

Early Childhood Investment Corporation
August 30, 2005
1:00 – 3:00

Corporate Board Meeting Minutes - DRAFT

Members Present: Ishmael Ahmed, Susan Broman, Stephen Ewing, Pamela Faris, Mike Flanagan, David Hollister, Marvin McKinney, Hubert Price, Lawrence Schweinhart, Jean Stewart, Marianne Udow, Sally Vaughn

Presenters/ Staff: Kristen McDonald-Stone (DHS), Musette Michael (DHS), John Sorbet (DHS), Michael Downer (DHS), Lindy Buch (MDE), and Doug Patterson (DCH)

Meeting was called to order by Marianne Udow at 1:10 p.m.

I. Rules of Order

David Hollister moved that Robert's Rules of Order (revised) be used to govern corporation meetings; seconded by Ishmael Ahmed, was passed.

II. Review & Adopt By-laws

Musette Michael presented the proposed by-laws. The by-laws were developed in accordance with the Interlocal Agreement which formed the Early Childhood Investment Corporation (ECIC) and are subject to change by the Executive Committee at any time with appropriate notice.

Marianne Udow directed the attention of Committee members to the sections on quorum and participation via remote communication devices.

Hubert Price expressed concern about whether the requirements of the Open Meetings Act outlined in the by-laws would allow for the sensitive handling of private information in the hiring process.

Stephen Ewing and David Hollister responded that the Open Meetings Act does allow for closed session in order to deal with legal or otherwise private issues.

Motion by Stephen Ewing to accept proposed by-laws; seconded by David Hollister, was passed.

III. Conflict of Interest Policy

Marianne Udow reviewed the requirement in the Interlocal Agreement for a conflict of interest policy and asked for questions.

David Hollister asked a clarifying question about the signature page that was answered by Musette Michael. Members will have to sign once to certify that they have read the conflict of interest policy, and will have to sign the disclosure statement itself.

Sally Vaughn asked about the issue of representing an Intermediate School District and whether that would impact voting in Executive Committee meetings. Marianne Udow clarified that the duty of members is to disclose potential conflicts and that it would be up

to the Committee to determine voting rights impacted by potential conflicts of interest on a case by case basis.

Motion by David Hollister to accept the proposed Conflict of Interest Policy, seconded by Sally Vaughn, was passed.

IV. Board Procedures

Marianne presented proposed travel reimbursement policy. This policy for reimbursement is intended to cover expenses incurred in the service of ECIC only.

Motion by Pamela Faris to adopt proposed Travel Reimbursement Policy, seconded by Jean Stewart, was passed.

Marianne Udow presented the proposed meeting schedule. Hubert Price suggested rotating the location of meetings.

Motion by Ishmael Ahmed to adopt proposed schedule of meetings, seconded by David Hollister and Pamela Faris, was passed.

V. Review ECIC budget

John Sorbet from DHS presented the illustrative ECIC budget developed on behalf of the Executive Committee by DHS staff. Lawrence Schweinhart pointed out that the budget reflects a deficit of revenues after expenses. John Sorbet and Marianne Udow highlighted the need for significant fund development as part of the Committee's work.

John Sorbet explained finance-related aspects of ECIC including the dual nature of the ECIC's structure. The public "side" of ECIC is subject to requirements that are tied to public funds and DHS-controlled funds that are set to move to ECIC are subject to the legislative appropriations process. John Sorbet pointed out that at this time there is no spending authority for the coming fiscal year as the legislature has yet to pass a final appropriations bill.

Steve Ewing asked about how ECIC would manage accounting functions and banking. John Sorbet answered that the ECIC would have to arrange for its own financial manager, either by hiring a staff person or contracting with a service provider.

Steve Ewing asked about the cost of benefits packages. John Sorbet answered that the projected costs of benefits similar to those of state employees were figured into the illustrative ECIC budget. Pamela Faris asked about the feasibility of joining with ISDs to get better benefit packages. Marianne Udow responded that it has not been determined which group ECIC staff might join but that Michael Downer, Human Resources Director at DHS, was reviewing options. Michael Downer added that a proposal was underway to replicate the strategy used by the Michigan Economic Development Corporation.

Marvin McKinney asked whether a private sector analysis was done to determine the salary ranges of jobs in the illustrative budget. John Sorbet responded that only civil service comparisons were made. Stephen Ewing stated that the budget should reflect market rates. Marianne Udow added that while market alignment is important, alignment with civil service is also important because of the dual nature of ECIC's structure.

Marianne Udow directed the Committee's attention to the amount of money targeted for grants to local communities and reiterated the importance of fund development to the success of these grant programs. Kristen McDonald-Stone outlined the goals of the Great Start Collaborative Grants. The grants will be made to 5-7 ISDs in the first year for planning and infrastructure development. There will also be 2-3 smaller grants made to communities that nearly meet readiness requirements in order to assist them in becoming a Great Start Collaborative. The goal is to include every ISD by 2010.

Marvin McKinney addressed the need to include State funding in order to meet the goals of ECIC. Marianne Udow added that the ECIC would start with a blend of federal and private funding sources, and eventually leverage local and State funding. She shared the example of North Carolina and the Smart Start initiative that started with state funding and was then able to garner private support; highlighting the fact that the ECIC will have to blend various types of funding in order to reach its goals. She reminded the Committee that the ECIC would have just enough money to get started and highlighted the importance of fund development. Marvin McKinney addressed the critical role of the CEO in developing funding.

Stephen Ewing suggested that the Committee consider setting aside unrestricted funds for the purpose of evaluation. Lawrence Schweinhart agreed that funding for evaluation from the beginning would be essential. Lindy Buch presented preliminary information from the Children's Action Network Evaluation Subcommittee. She addressed the central importance of conducting a statewide sample of children to assess developmental status at kindergarten entry. Other evaluation components would be included as part of performance standards for the Great Start collaboratives. Marvin McKinney highlighted the importance of focusing on child and family outcomes as part of any evaluation. Lindy Buch added that evaluation of how state-level agencies manage to coordinate programs is also essential.

Ishmael Ahmed highlighted the need to be thoughtful about defining community and community collaboration in broader context than only in relation to ISDs. Mike Flanagan discussed the importance of identifying options for future ISD investment and the central role of local people in recognizing the value of investments in early childhood development.

Lawrence Schweinhart reminded the Committee that the purpose of local partnerships is not to directly fund programs but to develop collaborative infrastructure.

Stephen Ewing expressed concern about the availability of funds for public messaging. Kristen McDonald-Stone and Marianne Udow discussed integrating ECIC goals with other public messaging projects such as Born Learning, which does have funding of approximately \$6M. Hubert Price highlighted the importance of local communities in messaging efforts and the importance of ensuring that Michigan is selected for additional funding opportunities. Kristen McDonald-Stone discussed the importance of coordinating messages across communities.

Hubert Price asked for clarification regarding the ECIC goal to partner with all ISDs in order to develop a comprehensive system for all children. Marianne Udow reiterated that the goal of ECIC is to reach all children.

VI. DHS / ECIC Establishment Grant

Musette Michael presented an overview of the grant agreement between DHS and ECIC which provides the mechanism for DHS to transfer authority over portions of the Child Care Development Fund to the ECIC.

Motion by Mike Flanagan to accept the DHS/ ECIC Establishment Grant, seconded by Hubert Price and Pamela Faris, was passed.

VII. CEO search process

Michael Downer presented the process for generating and selecting bids for search firms to conduct a CEO search. Marvin McKinney reminded the Committee of the importance of selecting a firm with a track record for reaching communities of color. Stephen Ewing pointed out that sometimes the best candidate is a local person. Pamela Faris also suggested that the search remain national but that the selection process should start with people from Michigan. Stephen Ewing brought up concerns about the Open Meetings Act in relation to selecting candidates who may not want their candidacy public. David Hollister assured the Committee that, as one of the sponsors of the Open Meetings Act, he was certain that privacy could be assured up to the identification of three finalists. Hubert Price disclosed that he was a partner with Harvey Hohausser & Associates, one of the search firms up for consideration, and so would not vote on the selection of a firm.

Motion by Pamela Faris to accept the bid from Harvey Hohausser & Associates based on their being the only firm from Michigan was seconded by David Hollister. Additional discussion took place in which Ishmael Ahmed stated that it was important to be flexible regarding salary in order to attract the best candidates. Lawrence Schweinhart added that the best predictor of future performance is past performance and that ECIC might consider similar experience outside the realm of early childhood that required similar skills. Marianne Udow asked Pamela Faris to amend her motion to recommend that the search not be limited to Michigan but the process would include a preference for a Michigan candidate. Pamela Faris agreed to the amendment. The motion was passed, with one abstention.

VIII. Executive Committee Officers, Committees

Marianne Udow presented a slate of officers and suggested committee structure to the Executive Committee. Every committee chairperson must be a member of the Executive Committee but can invite others to serve on the committee. Every Executive Committee member was asked to serve on at least one other committee. Marianne reminded the group that the only committee required by the Interlocal Agreement is the Audit Committee; all other committees would serve at the pleasure of the Executive Committee.

Motion by David Hollister to approve the slate of officers and structure of ECIC committees, seconded by Ishmael Ahmed, was passed.

Officers of the ECIC:

Chair, Marvin McKinney
Vice Chair, Marianne Udow
Treasurer, Susan Broman
Secretary, Sally Vaughn

Committees and Chairs:

Finance Committee, Susan Broman

Policy & Program Committee, Lawrence Schweinhart

CEO Search Committee, Hubert Price

Audit Committee, Robert Kelch

Fund Development Committee, Deborah Dingell

IX. Public Comment

There was no public comment.

Motion to adjourn by Susan Broman, seconded by Sally Vaughn, was passed. Meeting was adjourned at 3:00 p.m.