

DHLW Early Childhood Area
Des Moines, Henry, Louisa, Washington
November 4th 2015
Columbus Junction Library

Minutes

Members Present: Mike Steele, Stan Stoops, Melody Raub, Mary Campbell, Dave Helman, Matt Latcham, Paula Buckman, Jim Cary, Tricia Lipski

Members Absent: Chad Reckling, Sergio Ayala

Advisory members present: Tasha Beghtol, Larry Brock
Guests (Colonel's Kids Childcare Board of Directors): Lori Beenen, Earlene Lewka, Molly Baus

Meeting called to order at 5:00pm by Paula Buckman

Motion to approve the agenda
Moved: Melody Raub **Seconded:** Mary Campbell
Motion carried unanimously

Jim Cary arrived at 5:05pm

Executive Committee

Tasha shared information about recent changes at the Danville CSD childcare center. The district is now required to be DHS licensed instead of DE licensed. These requirements are due to legislation that was passed last year. The new requirements increase the ratio of teacher to child and are increasing the schools costs for salaries. The DHLW does not have a policy that addresses the issue of an agency seeking funding outside of the RFP process. The Executive committee has already reviewed a letter from the district about the need for funding and has reviewed and revised a draft policy for the board that would address this request and provide a process for future operations.

Motion to approve the new policy for *Special Request for Funding* as submitted by the committee
Moved: Mary Campbell **Seconded:** Dave Helman
Motion carried unanimously

Tricia Lipski arrived at 5:12pm

Tasha shared information about billing issues and errors with the Colonel's Kids Childcare Center contract. The center has recently hired a new Director and bookkeeper. Documentation received from the new bookkeeper confirms that the DHLW Board was overcharged for salaries in July and August. The Executive Committee has

reviewed the billing documents and discussed other contract related concerns. Executive Committee minutes are provided in the Board member packets. Tasha shared information about other issues that the center is facing. The center's new Director does not meet DHS licensing requirements. Tasha has spoken with the center's Board Chair, Eric Schlutz, and he has confirmed that they are working with DHS on the issue. Tasha noted that the purpose of the DHLW contract with Colonel's Kids is to increase the ratio in the 1 and 2 year old rooms. Documentation of ratios is not available for July and August. The new Director has started keeping documentation of ratios and has provided that information to Tasha. Ratios are not being maintained according to contract requirements.

Members discussed concerns about how long the overbilling has been going on. Paula Buckman shared some background information as the former DSM/Louisa Chair and noted that they have been contracting with Colonel's Kids for at least 5-6 years. Tasha explained that she has discussed the issue with the State ECI office, Horak Insurance (liability Insurance agent), CIJDC (fiscal agent of the DHLW Board), and attorney Larry Brock. The DHLW Board, as the merger of the DSM/Louisa and Henry/Washington Boards, has the authority to review old contracts and consider legal options, if desired. Tasha noted that the state office is not requiring any specific action to be taken and it is up to the local board on how they wish to proceed.

Tasha explained that she can recoup losses in the current contract by reducing future payments. If the board wishes to review previous contract years and discuss how to proceed if overbilling is found to be evident, then Tasha recommends that they receive legal guidance from an attorney. Larry Brock handed out and reviewed an engagement letter and fee agreement.

Motion to retain Brock Law Office for the purpose of providing legal counsel to the DHLW Board regarding the contract with Colonel's Kids Childcare Center.

Moved: Jim Cary **Seconded:** Matt Latcham

Motion carried unanimously

Discussion was held regarding the recommendation by the Executive Committee to consider terminating the current contract with Colonel's Kids Childcare Center. Larry Brock reviewed termination sections of the contract. Section 7.0 requires an audit to be conducted by the contractor. Tasha noted that one has not been done and based on her conversations with Colonel's Kids board members they do not plan to have one completed. According to Section 8.0 of the contract the board may terminate for cause with 15 days notice or terminate because the contractor fails to meet licensing requirements.

Jim Cary motioned to terminate based on the center not meeting DHS licensing requirements. Tasha explained that although the new Director does not meet the requirements the center's license has not been revoked. Jim rescinded his motion.

Motion to terminate the FY16 contract with Colonel's Kids Childcare Center according to section 8.0 B of the contract.

Moved : Melody Raub **Seconded:** Dave Helman

Further discussion of the motion was held. Tasha Beghtol noted that members from the Colonel's Kids board were present. Tricia Lipski asked DHLW members if they agreed to open the floor to include guests in the discussion. Members agreed by consensus to have Colonel's Kids guests participate in discussion.

Lori Beenen addressed the issue of the Director requirements. She explained that the center is working on a crisis plan to be submitted to DHS by Friday. The plan addresses how the center will meet Director requirements and will be signed by DHS Director, Chuck Palmer. Tasha asked if the crisis plan was to be a waiver for the DHS requirement of having the center Director onsite 8 hrs per day. Lori answered that they expect to receive an exemption. Dave Helman said that if the DHLW Board retains the contract with Colonel's Kids, then he would expect to have a copy of the signed crisis plan or exemption.

Tasha Beghtol shared concerns about the ratio requirements of the contract and the challenges it poses if the contract remains in effect. Dave asked why the contract was written that way. Tasha explained that the RFP submitted last spring was written by the previous Colonel's Kid Director and the request was specifically for salaries of extra staff to increase ratios. The contract was written based on the RFP submitted to and approved by the DHLW Board. It is also the same purpose and contract language that has been used in previous years between DSM/Louisa ECA board and Colonel's Kids. Matt Latcham noted that if the purpose of the contract is to fund extra staff, then it should be a wash if the contract is terminated. The center would not need extra staff because they would not be required to have better ratios than what is required by DHS. Matt called the question of the motion.

Tricia Lipski restated the motion to terminate the contract with Colonel's Kids based on Section 8.0, termination for cause with 15 days notice. **Motion carried unanimously.**

Next Steps: Tasha will send a letter from the board by certified mail. The contract will terminate within 15 days from receipt of letter. The amount that was over billed in July and August will be confirmed and repaid by taking it off of the total amounts billed to the DHLW Board for October and November claims.

Discussion was held regarding how to handle the review of previous contracts with Colonel's Kids Childcare Center and what steps the board may take if overbilling is found. Larry Brock noted that the statute of limitations is typically 3 years. Members agreed that at least one year should be reviewed. Tasha asked that a committee of the board be used to review FY15 items. Tasha noted that she will start by looking over old claims and documentation provided by the previous Colonel's Kids Director, but she will likely need additional information from the new bookkeeper in order to determine if the board was overcharged. Members discussed options of how to proceed if Colonel's Kids does not cooperate with additional information or if the DHLW Board finds billing discrepancies that they determine are deliberate overbilling. Larry Brock noted that if the board finds discrepancies from previous contracts they may take civil action and ask for money to be paid back or they may choose to turn their findings over to the local police.

Motion to pull FY15 records for the contract between DSM/Louisa ECA and Colonel's Kids Childcare Center and review documentation for potential discrepancies.

Moved: Melody Raub **Seconded:** Stan Stoops

Motion carried unanimously

Meeting adjourned at 6:30pm. Next meeting will be November 17 in Danville

Minutes submitted by Tasha Beghtol, Director

Approved on _____

Secretary _____