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Early Learning Coalition of Manatee County, Inc.
Executive Meeting
Of
February 16, 2022

The Early Learning Coalition of Manatee County, Inc. held a ZOOM Executive Meeting on February 16, 2022, at 11:00 am at 600 8th Avenue West, Palmetto, Florida.

Committee Members Present or Zoom

Ms. Jennifer Passmore
Ms. Karen Carpenter
Ms. Christina Riggio – Garraffa
Mr. Robert Bell
Mr. Adam Mohammadbhoy
Dr. Robin Thompson
Ms. Rachel Kendzior

ELC Staff Present

Ms. Karen Holman
Mr. Darrell King
Ms. Kerry Gaylord
Ms. Marie O'Connell
Ms. Hilarie King

These minutes summarize the discussion and action items of the Early Learning Coalition of Manatee County Executive Committee ZOOM meeting on February 16, 2022.

Welcome and Roll Call

Mr. Adam Mohammadbhoy, the Chair, called the meeting to order at 11:01 am.
Mr. Darrell King, the Interim CEO, conducted a roll call and determined a quorum was present.

Citizen Comments

There were no Citizens' Comments.

Chief Finance Report

Chief Financial Officer, Ms. Karen Holman

a) Ms. Holman informed the committee that the ELC company leased vehicle had been returned to the dealership in Sarasota, saving the agency approximately $10,000 per year.

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Interim Chief Executive Officer Report
Interim Chief Executive Officer, Mr. Darrell King

a) Mr. King updated the Session is continuing and there appear to be unprecedented monies coming for Early Learning in the 22/23 state budget, including a huge hike in VPK funding for the first time since 2005.
b) Mr. King reported that ELC had received just over $10m in American Rescue Plan Act funding, which has to be spent out by June 30th, 2022. This will be another grant application process for our Providers.
c) Mr. King stated that ELC remains engaged with Manatee County on proceeding with Local Licensing. Mr. King met with the County official and ELC will be part of a new Task Force to move the project forward. The ELC staff has also been in discussions with Hillsborough County and ELC to ask for a template on how they run their Local Licensing.
    a. Mr. King reported that Mr. Sharff would be honored by the Manatee Education Foundation at the Spirit of Manatee Luncheon on 3.3.22 and that all Board members were welcome to attend.
d) Mr. King reported that there has been a complex relationship between ELC and Foundation since its inception with multiple shared services agreements and passing back and forth of invoices and checks. Upon Paul's sudden passing, both agencies now have independent Interim Executive Directors more in line with the traditional setup of Foundations and their support organizations. DEL had recently red-flagged in an ELC audit instance when ELC credit cards were mistakenly used to purchase items for Foundation events and fundraisers.
DEL has a hardline stance that there must be a clear separation between the ELC and Foundation. At the outset of the CEO transition period, the ELC chair asked CFO Karen Holman and me to ensure that all DEL regulations and IRS requirements were complied with. This is our report on the decisions made so far and the remaining issue. Karen has reviewed this report.

PROGRAMS

The Operation WIT program has been delivered by ELC staff for the last 16 months. Foundation receives $210,000 from Manatee County for the program and pays ELC $205,000 with approx. $5000 indirect costs to contract teachers. The Foundation Interim Director, Marie O'Connell, agrees it is a 'pass through' and WIT will now become an ELC program from October 1st, when the current County contract ends.

FUNDRAISING EVENTS

Until 2017, ELC held its own fundraising events to raise money for undesignated funds. There was $160,000 in undesignated funds almost five years ago. At that time, $100,000 was given to the Foundation as seed money to try and purchase the building. The remaining undesignated money has dwindled over the years. ELC has been using minor unrestricted donations but often would be running at a loss.

ELC is now the second-largest non-profit in Manatee County with a $42 million budget. It is crucial that ELC supports many non-profits and agencies that help children and families with sponsorships and outreach dollars. These dollars are very restricted by the State. Outside of Nextgen, we have very few funds not designated for specific purposes. ELC will take the two fundraisers back in the house, support

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these agencies, and have enough undesignated to cover discretionary staff items that come up. We would also honor the Foundation's list of approved local agencies to support that fits the ELC mission of serving children 0-12.

I asked staff for the 2022 events plan. A request was made not to have two events in the space of 7 weeks like last year as they are extremely stressful and difficult to deliver. Also, negative feedback from asking sponsors twice in such proximity to donate money. A plan was made to hold a luncheon on June 1st – Stand for Children Day – to benefit ELC and the Children's Guardian Fund. CGF is a small non-profit that supports over seven hundred Manatee County children in the Guardian Ad litem program. This was very close to Paul's heart. He had just taken on another two girls in his role as a GAL and we felt this was an appropriate way to honor him and support an agency that really needs help.

EXISTING SCHOLARSHIP MONIES RAISED AT 10.28.21 PRAYER BREAKFAST

On February 7th, I attended a meeting with Marie and Karen. It was explained to me that there was an issue with the almost $46,000 raised at the Prayer Breakfast for First Responder and Education Scholarships (raising to $92,000 with MTC and Florida Pre-Paid match). As the Foundation directly supports ELC, this money could not be used for scholarships as it was outside of the ELC 0-12 mission and existing by-laws. The Foundation asked for a recommendation from the auditors and was advised that ELC might change its mission and by-laws to serve children 0-school age. My initial reaction was that this could be problematic due to the current drive behind early learning, and it may not be the wisest move to do this. That view was shared by several ELC board members that I had individually discussed the matter with.

I requested a meeting with Moss Krusick yesterday, February 15, to explore other options and discuss the future relationship between ELC and the Foundation. Ed Moss advised that, since a press release had been sent out with clear donor intent on what these scholarship monies would be spent on, the Foundation could go ahead and use the money for scholarships with no IRS complications.

Ed felt it would be a remote possibility that the IRS would have issues as the money was clearly being spent on what it was intended for. In 32 years of managing over one hundred non-profits, Moss Krusick had only encountered one 990 being pulled by the IRS. It was recommended that to get this scholarship money out quickly, the Foundation should buy Florida Pre-Paid scholarships for Educators – to be managed by the SCF Foundation – and disperse funds to the MTC Foundation to manage the First Responders scholarships.

This would honor exactly what was stated at the Prayer Breakfast and what was released to the public. Foundation Board Member Diana Dill and I have held numerous Zoom meetings over the past two weeks. Diana and I both agree that engaging the SCF Foundation and MTC Foundation is the best plan for these and any future scholarships.

To have a clear separation of ELC and the Foundation, the auditors have recommended that the Foundation files a 1023 form to remove its status as a direct support organization of ELC. With the IRS backlog due to COVID, this could be a lengthy process but is retroactive to the date of filing. However, with ELC taking fundraising back in-house, there would be no issues such as that which had just arisen with the disbursement of monies raised.

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The Auditors also advised that all past sponsorship monies raised to benefit ELC, currently held in the accounts of the Foundation, should be returned to ELC as per IRS regulations. The promotional information for these past events had stated that ELC would be the beneficiary. ELC has only received minor proceeds from fundraisers but has been fully reimbursed for ELC staff costs to put the events on.

Going forward, the Foundation will operate the PEARLS program with its own State funding. I met with Jim Boyd in Tallahassee to push the new funding application, it is in the Senate budget, and we hope that it passes. The Foundation would be responsible for purchasing Early Educator scholarships through Florida Pre-Paid and have their Scholarship committee that would review applications as they come in.

The only shared services agreement that would remain between the two organizations, once Operation WIT winds down later this year, would be Marie acting as ELC Director of HR, and any support the ELC communications team gives for social media and outreach for PEARLS.

DECISION TO BE MADE BY ELC BOARD ON FUTURE SCHOLARSHIPS

With a clear pathway ahead, the remaining question now is…

Does the ELC Board want to adjust the wording of our current mission and by-laws to enable ELC to use future fundraising monies to support Early Educator scholarships and help put more Early Educators into the local workforce?

Or retain our existing focus on supporting agencies in our current 0-12 mission?

We have invited Ed Moss and Angela Harr from Moss Krusick onto the call to answer any questions on this report and what DEL's position, if any, may be on changing the mission.

Currently, the auditors have two Coalitions that receive funding and run programs outside of the traditional 0-12 mission of early learning.

Mr. Mohammadbhoy asked for approval and clarification from the Division of Early Learning on proceeding with separation.

Items for Approval

1) Approval of AD HOC Minutes from January 13, 2022.

Upon motion duly made by Ms. Riggio and seconded by Ms. Carpenter, the Executive Committee unanimously approved the AD HOC Minutes from January 13, 2022

2) Approval of ELC Executive Minutes from January 19, 2022.

Upon motion duly made by Ms. Passmore and seconded by Mr. Bell, the Executive unanimously approved the Executive Minutes from January 19, 2022.

Old Business

None

New Business

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None

Public Comments

There were no public comments**.**

Adjournment

There was no further business before the Executive Committee. The meeting adjourned at 11:44.

Minutes prepared by:

Hilarie King, Board Liaison

Minutes approved by:

DocuSigned by:
Adam Mohammadbhoy
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Adam Mohammadbhoy, Esq., Chair