



## Board of Directors Meeting

June 13, 2013

### FY 12/13 Budget Adjustments and FY 13-14 Budget Parameters

Item V.A.

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#### Recommended Actions:

- 1) Reduce the FY 12/13 Budget by \$6,734,027 to reflect the Intergovernmental Transfer actual amount, the interest income reduction, and the Carrera increase.
- 2) Approve Summer Camp and OST Enhancement recommendations FY 12/13
- 3) Approve the Development of the FY 13/14 Budget of \$68M (estimated) with a Flat Millage Rate of .8981

#### Issue:

Adjustments for FY 12/13 and Development of FY 13/14 Budget

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#### Background:

The purpose of this memo is to 1) approve a FY 12/13 budget amendment, 2) to approve recommendations for the FY 12/13 budget, and 3) to approve the structure of the 13/14 budget. The Board will act on next year's budget at the July meeting. Two Truth in Millage (TRIM) hearings are scheduled in September. The final proposed budget will be submitted to the Board in July after the final tax valuation is received from the Pinellas County Property Appraiser. The JWB fiscal year spans the October 2013 to September 2014 time frame.

#### FY 2012/13

##### Intergovernmental Transfer (IGT)

Staff is requesting the Board's approval of the reduction of the FY 12/13 budget based on a revised Intergovernmental Transfer (IGT) amount. In its first year, All Children's Hospital's IGT effort was \$3.5M; in FY 12/13 the projection for All Children's Hospital, with the addition of Bayfront was initially budgeted at \$12M based on discussions with the hospitals. The actual amount processed was \$5,225,041, resulting in a donation to JWB of \$475,004. Overall, JWB has received \$828,013 in donations from the hospitals as a result of this relationship over a two-year period.

##### Interest Adjustment

Interest income has fallen from a 2007 average rate of return of 3.49% to below .15% this year, due to the continuing low federal funds environment. The projection for interest income is therefore decreased from \$150k to \$58k. In discussions with Regions Bank and the Florida Local Government Investment Trust, there is the potential to increase interest income on a small portion of the portfolio up to .43% if the investment could be extended for up to a 3-year period. The proposed Board policies, which will be considered in July, would allow for a fund balance equal to three (3) months of operating. This amount would be maintained, rather than spending down the portfolio to 1.5 months of operating by FY 15/16, as per the current projection.

## **Carrera Budget Increase**

JWB received a Notice of Award for the carryover amount of \$132,932 on May 23, 2013. The amount represents the carryover request from Year 2 to Year 3 dollars approved by the Department of Health & Human Services – Office on Adolescent Health. Staff is requesting Board approval to increase FY 12/13 revenues and appropriate \$118,771 to the Pinellas County Health Department – Carrera Program and \$14,161 for the JWB portion of the Carrera program.

## **Summer Camp**

The summer camp initiative has exceeded expectations for summer 2013. Due to the high demand of family requests through 2-1-1 Tampa Bay Cares, through the Family Services Initiative, via City of St. Petersburg and Coordinated Child Care, a waiting list has developed. Staff recommends an increase of \$200,000 to provide summer camp for 200 more children. This amount can be utilized from the FY 12/13 lapse that remains for the Pinellas County Schools Summer Bridge Program since the demand for wrap-around care is not expected to be as high as anticipated.

## **OST Service Enhancement**

Beginning in August 2013, enhancement services are recommended in order to elevate OST program quality on 28 elementary school campuses, which will include the following:

- The addition of facilitators who will recruit students for the programs and be the connectors between the school day and the afterschool academic services. Children in 7 of the 28 schools will receive more intensive facilitator services due to the student population being served.
- Lower staff to children ratios: 1:13
- i-Ready Curriculum, which is research-based and provides assessments, lesson plans, and reading and math online programs that can address the needs of a diverse student population
- Overlay enrichment programs

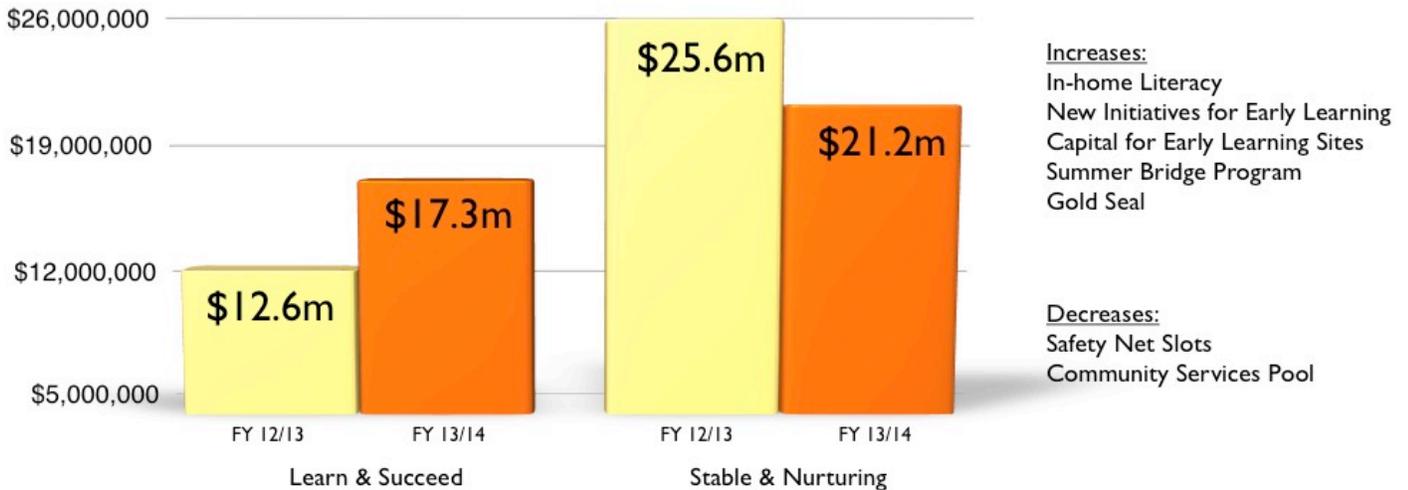
Staff recommends an increase of \$172,000 to provide these services in August and September. The amount will be allocated from the Program Stability fund.

## **FY 2013/14**

The Board passed the three-year budget framework in FY 12/13, providing for a stable millage rate and elimination of the program stability fund by FY 15/16. The proposed budget for FY 13/14 is \$67,910,135, a decrease of \$2,008,397, due in part to lower projections for IGTs and interest income. The .8981 millage rate adopted last year is currently projected to yield \$48,512,298 in ad valorem revenues, a slight increase of \$1,395,748. The projected gap between revenues and expenditures is approximately \$4.8M for fiscal year 13/14 and projected to be approximately \$4M through 15/16.

Proposed program funding reallocations are focused on the Strategic Plan goals and are recommended by an interdepartmental staff team. The major proposed policy decision is the funding shift to Quality Early Learning funding and a reduction in safety net child care slots. Historically, JWB's Low Income Employed Families (LIEF) program was administered by Coordinated Child Care (CCC), the local central agency responsible for allocating state funding for ages 0-12. Last year, the Early Learning Coalition (ELC) brought this responsibility in-house and terminated its \$43M contract with CCC. JWB transferred child care safety net funding to ELC, but continued an administrative relationship with CCC for Out-of-School Time (after-school and summer programming for 9-14 year olds). Safety Net funding is proposed to be continued under ELC at a reduced amount of \$2.56M from \$5.3M. Staff has budgeted \$1.76M for additional quality child care/on campus OST

slots and \$1M for capital renovations to bring additional sites online through partnerships with Pinellas County Schools and other community providers. Of the \$1.76M, \$655,000 will be allocated to the OST service enhancements at 28 elementary school campuses as described earlier. This leaves an amount of \$1.1M remaining in the budget for the additional quality child care/on campus OST slots. The Summer Bridge Partnership with the Pinellas County School System and ELC is budgeted at \$2.1M. A Gold Seal program to increase quality in child care centers is proposed at \$130K (see attachment 1). The impact of this policy decision will increase the number of children in quality child care but decrease the overall number of children in care. The chart below details the impact these recommendations will have on Strategic Plan investing.



\*Note: Safety Net Child Care slots were transferred from the Learn and Succeed to the Stable and Nurturing category

Other recommendations include transferring Girl Scouts’ funding to the NFCs to better integrate the service with their ongoing programming. Staff has also budgeted \$305K for an in-home literacy program targeted in Lealman. The Community Services Pool, which includes participant expenses for Children’s Home, Directions, Family Resources and PARC has been reduced because some participating agencies will be accessing funding directly through the Family Services Pool. Board action in May resulted in the expansion of the COSA program to North County at an annualized amount of \$200K.

The administration budget is proposed at a 9.33% administrative cost rate. Uncontrollable increases include a \$100K increase in retirement contributions; \$12K increases in rent and insurance. Also recommended is a merit budget of 3% with a distribution plan to include a 2% cost of living increase and a 1% merit increase that will be determined by committee.

The technology budget has been increased in order to fully implement One-E-App as a countywide online eligibility system. Also included are purchases of desktops, servers, application support, continued implementation of the Business Intelligence Roambi, and the expansion of biometrics palm scanning to 30,000 users.

Staff will prepare the budget based on projected revenues discussed above, as well as interest income, grants, revenue maximization and IGTs as detailed in the attached spreadsheet. The budget book will be submitted to the Board in July based on the final taxable value, which is anticipated at the end of June.

**JWB PROPOSED DRAFT BUDGET**

**12/13                  13/14                  14/15                  15/16**

**Learn and Succeed**

Services for developmentally delayed children	\$ 1,786,817	\$ 1,811,423	\$ 1,811,423	\$ 1,811,423	PARC, R'Club and CCC with admin increase
Child Care Licensing Board	\$ 564,643	\$ 564,643	\$ 564,643	\$ 564,643	PCHD
HIPPY (In-home Literacy)	\$ 516,892	\$ 516,892	\$ 516,892	\$ 516,892	R'Club
In-home Literacy program for Lealman		\$ 305,000	\$ 305,000	\$ 305,000	ITN
Pre, elementary and middle school conflict resolution	\$ 852,500	\$ 837,500	\$ 837,500	\$ 837,500	Gulfcoast, CASA, Incredible years
Mentoring	\$ 571,962	\$ 571,962	\$ 571,962	\$ 571,962	BBBS
Children's Initiative Social Work	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	Fairmount

**Non-child care Subtotal \$ 4,492,814 \$ 4,807,420 \$ 4,807,420 \$ 4,807,420**

**OST 9-14 years old**

\$ 5,275,304	\$ 5,375,304	\$ 5,375,304	\$ 5,375,304	City of St. Petersburg and CCC
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**Quality Child Care**

Quality Pre-School	\$ 2,072,961	\$ 2,285,085	\$ 2,285,085	\$ 2,285,085	United Methodist
New Initiatives or OST or Quality Child Care site	\$ 628,087	\$ 1,760,000	\$ 2,720,000	\$ 2,720,000	TBD
Capital for Quality Sites	\$ -	\$ 500,000	\$ 500,000	\$ -	Midtown & Kings Hwy
Summer Bridge Program & PCSB Summer Wrap	\$ -	\$ 2,155,934	\$ 2,155,934	\$ 2,155,934	\$600k lapse in FY 12/13
Child care worker scholarships	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	
Child Care Center Accreditation Support	\$ -	\$ 130,000	\$ 130,000	\$ 130,000	Gold Seal with ELC
Florida After School Network	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	

**Quality Child Care and OST Subtotal \$ 8,136,352 \$12,366,323 \$13,326,323 \$12,826,323**

**LEARN & SUCCEED Total: \$12,629,166 \$17,173,743 \$18,133,743 \$17,633,743**

**Stable and Nurturing**

Safety Net Slots and Early Learning Coalition Match	\$5,727,851	\$ 2,560,000	\$ 2,360,000	\$ 2,360,000	Category changed from Learn and Succeed
Healthy Families and Nurse Family Partnership	\$6,138,176	\$6,138,176	\$6,409,824	\$6,409,824	PCHD
Mental Health	\$5,060,969	\$5,070,969	\$5,060,969	\$5,060,969	Suncoast and Directions Outpatient
Family Services Initiative	\$4,419,181	\$4,344,181	\$4,344,181	\$4,344,181	PEMHS, 211, Central Florida and Family Services Pool
Community Services Pool	\$1,771,550	\$704,052	\$704,052	\$704,052	Children's Home, Directions, FRI and PARC; transferred Summer Bridge and Girl Scouts
Kinship foster care navigation	\$901,103	\$901,103	\$901,103	\$901,103	Children's Home
Behavioral Evaluation for Court System	\$405,597	\$405,597	\$405,597	\$405,597	
COSA substance abuse services and child care	\$376,336	\$ 576,336	\$576,336	\$576,336	PAR
Services for substance abuse exposed infants and mother	\$158,842	\$158,642	\$158,642	\$158,642	PAR
Carrera	\$600,000	\$600,000	\$600,000	\$600,000	Grant thru FY 14/15

**STABLE AND NURTURING Total: \$25,559,605 \$21,459,056 \$21,520,704 \$21,520,704**

**Safe and Supportive**

NFCs	\$ 4,556,478	\$ 4,955,600	\$ 4,922,766	\$ 4,890,766	8 NFCS; COA \$64k; Girl Scouts \$210k; PAL \$105k; Benefit Adjustments
Shelters	\$771,819	\$771,819	\$771,819	\$771,819	CASA, RCS, FRI, Alpha: Homeless, runaway, domestic violence

**SAFE AND SUPORTIVE Total: \$ 5,328,297 \$ 5,727,419 \$ 5,694,585 \$ 5,662,585**

**Health**

School based health clinics High Schools	\$ 674,890	\$ 674,890	\$ 674,890	\$ 674,890	PCHD
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**HEALTH Total: \$ 674,890 \$ 674,890 \$ 674,890 \$ 674,890**

**Program Supports**

Performance Measurement	\$ 307,000	\$ 257,000	\$ 257,000	\$ 257,000	Research consultants
Program Communication and Outreach	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	
Technology	\$ 340,144	\$ 702,500	\$ 502,500	\$ 502,500	
Exec. Director Search and Retirement	\$ 120,000	\$ -	\$ -	\$ -	

**Grants, Donations and TCM**

Intergovernmental Transfer Program	\$12,000,000	\$ 5,225,041	\$ 5,225,041	\$ 5,225,041	All Children's Hospital and Bayfront
Revenue Maximization	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	
County Research Funding	\$ 140,356	\$ -	\$ -	\$ -	Revenue applied to Admin Research
21st Century Evaluation	\$ 42,000	\$ 51,760	\$ 51,760	\$ 51,760	
Vita	\$ 93,150	\$ 68,944	\$ 68,944	\$ 68,944	

**Reserves**

Program Stability Fund	\$ 4,924,666	\$ 8,150,030	\$ 7,844,600	\$ 8,699,601	
<b>PROGRAM SUPPORTS, GRANTS, DONATIONS and TCM, and RESERVES Total:</b>	<b>\$18,367,316</b>	<b>\$14,855,275</b>	<b>\$14,349,845</b>	<b>\$15,204,846</b>	

**Admin and Other**

Administration	\$ 5,721,814	\$ 6,342,995	\$ 6,533,285	\$ 6,729,283	Admin is 9.33% of budget
Tax Collector/Property Appraiser Fees	\$ 1,065,616	\$ 1,109,059	\$ 1,149,256	\$ 1,183,734	
Administrative Services Organization	\$ 509,828	\$ 517,698	\$ 533,229	\$ 549,226	
Annual Leave/Sick Leave reserve	\$ 62,000	\$ 22,000	\$ 25,000	\$ 25,000	
<b>ADMIN AND OTHER Total:</b>	<b>\$ 7,359,258</b>	<b>\$ 7,991,752</b>	<b>\$ 8,240,770</b>	<b>\$ 8,487,243</b>	
<b>GRAND TOTAL:</b>	<b>\$69,918,532</b>	<b>\$67,882,135</b>	<b>\$68,614,537</b>	<b>\$69,184,011</b>	

**\* TOTAL FUND BALANCE FORMULA**

Program Stability Fund	\$ 4,924,666	\$ 8,150,030	\$ 7,844,600	\$ 8,699,601	
+ Cash Forward Used for Budget	\$ 4,555,120	\$ 4,821,206	\$ 4,656,525	\$ 3,471,968	
Fund Balance	\$ 9,479,786	\$12,971,236	\$12,501,125	\$12,171,569	Three month cash flow



## Gold Seal Care Accreditation and Child Care Programs

The Gold Seal (GS) Quality Care Program is a voluntary program which provides benefits to child care providers whose standards meet or exceed the standards of the National Association for the Education of Young Children (NAEYC) or the National Early Childhood Program Accreditation Commission.

There were 1,334 child care providers who accepted subsidized children in Pinellas County between November 1, 1989 and August 22, 2011<sup>1</sup>. Of the 1,334 providers, 1,320 were family- and center-based providers. Out of the 1,320 family- and center-based providers, 68 providers were accredited with Gold Seal. The remaining 1,252 providers did not have GS accreditation. See Table 1 below.

**Table 1:** Distribution of Care Providers in Pinellas County

Provider type	GS accredited			Non-GS accredited		
	Center-based provider	Family-based provider	School-based provider	Center-based provider	Family-based provider	School-based provider
<b>Total number</b>	50	18	0	452	800	14

Analyses were conducted on subsidized children's school data to determine whether Gold Seal accredited programs performed better than the non-GS accredited programs in helping children become ready for school. Children's school readiness was measured by their 2009-2010 and 2010-2011 Florida Assessments for Instruction in Reading (FAIR) Probability of Reading Success (PRS) scores. Children who received FAIR PRS scores no less than 67 were considered *ready* for school. Six t-tests<sup>2</sup> were conducted between three groups of providers. The three groups were 1) all family- and center-based GS and non-GS providers; 2) all center-based GS and non-GS providers; 3) all family-based GS and non-GS providers.

<sup>1</sup> The data was provided by Coordinated Child Care of Pinellas, Inc.

<sup>2</sup> The t-test is a statistical test used to determine whether the means of two comparison groups are significantly different from one another. A significant difference indicates that there is a real difference existing between the two groups. A non-significant difference suggests that the difference between the two groups were happened by chance. The two groups are the same, statistically.



## Family- and center-based GS providers vs. Non-GS providers

A comparison between all family- and center-based GS providers and non-GS providers found that **there were statistically significant differences**<sup>3</sup> between the GS and Non-GS providers on children’s 2009-2010 and 2010-2011 FAIR PRS scores. When it was compared to the children enrolled in non-GS programs, children enrolled in GS programs achieved significantly higher FAIR PRS scores for two successive school years (2009-2010 and 2010-2011). The children enrolled in GS accredited programs received an average FAIR FRS score of on average, children enrolled in GS programs were considered ready for school while the children in Non-GS programs were not. Table 2 displays the results of the t-tests.

**Table 2:** Family- and center-based GS providers and non-GS providers on FAIR

	Providers	Number of Children	Average FAIR PRS scores	Standard Deviation	t-test results
FAIR0910	Family- and center-based GS providers	599	67.06	23.53	t(3,999)=3.78, p<.00025, one tailed, <b>significant</b>
	Family- and center-based Non-GS providers	3,402	62.99	24.44	
FAIR1011	Family- and center-based GS providers	751	67.54	23.61	t(4,369)=2.50, p=.006, one tailed, <b>significant</b>
	Family- and center-based Non-GS providers	3,620	65.08	24.79	

## Center-based GS providers vs. Non-GS providers

The second comparison was made between center-based GS providers and non-GS providers. The results indicated that **there were significant differences** between the center-based GS and Non-GS providers on children’s 0910 and 1011 FAIR PRS scores. Comparing to the children enrolled in center-based non-GS programs, children enrolled in center-based GS programs achieved significantly higher FAIR PRS scores for two successive years. On average, children enrolled in center-based GS programs were ready for school while the children in Non-GS programs were not. Table 3 displays the results of the t-tests.

**Table 3:** GS center-based providers and non-GS center-based providers on FAIR

	Providers	Number of Children	Average FAIR PRS scores	Standard Deviation	t-test results
FAIR0910	Center-based GS providers	573	67.27	23.40	t(3,494)=2.99, p=.0015, one tailed, <b>significant</b>
	Center-based	2,923	64.00	24.12	

<sup>3</sup> It was found from another statistical test that both service time and provider types (GS vs. non-GS) significantly contributed to student FAIR scores. The longer the service time, the higher the FAIR scores students achieved. Students enrolled in GS programs performed significantly better than those in non-GS programs. After the effect of service time has been controlled, provider types remained the significant contributor to student FAIR scores.



**Research & Evaluation**

	Non-GS providers				
FAIR1011	Center-based GS providers	714	67.73	23.57	t(3,636)=1.79, p=.037, one tailed, <b>significant</b>
	Center-based Non-GS providers	2,924	65.92	24.41	

**GS family-based providers vs. Non-GS family-based providers**

The third comparison was made between family-based GS providers and non-GS providers. **No statistically significant differences were found** between the family-based GS providers and Non-GS providers on children’s 0910 and 1011 FAIR PRS scores. On average, children enrolled in all family-based programs were Not Ready for school, regardless of the GS accreditation status. Table 4 displays the results of the t-tests.

**Table 4:** Family-based GS providers and non-GS providers on FAIR

	Providers	Number of Children	Average FAIR PRS scores	Standard Deviation	t-test results
FAIR0910	Family-based GS providers	26	62.31	26.344	t=1.06, df=503, p=.145, one tailed, <b>not significant</b>
	Family-based Non-GS providers	479	56.86	25.476	
FAIR1011	Family-based GS providers	37	63.95	24.432	t=.547, df=731, p=.293, one tailed, <b>not significant</b>
	Family-based Non-GS providers	696	61.55	26.051	

**Conclusion**

Overall, child care providers who were accredited with Gold Seal appeared to produce higher quality programs than those who were not accredited with Gold Seal. On average, children enrolled in GS programs had significantly higher FAIR scores than their peers enrolled in non-GS programs, which indicated that the children in GS programs were more ready for school in reading. The findings indicated that quality care accreditation is important to the quality maintenance and improvement of the child care programs. More children would be ready for school when they received higher quality service from the care providers.

Children who attended GS accredited child care centers exhibited significantly higher FAIR PRS scores than those who did not. However, Gold Seal accreditation had little impact on FAIR PRS scores for family-based providers. It may indicate that GS accreditation for family homes is not sufficient to guarantee the capacity needed to prepare children to be school ready. More study may need to be done to find out why GS accredited family-based providers could not maintain and improve their program quality.