

**Cincinnati Preschool Promise
Finance and Audit Committee Meeting**

Held via Zoom Video Conference
Minutes of August 3, 2021 – 1:30 to 2:30 P.M.

Finance and Audit Committee Members Present: Cheryl Rose (Chair), Jennifer Wagner, Christine Fisher, and Dawn Reynolds.

Finance and Audit Committee Members Absent: Vanessa Y. White Ph.D. and Anthony Hobson

Staff:

Chara Fisher Jackson, Executive Director
Héctor Polanco, Finance Director

Visitors: None

1. Welcome and Call to Order

Cheryl Rose welcomed the Finance and Audit Committee members to the meeting, which was held in person. A roll call of the committee was called and confirming a quorum of the members, the meeting was called to order at 1:30 P.M.

1.1 Approval of agenda:

A motion to approve the agenda was made by Christine Fisher and seconded by Jennifer Wagner. The motion was unanimously approved.

1.2 Approval of minutes of June 1, 2021:

Dawn Reynolds requested that the language be changed on section 2, the last sentence she wanted it to switch from “CPS transfers the adjusted amount for the following year’s budget to the account.” to “CPS paying the net value to UWGC/PPP”. She also requested that a comma be added to section 4 second sentence after the phrase “school year.” She also asked that in section 4 on the last page, the sentence “Héctor Polanco said that this year was supposed to be the turning point, but it looks like that will be next year.” be rephrased to say “Héctor Polanco said that this year would be the turning point where annual spending exceeds annual revenue.”

A motion was requested to approve the minutes with the changes above for June 1, 2021, was made by Dawn Reynolds and seconded by Jennifer Wagner. The motion

was approved by a majority vote, with Christine Fisher abstaining due to her absence at said June 1 meeting.

2. FY21 End-of-Year Results

Héctor Polanco explained an FY21 End-of-Year Results Summary table showing full year results, another showing more detailed full year results, and a version of each of those showing by-month results were included in the report provided to the committee. He summarized that spending was generally reduced across all areas due to COVID-19 and led to an underspending of roughly \$2.6 million. He further explained that 75% of the spending was in direct program areas during FY21. He also stated that total spending was roughly the same across FY20 and FY21 as CPP spent \$7.3 million in FY21 and \$7.2 million in FY20.

Key Differences explained in the Budget Minus Actuals Report were:

1. TA = Budgeted ~775 students/month, averaging ~520 = 255 under (+\$1,600k); 50% increase in "CPP-only" student mix (-\$500k); ELS (-\$400k)
2. QI = COVID-19 impacts on Coaching (+\$350k), Outdoor Spending (+\$300k), and Classroom Supplies Materials & Equipment (+\$150k)
3. COQ = SSF Budgeted ~135 teachers, supporting ~45 teachers (+270k); TPG Budgeted ~75, averaging ~55 (+\$60k)
4. Communications & Outreach = Reduced or eliminated TV, bus, billboard, newspaper ads (+\$130k); Moved P-team to M&A Staff Related (+\$60k)
5. M&A Staff Related = Delay in use of QI contractors (+\$80k)
6. UWGC Admin Fees = Waiver of Annual Admin Fees (+\$100k)

Cheryl Rose said COVID-19 had an impact across different spending areas. For example, COVID-19-driven staffing shortages at preschools, preschool site closures, and supply chain problems, reduced spending in all three main CPP program areas.

After some discussion regarding how to handle orders delayed due to supply chain problems, Jennifer Wagner suggested holding a reserve for delayed orders and then taking that into the next year as a prior year encumbrance. Héctor Polanco said he felt comfortable with the current budget and the fact CPP funds are not lost if unspent and unencumbered. Still he said he would consider in future years if appropriate.

3. FY21E Unspent/Carryover Report

Héctor Polanco discussed the FY21 Underspend/Carryover report explaining there had been a \$2,607,211.27 budget underspend for FY21. This represented 26.3% of the FY21 CPP Budget.

Héctor Polanco discussed various reasons for the underspend, which included fewer children in school and schools that closed during the COVID-19 pandemic. He also discussed underspending caused by purchasing less advertising in billboards and television, as well as canceling spending on some fundraising plans.

During the discussion on what could be done with the underspending Chara Fisher Jackson said CPP needs more people helping with QI support because some providers are losing stars, and CPP needs to help them get back to high quality.

Christine Fisher suggested that the UC internship program might provide a good resource for IT and design marketing staff should those be needed as part of the effort.

4. RFP Process & Delegation of Authority for Upcoming RFPs

Chara Fisher Jackson said the RFP process had been developed with the input of Tony Hobson. It also incorporates some aspects of the CPS RFP process. It was developed to help with processing the multiple RFPs that will be required over the coming year, including MetrixIQ, Innovations, coaching vendors, and the selection of an auditor.

Christine Fisher recommended an additional column labeled “requires an RFP” be added to the Delegation Of Authority spreadsheet so one can easily see when the RFP process is needed next to the columns that show when bids and a contract are required.

Héctor Polanco said that he would make the changes requested by the committee to change the delegation of authority to show RFPs are needed at \$100,000.

5. Adjourn

A motion to adjourn was made by Jennifer Wagner and seconded by Cheryl Rose. The motion was unanimously approved.

Future Meetings

September 7, 2021 1:30 PM – 2:30 PM (rescheduled after the meeting to September 9, 2021)
October 19, 2021 1:30 PM – 2:30 PM
November 2, 2021 1:30 PM – 2:30 PM

Submitted by Tanya Del Valle, Senior Administrative Assistant
Cincinnati Preschool Promise