

Hillcrest Children's Center Board Meeting April 21, 2020

Called to Order

- Introductions
- Approval of Agenda
 - Volunteer for timekeeper
- Approval of Minutes: *(Move to next meeting)*
- Director's Report: Christina
 - Enrollment:
 - April attendance has been 4-9 children a day. At this time, May looks the same. I am working to establish an understanding of what families preference for enrollment will be through the summer, and programmatic changes that need to be made to minimize risk.
 - Staffing:
 - At this time, all staff have been furloughed, except Mua, Sia, Talo, and Mercedes. I am checking in with staff to see how the unemployment process is going, and to know what their plans are once Hillcrest begins to begin programming again.
 - Update: *(Move to next meeting)*
 - Learn and Grow
 - Family Survey

● BOARD

- Finance:
 - Profit and Loss, Balance Statement
 - COVID-19 Business support options
 - **Economic Injury Disaster Loan (EIDL)** application went in 4/1/2020, given lack of payment, probably waiting on additional funding
 - Currently, SBA is capping disbursements to \$15,000 for two months expenses of which \$10,000 is suppose to be an emergency advance that is forgiven
 - Loan is a 30 year at a set 2.75% interest for non-profits
 - Originally, loans were suppose to cover eligible costs of payroll, interest on mortgage, utilities, insurance payments, and program expenses
 - Exact amount of EIDL loan is determined when SBA contacts applicant and determines individual need
 - Can not accept this and PPP

and

- **Employee Retention Credit** under the CARES Act *(still learning about)*
 - Refundable tax credit (for employer paid Social Security tax) for the period of April 1st through December 31st, 2020
 - Tax credit is based on 50% of qualified wages during this time period for each employee up to \$5,000
 - Assuming we qualify for the \$5,000 for 20 full-time employees during that period, Hillcrest credit would be \$90,000
 - First use would be to offset our SS tax liability (\$29,789 for this time period in 2019)
 - This being a refundable credit, Hillcrest would have \$60,211 to offset any additional tax liability (we do not have any) before being refunded

- Can not accept this credit and PPP; can accept it you accept EIDL

or

- **Payroll Protection Program (PPP)** application is currently in the que depending on additional funding
 - Ask was for \$114,888.60 to cover 8 weeks of payroll (4 pay-periods) plus interest on mortgage and utilities.
 - The amount spent during the first 8 weeks after qualifying for the loan on payroll, interest on the mortgage, and utilities is forgiven, as long as
 - there is less than a 25% reduction in wages based on a previous 8 week period
 - or
 - less than 18 employees by June 30th
 - Any amount unforgiven is moved into a 2 year loan at a fixed 1%; payments can be deferred for the first 6 months; there is no penalty for prepayment
- **Child Care Program Office (CCPO) Capacity Building Payments**
 - A substantial amount of time and energy was given to educate providers around the state and advocate to elected officials and the CCPO between the time of their first Broadcast (April 8th) to their second (April 13th) about the consequences of their first explanation of the program
 - Their second broadcast states that the CCPO is reimbursing providers around the state an amount of money based on February enrollment for the months of March, April, May plus an amount for actual attendance for the months of March, April, May
 - Further clarification that I am waiting on (the CCPO office has not answered these questions from myself, other providers, or a reporter)
 - The first broadcast stated the reimbursement rates would be based on a provider's tuition versus state set rates. This is HUGE as it would provide over \$70,000 a month paid in April, May, June. Even at state rates, Hillcrest would receive \$40,000 for each of those months.
 - The first broadcast said it was through May or until money ran out. The second only said it was through May. One would assume it would also include until the money ran out but there was a full rewriting of the program between the first and second broadcast because the CCPO did not have a shared understand what they created nor what the industries response would be
 - After support from an ADN reporter, CCPO did confirm that they have \$6.5 million. I have asked that they share each month "we have x amount of money, and spent out y this month" so providers can best financially plan
 - I also requested that the CCPO create a committee of providers that could provide input on the CCPO's regulation or other programs before they roll them out. I suggested that

the committee consist of a home and center provider from each of the states three regions (South Central, South East, Northern Interior). The positions would be elected by each area's National Education for the Education of Young Children affiliate.

- The intent of this committee is to eliminate the unnecessary angst the CCPO has caused to providers and families due to coming out with regulations or programs that if were enacted would have worked against the CCPO stated intent of capacity building and quality improvement. This causes tension between the state department responsible for regulation and quality improvement initiatives and the providers. Providers throughout the state would like to work with the CCPO on improving the quality of programs throughout the state versus having to defend their programs economic survival due to shortsighted CCPO decisions.

- **FNBA Mortgage:** requested a 3 month reprieve on the mortgage (May, June, July); if we get and accept the PPP we can move this to a interest only payment to meet the PPP requirements
- In short, the goal is for Hillcrest to obtain enough funding from the above sources to cover expenses through the pandemic. Unfortunately, that will not be determined until much later due to possibility of ongoing infections until a better treatment or vaccine is created
- The Board recognizes that a large majority of families are paying for care in April that they are not using. We appreciate your commitment to Hillcrest so that we can still be here for your family when this is over. The Board will continue to take this into consideration when we make future decisions.

- Annual Campaign Committee Update (*Move to next meeting*)
 - Discussion of committee focus

○ **Facilities:** Brian

- GOAL: Complete all deferred maintenance by 2022 (*Move to next meeting*)
 - Final heating elements in Preschool are going in now (they were already paid for)
 - Will begin getting roof quotes for the Infant/Toddler building in the next couple of weeks
 - Play yard

● **Community Comments**

Finance Committee

The Finance Committee functions to provide financial oversight for the organization to include budgeting/[financial planning](#), and financial reporting.

Budgeting and Financial Planning

1. Develop an annual operating budget with staff.
2. Approve the budget within the finance committee.
3. Monitor adherence to the budget.
4. Set long-range financial goals along with funding strategies to achieve them.
5. Develop multi-year operating budgets that integrate strategic plan objectives and initiatives.
6. Present all financial goals and proposals to the board of directors for approval.

Reporting

1. Develop useful and readable report formats with staff.
2. Work with staff to develop a list of desired reports noting the level of detail, frequency, deadlines, and recipients of these reports.
3. Work with staff to understand the implications of the reports.
4. Present the financial reports to the full board.

Facilities Committee

The Facilities Committee functions to plan for the maintenance of all land, buildings, facilities and equipment owned by Hillcrest.

Specific responsibilities may include:

- Developing and recommending a maintenance and replacement schedule for buildings and grounds.
- Conducts inspections of facility when needed and reports back to the Board.
- Planning for new construction, major renovations, or major improvements of school and grounds.
- Implements and oversees long-term capital improvement plan.
- Recommend adequate insurance coverage
- Technology infrastructure

Personnel & Administrative Committee

The Personnel Committee functions to supervise the Executive Director and examine issues affecting staff.

Specific responsibilities may include:

- Make recommendations to the Board on the hiring and compensation of the Executive Director
- Supervise and review the Executive Director
- Periodically review and revise if necessary the Employee Handbook and job descriptions
- Develop employee related items in the annual budget
- Review and updating by laws

Development Campaign