



Early Learning Coalition of the Nature Coast
Serving Citrus – Dixie – Gilchrist – Levy – Sumter Counties

Provider Alert #23

Date: April 24, 2008

Subject: Administrative Committee Meeting

On April 23, 2008 the Administrative Committee held their regularly scheduled monthly meeting. The following action (related directly to early learning programs) was taken:

School Readiness Enrollment: The Administrative Committee noted an overall surplus of \$87,502 in the direct services budget. As a result, the Committee voted unanimously to offer school readiness services to the thirty-six (36) children who were registered on the Nature Coast waiting list for school readiness services as of April 8, 2008.

FY2008-2009 Proposed Early Learning Budget: The Administrative Committee reviewed and approved for recommendation to the Board the FY2008-2009 Proposed Early Learning Budget. (Please see Attachment I)

FY2008-2009 Proposed Early Learning In-House Budget: On March 5, 2008, the Nature Coast Board voted unanimously to direct the Executive Director to conduct a study with regard to revising the Coalition's current delivery system, which includes a sub-contract with Childhood Development Services to perform a variety of services on behalf of the Coalition, to a system where the Coalition provides all services within in its own organizational structure. The Executive Director presented the study to the Administrative Committee on April 23, 2008.

The Administrative Committee voted unanimously to recommend the FY 2008-2009 Proposed In-House Budget (please see Attachment II) for future consideration and implementation based on the following:

1. The potential cost savings of \$64,338 will increase the number of children served.
2. The quality of the program may increase if the Coalition controls all services.
3. The time-line to revise the Coalition's service delivery systems effective July 1, 2008 appears inappropriate considering a 54 day implementation period coupled with three major audits that will take place during the same period.

The next Administrative Committee meeting is scheduled for May 28, 2008 beginning at 9:00AM. The meeting will be held at the Coalition's Crystal River office. Providers may attend the meeting in person or call into the meeting at 1-800-503-2899 (conference code # 4937505.)

If you have any questions or concerns related to this Alert please contact Sonya Bosanko at 352-563-9939 Ext. 224 or sbosanko@elc-naturecoast.org



Attachment I
Early Learning Coalition of the Nature Coast
Serving Citrus-Dixie-Gilchrist-Levy-Sumter Counties

FY2008-2009 Budget Workshop Overview

The Administrative Committee is responsible for drafting the Coalition's FY2008-2009 Early Learning Budget. The early learning budget is funded by the school readiness and voluntary pre-kindergarten (VPK) programs as follows:

County	School Readiness	VPK	VPK Out Reach & Awareness	Total
Citrus	3,130,366	1,839,492	3,692	4,973,550
Dixie	818,666	324,749	3,692	1,147,107
Gilchrist	760,262	379,010	3,692	1,142,964
Levy	1,969,694	789,285	3,692	2,762,671
Sumter	1,809,235	1,197,173	3,696	3,010,104
Total	8,488,223	4,529,709	18,464	13,036,396

The early learning budget is billed to the state and federal government through the following Other Cost Accumulators (OCAs):

School Readiness:

97BBA: Actual administration costs associated with local school readiness coalitions, paid directly by or contracted for by the coalition. Examples of these expenditures include but are not limited to fiscal and budgetary activities, contract management, general services, monitoring for program compliance, preparing reports, maintaining complaint files, resolution of audit findings, travel costs of carrying out the program, and indirect costs. Administrative costs must not include the cost of providing direct services. Reimbursements for this category are capped at 5% of "base" grant award, unless a waiver has been granted by the Office of Early Learning.

97BBD: Child Care services actual expenditures not for direct child care. Examples include monitoring of placements, other monitoring not provided for the reason of increasing quality, social services, child care placement, and recruitment of providers, preparation and participation of judicial hearings, program development. Reimbursement for this category is capped at 14% of total expenditures.

97BDE: Expenditures related to the process of determining the eligibility of a particular person for child care services.

97INT: Infant and Toddler. Activities can include but are not limited to screening and assessment for infants and toddlers, Gold Seal differential for infants and toddlers, funding of infant/toddler specialist positions to provide training and technical assistance; and conferences targeting infant and toddler caregivers.

9797QIN: Inclusion services. Inclusion activities can include: a "warm line" within the resource and referral network to facilitate the inclusion of all children, including those with disabilities and special health care needs, and their families; local training events, coordination efforts with regional and local early intervention agencies and other special products.

97Q00: Quality activities. Reimbursements for this category are subject to minimum earmark requirement of 4% of "total" grant award. Examples of activities can be found in the guidance (ACYF-PI-CC-99-05) from the Child Care Bureau, please reference the CCDF State Plan Section 5 for approved activities. Note: Monitoring for quality of child care is a valid expenditure for quality, fiscal monitoring is not. Also includes payments to providers in a natural disaster area to maintain the availability of quality child care.

97QI4: Resource and Referral services. These services include consumer education on all school readiness options; customized referrals for families seeking school readiness services; guidance in identifying quality indicators, help in accessing financial assistance, information of related community services, maintenance of a comprehensive database of child care and education providers, provider recruitment and start-up assistance, technical assistance, scholarship opportunities, quality improvement activities, and data collection and reporting.

Direct Services: The school readiness program maintains a variety of OCAs related to direct services. Each direct services OCA establishes specific eligibility guidelines to track the utilization of direct service dollars by enrollment population (i.e. protective services, welfare transition etc.)

Voluntary Pre-Kindergarten:

VPADM: These expenditures will include allowable administrative expenditures directly related to the Voluntary Pre-kindergarten Education Program. This is limited to 5% of VPKPRS. Expenditures include but are not limited program administration, paying providers, reconciling pre-payments and other fiscal services.

VPENR: Enrollment – includes enrolling and reenrolling children, provider profiles, registering providers, eligibility of providers.

VPMNI: Monitoring – Includes verifying compliance of providers and removing providers due to noncompliance, documenting and certifying student enrollment and student attendance, and approval of improvement plans.

VPLPI: These expenditures will include activities related to planning and implementation of the Voluntary Pre-Kindergarten Program. This would include but are not limited to startup costs related to increased capacity needed for IT, initial registering of providers and students, and planning activities.

VPPRS: These expenditures will include program services delivered to eligible four year old children enrolled in the Voluntary Pre-kindergarten Education Program. These are payments to the private pre-kindergarten providers and public schools delivering VPK.

**FY 2008-2009 Early Learning Budget
First Draft**

For the purpose of this budget workshop the following first draft budget has been developed based on the following assumptions, practices and Board action:

1. The revised organizational chart.
2. The service provider's budget (CDS).
3. A 1-4% employee merit and cost of living increase (merit raises are based on the Coalition's approved merit raise policy) and the same benefit allocation offered to employees in FY2007-2008.
4. Coalition operational costs based on historical spending data.
5. Quality Initiative funding will be reduced to support the additional Education Specialist positions and additional direct service budgets.
6. School readiness direct service funds allocated to each County based on the County's original budget allocation.
7. VPK direct services allocations based on the anticipated number of children served.
8. No major program changes.
9. OCA minimum spending and maximum cap requirements.

County	Citrus	%	Dixie	%	Gilchrist	%	Levy	%	Sumter	%	Total	%
School Readiness												
97BBA	74,426	2.38%	19,393	2.37%	17,965	2.36%	44,775	2.27%	43,056	2.38%	199,615	2.35%
97BBD	227,764	7.28%	46,578	5.69%	48,935	6.44%	114,656	5.82%	122,962	6.80%	560,895	6.61%
97BDE	158,561	5.07%	26,708	3.26%	29,141	3.83%	110,313	5.60%	145,240	8.03%	469,963	5.54%
97INT	74,274	2.37%	20,224	2.47%	20,051	2.64%	32,669	1.66%	66,303	3.66%	213,520	2.52%
97Q00	178,423	5.70%	36,878	4.50%	49,253	6.48%	61,902	3.14%	78,775	4.35%	405,231	4.77%
97QI4	30,101	0.96%	6,665	0.81%	6,986	0.92%	16,543	0.84%	24,141	1.33%	84,436	0.99%
97QIN	20,853	0.67%	5,644	0.69%	5,508	0.72%	9,909	0.50%	17,231	0.95%	59,145	0.70%
97QVP		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%
SLOTS	2,365,963	75.58%	656,577	80.20%	582,423	76.61%	1,578,927	80.16%	1,311,528	72.49%	6,495,418	76.52%
Sub-Total	3,130,366	100%	818,666	100%	760,262	100%	1,969,694	100%	1,809,235	100%	8,488,223	100%
VPK												
VPADM	54,747	2.98%	9,673	2.94%	11,598	3.04%	25,138	3.18%	27,715	2.33%	128,871	2.84%
VPENR	30,834	1.68%	9,270	2.82%	8,415	2.21%	12,286	1.55%	21,116	1.77%	81,921	1.81%
VPMON	1,913	0.10%	453	0.14%	453	0.12%	1,057	0.13%	1,158	0.10%	5,035	0.11%
Slots	1,751,897	95.24%	309,285	94.10%	360,962	94.63%	751,700	95.13%	1,140,165	95.80%	4,314,009	95.24%
Total	1,839,391	100%	328,681	100%	381,429	100%	790,181	100%	1,190,154	100%	4,529,836	100%
Out Reach												
VPMNI	4,341	55.11%	691	53.35%	888	56.27%	1,874	56.11%	2,072	47.08%	9,865	53.35%
VPLPI	3,536	44.89%	604	46.65%	690	43.73%	1,466	43.89%	2,329	52.92%	8,625	46.65%
Total	7,877	100%	1,294	100%	1,578	100%	3,341	100%	4,400	100%	18,490	100%
Total	4,977,633		1,148,642		1,143,269		2,763,216		3,003,790		13,036,549	

Budget Assumptions

To examine the budget in detail each assumption must be reviewed, and where appropriate approved, denied, or revised.

Assumption 1: Approval of the revised organizational chart.

On November 7, 2007 the Board approved action item # 2007-08-34 which authorized staff in collaboration with a Provider Observation Workgroup to draft an amendment to the Program Observation system. (The program observation system is designed to assist the Coalition in meeting its obligation to monitor and document provider compliance with school readiness rules and regulations.)

Staff established a Provider Observation Workgroup through an open invitation for all providers to participate on the workgroup. The Workgroup met twice and accomplished the following:

1. Reviewed and documented all school readiness rules and regulations.
2. Documented all related criteria (related criteria is defined as criteria not specifically addressed in any rule or regulation; however, is necessary to meet the intent of rules and regulations).
3. Reviewed the following two methods or systems to document compliance:
 - a. Method One: Require the Coalition's Education Specialists to monitor specific activity to determine compliance on a quarterly basis. To accomplish this, the Coalition must adopt a provider observation tool that includes a detail list and explanation of each criterion.
 - b. Method Two: Require school readiness providers to document the activity utilized within their program to meet each criterion. Require the Coalition's Education Specialists to verify activity. To accomplish this, the Coalition must adopt a standard early learning plan format that is designed to allow each provider to describe their approach to meeting each criterion.
4. Through consensus the Workgroup chose to recommend method one as the Coalition's approach to monitoring and documenting provider compliance.

Coalition staff tested the revised provider observation tool and determined that each classroom observation will take approximately ninety (90) minutes to complete. Utilizing the timeframe to complete each classroom and the number of classrooms in each county Coalition staff determined that one additional Education Specialist in Citrus County and one additional Education Specialist in Sumter County are needed to perform this task.

It is important to note that this assumption including the revised organizational chart is pending Board approval of the Workgroups recommendation.

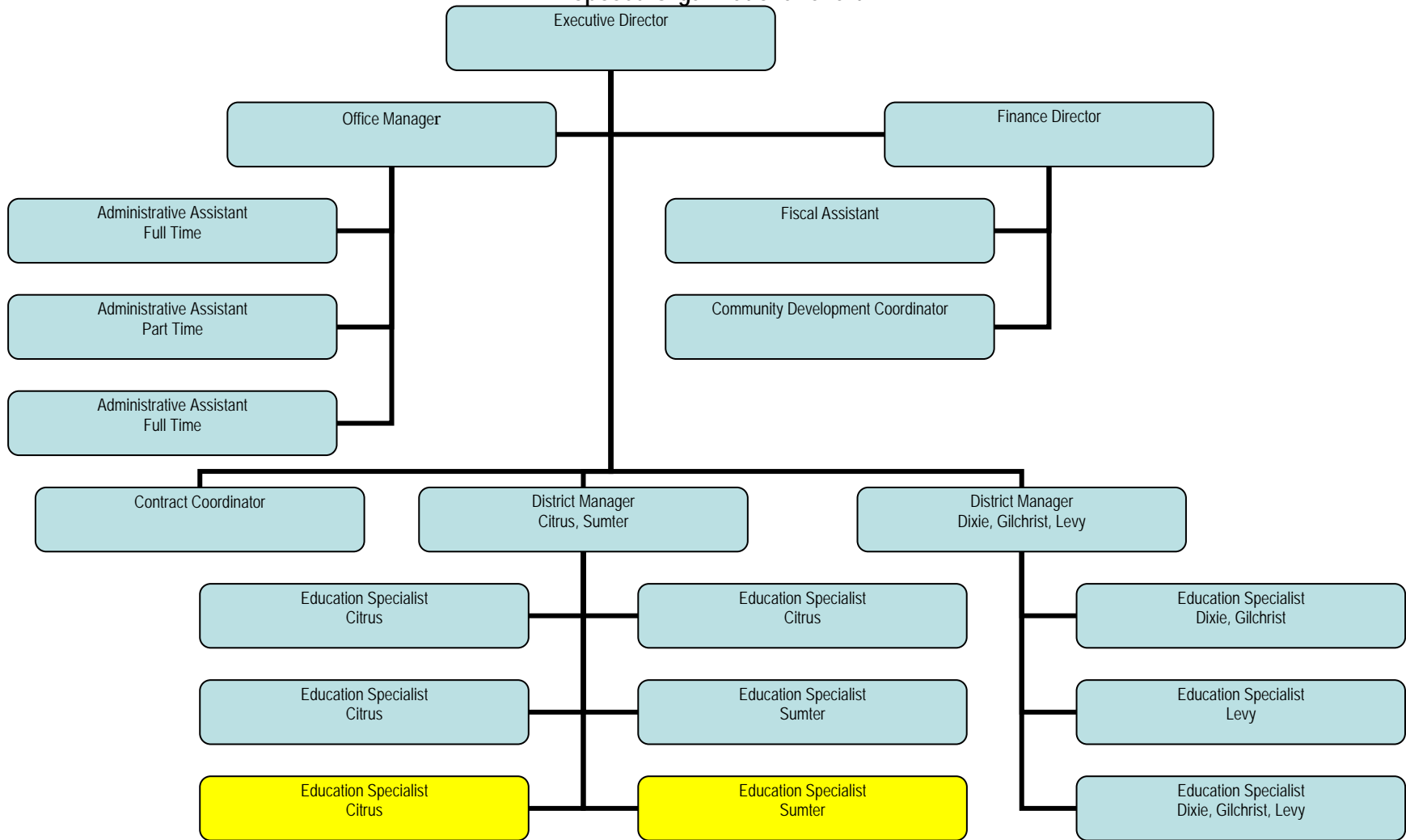
Budget Considerations:

1. The costs associated with the additional Education Specialist Positions are as follows:

Base Salary	\$ 58,352
Employer Taxes	\$ 4,494
Unemployment	\$ 378
Workers Comp	\$ 600
Retirement	\$ 5,836
PLT	\$ 3,360
Benefits	<u>\$ 8,040</u>
Total	\$ 81,060

2. The Education Specialists are responsible for monitoring and documenting provider compliance with school readiness rules and regulations as well as providing technical assistance and training. Since school readiness monitors, technical assistance, and training surround quality issues the Education Specialists are classified as quality improvement staff. It is expected that the quality of school readiness programs will increase as a result of the Education Specialists' work. Therefore the budget to support the total costs of the additional Education Specialists has been taken from the quality initiative budgets which are reviewed later in assumption 5.

Early Learning Coalition of the Nature Coast, Inc Proposed Organizational Chart



Assumption 2: The Board approved service provider budget (Childhood Development Services)

The Service Provider budget captures all expenditures related to the operational costs of the Coalition's contractor (Childhood Development Services). On May 3, 2006 the Board approved action item 2005-06-175 awarding the Request for Procurement #2006-2007-1 SR&VPK Services to Childhood Development Services. Within the award the Board approved the early learning budget for Childhood Development Services for fiscal years 2006-2007; 2007-2008; 2008-2009; however the Board took several actions during FY2007-2008 that impacted the service provider's budget. The actions included action item #2007-08-16 which removed several services and the associated costs of \$150,285 from the service provider and action item #2007-08-36 which authorized the service provider to include additional positions at a cost of \$117,032 annually. (It is important to note that the additional positions were supported in FY2007-2008 for six months only. The remaining portion of the budget was temporarily placed in direct services.)

Since the service provider's budget has been revised from the approved Board actions, the Administrative Committee must review and recommend the revised service provider budget to the Board. The following provides the ANTICIPATED budget (based on Board approved action) and the ACTUAL budget (submitted by Childhood Development Services). It is important to note that the service provider FY2008-2009 budget is \$95,102.00 less than anticipated.

**Childhood Develop Services
ANTICIPATED Early Learning Budget
FY 2008-2009**

CDS	Citrus	Dixie	Gilchrist	Levy	Sumter	Total
97BBA	67,342	11,667	13,808	42,679	40,316	175,812
97BBD	178,531	14,031	16,457	50,422	80,480	339,921
97BDE	108,273	16,611	17,032	62,636	108,601	313,153
97QI4	30,677	5,403	5,896	18,318	25,578	85,872
VPENR	33,278	7,623	7,905	9,409	20,909	79,124
Total	418,101	55,335	61,098	183,464	275,884	993,882

**Childhood Develop Services
ACTUAL Early Learning Budget
FY 2008-2009**

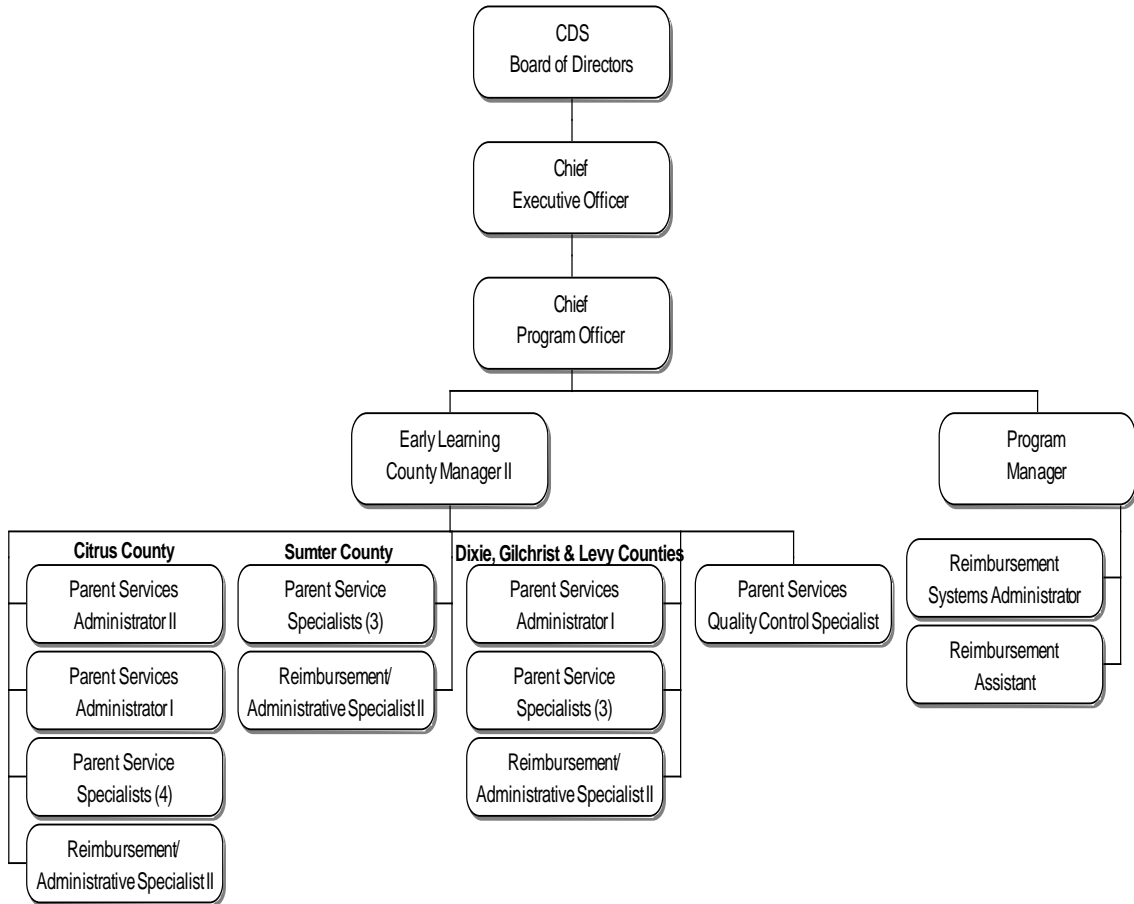
CDS	Citrus	Dixie	Gilchrist	Levy	Sumter	Total
97BBD	116,573	17,504	22,076	47,555	58,751	262,459
97BDE	158,561	26,708	29,141	110,313	145,240	469,963
97QI4	30,101	6,665	6,986	16,543	24,141	84,436
VPENR	30,834	9,270	8,415	12,286	21,116	81,921
Total	336,069	60,147	66,618	186,697	249,248	898,779

**Childhood Development Services, Inc.
Nature Coast School Readiness & VPK Programs
Budget Reduction Worksheet for FY 08-09**

	Amount
Program Contract Fiscal 07-08 @ Amendment #5	1,020,775
Quality Services Reduction	(85,409)
Additional salary amount for Direct Staff added @ 01/08	58,516
Direct & Shared Staff Salaries Reduction (see calculation below)	<u>(95,102)</u>
Total Budget - Fiscal Year 08-09	<u><u>898,780</u></u>

Direct & Shared Staff Salaries Reduction Calculation:	Amount
Direct Staff Changes:	
County Manager II(change in personnel)	(61,129)
 Shared Staff Reduction: reclass staff from the program to administration.	
Senior Admin Assistant	(10,452)
Financial Mgr/Budget Analyst	(16,174)
Information Services Staff	<u>(7,347)</u>
Total Shared Staff Reduction	<u>(33,973)</u>
Total Staff Salaries Reduction	<u><u>(95,102)</u></u>

**Childhood Development Services
Nature Coast Program
Organizational
Chart**



Assumption 3: A 1-4% employee merit and cost of living increase (merit raises are based on the Coalition's approved merit raise policy) and the same benefit allocation offered to employees in FY2007-2008. In addition the costs assume approval of assumption 1.

This assumption requires approval of the following draft FY2008-2009 Employee Costs Budget:

Position	Base Salary	Employer Taxes	Unemployment	Workers Comp	Retirement	PLT	Benefit Bank	Total
Executive Director	76,782	5,912	189	300	7,678	7,368	4,020	102,249
Finance Director	46,800	3,604	189	300	4,680	2,695	4,020	62,288
Contract Coordinator	34,398	2,649	189	300	3,440	1,981	4,020	46,977
Office Manager	32,432	2,497	189	300	3,243	2,490	4,020	45,171
Fiscal Assistant	27,504	2,118	189	300	2,750	2,112	4,020	38,993
Community Development	32,240	2,482	189	300	3,224	1,856	4,020	44,312
Staff Assistant DGL	26,875	2,069	189	300	2,688	1,548	4,020	37,689
Staff Assistant Citrus	21,674	1,669	189	300	2,167	1,248	4,020	31,267
Staff Assistant PT	9,751	751	189	300	975	0	0	11,966
District Manager	52,493	4,042	189	300	5,249	4,030	4,020	70,324
District Manager	50,106	3,858	189	300	2,625	3,846	4,020	64,945
Ed. Specialist Citrus	34,418	2,650	189	300	3,442	2,048	4,020	47,067
Ed. Specialist Citrus	37,506	2,888	189	300	3,751	2,232	4,020	50,886
Ed. Specialist Citrus	29,176	2,247	189	300	2,918	1,680	4,020	40,529
Ed. Specialist Sumter	29,176	2,247	189	300	2,918	1,680	4,020	40,529
Ed. Specialist Sumter	34,749	2,676	189	300	3,475	2,067	4,020	47,476
Ed. Specialist Citrus	31,815	2,450	189	300	3,182	1,832	4,020	43,788
Ed. Specialist D/G	36,043	2,775	189	300	3,604	2,664	4,020	49,596
Ed. Specialist D/G/L	29,176	2,247	189	300	2,918	1,680	4,020	40,529
Ed. Specialist Levy	31,059	2,392	189	300	3,106	2,086	4,020	43,151
Total	704,173	54,221	3,780	6,000	68,032	47,145	76,380	959,731

FY 2008-2009 Budget and FY 2006-2007 Budget Comparison

Line Item	FY2008-2009	FY 2007-2008	FY2006-2007	Variance Explanation
Base Salary	704,173	599,681	528,960	The increase in employee costs from last fiscal year (\$141,671) is due to the following: <ul style="list-style-type: none"> • During FY2007-2008 the Board approved the following positions which were included in the FY2007-2008 budget for a portion of the year: <ul style="list-style-type: none"> ○ Administrative Assistant (Citrusx2) ○ Community Development Coordinator ○ Education Specialist DGL ○ The total additional costs to support the positions for the remaining portion of the year is \$39,925 • Assumption 1 includes two additional Education Specialist positions. The cost to support the positions are \$81,0560 • Existing staff merit and cost of living raises <ul style="list-style-type: none"> ○ \$20,686
Employer Taxes	54,221	50,235	40,730	
Unemployment	3,780	3,485	2,835	
Worker's Comp	6,000	4,340	13,230	
Retirement	68,032	56,720	46,221	
PLT	47,145	41,949	40,578	
Benefits	76,380	61,650	52,920	
Total	959,731	818,060	725,474	

Assumption 4: Coalition Operational Costs based on historical spending data

The Coalition maintains an operational budget that includes standard line items that are utilized to capture the Coalition's expenses. The expenditures captured in the line items are allocated to Other Cost Accumulators (OCA's) based on employee personnel activity reports and direct service costs. The operational budget is supported by the school readiness program, the VPK program and the Out Reach and Awareness program.

This assumption requires approval of the following draft FY 2008-2009 Coalition Operational Budget:

Line Item	FY2005-2006	FY2006-2007	FY2007-2008	FY2008-2009
06-01 Advertising	15,139	12,158	6,849	7,500
Out Reach	0	0	8,625	8,625
06-02 Audit	11,500	10,250	10,500	14,000
06-03 Conference	1,982	10,475	4,000	4,000
06-04 Subscriptions	0	9,191	3,400	3,500
06-05 Insurance(ID)	4,989	2,961	6,500	8,000
06-06 Property				
06-06-01 Fixed Property	0	0	0	
06-06-02 Computers	5,860	6,857	0	3,000
06-06-03 Non-Fixed	0	2,665	5,000	3,000
06-06-04 Electronic	67,219	4,600	2,020	4,000
06-07 Lease	28,450	38,020	39,000	41,800
06-08 Legal Services	1,313	4,338	5,000	5,000
06-09 Office Supplies	56,339	71,876	24,048	24,000
06-10 Postage	7,448	6,351	4,500	4,000
06-11 Professional Services	3,597	11,677	23,880	16,000
06-12 Travel	23,573	44,957	48,500	50,000
06-13 Utilities	27,313	34,576	32,249	28,000
06-15 Employee Training/Cert.	0	0	50	0
Total Operational Costs	254,722	270,952	224,121	224,425

The FY 2008-2009 operation budget was established based on FY2007-2008 spending to date as well as estimated increases in the following line items:

- o Insurance
- o Lease

The property Line item was increase in anticipation of replacing or repairing older computers.

Note: The Professional Services line in FY2007-2008 includes \$13,500 for an upgrade to the EFS system. Similar expenditures are not expected in FY2008-2009.

Assumption 5: Quality Initiative funding will be reduced to support the additional Education Specialist positions and additional direct service budgets.

The Coalition must allocate and spend no less than 4% of the school readiness funds on quality initiatives (97Q00). This budget is supported by school readiness funds only.

This assumption requires approval of the following draft FY 2007-2008 Quality Initiative Budget:

County	FY2008-2009	FY2007-2008	FY2006-2007	Variance Explanation
Citrus	66,762	134,466	126,000	The FY2008-2009 quality initiative budgets are reduced (\$93,504). The decrease partially supports the two additional Education Specialist positions (proposed in assumption 1). The Education Specialists are responsible for monitoring and documenting provider compliance with school readiness rules and regulations as well as providing technical assistance and training.
Dixie	12,000	20,077	36,500	
Gilchrist	24,925	29,951	51,500	
Levy	18,500	23,466	61,000	
Sumter	22,000	29,731	66,000	
Total	144,187	237,691	341,000	Since school readiness monitors, technical assistance, and training typically surround quality issues the Education Specialists are classified as quality improvement staff. It is expected that the quality of school readiness programs will increase as a result of the Education Specialists' work.

Assumption 6: School readiness direct service funds will be allocated to each County based on the County's original budget allocations.

The school readiness direct services budget captures all expenditures related to the direct services provided to children enrolled in the school readiness program.

During FY2007-2008 the Administrative Committee shifted direct services funds from County to County to balance the total direct service budget. In an effort to preserve each County's budget from year to year the proposed budget is allocated in accordance with the allocations received by the Agency for Workforce Innovation. The Administrative Committee may shift the dollars based on utilization throughout the fiscal year.

This assumption requires approval of the following draft FY 2008-2009 Direct Services Budget:

County	FY2008-2009	FY 2007-2008	FY2006-2007	Variance Explanation
Citrus	2,365,963	2,262,898	2,323,156	The increase of \$66,134 in the direct services budget is a result of a variety of factors including the decrease in CDS' operational budget, the decrease in the Quality Initiative Budgets, etc. Note: additional increases were eliminated to support the additional Education Specialist positions and the current employees' cost of living and merit raises.
Dixie	656,577	650,808	312,066	
Gilchrist	582,423	555,980	673,783	
Levy	1,578,927	1,511,180	1,573,486	
Sumter	1,311,528	1,448,418	1,309,552	
Total	6,495,418	6,429,284	6,192,043	

Assumption 7: VPK direct services allocations based on the anticipated number of children served:

This assumption allocates VPK direct services based on the anticipated number of children served as determined by the Agency for Workforce Innovation/Office of Early Learning.

This assumption does not require approval for the following draft FY2008-2009 VPK Direct Services Budget

Citrus	Dixie	Gilchrist	Levy	Sumter	Total
1,751,897	309,285	360,962	751,700	1,140,165	4,314,009

Assumption 8: No major program changes.

The draft FY2008-2009 budget fully allocates all grant revenue and can not support additional programs or staff.

Assumption 9: OCA minimum spending and maximum cap requirements

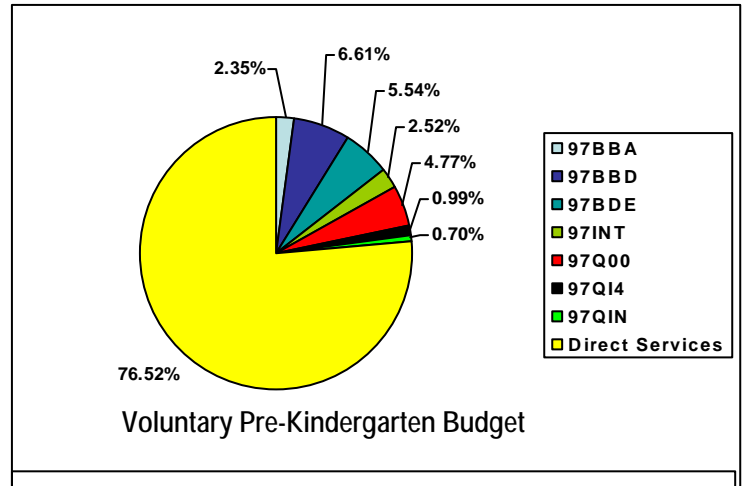
If the draft FY2008-2009 Early Learning Budget is approved as presented the budget percentages for each OCA will be as follows:

It is important to note that several allocations are based on estimations. Every staff member must complete a monthly Personal Activity Report (PAR). The report captures the amount of time each employee spends completing duties assigned to a specific OCA. For the purpose of budgeting the percentage of time spent completing duties in each OCA is estimated. In the event unexpected circumstances present, the actual time spent may be significantly different than the estimated time and may impact the actual spending percentage in each OCA. For example, if during child pre-assessments an unexpected higher number of infants are identified with developmental concerns the OCA that captures infant and toddler expenses (97INT) will be affected because staff members will spend more time than expected providing services to the infants.

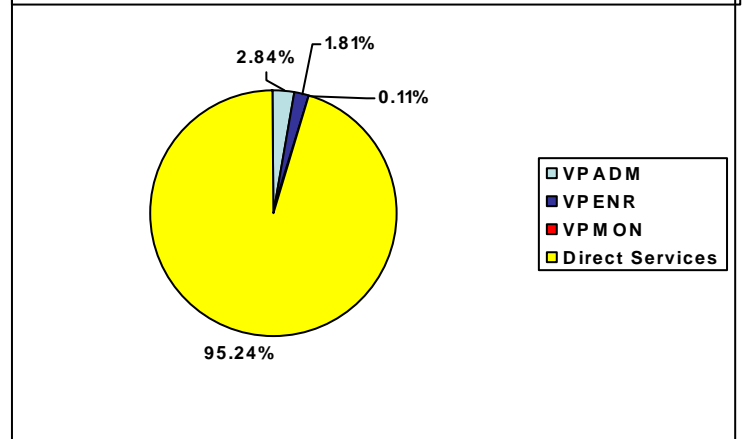
Likewise, all shared costs (expenses that benefit more than one program and more than one OCA) are affected by the total percentages of all staff duties spent in each OCA during a given month. For example if a total of 10% of all staff duties are related to quality (97Q00) then 10% of all shared program costs are billed to 97Q00.

The Executive Director and Finance Director are responsible for monitoring the monthly allocations to ensure all minimum spending and maximum cap requirements are met.

School Readiness Budget



Voluntary Pre-Kindergarten Budget



Attachment II

FY2008-2009 Budget Workshop – In-House Services

For the purpose of this budget workshop the following first draft in-house budget has been developed based on the following assumptions, practices and Board action:

1. The revised organizational chart.
2. A 1-4% current employee merit and cost of living increase (merit raises are based on the Coalition's approved merit raise policy) and the same benefit allocation offered to employees in FY2007-2008.
3. Coalition operational costs based on historical spending data and projected spending.
4. Quality Initiative funding will be reduced to support the additional Education Specialist positions and additional direct service budgets.
5. School readiness direct service funds allocated to each County based on the County's original budget allocation.
6. VPK direct services allocations based on the anticipated number of children served.
7. No major program changes.
8. OCA minimum spending and maximum cap requirements.

County	Citrus	%	Dixie	%	Gilchrist	%	Levy	%	Sumter	%	Total	%
School Readiness												
97BBA	106,312	3.40%	27,955	3.41%	25,711	3.38%	64,481	3.27%	61,216	3.38%	285,675	3.37%
97BBD	144,544	4.62%	37,890	4.63%	34,934	4.60%	87,424	4.44%	83,365	4.61%	388,158	4.57%
97BDE	132,660	4.24%	31,335	3.83%	32,773	4.31%	45,409	2.31%	66,276	3.66%	308,454	3.63%
97INT	75,329	2.41%	20,553	2.51%	20,316	2.67%	33,416	1.70%	66,851	3.69%	216,465	2.55%
97Q00	181,970	5.81%	37,903	4.63%	50,128	6.59%	64,246	3.26%	80,713	4.46%	414,960	4.89%
97QI4	107,042	3.42%	26,040	3.18%	26,887	3.54%	35,227	1.79%	53,429	2.95%	248,625	2.93%
97QIN	23,435	0.75%	6,345	0.78%	6,137	0.81%	11,522	0.58%	18,692	1.03%	66,131	0.78%
SLOTS	2,359,074	75.36%	630,645	77.03%	563,375	74.10%	1,627,970	82.65%	1,378,692	76.20%	6,559,756	77.28%
Sub-Total	3,130,366	100%	818,666	100%	760,262	100%	1,969,694	100%	1,809,235	100%	8,488,223	100%
VPK												
VPADM	76,288	4.14%	13,256	4.06%	16,069	4.22%	34,682	4.38%	38,278	3.23%	178,573	3.94%
VPENR	13,087	0.71%	3,102	0.95%	3,240	0.85%	4,459	0.56%	6,538	0.55%	30,425	0.67%
VPMON	2,576	0.14%	610	0.19%	610	0.16%	1,423	0.18%	1,559	0.13%	6,779	0.15%
Slots	1,751,897	95.01%	309,285	94.80%	360,962	94.77%	751,700	94.88%	1,140,165	96.09%	4,314,009	95.24%
Total	1,843,848	100%	326,253	100%	380,881	100%	792,264	100%	1,186,539	100%	4,529,785	100%
Out Reach												
VPMNI	4,341	55.11%	691	53.35%	888	56.27%	1,874	56.11%	2,046	46.76%	9,839	53.29%
VPLPI	3,536	44.89%	604	46.65%	690	43.73%	1,466	43.89%	2,329	53.24%	8,625	46.71%
Total	7,877	100%	1,294	100%	1,578	100%	3,341	100%	4,374	100%	18,464	100%
Total	4,982,092		1,146,214		1,142,720		2,765,299		3,000,149		13,036,473	

Budget Assumptions

To examine the budget in detail each assumption must be reviewed, and where appropriate approved, denied, or revised.

Assumption 1: Approval of the revised organizational chart.

This assumption includes all current staff and the additional Educational Specialist positions describe earlier in the FY 2008-2009 Early Learning Budget first draft.

The following twenty (20) additional positions are necessary for the Coalition to provide all early learning services:

Information and Technology Manager: Responsible for all technology and office/property management

Reimbursement Coordinator: Oversees all provider payment services

Reimbursement Clerks (2): Responsible for provider payments, adjustment sand attendance monitoring in specific counties.

District Manager: Responsible for program services in Sumter County and office management.

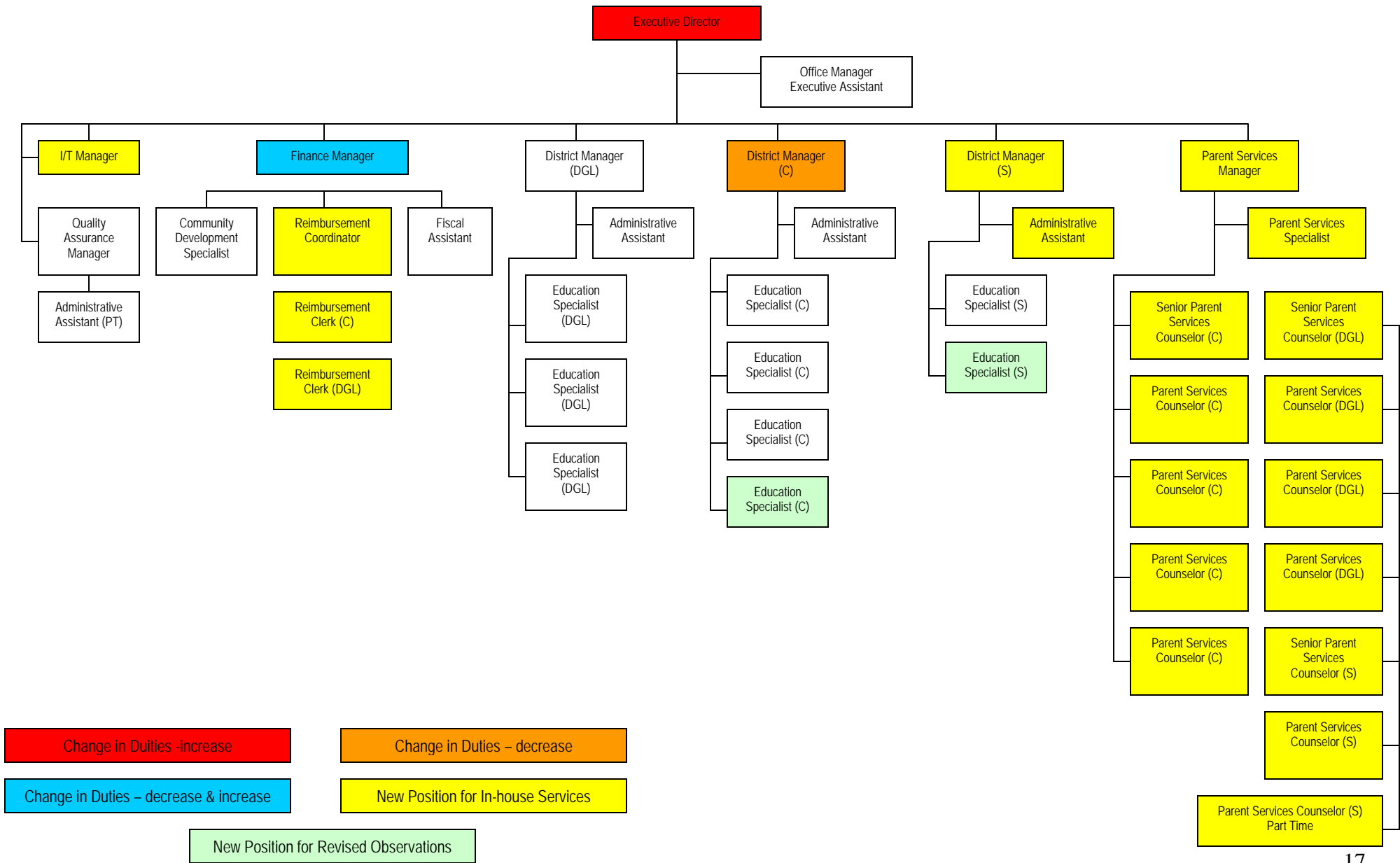
Administrative Assistant: Responsible for staff support in Sumter County

Parent Services Manager: Oversees all parent services

Parent Services Specialist: Responsible for Child Care Resource and Referral Program

Senior Parent Services Counselor (3): Responsible for Child Care Resource and Referral Services, eligibility and enrollment in the School Readiness and Voluntary Pre-Kindergarten programs, peer monitoring, and conflict resolution

Parent Services Counselor (9): Responsible for Child Care Resource and Referral Services, eligibility and enrollment in the School Readiness and Voluntary Pre-Kindergarten programs, and peer monitoring



Assumption 2: A 1-4% current employee merit and cost of living increase (merit raises are based on the Coalition's approved merit raise policy) and the same benefit allocation offered to employees in FY2007-2008. In addition the costs assume approval of assumption 1.

Position	Base Salary	Employer Taxes	Unemployment	Workers Comp	Retirement	PLT	Benefit Bank	Total
Executive Director	86,764	6,681	189	300	8,676	8,326	4,020	114,956
Finance Director	46,800	3,604	189	300	4,680	2,695	4,020	62,288
Contract Coordinator	34,398	2,649	189	300	3,440	1,981	4,020	46,977
Office Manager	32,432	2,497	189	300	3,243	2,490	4,020	45,171
Fiscal Assistant	27,504	2,118	189	300	2,750	2,112	4,020	38,993
Community Development	32,240	2,482	189	300	3,224	1,856	4,020	44,312
Staff Assistant DGL	26,875	2,069	189	300	2,688	1,548	4,020	37,689
Staff Assistant Citrus	21,674	1,669	189	300	2,167	1,248	4,020	31,267
Staff Assistant PT	9,751	751	189	300	975	0	0	11,966
District Manager	52,493	4,042	189	300	5,249	4,030	4,020	70,324
District Manager	50,106	3,858	189	300	2,625	3,846	4,020	64,945
Ed. Specialist Citrus	34,418	2,650	189	300	3,442	2,048	4,020	47,067
Ed. Specialist Citrus	37,506	2,888	189	300	3,751	2,232	4,020	50,886
Ed. Specialist Citrus	29,176	2,247	189	300	2,918	1,680	4,020	40,529
Ed. Specialist Sumter	29,176	2,247	189	300	2,918	1,680	4,020	40,529
Ed. Specialist Sumter	34,749	2,676	189	300	3,475	2,067	4,020	47,476
Ed. Specialist Citrus	31,815	2,450	189	300	3,182	1,832	4,020	43,788
Ed. Specialist D/G	36,043	2,775	189	300	3,604	2,664	4,020	49,596
Ed. Specialist D/G/L	29,176	2,247	189	300	2,918	1,680	4,020	40,529
Ed. Specialist Levy	31,059	2,392	189	300	3,106	2,086	4,020	43,151
I/T Manager	40,000	3,080	189	300	4,000	2,303	4,020	53,892
Reimbursement Coordinator	31,000	2,387	189	300	3,100	1,786	4,020	42,782
Reimbursement Clerk	23,000	1,771	189	300	2,300	1,325	4,020	32,905
Reimbursement Clerk	23,000	1,771	189	300	2,300	1,325	4,020	32,905
District Manager Sumter	37,000	2,849	189	300	3,700	2,130	4,020	50,188
Administrative Assistant	21,000	1,617	189	300	2,100	1,210	4,020	30,436
Parent Services Manager	42,000	3,234	189	300	4,200	2,418	4,020	56,361
Parent Services Specialist	27,000	2,079	189	300	2,700	1,555	4,020	37,843
Senior Parent Services Counselor(C)	25,000	1,925	189	300	2,500	1,439	4,020	35,373
Parent Counselor (C)	24,000	1,848	189	300	2,400	1,382	4,020	34,139
Parent Counselor (C)	24,000	1,848	189	300	2,400	1,382	4,020	34,139
Parent Counselor (C)	24,000	1,848	189	300	2,400	1,382	4,020	34,139
Parent Counselor (C)	24,000	1,848	189	300	2,400	1,382	4,020	34,139
Senior Parent Services Counselor (DGL)	25,000	1,925	189	300	2,500	1,439	4,020	35,373
Parent Counselor (DGL)	24,000	1,848	189	300	2,400	1,382	4,020	34,139
Parent Counselor (DGL)	24,000	1,848	189	300	2,400	1,382	4,020	34,139
Parent Counselor (DGL)	24,000	1,848	189	300	2,400	1,382	4,020	34,139
Senior Parent Services Counselor (S)	25,000	1,925	189	300	2,500	1,439	4,020	35,373
Parent Counselor (S)	24,000	1,848	189	300	2,400	1,382	4,020	34,139
Parent Counselor PT(S)	12,000	924	189	300	1,200	0	0	14,613
Total	1,237,155	95,261	7,560	12,000	121,330	77,530	152,760	1,703,596

The additional employee costs for in-house services are \$743,864 allocated as follows:

Estimated Employee Cost In-House Services	
Salaries	\$532,982
Taxes	\$ 41,040
Unemployment	\$ 3,780
Worker's Comp	\$ 6,000
Retirement	\$ 53,298
PLT	\$ 30,384
Benefits	\$ 76,380
Total	\$743,864

It is important to note that the additional employee costs includes a 13% increase in the Executive Director position based on the average salaries of like size Coalitions (\$11-\$15 million) providing in-house services.

Assumption 3: Coalition Operational Costs based on historical spending data and projected spending.

Line Item	Contracted	In-House
06-01 Advertising	7,500	7,500
R&R		5,000
Out Reach	8,625	8,625
06-02 Audit	14,000	14,000
06-03 Conference	4,000	4,000
06-04 Subscriptions	3,500	3,500
06-05 Insurance(ID)	8,000	8,000
06-06 Property		
06-06-01 Fixed Property		
06-06-02 Computers	3,000	3,000
06-06-03 Non-Fixed	3,000	3,000
06-06-04 Electronic	4,000	4,000
06-07 Lease	41,800	89,800
06-08 Legal Services	5,000	5,000
06-09 Office Supplies	24,000	34,000
06-10 Postage	4,000	12,000
06-11 Professional Services	16,000	16,000
06-12 Travel	50,000	58,500
06-13 Utilities	28,000	39,000
06-15 Employee Training/Cert.	0	0
Total Operational Costs	224,425	314,925

The additional operational costs for in-house services are \$90,500 allocated as follows:

Estimated In-House Services Additional Operational Costs	
Citrus Office	\$ 18,000
DGL Office	\$ 12,000
Sumter Office	\$ 18,000
Utilities	\$ 11,000
Office Supplies	\$ 10,000
Travel	\$ 8,500
Postage	\$ 8,000
Program Ads	<u>\$ 5,000</u>
Total	\$ 90,500

Assumption 4: Quality Initiative funding will be reduced to support the additional Education Specialist positions and additional direct service budgets.

THIS BUDGET IS NOT IMPACTED BY IN-HOUSE SERVICES

County	FY2008-2009
Citrus	66,762
Dixie	12,000
Gilchrist	24,925
Levy	18,500
Sumter	22,000
Total	144,187

Assumption 5: School readiness direct service funds will be allocated to each County based on the County's original budget allocations.

Costs savings as a result of in-house services are allocated to direct services (\$64,338).

County	Contracted Services FY2008-2009	In-House Services FY 2007-2008	Variance (In-House)	Variance Explanation
Citrus	2,365,963	2,359,074	-6,889	Although the total direct service budget increases in the in-house service budget the amounts in each county varies due to the cost allocation methodology utilized by the Coalition.
Dixie	656,577	630,645	-25,932	
Gilchrist	582,423	563,375	-19,048	
Levy	1,578,927	1,627,970	49,043	
Sumter	1,311,528	1,378,692	67,164	
Total	6,495,418	6,559,756	64,338	

Assumption 6: VPK direct services allocations based on the anticipated number of children served:

THIS BUDGET IS NOT IMPACTED BY IN-HOUSE SERVICES

Citrus	Dixie	Gilchrist	Levy	Sumter	Total
1,751,897	309,285	360,962	751,700	1,140,165	4,314,009

Assumption 7: No major program changes.

The draft FY2008-2009 budget fully allocates all grant revenue and can not support additional programs or staff.

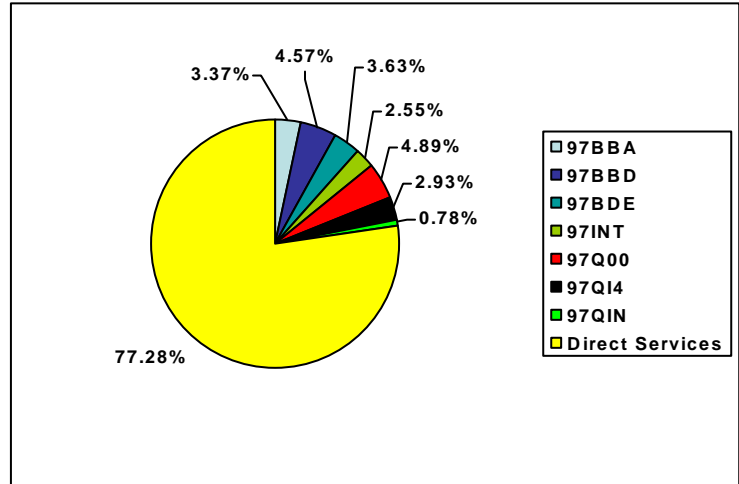
Assumption 8: OCA minimum spending and maximum cap requirements

If the draft FY2008-2009 In-House Early Learning Budget is approved as presented the budget percentages for each OCA will be as follows:

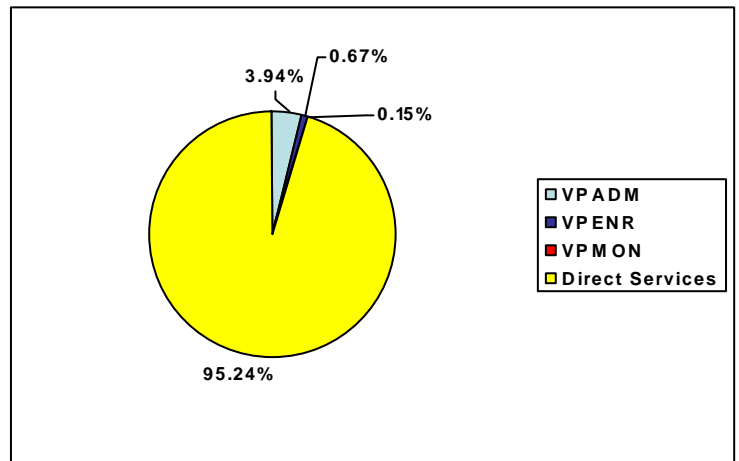
It is important to note that several allocations are based on estimations. Every staff member must complete a monthly Personal Activity Report (PAR). The report captures the amount of time each employee spends completing duties assigned to a specific OCA. For the purpose of budgeting the percentage of time spent completing duties in each OCA is estimated. In the event unexpected circumstances present, the actual time spent may be significantly different than the estimated time and may impact the actual spending percentage in each OCA. For example, if during child pre-assessments an unexpected higher number of infants are identified with developmental concerns the OCA that captures infant and toddler expenses (97INT) will be affected because staff members will spend more time than expected providing. Likewise, all shared costs (expenses that benefit more than one program and more than one OCA) are affected by the total percentages of all staff duties spent in each OCA during a given month. For example if a total of 10% of all staff duties are related to quality (97Q00) then 10% of all shared program costs are billed to 97Q00.

The Executive Director and Finance Director are responsible for monitoring the monthly allocations to ensure all minimum spending and maximum cap requirements are met.

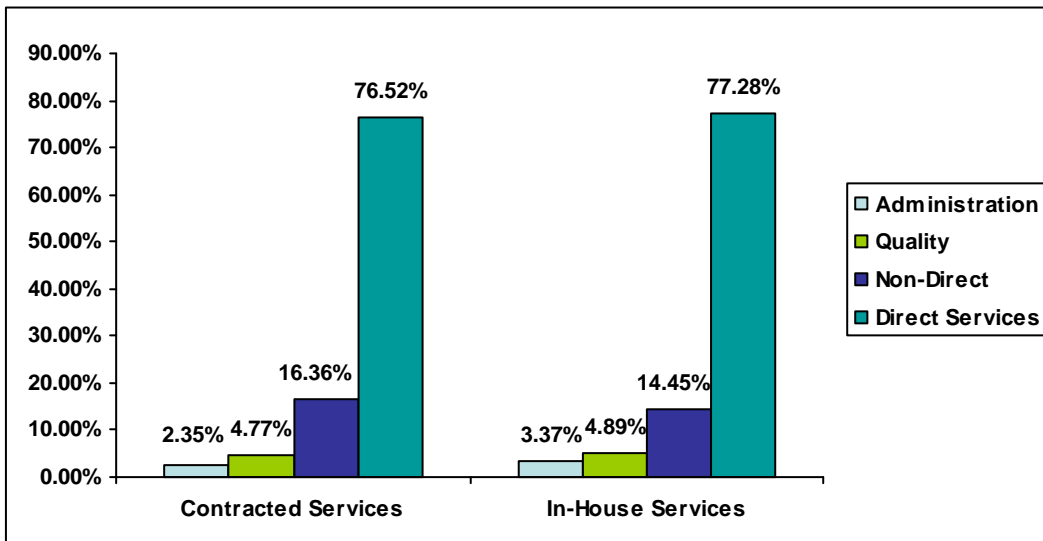
School Readiness Budget



Voluntary Pre-Kindergarten Budget



**Budget Comparison
Contracted Services vs. In-house Services**



In-House Services Transition Plan

Physical Space: The Coalition's current office locations provide for offices in Citrus and Tri-County; however, the locations are not large enough to house all positions under the "in-house" service delivery model. The following steps must be completed to ensure a successful transition:

Step	Completion Date	Cost
Step One: Secure additional office space in Citrus, Tri-County, and Sumter County.	June 1, 2008	\$4,000.00
Step Two: The Office Manager will evaluate each office location and develop a transition timeline for all utilities, phone, internet, security, insurance, and other occupancy costs.	June 1, 2008	\$6,000
Step Three: The Office Manager and other available staff will prepare the office locations to be operational by July 1.	June 30, 2008	\$6,550
Total Estimated Costs		\$16,550

Equipment: All of the computer equipment, office equipment, and other supplies purchased with Coalition funds either directly, or through Childhood Development Services remains the property of the Coalition upon the conclusion of the current contract. The following steps must be completed to ensure a successful transition:

Step	Timeline	Cost
Step One: Compile a complete inventory of all computer hardware, office equipment and furniture of all Coalition and CDS office Locations.	June 15, 2008	\$0.00
Step Two: Develop a transition plan to re-locate all equipment currently used by CDS to the Coalition's offices.	July 1, 2008	\$3,000.00
Total Estimated Costs		\$3,000.00

Staff: The "in-house" service delivery model calls for the hiring of twenty (20) staff members. The following steps must be completed to ensure a successful transition:

Step	Timeline	Cost
Step One: Develop detailed Job Descriptions for new positions and advertise vacant positions.	May 20, 2008	\$700.00
Step Two: Determine if the appointment of positions is necessary to	May 8, 2008	\$0.00

avoid a disruption in services.		
Step Three: Interview/hire/appoint the following positions: Information Systems Manager Parent Services Manager Reimbursement Coordinator Sumter District Manager Sumter Administrative Assistant	June 1, 2008	\$18,340.00
Step Four: Interview/hire/appoint the following positions: Parent Services Specialist Reimbursement Clerks (2) Senior Parent Services Counselors (3) Parent Services Counselors (9)	July 1, 2008	\$0.00
Step Five: Develop and implement a staff training program.	August 30, 2008	
Total Estimated Costs		\$19,040.00

Technology: Technology is a key component of the Coalition's service delivery system. Coalitions are required by the state to utilize the Enhanced Filed System (EFS) database to track services provided through the Coalition's early learning programs. The server housing the database is currently located and maintained by Childhood Development Services. The following steps must be completed to ensure a successful transition:

Step	Timeline	Cost
Step One: Migration of EFS Server: <ul style="list-style-type: none"> Develop a plan for the migration of the EFS server. Contact Saber for the process and procedures to relocate the EFS server. Create a list of the users and computers with EFS software. Schedule with Saber to upgrade the version of Oracle and move the EFS server to the new location. Establish connectivity for main office. Establish connectivity for satellite locations. 	July 1, 2008	\$20,000.00
Step Two: Hardware Infrastructure: <ul style="list-style-type: none"> Evaluate incoming hardware specifications and configurations for compatibility with ELC network. Develop a new model for the Coalition's technology infrastructure. Acquire additional licenses and software necessary for integration into the existing network. Record current settings and develop a plan for the relocation of hardware. Relocate computer equipment. Backup server data and begin the reconfiguration process. Migrate data into existing network and create user accounts. Relocate server and desktops to new location. Reconfigure client desktops to access network. Troubleshoot residual issues with the migration. 	To be determined	
Total Estimated Costs		\$20,000.00

Public Notifications: Public notification is an important element to the successful transition of the service delivery model as it relates to uninterrupted parent and child services and uninterrupted community support: The following steps must be completed to ensure a successful transition:

Step	Timeline	Cost
Step One: Parent Notifications: <ul style="list-style-type: none"> The Quality Assurance Manager will develop a parent letter of 	July 1, 2008	\$940.00

notification and instructions for future services and establish a method of delivery (through providers or direct mailing).		
Step Two: Provider Notifications: <ul style="list-style-type: none"> The District Managers will develop a Provider Alert notifying providers of the change in service delivery and instructions for future services. 	May 12, 2008	\$0.00
Step Three: Community Match Revenue Notifications: <ul style="list-style-type: none"> The Community Development Coordinator will meet with the Citrus County United Way to discuss the transfer of match donation grant. The Community Development Coordinator will determine all other match funding sources and meet with each entity individually. The Community Development Coordinator will report to the Finance Director and Executive Director on each entity including all funding requirements, timelines, etc. 	June 1, 2008	\$0.00
Step Four: Community Brochures: <ul style="list-style-type: none"> The Community Development Coordinator will update all print materials to include the new Coalition service delivery model and locations. 	July 1, 2008	\$0.00
Step Five: Website <ul style="list-style-type: none"> The Office Manger will update the Coalition's website information. 	July 1, 2008	\$0.00
Total Costs		\$940.00

Temporary Suspension of Duties: Staff training is an important element in the transition of the service delivery model. In order to ensure all staff receives appropriate training some duties may be temporarily suspended. The following steps may be completed to ensure a successful transition.

Step	Timeline	Cost
Step One: The Quality Assurance Manager will determine required re-certifications that are scheduled to occur in July and August 2008.	June 15, 2008	\$0.00
Step Two: The Quality Assurance Manager will determine which re-certifications can be rescheduled for September and October 2008.	June 15, 2008	\$0.00
Step Three: The Parent Services Manager will notify parents and providers of rescheduled re-determination dates and reflect the changes in the EFS system.	June 15, 2008	\$470.00
Step Four: The Quality Assurance Manager will suspend the first quarter internal audit of transitioned services.	July 1, 2008	\$0.00
Total Estimated Costs		\$470.00

Fiscal Management: To ensure a smooth transition of provider payments the following steps must be completed:

Step	Timeline	Cost
Step One: Outline an effective provider payment system through the development of a comprehensive policy and procedure that includes appropriate controls that result in timely and accurate payments to provider for services rendered to children of eligible families.	June 15, 2008	\$0.00
Develop a transition plan to close out the FY2007-2008 Early Learning Contract and reconcile provider payments to EFS.	June 15, 2008	\$0.00
Total Estimated Costs		\$0.00

Total Transition Plan Estimated Costs \$60,000

In-House Services Points of Consideration

The following provides a comparison of data with regard to the "in-house" service delivery model and the "contracted" service delivery model:

In-House	Contracted
Cost to provide all non-direct services \$ 834,364	Cost to provide all non-direct services \$ 898,780
Allocation to Direct Services \$ 6,559,756	Allocation to Direct Services \$ 6,495,418
Staff Comparison <ul style="list-style-type: none"> • Executive Director (FTE 1) • Parent Services Manager (FTE 1) • N/A • Parent Services Specialist (FTE 1) • Administrative Assistants (FTE 3) • Parent Services Counselors (FTE 12) • Reimbursement Coordinator (FTE 1) • N/A • Reimbursement Clerk (FTE 2) • Quality Assurance Manager (FTE 1) 	Staff Comparison <ul style="list-style-type: none"> • Chief Program Officer (FTE 0.26) • Early Learning County Manager (FTE 1) • Program Manager (FTE 0.31) • Parent Services Administrator II (FTE 1) • Parent Services Administrator I (FTE 2) • Parent Service Specialist (FTE 10) • Reimbursement Systems Administrator (FTE 0.34) • Reimbursement Systems Administrator Assistant (FTE 0.15) • Reimbursement/Administrative Specialist II (FTE 3) • Quality Control Specialist (FTE 1)
No formal Human Resources Department	Formal Human Resources Department
Operational Cost Comparison <ul style="list-style-type: none"> • Staff Costs \$730,285 • Employee Training \$0.00 • Travel Expenses \$8,500 • Office Supplies \$10,000 • Education Supplies \$0.00 • Postage & Delivery \$8,000 • Utilities and Occupancy \$59,000 • Program Advertising Costs \$5,000 • Equipment, Maintenance & Supplies \$0.00 • Indirect Costs (Finance HR etc.) \$0.00 	Operational Cost Comparison <ul style="list-style-type: none"> • Staff Costs \$581,809 • Employee Training \$2,880 • Travel Expenses \$8,432 • Office Supplies \$17,984 • Education Supplies \$1,540 • Postage & Delivery \$12,227 • Utilities and Occupancy \$140,915 • Program Advertising Costs \$4,445 • Equipment, Maintenance & Supplies \$9,858 • Indirect Costs (Finance HR etc.) \$118,689