



Agenda

Finance Committee Meeting

**May 23, 2011
9:00 a.m.**

**Juvenile Welfare Board
Conference Room 191**

- I.** Request Approval of the April 25, 2011 Finance Committee Notes, the May 9th Audit Services Public Meeting Notes and the May 16th Bank Services Public Meeting Notes.
- II.** Selection of Auditing Services award
- III.** Selection of Banking Services award
- IV.** Budget Actions for FY 10/11 and 11/12
- V.** Administrative Budget item - Supplemental Adjustment for Employees



Juvenile Welfare Board of Pinellas County

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Finance Committee Meeting Notes

April 25, 2011 at 9:00 a.m.

Room 191

Committee Members Present: Honorable Bob Dillinger, Maria Edmonds, Honorable Bernie McCabe, Elise Minkoff

Guests: Martha Lenderman, Board Chair; Jason Malpass, Pinellas County Information Technology Department

JWB Staff Present: Gay Lancaster, Cindy Bell, Marcie Biddleman, Denise Groesbeck, Marcia Marcionette, Lisa Sahulka, Lynn De la Torre, Sue Walterick, Mike Warner

Request Approval of January 26, 2011 Finance Committee Notes

ACTION: Mr. Dillinger moved to accept the notes as written; seconded by Mrs. Minkoff; motion carried.

FINANCIAL FORCAST AND DISCUSSION OF PROPOSED BUDGET PARAMETERS

- Mrs. Lancaster projected the need to reduce JWB's FY 11-12 budget by \$5m, based on the projected reduction in Ad Valorem Revenue.
- Reduction scenarios
 - I. Administrative Budget
 - A. Reduce JWB staff by 12 (from the current 53 to 41)
 - B. Increase JWB's administrative cost rate from 9% to 12%
 - II. JWB's Program Portfolio: PowerPoint
 - Interdepartmental team reviewed outcomes, methodologies, service level and community needs for each funded program
 - Emphasis was placed on outcomes and return on investment
 - Recommendation for reductions or elimination are based upon ROI or other available data

Administrative Considerations:

Mrs. Lancaster said *health insurance rates* are high and JWB may want to consider joining Pinellas County's Unified Personnel System. Mr. McCabe would like this action to be the last resort and asked staff

to seek other options. Mr. Dillinger suggested JWB look into the Sheriff's office self-insurance pool. Mrs. Edmonds suggested JWB contact St. Pete College. Staff will contact both and report back to the Finance Committee.

Administrative Costs: Mrs. Lancaster said even if the Board agreed to increase JWB's administrative costs, a staffing reduction would be necessary. Mr. Dillinger asked about increasing the millage rate to .8117; which Ms. Sahulka said would lessen the pressure to reduce as many staff. Mr. McCabe wants to wait and see if the health insurance issue resolves itself before making a decision regarding the millage.

Mrs. Lancaster presented another option that would save administrative costs to funded agencies and distributed information on the Hillsborough Children's Board Administrative Services Organization (ASO) as a new way of brokering services. Any JWB staff performing these duties would be classified as direct service. Mr. McCabe suggested JWB could repurpose some of the contract managers and possibly add positions to assist with the work.

The Hillsborough model promotes "family-directed care", which gives families a way to select the services they identify as necessary and allows them to manage their individualized services by reviewing monthly financial reports with their case managers.

Ms. Lenderman said she understands JWB is trying to identify ways to reduce administrative costs, for JWB as well as funded agencies, but is concerned if staff and programs are eliminated there won't be adequate services available.

Mrs. Lancaster said agencies would be paid for units of service, which is a different approach and would have to be transitioned slowly. She would like to invite the program administrator to make a presentation at a future Board Meeting. Mr. McCabe and Mr. Dillinger support putting all the options on the table for discussion.

JWB's Portfolio of Services: Mr. McCabe would like to see an effective drug abuse intervention model. Mr. Dillinger wants assurance homeless children are receiving the services they need to address the trauma they are experiencing due to their lives being turned up side down.

Staff is proposing, in collaboration with Coordinated Child Care and the Early Learning Coalition (ELC), to set mandatory quality standards for the child care and out-of-school time slots funded by JWB. Staff is also recommending an increased per slot rate to a 2010 market rate unit cost for child care. The current level paid by ELC is \$1,000 - \$1,200 per child below the market rate.

Mr. McCabe wanted to know how many children wouldn't receive services with the recommended changes. Mrs. Lancaster said approximately 500, but we need to move in this direction if we are going to make a real difference in school readiness and school success and achieve a better return on investment.

Mr. Dillinger wanted to know how mandatory standards would differ from what the License Board is enforcing and how many current providers meet the standards. Mrs. Lancaster said the License Board speaks to health and safety issues – not required curriculum. Ms. Sahulka said the "Y" and R'Club currently meet most of the criteria and said that no child currently in care would lose their slot.

Mrs. Minkoff said she is frustrated with ELC and match dollars, as well as Quality Counts, and said the License Board is ready to help in any way they can to direct child care providers to where they can obtain the guidelines and credentials needed to provide quality child care. She said many day care homes have a significant way to go to meet the standards and if, perhaps, the threshold is too high. Mrs. Lancaster said a

high bar is necessary to improve the outcomes and paying the market rate for child care will provide the revenue necessary to move to Bachelor's level staff.

Mrs. Edmonds remains concerned with the amount of centers with "0" stars.

Mr. Dillinger said he thinks the decision shouldn't be made by the Finance Committee alone. The Finance Committee agreed to bring this discussion to the full Board.

ACTION: Mr. Dillinger moved the following recommendation be presented to the full Board for approval:

"Direct staff to establish a market rate unit cost for child care, up to \$5,400 per child per year, a \$1,200 increase. The average cost for OST would increase by \$1K to \$4,480 per child per year"; seconded by Mrs. Minkoff; motion carried.

JWB TECHNOLOGY SUPPORT

The Finance Committee was asked to approve one-time expenses related to integrating JWB and Pinellas County's broadband network, telephone system and user support, allowing JWB to realize a reduction in technology spending of approximately \$200K from fiscal year 2008 to 2012. The integration will start once full Board approval is granted and is expected to take 90 days to full implementation.

The dollars for this project have been budgeted but the amount goes beyond the Executive Director's authority.

ACTION: Mr. Dillinger moved to proceed with the contract, upon full Board approval; seconded by Mrs. Minkoff; motion carried.

Meeting Date for Decision Regarding Auditor and Bank Services Timeline

April 8, 2011 – RFP was issued for Auditor and Banking Services

April 15, 2011 – Proposals are due

May 9, 2011 @ 9:00 a.m. – Review Auditor Proposals

May 16, 2011 @ 11:30 a.m. – Review Banking Proposals

May 23, 2011 – Finance Committee Meets to review the scores and proceed with the selections of proposers.

Sue Walterick will extend an invitation to Board members seeking interest in participating in the review process.

Legislation Update

Debra Prewitt distributed an update on bills that are likely to pass and the ones to monitor in the coming year (attached). For more information: <http://www.flsenate.gov/>, go to the bill tracker at the top of the page and type in the bill number.

Mr. Dillinger moved to adjourn at 10:49 a.m.

Notes Respectfully Submitted by Penny DeLacquesaux, JWB's Executive Assistant

5/18/11