

MIAMI-DADE SCHOOL READINESS COALITION

Board Meeting
February 9, 2004
8:00 a.m.

United Way of Miami-Dade – Ansin Building
3250 SW Third Avenue
Miami, Florida 33129

Miami-Dade School Readiness Coalition Board Members present:

Vickie Burley	Marisel Elias-Miranda	Sara Herald	Leonie Hermantin
Chuck Hood	Willie Ivory	Patricia G. Johnson	Yvonne T. Johnson
Robert H. Kelly	Silvia La Villa	Dave Lawrence, Jr.	Dannie Mc Millon
Dabney Park	Jane Robinson	Lourdes C. Rovira	Gerald K. Schwartz
Natacha Seijas	Dean Taylor	Lucia Vicencio	Barbara Weinstein
Ann-Karen Weller			

Coalition Staff members present:

Ana Alfonso	Ivonne Anton	Paula S. Bender	Karen Basha Egozi
Mercy Neyman	Mina Prado		

Others in attendance:

Carole Abbott	Modesto E. Abety	Ileana Acosta	Josephine Akinbly
Alexander Alejo	Tayo Aljeje	Amaury Amarante	Crystal Archable
Karen Atkinson	Ardene A. Bachoo	H. Bakalas	Carol E. Barnes
E. Batista-Mion	Barbara Biggart	Maria Binelo	Lisa Blair
Phillip Bloom	Maritza C. Bosch	Patricia Boykin	Joanne Bramen
Phillip Campbell	Roger Carlton	Linda Carmona-Sanchez	Ted Castellanos
Wendy Cheyney	Tania Cintron	Shermin Davis	Silvia de la Torre
Ann de las Pozas	Matty Loret de Mola	Francis Delgado	Maria E. Delgado
Rosemary Duran	Ayllet Fabregas	Eileen Fluney	Nelly Garrido
Betty George	Iris Gerena	Al Gonzalez	Armando R. Guerra
Elena Guerra	Deborah Harbour	Walter Harvey	Carolyn Hayes
Daisy Hensley	Julio C. Hernandez	Rinna E. Jackson	Viviana Jordan
Sam King	Karen Klugler	Denise Lederman	Michelle Leon
Karen Liederman	Janet Lopez	Donnald Manning	Jeny Manrique
Guillermo Martinez	Mayra Martinez	Colleen Mauer	Eric Moreno
Ramiro Moreno	Rosemary Moreno	Migda Navarro	Cynthia Nunez-Collier
Reiner Potts	Liz Regalado	Marie Rene	Aquilla Richardson
Eduardo Rivera	Elsa Rodriguez	Jorge M. Rodriguez	Julia Rodriguez
Lourdes Rodriguez	Izsy Rojas	Gina C. Romero	Betty Ruiz
Saribel Salinas	Wendy Salomon	Irela S. Santamarina	Ana Sejeck
Rick Signori	Amanda Silva	Angel J. Silva	Gloria Simms
Esther Socarras	Marlene Suarez	Alex Tejada	Marisol Tejada
Evelio Torres	Rosanna Velasquez	Mireya Veres	Sondra Wallace
Tim Weeks	Arnetta Whitfield	Robyn Yglesias	Holthis Young

Willie Ivory welcomed everyone and asked for self-introductions.

FAMILY CENTRAL - PRESENTATION

Attorney Alfredo Gonzalez with the law firm of Adorno & Yoss informed the board that he was there representing Family Central, Inc. We will address some of the issues we see with the proposal by our co-lender CDS. Part of our presentation is to try to make it easier for you to come to a conclusion. You have a projected \$5 million dollar deficit and as one of your vendors we want to bring to you solutions and that

is why we are here today. We want to bring you a solution that effectively will eliminate the problem, while at the same time maintaining the fine relationship you have with both your vendors and causing the least amount of impact on the children. In accordance with the coalition staff directions this contract was always monitored by the staff. When we first came into this contract we were over enrolled. This is a contract based on a budget and based on predictions and adjustments. The coalition staff actively participated with both agencies and helped us eliminate that surplus. This is particularly necessary in a program where you have two vendors, you have to make adjustments. When we had a surplus, if Family Central had not enrolled children at the rate they were asked to enroll we would have continued to have a surplus. It's a matter of adjustments and we simply have to reverse today and we need the cooperation of our co-vendor and everyone in the system.

Family Central at all times followed the clear instructions of the coalition staff. Going back to October 2002 the enrollment levels would be at over enrollment if we reached 13,500 as of the beginning of this fiscal year and that there would be a deficit. We did this going back to October and we did this at monthly meetings. We have performed the contract exactly as it was required to be performed. We have made no mismanagement errors and we are not in the fault under this contract. The current deficit is really a result of three things and none of them have to do with mismanagement. The coalition staff, CDS and Family Central all performed and this coalition is the envy of the state. Why did this happen? First of all because we started the system with an over-enrollment and you needed to catch up. You needed to be able to extend the funds for that fiscal year in order to be able to fund it again. Secondly, there has been a significant increase in the number of mandatory referrals to Family Central. And, thirdly the attrition levels for this year were much less than prior years. We have no control over mandatory; the non mandatory enrollments have been frozen since July 2003. We took the only step we could take to alleviate that issue. Once those children come into the program, they become mandatory, they do not leave unless they don't need eligibility requirements. The referral of mandatory children to Family Central is up by 30% and it is down by 17% at CDS. That by itself accounts for the majority of the deficit we face today. The implication somehow has been that there has been some error in Family Central's management. Family Central has complied with each and everyone one of the obligations under the contract. The courts have looked at situations such as this and they have established a standard of development for us all to follow. In the standard in Florida it is all common sense. We all have to have good faith in every contract. And, we cannot take action and then use that action to call it default on another party to the contract. In this case, we followed the instructions. We predicted the deficit. We predicted the over enrollment. We did nothing wrong. If you choose to terminate, that is your prerogative, however, if you do that, not only do we feel that we were not in default of the contract, but secondly and more importantly, we think you have to re-bid the contract, that would allow the public procurement process to be circumvented because then any preferred bidder could end up with the contract. All you have to do is select two bidders. I don't think the courts will allow that. This statute is very clear. You're bidding for three years.

Ann de las Pozas of Family Central, Inc. expressed to the board why she thinks this proposal is not going to work.

1. The proposal is based on using the \$2.9 million dollars which are due to Family Central in administrative costs. CDS would then be allowed to use those dollars to fund the deficit without increasing their staff. CDS would have to increase their staff by 70%. I just don't believe that anybody could do that. The administrative dollars that we use are different than I assume them to be in other contracts. Our administrative dollars pay for positions. They pay for people who work directly with the children and families. If you give our contract away you would be jeopardizing quality projects that we have worked so collaborative to put together. Project Upgrade, NEED Project, all the intervention and assessment that would be gone because you simply can't have the time with their current staff to handle those things.
2. The idea that the attrition would change because another vendor took over the contract simply is not going to happen because the central agency does not have control over the mandatory categories. Those enrollments would continue no matter who was handling the contract.
3. Lastly, CDS's proposal just derails us from making hard decisions. We're going to get to June and we'll still be overenrolled and the problem would still not be solved.

Tim Weeks of Family Central presented the Alternative Deficit Reduction Plan to the board were as follows:

1. Freeze all new Transitional (BG5, BG5T) Enrollments Feb. 15. Estimated savings of \$1,280,197.

2. Freeze all new school age enrollments in BG3 & BG5. Estimated savings of \$1,752,774.
3. No summer care for all school age children for 15 days (June 10-June 30). Estimated savings of \$1,909,215.
4. Parent fee increase of \$0.86 for all school age children. Estimated savings of \$5,804,156.27.

Tim also expressed that after consulting with Barbara Weinstein, Family Central is prepared to bring to the table \$225,000 to help off set the increase in the parents fee. This will bring the parent fees down to \$0.64 to school age children as oppose to \$0.86.

Barbara Weinstein addressed the board by stating that Family Central has been a part of this coalition since it was a dream in Tallahassee to bring school readiness to this community. We have worked diligently as partners and have never brought to the table a problem that concerned anything that had to do with surplus or deficit. We felt that this was something the coalition staff had control over and were able to walk through. I was very disappointed that there was a resolution presented to the County Commission without Family Central having an opportunity to present their feelings and arguments. I ask you do two things today.

My concern is to do what is right for the children. Other than that the choice is yours. But I think that if we decide what is best for the children and you look at some of the other services Family Central has offered the community by bringing in other grants, by bringing in other funding, you will understand the heartache that we have all gone through suffering with this deficit situation. After talking to the people at the One Stop and looking at the information across the state, the numbers that Family Central received and the increase of the number of wages children is significant and it is fairly stable with all the providers across the state. I want to thank Willie Ivory, Patricia Johnson, Dave Lawrence, Chuck Hood, and Paula Bender who have done an outstanding job in working with us in ensuring that the children of this community get the very best services. I don't think anyone here in this room can dispute that is the reason we are all here today. I do believe that all of you want to come to a solution that will reach the goal of getting kids ready for school.

- Dave Lawrence asked Tim Weeks the following question. When we say we will freeze all the new transitional enrollment as to February 15, who are we talking about?

ANSWER: Tim weeks replied that these are children who are eligible because they are in welfare to work programs. As they transition out of the welfare to work program, they basically become income eligible as we commonly refer to as the working poor. This really is a working poor category.

- Dave Lawrence asked if there was no mandatory nature to this.

ANSWER: Tim Weeks replied that it is his understanding that there is not. Eduardo Rivera confirmed Tim Weeks reply by nodding his head.

- Dave Lawrence asked for clarification about Ann de las Pozas's comment about what potentially is lost here in regards to Project Upgrade and other qualities measures.

ANSWER: Barbara Weinstein replied that she does not know if she can give it to us in the form of money, but there is a handout that describes some of the other services that Family Central provides to the community that could be affected.

- Jerry Schwartz asked that if the board takes the option suggested by the county, would Family Central terminate these programs?

ANSWER: Barbara Weinstein replied that some of these programs are funded by Family Central dollars. We do the fund raising ourselves. We have a community development person that goes out to businesses and does fund raising.

Dave Lawrence expressed that his concern is what would be the impact on quality programs that the coalition has now such as AIP, Project Upgrade, etc. Those are the larger and bigger dollar questions.

RESOLUTION VS. LITIGATION

Former Judge Bloom asked Attorney Al Gonzalez if he thought that the coalition had a legal right to terminate the contract at this time.

ANSWER: Al Gonzalez replied absolutely not. We believe we have complied with our contract.

Judge Bloom then went on to present that there is a shortfall. And, the shortfall is not concerned with who is at fault. There is a shortfall and there is a contract that governs this particular situation. The judge read page 6, item Q of the Family Central contract which reads:

Termination: In the event funds to finance this contract become unavailable, the coalition may terminate this contract upon 30 days notice. The coalition shall have exclusive and final authority to determine the availability and adequacy of funds.

If we agree there is a shortfall. There's nothing else to talk about and what has happened up to this point is that Family Central has not accepted responsibility for its part of the program. That's why we are here and it makes no difference whether they are at fault or not. The coalition has certain obligations to the legislature and to the children who are under this particular program.

Next, we have seen a lot about, we have no responsibility here according to Family Central. I'd like to go to a letter from Family Central dated Jan. 26, 2003. This letter is basically saying that Family Central is going to start litigation. I believe this letter was drawn by Family Central's attorneys. It's an attempt by Family Central to avoid its responsibility in this situation. The letter says "All during this time that we have been operating, you have praised Family Central's performance." In other words, when you have no rights under a certain contract, you write a letter before you start litigation to try to get the other side to acquiesce to what's been said if they don't respond. That's a common ploy in litigation. The letter also says that there's a deficit due in part to Family Central's enrollment and following the direct instructions of the coalition staff. In other words, its saying doesn't hold us responsible for anything. It's you who should be responsible. Judge Bloom continued to read the rest of the letter. Judge Bloom once again reminded the board that the contract is clear in saying that if there's an under draft, underfinanced, the contract may be terminated by the coalition's board of directors.

What solution does Family Central bring to you? The solution has nothing to do with Family Central and that's not what it's all about. Everyone has to assume responsibility, and the idea of financing, the idea of money is unfortunately, I say, paramount to this program. I bring this to your attention because I question the good faith of Family Central. I thought we had a stipulation that acknowledge here that they did do wrong and let's try to find a solution. What we are doing here is helping to foster a lawsuit on the part of Family Central. Judge Bloom also stated that the letter was dated erroneously Jan. 26, 2003 but they went 2004.

- Sara Herald asked on whose behalf was this presentation made and on whose request?

ANSWER: Paula Bender answered by stating at the Jan. 29 board meeting both Yvonne Johnson and Dave Lawrence requested legal counsel at our next meeting.

Judge Bloom wanted to express to the board that some of the attorneys from Steel Hector are partially here on a pro-bono basis and he assured the board that they are not trying to make money on this situation.

Walter Harvey, attorney from the law firm of Steel, Hector and Davis presented the three Options to the board.

1. OPTION I: Leave the contracts in place.
2. OPTION II: Renegotiate: The contract with Family Central, Inc., the contract with Miami-Dade County, and the settlement agreement.
3. OPTION III: Terminate the contract with Family Central, Inc.

- Yvonne Johnson asked what happens if we decide to go with Option I and just leave the contracts in place? If there is still going to be a deficit, how does that help solve the problem?

ANSWER: Walter Harvey replied that according to the agreement, Family Central is responsible and liable for the performance of all tasks required by the contract and in addition to that, they agreed to indemnify and provide counsel and defense for us for lawsuits that would be filed by their subcontracts and indemnify the board.

- Dave Lawrence in Option II, are you making the point that any of these items are clearly countywide items, not one provider? These would be another?

ANSWER: Walter Harvey replied yes.

Commissioner Seijas asked Dean Taylor to read to the board a Feb 6, 2004 letter addressed to Paula Bender from County Manager, George Burgess. The letter described Agenda Item 10(A)13 as amended, sponsored by Commissioner Natacha Seijas to assist the School Readiness Coalition in mitigating the impact to childcare providers and families resulting from the projected \$5.8 million deficit (as of December 31, 2003) incurred by Family Central, Inc. The County Commissioners voted in favor eleven to zero at the Feb.5, 2004 County Commissioners meeting,

OPTIONS

Karen Basha Egozi presented to the board a detailed chart of the options that are at the table today as reviewed by the central's agencies and the coalition.

1. Background Information – 2003-2004 Contract Information, 2003-2004 Children Served, Actions to date.
2. Deficit Reduction Options (A-I)

She reported we met with South Florida Workforce for a number of reasons. One is to coordinate data, specifically the charge that there are increased referrals coming from South Florida Workforce. We were able to collaborate that, and there are increased referrals. We also had a management tool from them where they provided us with all their sanctioned clients for the last six months. Both central agencies crisscrossed those sanction clients and identified 409 children in the system that were already ineligible. So, we did lose that 409 children because of that ineligibility, but that was a one shot tool although, we will do that on a monthly basis.

When we spoke to South Florida Workforce to explain to them what was happening. We talked to them about the possibility of disenrolling their TCC clients, and they felt very strongly that this was something they did not want happening in our community. They asked the coalition staff to come up with a proposal of what it would cost to keep their TCC clients in care. We have given them two options for a total of \$2.7 million dollars that they are now considering. This has passed through their Finance committee, but it still needs to go to their board for approval and we anticipate a response by the end of February.

Marisel Elias Miranda commended Paula Bender and Karen Egozi for their preparation and thorough explanation because this is certainly helpful to all of us in understanding the situation better. She also wanted to make it clear to the board that as a board member of the coalition she will not support a plan that impacts the children, parents or providers of the community. This coalition has worked very hard in bringing quality to this community. We have asked a lot of the directors and teachers in the field. We should continue to promote quality and what the research tells us to do. Children cannot speak for themselves and we so often hit on the poorest and neglected. I would like to have it reflected on the record that I will not support any plan that impacts children, parents or providers.

Silvia La Villa commented to the board that as a representative of the private providers, she was very concerned at our last coalition meeting that the option was even considered that to increase parent fees and reducing market rates could solve the problem. I am encouraged today that Karen and Paula and others have come up with options that look at other responsibilities, and I would really appreciate if the option that this board looks at or accepts does not include increasing parent fees or reducing provider rates.

Dean Taylor expressed that it was mentioned by Family Central that the county would pick up 70% of the caseload as a result of the transfer of the contract. Really, that number is more than 38% increase. They have 70% of our caseload, but if we picked up their caseload, it would only be 38% more of a caseload for us, so that number is one that was requested. Another thing is our staff analyzed the non-mandatory enrollments from July to December of this year. We saw that Family Central really enrolled about a thousand children representing about \$3 million dollars and that's something that might impact these numbers significantly if in fact that is the case.

- Barbara Weinstein stated that she understands that the coalition's numbers don't coincide with the ones that we received from the South Florida Workforce concerning the placement of the South Florida Workforce children. I am concerned about the ability to make a decision when we don't have a clear understanding of the disparity of the numbers. I, personally, someone from Family Central would like to know where the disparity occurred and why we see the numbers have increased because our numbers also came from South Florida Workforce. Barbara Weinstein also asked Ann de las Pozas to answer the question, the difference between the 38% that Mr. Taylor said.

ANSWER: Ann de las Pozas answered that she believes Mr. Taylor is referring to the way the contracts are split. If you look at the contracts, Family Central had 38% of the county and CDS has 62%, but what we are talking about the increase invariably to take on the cases. In other words they have 22 thousand children and we Family Central has 13,500 more or less, so that would be an increase to their client workload of 70%. It's not the distribution of the pie it's about how much you are increasing your workload.

Paula Bender informed the board that she has spoken to a number of coalitions recently, some of them spoke of the situation they were in last year when we had a surplus and they had a deficit, and the pain they went through. What they said was is exactly what the Finance, Audit and Personnel committee has discussed with the staff. They have written their contracts in such a way and designed their system in such a way that will avoid that happening to them again. Other coalitions are in the place we are right now. They don't have another central agency. They have moved money from the school system, their children services counsel, they have disenrolled children. They have asked for money to defray it and then they have had to disenroll. Our responsibility here is clearly to do what we know will least affect the children. But, at the same time we must be responsible to not get ourselves in this situation again. The actions that the coalition has taken in past have not been against the children. When my predecessor and Karen's predecessor increased the market rate that was for the good of the children. When they said get those numbers up, that was to get those children in care, for the good of the children, because we could not foresee other issues. But, what I do know is no one has told me that we mandated what age group to over enroll in, what category to enroll in or how many to enroll. We said get your numbers up. When I took this position I met with Barbara Weinstein and Barbara Jordan and I had a message to both of them. That message was I am here to work with you as a team. I am not here to be on the side of either central agency and I am not here with any single political party in mind. I am here as the gatekeeper for the children. I do not wish to put anybody out of business or blow up any contracts. That is not who I am or what I am about and I have said that clearly in every meeting. But, we have just a few choices on the table and our choices must have the least negative effect to those who do not have a voice in this room. We sit at this table with a responsibility. We cannot operate out of fear. I don't want to believe that Family Central wants to take me to court, because what I want to believe is that if they had the money for that, they would be giving me the money for my children and I don't want to believe that one person at this table is here to hurt anyone. But, we must make our decision now and we must do it for our children and I really can't say it strongly enough and Karen and I and my staff have spent the last six weeks not doing other things that we needed to do for the children. We need a decision. We need to move forward and we need both central agencies to move forward in a very amicable way no matter what the board's decision. Now, I am asking the board to please move forward so that we can get on with our work.

- Jerry Schwartz referred to the letter that Family Central presented from Thomas A. Natiello, Ph.D. which said that it is not possible for the county to assume the entire county's programs and to do it efficiently, and effectively. Jerry asked for a commitment from Dean Taylor and the county that if this is given to the county, they will do it effectively, efficiently and the programs will not lose any quality or character.

ANSWER: Dean Taylor answered I think we can make that commitment, yes I do.

- Jerry asked if with his present staff he could take the additional load?

ANSWER: Dean Taylor answered that for the rest of this year; essentially the county will be in a freeze mode, so we are not going to be enrolling children for the rest of this year. Therefore, the staff that would normally be used for that will not be needed, but as we move into next year there would be staff needed as we begin to enroll and we would need to increase staff, but not to the point where we would use all the money that Family Central had allocated for administrative and direct services. We would be saving some of that money.

- Jerry asked Dean Taylor that if in the next four months, if the South Florida Workforce enrollment continues, and lack of attrition continues, you're still going to have that enrollment situation. Will you be able to deal with that for the next four years?

ANSWER: Dean Taylor replied. In today's plan, yes. If we at any point in the very near future determine that the deficit is more than the \$5.8 million dollar projected, because it has grown every time we have met. If this happens next week, then we are not committing to that number. We are committing to \$5.8 million dollars in deficit that exists right now.

Jerry Schwartz addressed the board by saying that he hopes that we the coalition and the two central agencies have learned a very good lesson with what has happened here. I am looking at this on a four months basis. What do we do for four months to protect the kids and balance this budget?

Dave Lawrence expressed his concern about what Ann de las Pozas spoke about the impact on quality. And, while I'm respectful of the sheet that was presented, that to me is far less important than we continue to have a full commitment to Project Upgrade, AIP, etc. Dave asked the county if the offer by the county includes the full commitment and whatever it takes, and whatever staff and resources needed to continue Project Upgrade, AIP and accreditation quality project?

Commissioner Seijas commented that every time we come to the table since Jan. 8, a new layer is put into all of this. A new responsibility, a new layer, a new requirement. When I took this to the county commissioners, it was based on the issue of the short coming of the \$5.8 million dollars and how we were going to address it. But I cannot tell you that everything that you have put on the table at this moment is going to be what is going to happen in the county because I would have to go back to the county commissioners with a new request with new information. I cannot nor will I have my staff answer you now if we can do all that you have put on the table today, because that is not what we were asked to do. We were asked to find a short term solution to our short term need.

Dave Lawrence expressed to the Commissioner that he believes this is not a new rule or a new game. This is simply carrying on the commitments the coalition has made. And, the staff perhaps can answer the question whether those projects can be maintained for the remainder of this contract.

Paula Bender asked Karen if she understood correctly that in the capturing of the administrative and direct dollars this is not assuming quality dollars. Quality dollars are still to be spent for quality programs.

Dean Taylor stated that the county's proposal really does not touch any quality dollars at all. The commitment to quality will remain the same.

Dave Lawrence understood that in the area of assessment, accreditation and Project Upgrade we will have the where with all to fulfill our responsibilities under the county's proposal.

Dean Taylor answered, yes.

Jane Robinson addressed the board by stating that this is the second time we meet to discuss this issue. We now have a solution on the table from the county that will get us out of this situation. We have the opportunity now to vote either way and I encourage the board to vote and move on so we can move on with this issue.

Willie Ivory addressed the board and commented that he does not want anything that needs to be said to be left out. He has taken an oath to serve the children. He wants the board to take their time because he does not want anyone to come back regretting that we did not think these options through.

- Patricia Johnson asked Karen and Paula where are we today as far as the deficit is concern.
ANSWER: Phil Campbell answered \$3.7 - \$3.8 million.

Jerry Schwartz expressed that it is very difficult to go any way in the situation, but I sit here and I see on a scale, one option of impacting children and provider. The other option is not impacting providers or children to any great extent and to do this for a period of four months, I have no choice but to make the motion that we choose Option H.

Jerry Schwartz requested a motion that we choose Option H and turn this over to the county for the next four months and hope that at the end of the four months period, starting July 1st, we come back and we go through our bidding process again.

Motion: Jerry Schwartz
Second: Dannie McMillon

Dean Taylor wanted to clarify that the county's offer is really workable if the county has the contract for a 15 month period.

Dave Lawrence stated that this is a profoundly important question Dean is raising and my understanding, including from commissioner Seijas in the last meeting that it was a four month solution and in fact she said specifically I thought then it's a reidable process; a new contract process. This is the first time I've hear that I've heard that the solution is only workable on a 15 month basis.

Jerry Schwartz would like to have a discussion on this issue before he withdraws his motion because it is the first time he hears that this is on a 15 month basis.

Dean Taylor explained that the fact of the matter is that the \$2.9 million dollars that the county came up with along with the trust, can only be repaid by the county if the county continues the contract during the next year and that's why repayment in the letter indicates through Sept. 2005. There's no way in the world that CDS, between now and the end of the year could find a way to manufacture that \$2.9 million dollars for repayment. That recovery would have to occur over the following year and then be paid back after the following year ends.

Jerry Schwartz withdrew his motion.

Commissioner Seijas stated that what she did say is that if we ever had an opportunity and should have an opportunity (did not state when or where) and the coalition would like to put this out for bid that Family Central should have the same ability to be able to bid on a new contract. I did not establish time.

Willie Ivory made a statement that we have had several meetings and the decisions the board was were based on a four month basis. I think it's unfair to the board to give them a letter on the day that we are having a meeting and have them dissect and absorb it and then understand the impact of it.

Yvonne Johnson asked that someone show her in the letter that this is contingent upon CDS maintaining the contract for 15 months. I know it was verbally said by Dean Taylor now, but I just don't see it in the letter.

Yvonne Johnson asked when does this contract end?

Paula Bender answered that the contract period ends June 30, 2004 and the new contract starts July 1, 2004. Next winter year 2005 we have to prepare a new ITN, this is a three year contract, renewable each year.

Judge Phillip Bloom made the statement that there is nothing in the letter that read into the record or otherwise that says it's for a 15 month period. It is for a four month period.

Venus Lopez, Owner of Wonderland Day Care addressed the board by stating that she does not believe parents or providers should have to pay for our deficit. She also express how please she was to have Family Central as her central agency.

Eileen Fluney of Paradise Christian School addressed the board by saying that our first priority has to be the children. Whatever decision the board makes, please make it be the best for the children and the families. I sympathize for everyone and especially the children and families that will be affected.

Zoe Alonso of Devonnaire Kiddie College expressed to the board that as providers they are the closest to the children and families. I left real estate 17 years ago because I wanted to do something for the children. We are trying hard to meet everyones requirements and we need a little help. With UPK coming up, accreditation being demanded, ratios going down, expenses going up, etc. We are pressed at the bottom of the barrel. Please do not take anymore from the parent and do not squeeze the providers anymore because some of us are ready to give up.

Linda Carmona-Sanchez, President of Directors United for Quality addressed the board stating that when she attended the Jan. 29 was the first time that she was made aware of the deficit situation. Part of that comes from the fact that as providers we are too busy with the children to be able to attend all the board meetings. When we are talking about cutting funds for after school care, where do we think these children are going to be? Who is going to watch the children? As much as I sympathize with what's going on here and how difficult it is to manage a budget when it is like quicksand moving under your feet. If we loose below 25% of our enrollment we loose the food program. If we start cutting the reimbursement rate we have no where to do but to cut staff salaries and staff works at minimum rate right now. Most of our staff are clients of Family Central and CDS. Think of the children, there has to be a better way.

Jane Robinson asked Dave Lawrence if in terms of clarification, this \$1.4 million dollars which is subject to approval by the children's trust, are you saying that may not be part of this?

Dave Lawrence answered that not in the proposal. We were made aware that to pass on the proposal were made to the children's trust, we would seriously consider it because we would have some opportunities of cash flow now that we would not have in future years.

Paula Bender also stated that if we are able to secure the \$2.7 million from South Florida Workforce there is no loan needed from the Children's Trust.

Yvonne Johnson requested a motion that we choose Option H contingent on the fact that the letter from the county is referring to a four month period from March – June 2004.

Motion: Yvonne Johnson
Second: Dannie McMillon

Yes: Leonie Hermantin, Willie Ivory, Yvonne Johnson, Dave Lawrence, Dannie McMillon, Jane Robinson, Gerald Schwartz, Natacha Seijas, Ann-Karen Weller,

No: Jackye Russell, Chuck Hood, Robert H. Kelly, Patricia Johnson, Bud Park, Dean Taylor

Abstained: Barbara Weinstein, Marisel Elias-Miranda, Lucia Vicencio, Vickie Burley, Silvia La Villa, Lourdes Rovira,

Sara Herald was not present to vote.

Motion was passed nine to six.

Meeting adjourned at 10:30 a.m.

Signed and approved by:

Vickie Burley
Board Secretary

Date