



Board of Directors Meeting Minutes

Tuesday, September 5, 2023

9:00 am -11:00 am

Board Members Present:

Bob Buesing, Gege Kreisler, Larry Pintacuda, Kyle Baltuch, Claudia Davant, Eddie Gonzalez-Loumiet, Allison Davis, Chris Card

**The number of board members present met the requirements for a quorum.

Staff Members Present: Erin Smeltzer, Lauren Wofford, Denise Bishop, Lori Stegmeyer, Melissa Clements, Tia Walton-Walker,

Board Chair, Bob Buesing, welcomed those in attendance and called the meeting to order at 9:04am.

Motion to approve the March 2023 meeting minutes, Gege motioned, Bob second, all approved.

Gege opened the Mission Minute by stating that on September 21, 2023, the ELC has put together a summit for 130 businesspeople, not early childhood educators, to discuss why Hillsborough County is failing the children in their county. They are trying to address the business system. Gege stated that Mark Wilson will open the Summit with his take on the issues they are dealing with. Erin stated that she will be a table leader at that summit meeting and Kyle stated that his team is working on a presentation for Mark Wilson and so send him anything they would like presented.

Moving to the Chair's Report, Bob welcomed our newest board member, Kyle Baltuch and asked him to share his professional history. Kyle shares that he is currently the Senior Vice President of The Florida Chamber Foundation, working primarily on issues involving childhood poverty and early learning. Kyle has a background as an economist, before his current position her was the Vice President at Florida Tax Watch, her is very excited to serve on this board. Bob will get in touch with Erin and Kyle to get him oriented.

Bob shared that Linda Stoller is resigning from The Children's Forum Board of Directors and that her resignation will be effective after today's meeting when the compensation committee process is finished. Linda brought a lot to the board and was a faithful servant to the children and early educators of Florida.

Lauren Wofford started the Finance Committee Report and shared our July 1, 2022- June 30, 2023, unaudited financial statements.

As of June 30, we have brought in \$19.5M, and we have spent just under that, as of right now we are showing a net operating income of almost \$51K. Several new INCENTIVE\$ contracts were brought in at the end of the year, including the Orange contract at \$1.5M. Bob explained that the Forum has a very broad customer base, not just in the state of Florida. Kyle asked if financials are sent out or kept confidential, Lauren shared that they are on our website and that she is willing to send them to him whenever he would like them. Lauren shared that our Professional Fees line item was higher than we anticipated and that was due to the legal and moving fees that we had to pay to get out of our lease at the Magnolia building. Lauren clarified for everyone that we are currently paying \$5,000 a month for our temp space and Summit is allowing us to store our belongings for free.

As of June 30, we had almost \$2.4M in cash, or AR was at 2.5. Total assets over \$5M, and liabilities has a balance of \$5M. Bob reminds everyone that even though we are a nonprofit we still have to have capital to keep things moving. Our statement of cashflow looks great so there is not a to report. Erin explained that we want to get our fund balance up to \$7M to give us a buffer and that is so that we do not have to ask for advances when we take on new projects, so this puts us in a good place for funders to do a deliverable based contract with us versus a cost reimbursement.

Bob explained that Non-Profit Leadership Center in Tampa states that 3 months minimum, of capital needs to be saved for operating costs. A non-profit that has a good balance sheet shows investors that non-profits are handling their money wisely.

Quick Ratio: 5.1414, Current Ratio: 5.2125, Liquidity Ratio: 2.5024, Current Liabilities to Networth: 0.2471, Total Liabilities to Networth: 0.2915, Fixed Assests to Networth: 0.0037 - All of our ratios are in the range of where they should be. Lauren states that the audit needs to be done by the end of December after Bob asked when it would be finished.

Motion to accept unaudited financials – Eddie motions, Gege seconds, all in favor.

Larry states that Chris Card is very proud of the finance team and all that they have done.

Erin and Lauren state that they are sharing the proposed budget a little sooner than they normally do so they would like to start sending the upcoming year's budget present sooner than the Forum has historically. Bob states that whatever budget the Forum puts out at any time is subject to amendment, the best that we can do is get comfortable with where we are in the moment and cannot project until the next fiscal year due to all the changes we see throughout the year.

Erin explained that she asked Lauren to aim really high for expenditures and very low for revenue. She went through every GL code of what we spent last year and project a little higher for this year, and asked them to be aware that this is the worst case scenario of the budget and that if they see a line item that is empty it means that we are currently in negotiations with them and we do not have a solid number yet.

Laure shared our budget is increasing from \$18.2M to \$24.3M. DEL/TEACH will be up \$1.23M and part of that is getting some ARPA funds and some of that will go towards the ELC staff for scholarships. Arkansas ongoing IT project is showing the prorated amount based on what is left from this fiscal year, palm beach is going up a little, The Children's Trust is staying the same. Help Me Grow is going from \$1.8M to \$4.5M. INCENTIVES\$, Osceola, Broward, Hillsborough, Orange, and potentially Emerald Coast. CLASS assessments grew significantly and is projected to continue to grow over the next few years. Our Gold Seal Projects, which are DEL and DCF, are split funded. Florida After School Network's current budget is projected to be higher for next year. We have two Bainum Family projects, one of them is a subcontract that we do with the AELC, the other is ours specifically and it also increased. Children's Week is projected to be high this year.

Lauren pointed out that there is an asterisk on the budget is a proposed 5% salary increase across the board. Kyle asked if Bainum requires us to net zero or if we need to return anything that is left. Lauren stated that we budgeted to net zero on the cost reimbursement and anything that is deliverable based, or a service contract that we do not have to return any remaining funds.

Erin states that she and C-suite are working hard on what funding they are getting close to declining contracts for cost reimbursement that are less than \$500K because it takes too much administrative work.

Bob shares Kyle that INCENTIVES\$ is wage supplements, and that TEACH is our scholarship program, and Help Me Grow is a referral program for families that need any kind of resources. HMG is a case manager for families to connect them with the professionals they need to relate to.

Denise adds that HMGF is a system that we are hoping to expand state-wide. Our current affiliates are expanding to counties around them instead of creating new affiliates to capitalize on the existing infrastructure. This way, if the non-recurring funding is not approved for the next fiscal year, it will be easier to address the needs of the existing affiliates who have included a new county.

Larry asked Denise and Erin how we are prepared to spend all the new money that HMG has received. Denise stated that we hired a data coordinator who will help the SCO Director, Liz Randall, manage that side of the program, and that by not bringing on new affiliates, we have some flexibility. The only thing we have a small concern about is how we support affiliates' spending the additional funding they have been allocated. We received our contract from FDOE/DEL two months into the fiscal year, so the challenge is ensuring they can hire staff in a timely way to spend the money they have earmarked for employee recruitment. Erin said we

made sure the proviso language did not require state-wide implementation. Erin echoed Denise in that expanding affiliates instead of bringing new ones on is going to be beneficial for us.

Erin states that from a sustainability model we are talking to a lot of the communities about what they would do moving forward and most of them are committed to a multi-year project from them. We do not think we will lose any of these contracts when the ARPA money goes away, we foresee them reducing slightly. The Legislative Budget Request for the department did include the nonrecurring dollar amount for Help Me Grow which means it should roll into the governor's budget.

We have been working with the appropriations team at the House and Senate about the waiting lists that we had for TEACH last year and there are new projects rolling in that want to leverage TEACH for paying for some extra credentialing that will be coming through some new bills so we have asked for an extra \$5M to do that and both the House and the Senate are ok with requesting that as recurring. Since TEACH is in statute we do not have to have a member to come forward for the money, we can have a staffer come forward with DEL approval.

Larry asked Erin if the admin cost percentage is low and what percentage of our budget is administrative cost is. Erin states that we roll under the cost allocation plan that DOE has. Most of our contracts don't go over 5%. Operation budget is about 22%, administration is 5%, non-direct 5%, programmatic 12%

Motion to approve proposed budget for current fiscal year – Bob calls motion, Larry moves, Gege second, all in favor.

Bob asks Lauren if our occupancy cost in the proposed budget is higher or lower than previous years, Lauren states that it is about \$80k lower than before.

Salary increases were approved with the budget and Erin wanted to share how we got to that number and stated that we studied market rates, and that this is the appropriate rate and that we are trying to be competitive. We have not had anyone resign this year; we have let a few people go but no one has resigned. Kyle stated that the nonprofit landscape has a high turnover rate and that it is incredible that no one has resigned and is very impressed. Erin shared that we have done a lot of culture shifting on performance evaluations, how we communicate with our teams, and how we give time off. We are trying hard to be productivity based and not presence based.

Erin presented and explained the President's Travel and Expense Report.

Motion to approve President's Travel and Expense Report – Larry moved, Eddie second, all in favor.

Erin shared the Forum Update that we got the approval for \$5M, non-recurring, for HMG. We are trying to get an informal pathway that we run through TEACH. If a bill comes through that has a credential or micro credential that it should be run through TEACH so that it is being tracked the same way. We are trying to encourage everything to come through TEACH so we can collect the data. We are helping Representative Bartleman on the language in that bill. Committee Weeks start this month so we will closely monitor the appropriations process.

Claudia shared that so many members are aware of and excited about TEACH and Help Me Grow. Bob asks if there is anything the board members need to do to help. Erin stated that helping people understand that TEACH is a systemic project and not a set aside scholarship program it teaches how we give scholarships in our field, so Erin asked the board members to continue their outreach from that angle and that they help people understand how HMG fits in the system.

Building updates- we signed a six-year lease because it helped with the amortization of the customization we are doing, and they granted us \$150k credit for customization. At the end of our six-year lease, we will still be paying less than we were at the Magnolia building. We approved building plans last week. We are moving to a little over 11k square feet. We are excited about the location and the safety, and the management staff is very responsive and quick to remedy any situation. Bob shared that we did well financially on this deal, but he wants the Forum to be prepared to look at other options at the six-year mark to make sure we know what is out there and so that Summit will work with us.

Bill shared with everyone the Software as a Service that supports TEACH and INCENTIVES\$, we have a contract with Arkansas already to build TEACH for them, and we got a good response with Iowa to move forward with building them an INCENTIVES\$/WAGES program for them. Bill states that we have a legal team reviewing the contract.

Bill shared that IT is working on systems at the office to make sure they are completely protected, and that the generator worked perfectly during the hurricane.

Erin shared that our Assessment and Coaching Services Unit has had some new companies pop up that need trainers, coaches, and program evaluation for their products. Melissa shared that curriculum and instructional support companies that would like our help with coaching, training, and data collection. She shared that we are projecting to do about 3,800 assessments this year, and that our funders are very happy with what they have been seeing so far. She shared that we have broken into a new program that helps train teachers with classroom practices, and teacher-child interaction, and is intended to improve class scores. Erin reminded everyone that all the numbers from the CLASS assessments are in Erin's Forum Update on the Board website.

Erin shared that our membership plan is expanding, we are trying to add a corporate membership option for businesses to buy in to. We wanted to add this because our staff is trusted by many vendors to share information about what is currently happening in the ECE field, policy world, and to share what is new legislation means. By formalizing a corporate membership opportunity, we can have a more formal process for sharing this information. Currently we have 8-10 businesses who are interested in this, we will limit it to about 10 businesses for the first year, but their membership will include legislative updates, the history of ECE trainings and where Florida is moving, access to our staff members for meetings to ask questions and get guidance, and, if approved, give them the opportunity to write op-eds for our website and social media. The first year we will charge around \$8K a year and see how it goes. As we position ourselves to go national, we think this is a great opportunity to show that we are a valuable resource. Gege asked if we were looking to increase our membership numbers or be selective about how we form our membership network. Erin clarified that we are trying to limit our membership so that we are better equipped to provide high quality services to our members. Gege suggested that we look into the FLAYC membership structure to get ideas on how to best structure our new business membership option. Bob confirmed that some of these businesses might be for-profit and wanted clarification on if they were

allowed to use our logos for their publications. Erin shared that we will grant permission to these businesses on a case-by-case basis and that we will be allowed to use their information in our publications, but they will need permission from us before they are allowed to use ours. Bob asked for an update on this at the next board meeting so Erin will make sure to provide information on this then.

The staff Satisfaction Survey was presented, and that presentation is attached to the minutes.

Staff handbook proposed changes will be presented via email due to time constraints. We will schedule a time to meet and discuss these proposed changes.

Closed executive session.

Respectfully submitted,

Larry Pintacuda
Secretary

Lindsey Smith
Recording

Minutes Approved on: _____ <<to be submitted for approval at the next meeting>>

Signature of Secretary: _____ Date: _____

Signature of Chair: _____ Date: _____