

ECONOMIC SECURITY CORPORATION OF THE SOUTHWEST AREA

Executive, Finance, Audit Committee Meeting May 10, 2018

The Executive, Finance, Audit Committee of the Economic Security Corporation's Board of Directors met via conference call at 10:00 A.M. on Thursday, May 10, 2018. The call was hosted in John Joines' office.

Present in person for the meeting were John Joines, Leisa Harnar, and Brenda Huffhines. Henry Lopez called the meeting to order. Roll call was taken and those participating were Henry Lopez, Janice Franklin, Paula Carsel, Randy Evans, David Holloway and Nikki Tappana. There were no absent members.

John informed everyone that he was not presenting anything for a vote in this meeting, but that it was strictly for informational purposes.

We recently applied for a renewal of our state funded Early Head Start grant. We currently have 60 children whose participation is paid for by this grant, which is for three years. Last week we received the answer to our application and found out that our funding had been cut substantially. From the previous amount of \$833,891.00, our funds were reduced to \$165,210.00. This is only about enough to pay for nine slots in EHS.

To find out why, we held a conference call with the state representative for these grants. No one else in this area received the funds. We had applied based on instructions given during the Pre-bid conference for the grant. We were told that the applications are scored on such items as price, experience, ability to perform, etc. The scores were added up, and the highest scoring bids received grants. There were 8-10 grants awarded, and we were the last to be approved. Basically, we just received what was left after the other grants were awarded. Although it was not stated specifically, it seems that the others bid lower and price was a major factor.

Our current grant ends June 30, 2018. Due to the cut in funding, we are having to eliminate thirteen staff positions. We will try to move them to positions that are currently vacant, if they choose. The positions will be in the same area, but may not pay as much. Supervisors will be told not to hire new employees until it can be determined if we are able to fill the position with one of these staff members.

Next, we will speak with the parents to let them know what is going on. We will do our best to find alternate slots and funding for the remaining 51 children and their families. We will visit with everyone we can about taking these children. We believe we will be able to place twelve of them in the CCP classrooms. Ten are advancing to Head Start, and we hope to place eight of them with Pumpkin Patch, one of our partners. Nikki stated she has a few slots for one and two year olds at Lion Academy. More expansion funds may become available through a federal grant to help offset the costs of these children as well. We will work with, and assist, the families with subsidy applications to help defray costs to them.

The income gained from the EHS Childcare Partnership grant exceeds what was lost through the EHS State grant. However, these changes will affect our indirect cost rate. This could have consequences in our Human Resources, Fiscal, and IT departments, but it is too early to tell.

Leisa will be meeting with supervisors and coordinators this afternoon and will share this information at that meeting. The supervisors will then share the information with their staff who will be affected by the cut. Once all of the affected people have been notified, John will send out a notice agency wide.

There was some discussion, questions and expressions of concern by Board members. Janice expressed her confidence that Leisa would be able to place both staff and children elsewhere. Members were urged to contact either John or Leisa if any other questions or concerns occurred to them. Jeff is in Jefferson City on personal leave, but is expected back next week.

There was no action required at this meeting.

John thanked everyone for participating and stated that if there were no further questions at this time, we had no further items for consideration. Henry pronounced the meeting adjourned at 10:30 P.M.

Henry Lopez, President

Nikki Tappana, Secretary