,277 | - | 17,277 | 100.0% | 17,277 | - | 17,277 | 100.0% |
| Lastinger Project | 177,334 | 176,667 | 667 | 0.4% | 212,800 | 212,000 | 800 | 0.4% |
| HELN | 4,208 | - | 4,208 | 100.0% | 6,000 | - | 4,208 | 100.0% |
| ELFL | 48,505 | 15,000 | 33,505 | 223.4% | 82,000 | 15,000 | 33,505 | 223.4% |
| General Contributions and Gifts | 72,613 | 250,000 | (177,387) | -71.0% | 150,000 | 300,000 | (150,000) | -50.0% |
| Total School Readiness Revenue and Local Revenue | 57,789,523 | 56,311,059 | 1,478,465 | 2.6% | 83,090,258 | 68,493,263 | 14,596,995 | 29.8% |
| Program Expenses | | | | | | | | |
| School Readiness | | | | | | | | |
| Direct Services - SR | 39,334,605 | 42,612,968 | (3,278,363) | -7.7% | 50,443,157 | 51,860,856 | 1,417,699 | 2.7% |
| School Readiness - Cares | 7,663,335 | 4,005,334 | 3,658,001 | 91.3% | 8,001,864 | 2,700,001 | (5,301,863) | -196.4% |
| School Readiness - CRRSA for Phase V grants | - | - | - | 0.0% | 10,003,500 | - | 10,003,500 | 100.0% |
| School Readiness Match - OEL | 1,174,798 | 1,286,210 | (111,412) | -8.7% | 1,551,647 | 1,551,647 | - | 0.0% |
| School Readiness - Local Funders | 1,209,348 | 1,231,038 | (21,689) | -1.8% | 2,121,918 | 1,909,501 | 212,417 | 11.1% |
| General Contributions and Gifts | 297,930 | 138,364 | 159,566 | 115.3% | 458,247 | 781,500 | (323,253) | -41.4% |
| Total Direct Services | 49,680,017 | 49,273,913 | 406,103 | 0.8% | 72,580,333 | 58,803,505 | (13,776,828) | -23.4% |
| ELCHC Operating | 6,763,823 | 5,974,411 | (789,412) | -13.2% | 8,887,003 | 8,094,258 | (792,745) | -9.8% |
| CCL/ECC | 805,091 | 738,208 | (66,884) | -9.1% | 1,216,384 | 1,149,500 | (66,884) | -5.8% |
| Inclusion Cost | 183,750 | 260,027 | 76,277 | 29.3% | 240,723 | 317,000 | 76,277 | 24.1% |
| Scholarships and Other | 66,029 | 64,500 | (1,529) | -2.4% | 165,816 | 129,000 | (1,529) | -1.2% |
| Total School Readiness & Other Expenses | 57,498,710 | 56,311,059 | (1,187,651) | -2.1% | 83,090,259 | 68,493,263 | (14,596,996) | -21.3% |
| SR Change in Net Assets | 290,814 | - | 290,814 | | (0) | - | 0 | 0.0% |
| Other Revenue (Information Only) | | | | | | | | |
| CARES- Rising Kindergarten Summer Program | 1,245,600 | 1,245,600 | - | 0.0% | 1,245,600 | 1,245,600 | - | 0.0% |
| Preschool Development Grant Services | 416,953 | 8,116 | 408,836 | 5037.2% | 513,523 | 359,000 | 154,523 | 43.0% |
| Other Expenses | | | | | | | | |
| CARES- Rising Kindergarten Summer Program | 1,245,600 | 1,245,600 | - | 0.0% | 1,245,000 | 1,245,000 | - | 0.0% |
| Preschool Development Grant Services | 416,953 | 8,116 | 408,836 | 5037.2% | 513,523 | 359,000 | 154,523 | 43.0% |
| PDG Change in Net Assets | - | - | - | | - | - | - | 0.0% |



| | Budget to Actual April 30, 2021 | | | | | | | |
|---|------------------------------------|-------------------|---------------------------------|---------------|-----------------------------|-------------------|---------------------------------|---------------|
| | Actual | Budget | Difference | | Actual | Budget | Difference | |
| | YTD | YTD | YTD favorable /(unfavorable) | % | 2021 YTD Actual/Forecast | 2021 Budget | YTD favorable /(unfavorable) | % |
| VPK Revenue | | | | | | | | |
| Voluntary Pre-Kindergarten | 18,506,573 | 28,066,736 | (9,560,163) | -34.1% | 22,469,824 | 31,469,824 | (9,000,000) | -28.6% |
| Total VPK Revenue | 18,506,573 | 28,066,736 | (9,560,163) | -34.1% | 22,469,824 | 31,469,824 | (9,000,000) | -28.6% |
| Voluntary Pre-Kindergarten | | | | | | | | |
| Direct Services | 17,627,723 | 26,927,618 | (9,299,895) | -34.5% | 21,358,564 | 30,092,151 | 8,733,587 | 29.0% |
| ELCHC Operating | 871,196 | 1,122,451 | 251,254 | 22.4% | 1,103,085 | 1,357,673 | 254,588 | 18.8% |
| ECC | 4,842 | 16,667 | 11,825 | 71.0% | 8,175 | 20,000 | 11,825 | 59.1% |
| Total Voluntary Pre-Kindergarten | 18,503,761 | 28,066,736 | 9,562,975 | 34.1% | 22,469,824 | 31,469,823 | 8,999,999 | 28.6% |
| VPK Change in Net Assets | 2,812 | - | 2,812 | 100.0% | (0) | (0) | 0 | 0.0% |
| Total Revenue | 76,296,096 | 84,377,794 | (8,081,698) | -9.6% | 105,560,082 | 99,963,087 | 5,596,995 | 5.6% |
| Total Expenses | 76,002,471 | 84,377,794 | 8,375,324 | 9.9% | 105,560,082 | 99,963,086 | (5,596,996) | -5.6% |
| Change in Net Assets | 293,626 | - | 293,626 | 100.0% | 0 | 0 | 0 | |
| ELCHC Expenditure Categories: | | | | | | | | |
| Personnel | 5,847,277 | 5,353,739 | (493,538) | -9.2% | 7,798,982 | 7,305,444 | (493,538) | -6.8% |
| Staff Development | 13,360 | 46,070 | 32,710 | 71.0% | 25,969 | 58,679 | 32,710 | 55.7% |
| Professional Services | 305,039 | 447,056 | 142,017 | 31.8% | 418,689 | 560,706 | 142,017 | 25.3% |
| Occupancy | 355,532 | 420,833 | 65,301 | 15.5% | 439,699 | 505,000 | 65,301 | 12.9% |
| Postage, Freight and Delivery | 5,680 | 2,400 | (3,280) | -136.7% | 6,080 | 2,800 | (3,280) | -117.1% |
| Rentals | 5,828 | 20,000 | 14,172 | 70.9% | 9,828 | 24,000 | 14,172 | 59.0% |
| Supplies | 73,588 | 98,400 | 24,812 | 25.2% | 96,588 | 121,400 | 24,812 | 20.4% |
| Communications | 27,831 | 13,381 | (14,450) | -108.0% | 30,507 | 16,057 | (14,450) | -90.0% |
| Insurance | 52,885 | 59,000 | 6,115 | 10.4% | 52,885 | 59,000 | 6,115 | 10.4% |
| Tangible Personal Property | 39,092 | 55,500 | 16,408 | 29.6% | 50,192 | 66,600 | 16,408 | 24.6% |
| Quality | 848,077 | 483,899 | (364,178) | -75.3% | 981,463 | 617,285 | (364,178) | -59.0% |
| Travel | 2,496 | 34,717 | 32,221 | 92.8% | 14,440 | 46,661 | 32,221 | 69.1% |
| Other Operating | 58,333 | 61,867 | 3,533 | 5.7% | 64,767 | 68,300 | 3,533 | 5.2% |
| Total ELCHC Operating Expenses | 7,635,019 | 7,096,862 | (538,157) | -7.6% | 9,990,088 | 9,451,931 | (538,157) | -5.7% |
| School Readiness Direct at least 78% target | 85.2% | | | | | | | |
| School Readiness Quality at least 4% target | 6.7% | | | | | | | |
| School Readiness Admin not greater than 5% target | 2.9% | | | | | | | |
| School Readiness Other Non-Direct | 5.2% | | | | | | | |
| VPK Admin not greater than 4% target | 4.6% | | | | | | | |

ELCHC FINANCE COMMITTEE MEETING – June 7, 2021

ACTION

ITEM IV.A.

ISSUE: FY 2021-2022 Finance Committee Meeting Schedule

RECOMMENDED ACTION: Approval of FY 2021-2022 Finance Committee Meeting Schedule

NARRATIVE:

The attached document outlines the proposed FY 2021-2022 Finance Committee Meeting Schedule.

(1 Attachment)

FY 2021-2022 MEETING SCHEDULE

FINANCE COMMITTEE MEETING SCHEDULE

Monday, August 9, 2021

Monday, October 4, 2021

Monday, February 7, 2022

Monday, April 4, 2022

Monday, June 6, 2022

All meetings of the Early Learning Coalition of Hillsborough County Governance Committee are held at **3:00 pm** until the conclusion of business at 6302 Martin Luther King Jr. Blvd. Bldg. 100, Suite 100, Tampa, FL 33619 unless otherwise publicly noticed and/or noted above.

PLEASE NOTE: *This meeting schedule is posted on the ELCHC website located at <http://www.elchc.org>. Changes to any dates, times and locations of these meetings will be posted at all times. Members of the public may confirm by phone by calling (813) 515-2340.*



ELCHC FINANCE COMMITTEE MEETING – June 7, 2021

ACTION ITEMS

ITEM IV.B.

| | |
|----------------------------|--|
| ISSUE: | Approval of Proposed FY 2020-2021 Budget |
| FISCAL IMPACT: | \$102,355,772 |
| FUNDING SOURCE: | Florida Department of Education Division of Early Learning, School Readiness, School Readiness Match, VPK, and Local Funding |
| RECOMMENDED ACTION: | Approve the Early Learning Coalition of Hillsborough County FY 2021-2022 Budget. |

NARRATIVE:

The Coalition would like to present the Finance Committee with the proposed FY 2021-2022 Budget for approval.

(1 Attachment)

FY22 Budget Narrative

How does our budget map to the Three Pillars of our strategy?

| ACCESS | | QUALITY | | EDUCATION | |
|------------------|----------------------|-------------------------------------|---------------------|------------------------|----------------------|
| School Readiness | \$ 62,434,063 | INCENTIVE\$ and T.E.A.C.H. | \$ 780,000 | VPK | \$ 31,058,603 |
| ALICE > 150 | \$ 1,685,881 | Professional Development | \$ 872,915 | CCR&R | \$ 1,277,235 |
| | | Performance Incentive Differentials | \$ 224,982 | 3Ts | \$ 12,500 |
| | | Infant/Toddler | \$ 149,272 | 3- to 5- Initiative | \$ 537,580 |
| | | Other | \$ 2,827,840 | Community Partnerships | \$ 669,903 |
| TOTAL | \$ 64,119,944 | TOTAL | \$ 4,855,008 | TOTAL | \$ 33,555,821 |

Further definitions are articulated below:

1. Access:
 - a. School Readiness
 - b. ALICE > 150: families that are Asset Limited, Income Constrained, Employed.
2. Quality:
 - a. INCENTIVE\$ and T.E.A.C.H. (Teacher Education and Compensation Helps) grants. INCENTIVE\$ supplement the salaries of qualified childcare providers, increasing stability, reducing turnover, and encouraging continued education.
 - b. Professional Development
 - c. Other quality initiatives funded by School Readiness funds
 - i. Performance Incentive Differentials: tiered additional provider reimbursement based on above-average program assessment composite scores.
 - ii. Infant/Toddler initiative, including establishing fully-outfitted classrooms equipped with the appropriate furniture, including cribs to care for infants and toddlers.
 - iii. Other
3. Education:
 - a. VPK
 - b. Child Care Resource & Referral (CCR&R): helping families identify quality early learning programs throughout the community, including early special needs intervention and special needs referrals.
 - c. Tune In, Talk More, Take Turns (3Ts)
 - d. Emerging 3- to 5-Year Initiative

e. Community Partnerships

Environmental Scan

We have assessed the early education environment, including the opportunities and risks, and prepared FY22 budgets focused on the following areas:

Family Services

1. The return to in-person work post-COVID will increase the demand for child care services.
2. We are following a period of children being out of formal care and potential exposure to trauma/ACES and behavior concerns. We are planning for the need for increased social-emotional supports.
3. The demand for services may not meet a purpose for care; the job search category is only a temporary purpose for care.
4. There is an increased demand for services while job search is a purpose for care.
5. Recent changes to the screening and assessment rule have increased the number of children screened and the number of children potentially needing individualized intervention support.
6. We continue to focus on increasing VPK child participation.

Provider Relations

1. There is a high demand for childcare provider employees and a shortage of early childhood educators— training and support for workers are needed.
2. The passage of the VPK bill requires materials to conduct CLASS observations, training materials needed for preparing VPK providers to use the CLASS and coordinated screening assessment.
3. We plan for supports and training for SR & VPK providers to maintain CLASS scores.
4. We have included supporting funds for the 3-5 initiative, including iSpy Tampa Bay.
5. We continue to support the Hillsborough Infant & Toddler Initiative.
6. There is an increased focus on Kindergarten Transition resources & Kindergarten Readiness through the 3- to 5 initiative.

Resource Development and Community Relations

1. We are expanding CCR&R resources, including an increase in outreach efforts and creating and distributing materials throughout the County. We have supported this effort by creating a new Director of Impact position (Abigail Perez).
2. We are launching the Prekindergarten Awareness efforts both as an awareness campaign and better understanding our community's education needs/challenges.

3. It is important to revisit our website resources and opportunities, including a potential refresh of our seven-year-old website, which relies on external contracts to maintain and is four years past the industry standard for a redesign.

Finance and IT, Process Improvement & Facilities

1. We are excited to provide financial services support for Hillsborough's portion of the State of Florida's increase in early learning funding from \$1.5 billion to \$4.5 billion, including CRSSA and ARP funding. Support will include more awards, more provider grants, etc.
2. We are working to develop more holistic technology systems and data, including Community Impact reporting.
3. We are expanding the facility at Interstate Corporate Center and winding down our North Florida location (see more discussion later in the materials).

Human Resources

We are investing the development of the Coalition's future leaders, engaging staff in a leadership development program that includes training in management, finances, diversity, strategic planning, marketing, and governance. On May 6, 2021, we enrolled 6 of our newest managers in an online, self-paced Leadership Certificate program with the Nonprofit Leadership Council of Tampa Bay. In October 2021, we are kicking off a 6 month leadership program for 20 of our current and emerging leaders in partnership with the NPLC.

Revenue

1. Federal/State funding assumptions are based on base funding already approved in the Bill for Hillsborough County, plus School Readiness provider rate increase and waitlist fund estimates for Hillsborough County based on total approved state-wide money yet to be specifically allocated to each Coalition.
 - a. Provider rate increases are budgeted at double the amount allocated in FY21 since FY21 was allocated for the half-year period from January 1, 2020 to June 30, 2020.
 - b. Waitlist funds are budgeted at the same proportion of the state total allocated to Hillsborough County in FY21: 6.67%. The amount has increased as the total state-wide allocation increased from \$60M in FY21 to \$72M in FY22. The actual waitlist allocation will be based on Hillsborough County's waitlist numbers on June 30, 2021 relative to the other 29 coalitions.
 - c. There is no assumption for CARES, CRRSA, or ARP funding in the FY22 budget, but the counties may receive such funding. Amounts are not reasonably probable or estimable at this time.

- d. VPK funding is down slightly compared to last year, reflecting a small decline in the Hillsborough County demographics. The base service allocation remains constant at \$2,486 per child per year.

We reviewed the below-budgeted amounts with OEL for appropriateness.

| | <u>FY22</u> | <u>FY21</u> | <u>FY21 Source</u> | <u>Variance</u> | <u>% Variance</u> |
|----------------------------------|---------------|---------------|--|-----------------|-------------------|
| <u>School Readiness Revenue</u> | | | | | |
| Base funding | \$ 50,849,605 | \$ 49,825,504 | Forecast | \$ 1,024,101 | 2.1% |
| Provider rate increase | 11,661,434 | 5,830,717 | NOA | 5,830,717 | 100.0% |
| Wait list | 4,804,867 | 4,004,056 | NOA | 800,811 | 20.0% |
| Quality Performance Differential | 1,056,737 | 1,056,737 | NOA | | |
| | \$ 67,315,906 | \$ 60,717,014 | Forecast | \$ 6,598,892 | 10.9% |
| FTE children served | 13,641 | 13,194 | | 447 | 3.4% |
| <u>VPK Revenue</u> | | | | | |
| Base funding | \$ 31,038,603 | \$ 31,469,824 | NOA | \$ (431,221) | -1.4% |
| Projected enrollment | 11,975.82 | 12,229.25 | VPK Estimating Conference, FTE Program Year | (253.43) | -2.1% |
| Base service allocation | \$ 2,486 | \$ 2,486 | | | |

- OEL Matching funding is budgeted at a similar level as FY21, as the Coalition submitted similar requests last year, and the state-wide allocation is the same as last year. The actual results of the match funding award process are yet to be determined and based on the submissions of each Coalition in the state.
- Local funders are budgeted at similar levels as in FY21, except that no funding is assumed for the City of Tampa and Robles Park. The Hillsborough Infant/Toddler Initiative budget is a carryover from FY21; any new spending for infant/toddlers is budgeted within School Readiness Quality. The funder for this FY21 Initiative, the Hillsborough County for Community Development Block grant, is funding \$175K for FY22, including \$100K of direct slots for ALICE>150 and \$63K for the 3- to 5 Initiative.

Expenses

- All expense budgets meet the expenditure caps specified by the Notice of Awards:
 - At least 78% of direct expenses for SR. We budgeted 83.2%.
 - No more than 5% of Admin for SR and no more than 4% of Admin for VPK.
 - At least 4% on SR Quality. We budgeted 9.1%.
 - Other non-direct expenses are the remainder after budgeting for the above and amount to 3.5%.

For SR, the following table shows the percentages:

| | Requirement | Budget |
|----------------|--------------------|---------------|
| Direct | >78% | 83.2% |
| Admin | <5% | 4.2% |
| Quality | >4% | 9.1% |
| Other Indirect | | 3.5% |
| | | 100.0% |

2. Personnel: Salaries and benefits are budgeted at \$7.6M. The budgeted headcount has increased by 2 staff, from 113 staff in FY21 to 115 staff in FY22. Of this, 1 staff person was added to expedite eligibility, and 1 staff person was added to expand community relations.
3. Quality: Budgeted at \$1.3M. The budget assumes an increase in provider stipends and other quality initiatives.
4. Professional Services: Budgeted at \$756K. The budget assumes expanded technology initiatives, including website development. It also includes legal, accounting, tax, and other professional services fees.
5. Occupancy: Budgeted at \$569K. The budget assumes the expansion of the Coalition at the Interstate Corporate Center into 6,114 square feet of Suite 105 beginning July 1, with concurrent rent at the North Florida location while the build-out of the raw space proceeds. Additional rent expense plus electricity and cleaning services are \$118K. Plans include exiting the North Florida location when the lease expires on December 31, 2022. See other materials for more information regarding the facilities' strategic plan.
6. Staff Development: Budgeted at \$120K. The budget assumes a resumption of staff development initiatives that were paused during the pandemic and the creation of a leadership development program, noted above.



EARLY LEARNING

COALITION OF HILLSBOROUGH COUNTY

FY22 Proposed Budget

| | FY22 Budget | FY21 Forecast | \$ Variance | % Variance | FY21 Budget |
|---|-------------------|-------------------|---------------------|-------------|-------------------|
| Program Revenue | | | | | |
| School Readiness | \$ 67,315,906 | \$ 60,717,014 | \$ 6,598,892 | 11% | \$ 59,610,395 |
| School Readiness - CARES | - | 8,001,864 | (8,001,864) | -100% | 4,162,334 |
| School Readiness - CRRSA for Phase V grants | - | 10,003,500 | (10,003,500) | -100% | - |
| School Readiness Match - OEL | 1,525,882 | 1,551,647 | (25,765) | -2% | 1,551,647 |
| School Readiness - Local Funders: | | | | | |
| Children's Board HC | 700,770 | 700,770 | - | 0% | 700,770 |
| Hillsborough County BOCC | 276,000 | 276,000 | - | 0% | 276,000 |
| HC Childcare -Licensing & Fees (Carryforward) | - | 482,788 | (482,788) | -100% | 482,788 |
| HC Childcare -Licensing & Fees (New) | 430,000 | 430,000 | - | 0% | 430,000 |
| Metro Ministries (Children's Board) | 150,000 | 68,794 | 81,206 | 118% | 150,000 |
| City of Tampa | - | - | - | 0% | 210,000 |
| Robles Park | - | 37,292 | (37,292) | -100% | 25,000 |
| United Way | 69,112 | 62,829 | 6,283 | 10% | 62,829 |
| Caspers | 50,000 | 52,756 | (2,756) | -5% | 50,000 |
| St. John | - | 10,689 | (10,689) | -100% | - |
| School Readiness - Local Funders | 1,675,882 | 2,121,918 | (446,036) | -21% | 2,387,387 |
| Total School Readiness Revenue | 70,517,670 | 82,395,943 | (11,878,273) | -14% | 67,711,763 |
| Other Local Funders: | | | | | |
| HC Community Development, incl. ALICE>150 | 175,000 | - | 175,000 | 100% | - |
| Hillsborough Infant/Toddler Initiative | 64,000 | 95,000 | (31,000) | -33% | 159,000 |
| Conn Foundation | 45,500 | 70,500 | (25,000) | -35% | 45,500 |
| Spurlino Foundation | 50,000 | 60,739 | (10,739) | -18% | 50,000 |
| SR Program Income (training, IIECP membership) | 20,000 | 17,277 | 2,723 | 0% | - |
| HELN (Hillsborough Early Learning Network) | 6,000 | 6,000 | - | 0% | - |
| ELFL (Early Learning Florida) | 82,000 | 82,000 | - | 0% | 15,000 |
| Lastinger Project | 212,000 | 212,800 | (800) | 0% | 212,000 |
| Misc Donations | 300,000 | 150,000 | 150,000 | 100% | 300,000 |
| Total Local Funders, Contributions and Gifts | 954,500 | 694,316 | 260,184 | 37% | 781,500 |
| Total School Readiness Revenue and Local Revenue | 71,472,170 | 83,090,259 | (11,618,089) | -14% | 68,493,263 |
| Program Expenses | | | | | |
| School Readiness | | | | | |
| Direct Services - SR | 56,256,030 | 50,443,157 | (5,812,873) | -12% | 50,398,523 |
| School Readiness - CARES | - | 8,001,864 | 8,001,864 | 100% | 4,162,334 |
| School Readiness - CRRSA for Phase V grants | - | 10,003,500 | 10,003,500 | 100% | - |
| School Readiness Match - OEL | 1,551,647 | 1,551,647 | - | 0% | 1,551,647 |
| School Readiness - Local Funders | 1,675,881 | 2,121,918 | 446,037 | 21% | 1,909,501 |
| General Contributions and Gifts | 686,500 | 458,247 | (228,253) | -50% | 781,500 |
| Total Direct Services | 60,170,058 | 72,580,333 | 12,410,274 | 17% | 58,803,505 |
| ELCHC Operating | 9,613,612 | 8,887,003 | (726,609) | -8% | 8,094,258 |
| CCL/ECC | 1,149,500 | 1,216,384 | 66,884 | 5% | 1,149,500 |
| Inclusion Cost | 317,000 | 240,723 | (76,277) | -32% | 317,000 |
| Scholarships and Other | 222,000 | 165,816 | (56,184) | -34% | 129,000 |
| Total School Readiness & Other Expenses | 71,472,170 | 83,090,259 | 11,618,089 | 14% | 68,493,263 |
| SR Change in Net Assets | (0) | 0 | 0 | 0% | - |



EARLY LEARNING

COALITION OF HILLSBOROUGH COUNTY

FY22 Proposed Budget

| | FY22 Budget | FY21 Forecast | \$ Variance | % Variance | FY21 Budget |
|--|--------------------|--------------------|--------------------|-------------|-------------------|
| VPK Revenue | | | | | |
| Voluntary Pre-Kindergarten | 31,058,603 | 22,469,824 | 8,588,779 | 38% | 31,469,824 |
| Total VPK Revenue | 31,058,603 | 22,469,824 | 8,588,779 | 38% | 31,469,824 |
| VPK Expenses | | | | | |
| Direct Services | 29,797,059 | 21,358,564 | (8,438,495) | -40% | 30,092,152 |
| ELCHC Operating | 1,241,545 | 1,103,085 | (138,460) | -13% | 1,357,673 |
| ECC | 20,000 | 8,175 | (11,825) | -145% | 20,000 |
| Total Voluntary Pre-Kindergarten Expenses | 31,058,603 | 22,469,824 | (8,588,779) | -38% | 31,469,824 |
| VPK Change in Net Assets | - | - | - | 0% | - |
| Total Revenue | 102,530,773 | 105,560,083 | (3,029,310) | -3% | 99,963,087 |
| Total Expenses | 102,530,773 | 105,560,083 | 3,029,310 | 3% | 99,963,087 |
| Change in Net Assets | (0) | 0 | 0 | 0% | - |
| ELCHC Expenditure Categories: | | | | | |
| Personnel | 7,558,266 | 7,798,982 | 240,716 | 3% | 7,305,444 |
| Staff Development | 119,524 | 25,969 | (93,554) | -360% | 58,679 |
| Professional Services | 755,678 | 418,689 | (336,989) | -80% | 560,706 |
| Occupancy | 569,040 | 439,699 | (129,341) | -29% | 505,000 |
| Postage, Freight and Delivery | 5,300 | 6,080 | 780 | 13% | 2,800 |
| Rentals | 19,500 | 9,828 | (9,672) | -98% | 24,000 |
| Supplies | 134,763 | 96,588 | (38,176) | -40% | 121,400 |
| Communications | 39,583 | 30,507 | (9,076) | -30% | 16,057 |
| Insurance | 57,155 | 52,885 | (4,270) | -8% | 59,000 |
| Tangible Personal Property | 119,599 | 50,192 | (69,408) | -138% | 66,600 |
| Quality | 1,321,332 | 981,463 | (339,869) | -35% | 617,285 |
| Travel | 46,331 | 14,440 | (31,891) | -221% | 46,661 |
| Other Operating | 109,084 | 64,767 | (44,318) | -68% | 68,300 |
| Total ELCHC Operating Expenses | 10,855,157 | 9,990,088 | (865,068) | -9% | 9,451,931 |

ELCHC FINANCE COMMITTEE MEETING – June 7, 2021

ACTION ITEMS

ITEM IV.C.

| | |
|----------------------------|--|
| ISSUE: | Address facilities needs through consolidation |
| FISCAL IMPACT: | \$123,057 in FY 2022 with annual inflationary escalations through FY 2027, less \$54,205 annually after 1/1/2023 |
| FUNDING SOURCE: | School Readiness and VPK |
| RECOMMENDED ACTION: | Approval of allocation of funds for Interstate Corporate Center lease expansion |

NARRATIVE:

The Coalition would like to present the Finance Committee with a proposal to amend the lease at the Interstate Corporate Center for the addition of necessary expansion space with a concurrent plan to not renew the North Florida lease when it expires 1/1/2023 (see attached facilities plan).

(1 Attachment)



ELCHC Facilities Needs

Updated June 1, 2021

Current Facilities Landscape

- ELCHC currently has two facilities:

| | <u>Square Footage</u> | <u>Lease Expires</u> | <u>Annual Cost</u> | <u>Notes</u> |
|---|-----------------------|----------------------|--------------------|--------------|
| Interstate Corporate Center (MLK Blvd.) | 21,918 | 8/31/2026 | \$ 421,784 | (1) |
| North Florida | 4,302 | 1/1/2023 | \$ 54,205 | (2) |
| TOTAL | 26,220 | | \$ 475,989 | |
| Notes: | | | | |

(1) - Cost for FY22 including base rent to Cushman Wakefield and electricity and cleaning services to providers.

(2) - Cost for FY22 including base rent, which includes electricity and cleaning services.

New Facilities Needs

- A **consolidated intake center** (call center) that meet two requirements:
 1. Is contained in one location (rather than spread across two locations) to enable management efficiency and streamlined service to providers and families.
 2. Is designed with workstations with less density given our post-COVID environment.
- **More offices for managers**, as growth has filled all current offices.
- Space for **program expansion**, given three factors:
 1. New OEL requirements for more screening and assessment;
 2. ELCHC's programmatic initiatives;
 3. General Hillsborough County population growth, projected to average 1.5% per year over the next several years; and
 4. More multi-purpose space, as pre-COVID multi-purpose spaces were often a maximum capacity/usage.

New Facilities Plan

- *Immediate limited time opportunity:* Sign lease for 6,114 square feet of new adjacent space **now** at Interstate Corporate Center (ICC). Lease terms are for a cost per square foot consistent with current lease.
- Exit North Florida lease on 1/1/2023; attempt to sublease before.
- New Annual Net Cost Increase for **2023** is as follows:

| | <u>Square Footage</u> | <u>Lease Expires</u> | <u>Annual Cost</u> | <u>Notes</u> |
|--|-----------------------|----------------------|--------------------|--------------|
| Interstate Corporate Center (MLK Blvd.) | 6,114 | 8/31/2027 | \$ 123,027 | (1) |
| North Florida (assumes renewal) | (4,302) | 1/1/2023 | \$ (54,205) | (2) |
| TOTAL | <u>1,812</u> | | <u>\$ 68,822</u> | |
| Notes: | | | | |
| (1) - Cost for 2023 including base rent to Cushman Wakefield and electricity and cleaning services to providers. | | | | |
| (2) - Cost for 2023 including base rent, which includes electricity and cleaning services. | | | | |

New Facilities Plan

Other Considerations:

- We pay “double rent” for both North Florida and new ICC space between now and 1/1/2023, absent our ability to sublease North Florida space. The cost for the new ICC space over that 18 months is \$178K.
- There is another offer by another potential tenant to lease this contiguous ICC space. Declining it now might mean losing such an opportunity for the foreseeable future.
- Build out costs of approximately \$180K are funded by the owner through a tenant improvement allowance.



ELCHC FINANCE COMMITTEE MEETING – June 7, 2021

| | |
|---------------|-------------------|
| ACTION | ITEM IV.D. |
|---------------|-------------------|

ISSUE: **Approve allocation of funds to the INCENTIVE\$ program**

FISCAL IMPACT: Up to \$750,000

FUNDING SOURCE: Florida Department of Education Division of Early Learning, School Readiness

RECOMMENDED ACTION: Approve the allocation of funds up to \$750,000 to the INCENTIVE\$ program for FY 2021-2022.

NARRATIVE:

For FY 2021-2022, the Children’s Forum proposed a new INCENTIVE\$ scale that is more aligned with the state’s Career Pathway increasing the annual incentive for early childhood educators to retain them and encourage their ongoing professional growth. With the increase in the annual incentives scale, staff recommends to increase the INCENTIVE\$ funding to up to \$750,000 to use for the actual supplement paid directly to the eligible teachers and associated costs, which includes, administration and program costs.

| INCENTIVE\$ Program | FY 20-2021 | FY 21-2022 |
|----------------------------|-------------------|-------------------|
| | \$700,000 | Up to \$750,000 |

ELCHC FINANCE COMMITTEE MEETING – June 7, 2021

ACTION

ITEM IV.E.

ISSUE: **Approve allocation of funds to the School Board of Hillsborough County – Early Intervention & Evaluation Services**

FISCAL IMPACT: \$196,000

FUNDING SOURCE: Florida Department of Education Division of Early Learning, School Readiness

RECOMMENDED ACTION: Approve the allocation of funds to the School Board of Hillsborough County – Early Intervention & Evaluation Services of \$196,000 in FY 2021-2022.

NARRATIVE:

Allocation for the FY 2021-2022 agreement with School Board of Hillsborough County – Early Intervention & Evaluation Services.

| Early Childhood Council | <u>FY 20-2021</u> | <u>FY 21-2022</u> |
|--------------------------------|--------------------------|--------------------------|
| School Readiness | \$245,000 | \$196,000 |

ELCHC FINANCE COMMITTEE MEETING – June 7, 2021

ACTION

ITEM IV.F.

| | |
|----------------------------|--|
| ISSUE: | Approve allocation of funds to the Early Childhood Council |
| FISCAL IMPACT: | \$71,500 |
| FUNDING SOURCE: | Florida Department of Education Division of Early Learning, School Readiness |
| RECOMMENDED ACTION: | Approve the allocation of funds to the Early Childhood Council of \$71,500 for FY 2021-2022. |

NARRATIVE:

Allocation for the FY 2021-2022 agreement with Early Childhood Council for Inclusion Support Services.

| Early Childhood Council | <u>FY 20-2021</u> | <u>FY 21-2022</u> |
|--------------------------------|--------------------------|--------------------------|
| VPK/School Readiness | \$71,500 | \$71,500 |

ELCHC FINANCE COMMITTEE MEETING – June 7, 2021

ACTION

ITEM IV.G.

| | |
|----------------------------|---|
| ISSUE: | Execute Agreement with United Way Suncoast |
| FISCAL IMPACT: | Up to \$69,112 |
| FUNDING SOURCE: | United Way Suncoast |
| RECOMMENDED ACTION: | Authorize staff to enter into a funding agreement with United Way Suncoast for the period July 1, 2021 through June 30, 2022. |

NARRATIVE:

The United Way Suncoast awards community investment funds annually through a competitive process. The Coalition applied for these funds in March 2021 and received notification in May 2021 that the Coalition's proposal for the ALICE>150 initiative was recommended for funding. The total allocation is \$69,112 and must be expended from July 1, 2021 to June 30, 2022.

ELCHC FINANCE COMMITTEE MEETING – June 7, 2021

ACTION

ITEM IV.H.

| | |
|----------------------------|---|
| ISSUE: | Outdoor Science/Nature Classroom Materials for iSpy Tampa Bay 3-5 Initiative |
| FISCAL IMPACT: | \$44,207.10 |
| FUNDING SOURCE: | Florida Department of Education Division of Early Learning, School Readiness |
| RECOMMENDED ACTION: | Approve the purchase of materials for 45 outdoor classrooms. |

NARRATIVE:

The iSpy Tampa Bay 3-5 initiative will expand nature, science, and social-emotional curiosity in preschool classrooms by giving teachers, children, and their families unique nature-based opportunities at various Tampa cultural venues. ECE educators, children, and families (from targeted zip codes) will have access to on-site, and virtual field trips to Zoo Tampa, The Florida Aquarium and Hillsborough County Parks. This learning exchange will focus on four topic areas; Things that Fly, Real vs. Not Real, Shapes and Patterns in Nature, Senses in Nature.

Participating programs/classrooms will receive curriculum activity kits and classroom resources to supplement nature and science curriculum in the classroom. The proposed quote will allow us to purchase outdoor classroom materials for the first 45 participating classrooms.