

Arizona Department of Education
Health & Nutrition Services
Family Child Care Homes Advisory Council
Tuesday, May 27, 2008
9:00 a.m. to 12:00 p.m.
MAY MINUTES

Kenny Barnes – Family Child Care Homes (FCCH) Advisory Council Committee Chair, called the meeting to order at 9:15 a.m.

Advisory Council Attendees:

Deanna Barrowdale	Mid-State Child Care & Nutrition
Lori Mendoza	Association for Supportive Child Care
Phyllis Montgomery	Child & Adult Community Resources
Cathleen Moore	Food for Children
Kenny Barnes	Arizona Department of Education

Other Attendees:

Angela Hilton	Nutrition and Health Education Resources
Katie O’Neill	BJ Enterprises
Cathleen Reagan	Az Association of Family Day Care Providers
Sandee Montez	Nutrition For Children, Inc.

Public Participation Request forms to Advisory Council Chair.

Welcome and Introductions:

- Committee Chair extended Welcome to Advisory Council and other participating sponsoring organizations: Okay, we’ll go ahead and get started – as always, I want to welcome each and every one of you. Hope you had a good 3-day weekend: Yes, everybody have a good 3-day weekend...Good. If I look tired up here, that is because I’m tired. You’ll have to excuse me it’s been a long week to 10-days and I’m just a little run down but I’ll be all right.

Corrections/Additions to Previous Meeting Minutes: (K. Barnes)

- Okay, first of all - Does anyone have any comments pertaining to the March Minutes that went out – Any changes or anything like that, that you want to comment on? Cathleen did you have anything? (C.Moore) I’m looking to see if I made any notes and don’t see anything other than something I got from a provider.
- On that note, our Webmaster is on vacation so May Minutes won’t be posted to the web until next week. I’ll have the Minutes emailed out to everyone once they are done.
- It’s not on the agenda, but, I think a couple of you attended the CACFP conference that we put on – do you have any comments that you would like to make:
 - I thought it was a very well run conference - My favorite part was the ‘snack station’ and by the end of the day, my purse got real heavy. (C.Reagan)
 - Every set of comments we got back had a note about the ‘snack station’ that was available all day. I’m really not a snack person but I spent quite a bit of time there myself. (K.Barnes)

AA Standards: (K. Barnes)

- I passed out copies of the AA Standards. These are actually going to be emailed out to every sponsor today. Today will start the 10-Day Comment Period.
- Look them over and whatever comments you have, critiques, suggested changes – go ahead and send them to me. Mandy is the one who is actually working on the Standards so if you want to email her directly go ahead – I’ll leave that up to you.
- Please note that the 10-Day Comment Period is starting today and when I get back upstairs, I’m going to have Barb send the email to every sponsor.
- Any questions, comments, or changes – send them to Mandy or me. I know that you all have questions as you are looking at it right now – but go ahead, when you submit you’re other questions, just go ahead, and include it then. I’m pretty sure that we could probably spend the entire meeting going over this.
- Any changes made will be redistributed; however, you may not have another 10-Day comment period.
 - Let us know as soon as possible – I notice things that I don’t understand. For instance the small numbers (Phyllis is referring to the numbered footnote numbers in Item 6).
 - I know that you don’t want to get stuck with this – but we need to go and read thru this right now so that we know how to read this and so that we know what questions to ask. We don’t know how to take this, we’ll have pages and pages of questions, and I think we need to go over this so that we can understand how to read it too. (P.Montgomery)
 - Clarification from Kenny on the numbered footnotes for Item 6. Please go thru this and any questions or anything that you are unclear about, again email myself or email Mandy. Mandy was going to sit in the meeting today; however, she called in sick today. I’m not trying to blow anybody off or dodge the subject whatever like that, but one question could lead to the next question – so on and so on...So instead of us trying to break this down right now, I would appreciate if you just went ahead and took your time and looked at it. Whatever questions-comments you have send them to me at that time. (K. Barnes)
 - And after the 10-day comment period will the changes get redistributed before incorporation? (D. Barrowdale)
 - Depending on what’s received as far as comments and everything – we’ll see if it’s feasible to incorporate. (K. Barnes)
 - But before incorporation, it will come back for us to look over. (P. Montgomery)
 - Whatever changes are going to be made like the Compliance Manual they will come back out again, all right. Now, I will say this – I’m not sure that whatever changes are made to this that they’ll be another 10-day period...I don’t know. I’m not going to say there will be and stick my foot in my mouth and I’m not going say that it won’t and stick my other foot in my mouth, okay. That I can’t find out.

Renewal Training: (K. Barnes)

- Next on the agenda – Renewal Training. At the last meeting, I know we discussed whatever topics you wanted covered to bring them to this meeting. Does anybody up here have anything that you like discussed at the Renewal training that may not have been discussed at the last one?
 - I would ask that it be accurate and complete so that things don’t come back at us at a later date. Update the allocation checklist. (C. Moore)

- Highlight any changes made from prior fiscal year. (L. Mendoza and P. Montgomery)
- No comments. (D. Barrowdale)
- Round table discussion requested so that we can discuss whatever changes are made. (L. Mendoza)
- Thank you for bringing that up – At the last meeting we discussed having a round table meeting at the next renewal. I ran this past Melissa and she has no problems with that. So what it looks like, the way it's going to be conducted is – whatever items we as an Agency need to cover we'll go ahead and cover that - which I don't think it's going to be too many, I'm not sure, I haven't looked at any of the agenda items or anything like that. Then, as I said it's going to be more like a round table discussion – anything that you all would like discussed. Anything that you may have experienced this past fiscal year and anything that you may want to experience this upcoming fiscal year. We'll open it up for discussion at that time and just like we all discussed at the last meeting – it will have to be controlled. That means we can't have five to six people trying to talk at the same time or trying to get their point across above the person sitting next to them. All right. A round table discussion is not a problem at all – okay, but it still has to be maintained in some sort of orderly fashion. As long as that is being done, I'm thinking that we'll have pretty good training with what we have to cover along with whatever you all would like to discuss and get out that should be fine. Plus, once the items that we have to cover have been covered, all the Specialists are going to make themselves available to come downstairs. So in the event that you would like to speak with your specialist, then your specialist will be on hand. We have all cleared our schedules for that day – which is July 15. Renewal training is Tuesday, July 15th. I'm not sure that it will be in this room but it will be in this building – it will probably be Room 100 and 101. (K. Barnes)
- Your Specialist will be available for you to talk to about the recent review you just had or upcoming review that you're going to have or claiming questions or whatever like that. We'll all be here and you won't have to discuss something with somebody other than your specialist, all right. (K. Barnes)
- Mandy asked me to ask you – Do you really use the Renewal Application Instructions? Do you feel these are helpful to you, would you like to keep these, do you think it's a waste of time, do you like these and they need to be revised, updated or anything like that. If you all feel that you don't need these then we won't distribute them again. (K. Barnes)
- Keep them making them FY09 current. Go over them to make sure they are accurate and current. (C. Moore, L. Mendoza, D. Barrowdale, P. Montgomery)

Budget Instruction Clarifications:

- Next item on the Agenda Budget instruction clarifications – Now I'll turn this over to Cathleen.
- Okay, this is something that came up with one of the program sponsor audits this year and stems from the administrative budget instructions that were disseminated and how the instructions were taken – I think may not be interpreted in a way that it was actually meant to be – maybe not written correctly but it's on Page 14 of the Administrative Budget Instructions. “The Administrative budget has been approved and the sponsor is expected to adhere to it (i.e. paid salaries as stated in the budget) – Well when we write a budget we write it for 10% growth and until we achieve that 10% growth we're not going to be spending the maximum of the approved budget. The auditor has taken this quite literally and has said the sponsoring organization was not paying their staff as much per hour as per the budget,

instructions and they have been written up for being non-compliant and I don't think that was ever the intent. For example, we might write we need 300 paperclips for the homes with the 10% growth factor – but if we don't achieve that growth maybe we only need 200, and it's the same with mileage when I put in the maximum mileage reimbursement but we might not actually reimburse that unless our homes allow for it. So I think that the auditor is taking this too literally and I don't think it was meant that way. (C. Moore)

- Has this ever been a problem in the past? (K. Barnes)
- No, this has never been a problem in my organization. (C. Moore)
- We need ADE clarification – Katie provided an email from Mandy on the subject and is included with meeting Minutes:

From: Quintanar, Mandy
Sent: Thursday, May 22, 2008 12:00 PM
To: 'bjcacfp@aol.com'
Subject: RE: Budget Instructions
Hi Beverly,

I spoke with Melissa to get some clarification. What is stated in the budget instructions is correct, but maybe how it is interpreted is the issue. The budget instructions state "Once the administrative budget has been approved, the sponsor is expected to adhere to it (i.e., pay salaries as stated in the budget)." That is true and correct. But I think that the words "adhere to it" are what are being misinterpreted. When ADE says, "The sponsor is expected to adhere to it" it means that no line items may be adjusted without the prior approval from ADE. For example, you budget for the costs of going to a conference at the beginning of the year. Then, 6 months down the road, you decide you don't want to go to the conference, but will instead spend that money on a hiring a new monitor. This would require ADE approval first because that new monitor was not in the original approved budget. However, the actual costs of items (dollar amount), such as salaries, does not have to be paid exactly as it appears in the budget. The dollar figures are based on a projected 10% increase in the number of providers for the fiscal year. If that 10% is not met, then the projected increase in salaries (as shown on the original budget) would no longer apply due to administrative reimbursements being based on the actual number of homes reported as participating.

ADE does not feel that the auditors are using the budget instructions as a "legal document" per say, but more so as a tool. It is understandable that this section may have been misinterpreted. The language cannot be changed to say, "The sponsor is expected not to exceed it" because, technically you could exceed the original budget. You could use the same example as above. You decide that the conference is not going to be attended by anyone in your organization, so instead you will pay more to the director's salary. This typically does not happen because funds are necessary for other areas. You cannot, however, exceed the overall budget (and labor [admin. expenses] cannot be more than 75% of the overall budget). ADE recommends that you forward this response to the auditor for clarification. You may also want to keep a copy of this email for any future references.

I hope this helps! Let me know if my explanation is too confusing.

Income Affidavits:

- Income Affidavits when they come in –we’ll get these shipped to everybody. CACFP will email to DCH memo forms and send you all hard copy. Any questions on Income Affidavits? None, all right – moving right along.

Renewal Request - Auditors Present at Training:

- Having Auditors Present at Renewal Training – I’ll let Cathleen take this. (K.Barnes)
- This was a suggestion that came from Sandee Montez: I think we would all like to have some kind of training with the Auditors so that we know exactly what they are going to be looking for on an audit. A couple of years ago, Mary Szafranski had a meeting with USDA and had asked for a training on preparing for your annual audit, possibly it could be taught by a representative from Heindfeld & Meach and a representative from John C. Todd. I don’t know if the Budget Training would be the time to do it, since it could be fairly lengthy – maybe a separate training but I do think it would be a good idea especially when they change auditors. You’ll be going along with one auditor for 5-6 years and used to having everything organized for them and then another firm will come in and they will have different interpretations, like the item with the budget renewal instructions not being clarified and what to have available for them – what’s in the scope and what is not in the scope. And we would also want an actual copy of the Audit Guide and not as it has been annotated by an audit firm. (C. Moore)
- Is there anything you would like the auditors to touch? (K. Barnes)
- Procurement Standards – goods and services. What is correct amount and are we responsible for our own so that we are not written up. Are we doing it wrong - What are actual rules? (C. Reagan)
- When was it that it went from \$5,000 to \$1000 – and we all signed that form? (D. Barrowdale, L. Mendoza, P. Montgomery)
- \$4,999 – below this amount no quotes are required, this all changed in 2006. The Procurement Standards given out by the Department of Education in 2007 were the wrong standards and we all signed them. ADE has acknowledged that. So maybe during renewal we can have a separate section on Procurement Standards. (C. Moore)
- Is that all we have on that. One thing that I want to go back to about renewals – The online application being modified in the area of the advances. That’s being modified to where it is not going to automatically going to default to ‘no’ – You will actually have to answer that question before the system will let you submit your application. (K. Barnes)

Public Participation:

- Cathy Reagan from Arizona Association of Family Day Care Providers – Request to Address Advisory Council on the following:
 - Renewal Process.
 - Provider Agreement and provider not being home.
- Angela Hilton from Nutrition and Health Education Resources (NHER) – Request to Address Advisory Council on the following:
 - AA Standards
- Katie O’Neill from BJ Enterprises – Request to Address Advisory Council on the following:
 - AA Standards will eliminate some Providers.

- Feel that AA Standards are an ‘elimination tactic’.
- Insurance – Who gives ADE the authority to ask for ‘insurance’?
- Citizenship – Who gives ADE the right to say people who are not citizens cannot be on the program?
- Budget Instructions
- Renewal Training

Please note that these additional comments were given by membership in participation and support of Individual Speakers.

Renewal Process and Agreements (C. Reagan)

- I got notification that Provider must notify the Sponsor when Provider will not be home during meal service and is different from what you guys told us a couple years ago. So that’s fine, if we need to change it I’ll change it – whatever. But, the issue also was that if there is going to be more changes for the agreement at the renewal process and that an email also came out that I have a plan on how I am going to do this by May 30, 2008. There is no way I can do this by May 30th this year. I can provide an addendum but if you are going to have more changes then I won’t send the addendum. I want to see something in writing from USDA. (C. Reagan)
- Don’t change rules on us mid-year – I have 200 clients and there is no way I can contact 200 clients in 10 days to sign a form. I don’t understand, with renewal coming why something like this could not wait until the Renewal time. We are only talking about a couple of months here and this would help us bear that cost. You are asking too much. (P.Montgomery)
- This all came as a result of the USDA ME audit two weeks ago and a USDA Finding was in the Sponsor/ Provider Agreement and that there wasn’t anything that stated that the Provider is to notify the Sponsor when Provider will not be home during mealtime. We were told that anytime that the Provider is not going to be home. My question was that a lot of you have a separate policy as far as the Provider notifying the Sponsor. Melissa will be checking back with Chris and Woody on this, but it is in Federal Regulations that this be stated in the Sponsor/Provider Agreement. (K. Barnes)
- What would be the point of the Provider calling if they are out at 3:00 pm if there meal service is at noon? I was given May 30th time limit as the date to implement and was told to do this during my regular visits otherwise, I cannot comply that soon. I just want to make sure? (P. Montgomery)
- Call Sponsor only at meal service. (K. O’Neill)
- Wording in the agreement – Who said so? (C. Reagan)
- Our AG is also looking at our Permanent Agreement to make sure of wording on citizenship and executive order. (K. Barnes)
- If we have to change our agreements do we also address when they are on vacation and when we visit and there are no children there for meal service. (L. Mendoza)
- Add these changes – Write them up or – Come up with a policy to include with your agreements. (K. Barnes)
- Are applications going to bi-annual for Provider/Sponsor – Let us know. (A. Hilton)
- AA Standards are a major change to 1-single piece of paper – It seems that there are more DES and DHS requirements included. (A. Hilton)

- The document is now 3-pages instead one 1-page.
- This will be more costly and will take longer.
- We are not qualified to determine many of these questions.
- Is it okay to 'N/A' these questions?
- I don't feel comfortable answering them for Provider.
- This will put a lot of people off the program.
- AA standards very similar to DES. This looks like it was taken out of Article 52. (K. O'Neill)
 - Who gives you authority to determine?
 - How can AA exist?
 - We cannot certify.
 - This will eliminate half of Providers.
 - You cannot make rules without giving us the 10-Day Comment Period.
- The Advisory Council should be making the rules not someone sitting at a desk. This is dictation – Do we want Providers going back underground and off the program? (P. Montgomery)
- DES and DHS requirements – This is an elimination technique to eliminate AA homes. (K. O'Neill)
- Standards forms on Providers – How long are they good? From August 07 to current, 1-year? (C. Moore)
- How will all this affect existing Providers? (P. Montgomery)
- We will lose Tier II – They will not do it, it will be too much paperwork. (A. Hilton)
- Grandparents – car requirement. There are many providers that I don't want driving. (C. Moore)
- The bottom line: What results are you looking for – To have better Providers or to Eliminate Providers? (C. Reagan)
- What would we have as a State Agency gain by getting Providers off the program? Saying that we are trying to get the Providers off would not benefit us. Elimination tactic – that doesn't make any sense. (K. Barnes)
- There are 6 – 8 major changes. We work with these providers – We all want a 'Smarter provider'. (P. Montgomery)
- This form is a lofty idea – this form is the wrong way of going about it. This is coming in thru the back door and this is backwards. (C. Reagan)
- This form should have been developed thru the Advisory Council – There should be better delivery and to incorporate. This will be worse for us due to our direct contact with Providers. (A. Hilton, K. O'Neill)
- You're taking this all from the Federal Standards. (K. O'Neill)
- High School diplomas – plus. (C. Moore)
- We are all in agreement: We all want quality and we want to see better and smarter providers. (L. Mendoza)
- Elimination tactic – nothing could be further from the truth. I won't accept you saying this as an 'elimination technique' and going about it the wrong way. What would be the purpose of us, as a State Agency, purposely getting providers off the program? What would we have to gain by doing something like this?(K. Barnes)
- ADE is getting more regulatory – the children will suffer. It is difficult enough to get Providers to do what we want in a positive way – Provider will want more reimbursement for

food. This will take more time and life skills and what will happen to the grandma provider. (A. Hilton)

- I did not mean that you did this Kenny – referring to “elimination tactic”. (K. O’Neill)
- We need to be more realistic – the statements are like night and day. (K. Barnes)
- Are you going to provide rules and prototype forms for all the new requirements? We have no money for this. (D. Barrowdale)
 - Permission forms for field trips
 - Immunization forms
 - ID and fingerprint cards
 - Vehicle registration
- Who is going to be the one that tells Providers that they are ‘eligible’ or ‘not eligible’? (D.Barrowdale)
- Do I need an attorney regarding liability or permission slips or basic water rescue training certificates? (C. Reagan)
- Resource and Referral will reimburse for CPR training. (L. Mendoza)
- We have covered a lot of questions on AA Standards – Any additional questions and or clarifications send them directly to Mandy. (K. Barnes)

Closing Remarks:

- Does anyone have any other questions? None were noted.

Meeting concluded at approximately **11:00 a.m.**

Next Advisory Council Meeting: July 29, 2008, 9:00AM–12:00PM in Conference Room 106