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MARION & POLK EARLY LEARNING HUB

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Board of Directors Meeting

Thursday, April 1, 2021 |3:00-5:00 PM

Virtually via Zoom

Meeting ID- 829 9456 9360 **Password-** 818454

Action	Time	Topic	Page #
	3:00	**Welcome and Introductions** • Review agenda for real or potential conflicts of interest – All • Establish any conflicts of interest	
		Public Comment Period • Comments should be limited to three (3) minutes • Please provide copy of written materials to the Executive Director, if available	
Action	**3:05**	**Consent Agenda** *Staff Recommendation: Approve* 1. March 2021 Board of Directors Meeting Minutes 2. March 2021 Executive Committee Notes 3. March 2021 Collective Action Team Notes 4. March 2021 Parent/Caregiver Advisory Committee Notes 5. Executive Director report	3-11
Action	**3:10**	**Financial Report –** David Rheinholdt • Approve February 2021 Financial Reports • Audit Report- Governance Letter • Reserves Policy update	12-33
Inform	**3:30**	**Legislative Update** • SB 5513 update (letters of testimony attached) • HB 3073 update	34-42
Inform	**3:45**	**Executive Director Report** • OPEC visit • Interviews for Coordinated Enrollment & Family Support Associate • Dare to Lead • Mary 15 and Sep 24 training with Dr Kristi Pretti-Frontczak and Dr Jule Causton • Family Connect update, Community Advisory Board • Coordinated Enrollment	
Inform	**4:15**	**Program Spotlight:** iRespect&iProtect – Kelley Parosa, Liberty House	
Next Meeting Date		Thursday, May 6, 2021 at 3:00-5:00pm- Virtual via Zoom	

Meetings of Interest

MPELH Parent/Caregiver Advisory Committee

Dates	Time	Location
2nd Wednesday of Every Month* *Hiatus during summer months (July and August)	6:00 pm to 7:00 pm	Virtual

Regional Implementation Team

Date	Time	Location
3rd Wednesday of Every Month	2:00-3:30pm	Virtual

Collective Action Team

Date	Time	Location
Recurring 3rd Thursday of month	9:00 am to 11:00 am	Virtual

April 2021 Consent Agenda – Action Item

Staff Recommendation: Approve

1. March 2021 Board of Directors Meeting Minutes
2. March 2021 Executive Committee Notes
3. March 2021 Collective Action Team Notes
4. March 2021 Parent/Caregiver Advisory Committee Notes
5. Executive Director Report

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Board of Directors Meeting Minutes

Thursday, March 4, 2021|3:00-5:00 PM

X	Angie Blackwell, Confederated Tribes of Grand Ronde	X	Phil Blea, Marion County Children's Behavioral Health		Kerry Blum, Polk County Children's Behavioral Health	X	Donalda Dodson, Oregon Child Development Coalition
X	Levi Herrera-Lopez, Mano a Mano	X	Andy Gardner, North Santiam School District		Stacy Lake, DHS Child Welfare	X	Dave Novotney, Willamette Education Service District
X	Kim Parker-Lleranas, Willamette Workforce Partners		Christy Perry, Salem-Keizer Public Schools	X	David Rheinholdt, Rheinholdt Insurance		Jimmy Jones, Mid-Willamette Valley Community Action
X	Jim Seymour, Community Member		Carina Ventura, Parent/Caregiver Advisory Committee				
MPELH Staff							
X	Lisa Harnisch, Executive Director		Margie Lowe, Performance & Fiscal Officer		Veronica Mendoza, Family Engagement Coordinator	X	Tiffany Miller, Communications Specialist & Parent Education Associate
	Skye Hibbard, Coordinated Enrollment Specialist & Care Connect Coordinator		Kiara Yoder, Screening & Care Systems Coordinator				

Guests: Stephanie Whetzel, Rebeca McDermitt and Samantha Miley Salem-Keizer School District. Jay Hernandez, Willamette Education Service District

Action Summary

- Consent Agenda;
- January 2020 Financial Reports;
- Revised January-June 2021 Budget

Topic

Welcome and Introductions

Board members introduced themselves.

Conflict of Interest

No conflicts of interest were declared.

Consent Agenda

The March consent agenda was included in the Board packet.

Donalda Dodson moved to approve the consent agenda as presented. Dave Novotney seconded. Motion passed.

Financial Report

January 2021 financial reports included revenues of $208,249. Funds from the Oregon Department of Education Electronic Grants Management System (EGAMS) are recorded as receivables this month for grants MPELH awaits receipt of funds. January 2021 total expenses were $204,083 including salary and benefit expenditures, payments to Preschool Promise subcontracted providers for the first months of service, purchase of Ready! for Kindergarten kits,

and cost for audit preparation. The Preschool Promise expenditures year to date is over 100% as the initial budget approved did not include the grant from the Early Learning Division. Board members noted the typo under the Balance Sheet that says November 2020 instead of January 2021. Staff will make that change.

Angie Blackwell moved to approved the January 2021 Financial Reports with the typo corrected. Andy Gardner seconded. Motion passed.

Budget

Lisa presented the Proposed Revised 2020-2021 Funding Plan that includes grant funds for the following programs:

- **Preschool Promise funding for preschool slots**
- **Preschool Promise Coordinated Enrollment**
- **Family Connects community coordination**
- **Integrated Care for Kids community mapping and planning**
- **Student Success Act and Department of Human Services Parent Education grants**

Lisa walked through the summary of the current year budgets of the various funding streams and proposed budget. Some highlights

- **The reserve requirement goes up to $710,000 with the additions of the Preschool Promise grants.**
- **Coordination includes the Paycheck Protection Program loan that covered some of Lisa and Margie Lowe's staff time.**
- **Next year budget there will be a decline in school readiness and coordination funds.**
- **Marion Oregon Parenting Education includes the Department of Human Services DHS partnership to do parent education for tweens/teens. Also included is the Student Success Act dollars that need to be expended by June 30, 2021.**
- **Preschool Promise grant is a provider contract that include services and quality improvement columns. The Hub used coordination funds to support additional children in the subcontracted programs.**
- **Coordinated Enrollment includes staffing and outreach support for Preschool Promise and other programs across the board. Still trying to fill open spots. Looking at technology options for providers as well a data system to support the enrollment.**
- **Family Connects/Integrated Care for Kids there is additional support to the community. Convening to look at how to support the community. Kiara Yoder's staff time is supported. These are being monitored as one-year grants. Monitoring how these one-year grants.**
- **Care Connect there are no staffing costs associated with it. Been able to free up some dollars to still have behavioral coaches that are available to support child care providers.**

Kim Parker-Lleranas moved to approve the modified 2021 budget. Phil Blea seconded. Motion passed.

The Executive Committee discussed if the carryover balance should be budgeted out. This begets the question if the held reserves are what we want it to be; and if additional funding should be put into programming. There was a brief discussion on the unknowns with the upcoming reductions from the ELD. Executive Committee members were supportive of thinking about additional, long-range initiatives and having a mental health focus. Members underscored the need to apply the equity lens where there are limited resources on maternal health supports in the community. A portion of the March Executive Committee will discuss next steps with the reserves.

Board Training Plan for 2021

The Board recently adopted a model around policy governance that includes board training needs. Chair Seymour proposed a 10 principle policy framework that would break policies into brief modules of 10 minutes here and there instead of a full meeting focus. This would help the board fulfill the obligation for board training. Jim will get all modules out into the Executive Committee and how to make it more relevant to the Hub then will test as a full Board.

Executive Director Report

- **Statement of work update –** The Early Learning Division held feedback sessions on the Early Learning Hub's Statement of Work (SOW). The SOW is not more streamlined, does not include the children's comprehensive budget work, and the deliverables take some consideration of what Hubs may already have (like Strategic Plans). Very closely related to the Theory of Change and the Child Care Resource & Referrals.
- **Next biennium Budget/funding –** To assist in offsetting statewide anticipated reduction in Coordination, the Division will allocate the "School Readiness" funding to Coordination. With the new SOW requirements and funding formula statewide, MPELH will see a reduction in approximately $300,000.
- **Preschool Promise Data system procurement** – Talked with, demoed and received proposals from four companies. Two are in the lead that will meet our criteria for administration. Working with Parent Advisory Committee to test the parent facing processes.
- **Oregon Parenting Education Collaborative site visit** – Funders virtually meeting with the community on March 19. Lisa was invited to participate in the Mid-Valley Parenting visit in early March.
- **Legislative update**
    - HB 3073 continues to move forward. This would create the Early Learning Division as its own agency (name is still in question in reaction to Early Learning Alliance), move Employment-Related Daycare from the Oregon Department of Human Services and aligns with Early Intervention and Special Education. Several workgroups are being formed.
    - On Wednesday, March 3 the Joint Ways & Means Subcommittee on Education started informational hearings on SB 5513, the Department of Education Grant in Aid budget. Deputy Superintendent Colt Gill started providing an overview of entire agency budget, including the Early Learning Division, Department of Education, and Youth Development Division. These hearings are scheduled to continue on next week.
    - Two bills moving forward on suspension and expulsion. Will likely be combined into one bill through amendment processes. Focus on centralized supports such as a warm line, professional development. Intention is to have common definition on what is it and what it isn't.
- **Community Business Education Leaders** – officially adopted Kindergarten readiness as an outcome. Fostering Hope Executive Council is also looking at outcomes to track and kindergarten readiness is being proposed.
- **Staffing changes/hiring** – Hiring for Coordinated Enrollment and Family Support Associate. Hope to have this person on board by end of March/first of April. Tiffany is officially the Kindergarten Partnership & Innovation Coordinator for the Canyon area.

Program Spotlight: Kindergarten Partnership & Innovation

Jay Hernandez from Willamette Education Service District; Samantha Miley and Rebeca McDermitt from Salem-Keizer School District, and Tiffany Miller from MPELH presented highlights of the KPI programming in the Canyon, Migrant Education, and Salem Keizer Public Schools.

Next Board Meeting: Thursday, April 1 4, 2021 at 3:00-5:00pm- virtual via Zoom.

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MPELH Executive Committee Meeting Notes

Wednesday, March 17, 2021 |8:00 – 9:00am

Jim Seymour, Phil Blea, David Rhienholdt, Donalda Dodson, Margie Lowe, Lisa Harnisch, Larry Grant, and Teresa Rawlins

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Topic
Welcome

Audit Presentation- Grove Mueller Swank
 	
Teresa Rawlins and Larry Grant representatives from Grove Mueller Swank presented the preliminary audit report ending fiscal year ending June 30, 2020. Teresa walked through the changes in accounting principles:
• **No big issues identified in the financial statements.**
• **Revenue was down a little bit but so was the expenses. Loss of net income but a positive income altogether.**
• **General Accounting Principle presentation includes:**
  ○ **One new pronouncement about revenue recognition. Revenue from contracts with customers. Did not have an effect on previous net asset number. Did not affect the financial statements.**
  ○ **Liquidity and availability added. Revenues from contracts with customers.**
  ○ **Subsequent events are things that happened at the end of the fiscal year and still had an impact. For example, how did COVID impact the organization and the Paycheck Protection Program loan.**
 	
Donalda moved to approve the audit ending June 30, 2020. Phil Blea seconded. Motion passed.
 	
In lieu of auditor's attendance at the next board meeting, Treasurer David Rheinholdt will present the Governance letter at the April Board of Directors Meeting.
 	
The Executive Committee recommends to start the next year audit earlier. Review the governance policy around executive limitations to conducting an audit. Lisa will work with Grover Mueller Swank to schedule for the Fall 2021.

Financial Reports January 2021 financial reports included revenues of $159,618. Funds from the Oregon Department of Education Electronic Grants Management System (EGAMS) are recorded as receivables this month for grants MPELH awaits receipt of funds. February 2021 total expenses were $119,533 in addition to employee salary and benefits expenditures, this includes payments to Preschool Promise subcontract providers for the current service month, Ready for Kindergarten kits for the Kindergarten Partnership and Innovation school districts and outreach expenditures for several programs. *Donalda Dodson moved to approved the February 2021 Financial Reports. David Rheinholdt seconded. Motion passed.* The Executive Committee will have further conversations about the large number of reserves. Due to the state revised funding formula, along with the potential legislative reduction in funding, MEPLH will lose approximately $300,000 dollars in the next biennium.

Exec recommended thoroughly thinking through the spend down of reserves needs to be project related. In the strategic plan review process, weaknesses, external threats or opportunities could be captured through projects. Another option to think through is what have been some barriers for programs that the reserves could be used, how can we make things more equitable and targeted to populations that are not always represented. A stakeholder meeting will be planned around developing a policy for reserves use.

Lisa, Jim and David will draft an initial framework for feedback from the Executive Committee.

Governance Policy Reports

The Executive Committee reviewed aspects of the Governance Policies. The following sections were reviewed and discussed:

- **Board Management Delegation**
    - Unity of Control
    - Delegation to the Executive Director
    - Accountability of the Executive Director
    - Clear role of the ED and staff.
    - Monitoring Executive Director Performance- *Chair Seymour will take the responsibility to ensure the Executive Director performance revenue is conducted this Spring.*
    - Global Board Management Delegation

Phil Blea moved to accept the report on Governance Process. Donalda seconded. Motion passed.

April 1- Board Meeting – Virtual via Zoom

- Executive Director report
- Consent agenda
- Financial Report
- Audit Report
- iRespect & iProtect presentation

Collective Action Team (CAT) Meeting Notes

Thursday, Mar. 18, 2021 - 9:00-11:00 a.m.

Marlene Arellano, Kiara Yoder, Skye Hibbard Swanson, Tiffany Miller, Veronica Mendoza, Jessica Marie, Claudia Caratachea, Alyssa Gaiser, Viri Pozos, Kelley Parosa, Holly Dalton, Chelle Bettis, Michael Finlay, Angie Carroll, Nelva Ojeda, Patty Vega, Crystal Deffenbaugh, Kyle Miller, Rebeca McDermitt, Stephanie Whetzel, and Lisa Harnisch

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Topic
Child Abuse Prevention Month and Liberty House Kelley Parosa and Crystal Deffenbaugh representatives from Liberty House presented on Child Abuse Prevention Month and Liberty House services. April is Child Abuse Prevention month. In Marion County there were 1238 confirmed cases of child abuse in Marion County in 2019. (DHS 2020). In Oregon there were 13,674 confirmed cases of child abuse in 2019. (DHS 2020). 42% of those child victims were 5 years old or younger. (DHS 2020). The Cost of Child Abuse the total lifetime estimated financial costs associated with just one year of confirmed cases of child maltreatment (physical abuse, sexual abuse, psychological abuse and neglect) is approximately $124 billion. (Centers for Disease Control and Prevention, published In Child Abuse and Neglect, The International Journal). Further 90% of children who are victims of sexual abuse know and trust their abusers. (D2L.com). The Marion County Child Abuse Prevention committee brainstormed a new campaign due to COVID-19. The Paint the Town Blue Campaign includes: • Posters to hang in businesses; • Car Parade on April 2nd; • Zoom backgrounds; • I Will Signs; • Social Media campaign.
Partner announcements & updates • Becoming a Super Dad was awarded a mini grant application. Four workshops will be starting in April. • Salem-Keizer is hosting its final Ready! for Kindergarten for 4-5 years old. • Oregon Family Support Network has peer support opportunities for the community to assist with referrals. • Community Action Head Start is starting back up with their in-person programs after spring break. • Family Building Blocks is able to offer free supports to families such as formula and diapers. Call Marlene Arellano at 971-301-1003 for more information.
Early Learning Division Theory of Change Lisa Harnisch introduced the Early Learning Division's Theory of Change. Community partners should all see themselves in this as influencers of system change. Raise Up Oregon will be tied into the Theory of Change. The Hub is under a Strategic Planning process that will include the Theory of Change. Future Collective Action Teams will have discussions on how partner agencies and organizations are influencing the Theory of Change.
Next meeting: April. 15, 9:00-11:00 a.m.

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Parent/Caregiver Advisory Committee

Wednesday, March 10, 2021 |6:00-7:00pm

Carina Ventura, Becca Blessing, Lindsay McElroy, Teresa Urban, Autumn David, Sharon Anderson, Tiffany Miller, Veronica Mendoza and Skye Hibbard-Swanson

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Topic
Review of Laserfische & SchoolMint Data Systems Skye introduced the entire process of Coordinated Enrollment for Preschool Promise and the reason why the Hub needs a data system. The parents were sent application links to practice signing up their children. A conversation was held on the questions. • SchoolMint is clear and easy to navigate. Gives reminders to finish the application • Need more information on what the purpose and reasoning for the early childhood program • Laserfische was also simple and had less questions to answer • Reassure parents on the confidentiality purpose • Overwhelming with all the school programs listed • SchoolMint was nice for having a parent portal • Auto complete feature on Laserfische is a nice addition
Introduction of draft Valor Mentoring website tutorial Tiffany shared the rough draft version of the website tutorial for the Preschool Promise page. Parents provided the following feedback: • Was quick and helpful to see the instructions • Font was hard to read. Boxing out the contents or bubbles. The translucent colors change to a navy. • Show in the Spanish video how to change the web page to Spanish • Create a phone version of the website instructions.
Next Meeting: April 14, 2021. 6:00-7:00pm via Zoom

Marion & Polk Early Learning Hub – Executive Director Report

April 2021 – representing the work for March 2021

Preschool Promise & Coordinated Enrollment	• Continued work on the Coordinated Enrollment process. Enrollment overall programs is approximately 80%. This is in large part due to the pandemic. • After our research on a PSP data system to manage Coordinated Enrollment, we have selected School Mint. Two programs were shared with our Parent Advisory Committee for their input on the final selection. We now have a signed contract and are beginning the installation process. • Final interviews for the Coordinated Enrollment and Family Support Associate are being held this week. • The ELD continues to develop and refine reporting for Coordinated Enrollment, as well as refine the application materials for 2021. • We continue to balance the needs of children and families with the available providers. There have been some unique situations and circumstances.
Parent Education and Parent Supports	• Our site visit with the OPEC funders occurred this month. We had approximately 20 community partners as a part of this visit sharing the impact of parent education in our community. The visit was a success. • Parent Education funding as part of the Student Success Act will be coming to us via Oregon State University. Contracts with OSU should be in the next few weeks, and funds to us by 6/30/2021. We will be able to utilize funds past 6/30.
Kindergarten Partnership & Innovation	• Additional funding to support summer kindergarten transition programs will likely be coming to the Hub. This is part of a package being considered at the legislature. This will support a variety of summer activities pre-K through high school. For early learning, in addition to the KPI funding, funding to support child care wrap around supports in schools, greater access to ERDC, and preschool, like Oregon Pre-Kindergarten and Preschool Promise. •
Family Connects	• The Community Advisory Board will be convened in March 31. This is the initial meeting and we will primarily focus on getting input on materials for the community regarding the start of the program. • We are working on establishing Business Associate Agreements with entities, including Family Building Blocks and Marion County. • Work continues to happen with Marion County Public Health on the rate setting with private insurers.

Financials & Audit Action Item

Staff Recommendation: Approve

1. February 2021 Financial Report
2. Audit Report: FY ending June 30, 2020

Summary of Financial Results Period Ending: February 2021

Revenue:

February 2021 included revenues of $159,618. Funds from the Oregon Department of Education Electronic Grants Management System (EGAMS) are recorded as receivables this month for Hub Coordination and other grants as MPELH awaits receipt of the funds.

Expenses:

Total expenses for February 2021 were $119,533. In addition to employee salary and benefits expenditures, this includes payments to Preschool Promise subcontract providers for the current service month, Ready for Kindergarten kits for the Kindergarten Partnership and Innovation school districts and outreach expenditures for several programs.

Balance Sheet

As of February 28, 2021, MPELH has assets of $3,699,158 and current liabilities of $301,263. The expenditure requirements of the loan of $124,500 from the Small Business Administration Paycheck Protection Program (PPP) have been met; the loan is convertible to a grant once the proceeds are used to maintain the previous year's staffing level. MPELH staff await instructions from Key Bank to document our actions.

The state required reserve of approximately $710,000 is met with a portion of the Unrestricted Net Assets. MPELH's contract with the State Early Learning Division requires the Hub to maintain a six-month operating reserve. MPELH calculates the reserve estimate based on six months' of staff salaries and benefits and three months' of phase-out operations for subcontractors. All subcontracts contain a dis-appropriation clause allowing rapid discontinuation.

Changing Grants and Contracts

- The Early Learning Division proposed reduction of Hub Coordination funds by $143,888 was restored through the Governor's line item veto along with other early childhood program reductions.
- New grant agreements the Oregon Health Authority and the Oregon Pediatric Improvement Partnership to support the development of the Family Connects newborn visitation program and coordinated community engagement are getting underway.
- OPEC Marion County Parent Education Program (Decreasing from $75,000 to $67,500) and funding from the Student Success Act will be approximately $40,000 for Marion County parent education. Polk and Yamhill will receive a similar amount through their parenting hub.

- In the second year of the 2019-21 biennium, Preschool Promise funds for all programs are being directly contracted by the state to most area providers; MPELH has been awarded $216,000 for 18 Preschool Promise placements and will subcontract with four in-home providers to deliver these services for children.
- The Preschool Promise Coordinated Enrollment agreement has been awarded at an initial $30,500, although the Early Learning Division has revised the agreement to $233,500.
- The Oregon Community Foundation has awarded MPELH $50,000 to provide support to Latino early care and learning providers during the pandemic.

Match Requirements

- Oregon Hub Coordination Funds 25% Match ($160,741 non-state funds). This match has been met in the past year through WVP In Kind, WVCH and BCN grants, and OPEC grant totaling $590,590. Recent meetings with the Early Learning Division have resulted in approval to include the added value of the Preschool Promise program to the other students in the providers' classrooms in mixed delivery sites as a matching funds source; 131 children benefited from these improved services that are not identified as Preschool Promise eligible. This source of program match will include 37 children beginning in July 2020 as the state directly contracts for for most of these services.
- Oregon Family Support Funds 25% Match ($68,471 non-state funds). This match has been met by funds (approximately $65,000) provided through local partners as a part of the Emergent Family Support Program and surplus match from the WVCH grants mentioned above; the match in the current fiscal year will include the resources identified by local partners in the Emergent Family Support Program and the Oregon Community Foundation grant for Latina child care providers.
- OPEC Grant Match ($18,750). This match has been met by the Hub Coordination and KPI funds provided by the Early Learning Division and the WVCH Parent Education grant; in the coming year, Hub Coordination and KPI funds will meet this requirement.

State Administrative Expenditure Limit

- Family Support Funds -- 10%
- Preschool Promise – Funds included in the Preschool Promise Coordination Account
- All Other State Grants – 15%

Early Learning Hub, Inc.
Statement of Position (Balance Sheet)
February 28, 2021

ASSETS

Current Assets			
Petty Cash	$	300	
Cash in Bank-Operating		2,874,674	
Prepaid Expense		8,856	
8500 Grant Receivable		15,000	
Accounts Receivable		798,640	
Total Current Assets			3,697,470
Fixed Assets		1,688	
Total Assets			**$ 3,699,158**

LIABILITIES AND NET ASSETS

Current Liabilities			
Accounts Payable	$	123,553	
Credit Card Payable		7,382	
Accrued Wages/Benefits		45,828	
Unearned Revenue		0	
Covid Loan		124,500	
Total Current Liabilities			301,263
Total Liabilities			301,263
Net Assets			
State Required Reserve		710,000	
Unrestricted		2,075,542	
OPEC Marion Region		235,777	
Preschool Promise		42,940	
Other State and Local Grants		333,636	
Total Net Assets			3,397,895
Total Net Assets & Libilities			3,699,158
Total Liabilities and Capital			**$ 3,699,158**

Early Learning Hub, Inc.
Statement of Activities
Year-to-Date for the Period ending February 28, 2021

	Month Actual	YTD Actual	Annual Budget	YTD Budget %
Revenues				
Hub Coordination	46,118	376,384	518,456	73%
Parenting Education	65,000	132,500	272,500	49%
Preschool Promise Funds	48,500	344,886	596,500	58%
School Readiness/KPI	0	374,743	866,769	43%
Other Grants & Contracts	0	112,994	397,180	28%
PPP Accrual	0	124,500	124,500	100%
Total Revenues	159,618	1,466,007	2,775,905	53%
Expenses				
Salaries and Benefits	45,567	415,052	703,741	59%
Professional Development	0	150	8,079	2%
Supplies/Materials/Equipment	2,804	17,796	18,676	95%
Subcontracts and Local Grants	39,573	491,747	1,005,587	49%
Family Support/Aid	0	35,744	181,550	20%
Parent Education Series	9,854	31,431	124,634	25%
Parent Support Activities	0	7,701	23,109	33%
Special Proj/Collaborations	0	6,063	54,000	11%
Facilitator Support/Training	0	688	15,238	5%
Training & Curriculum	3,791	139,660	240,881	58%
Travel/Trans/Meetings	0	338	15,220	2%
Facilities	4,841	24,204	59,961	40%
Parent Advisory Committee	517	2,721	15,290	18%
Communicatons/Outreach	11,612	65,895	109,885	60%
Administrative Costs	974	31,840	58,780	54%
Total Expenses	119,533	1,271,030	2,634,631	48%
Net Income (Loss)	**40,085**	**194,977**	**141,274**	

The Board Approved budget anticipates a draw down of a portion of the Restricted Balances, causing a negative net income in the overall budget.

	YTD Actual	Annual Budget	YTD Budget %
Expenditures by Program			
Hub Coordination	205,919	352,480	58%
KPI/School Readiness	374,743	866,769	43%
Parent Education Grants	106,660	273,000	39%
Preschool Promise	301,946	596,500	51%
BCN Care Connect Contract	4,433	0	0%
Family Support	152,829	421,382	36%
PPP Expenses	124,500	124,500	100%
Total Expenses	**1,271,030**	**2,634,631**	**48%**

GROVE, MUELLER & SWANK, P.C.
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March 3, 2021

Board of Directors and Management
Marion & Polk Early Learning Hub Inc.
P.O. Box 12366
Salem, Oregon 97309-0366

We have audited the financial statements of Marion & Polk Early Learning Hub Inc.(the "Organization") as of and for the year ended June 30, 2020, and have issued our report thereon dated March 3, 2021. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated January 8, 2021, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of Marion & Polk Early Learning Hub Inc. solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Organization's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Marion & Polk Early Learning Hub Inc. is included in the notes to the financial statements. As described in the notes to the financial statements, during the year the Organization changed its method of accounting for revenue recognition by adopting FASB Accounting Standards Codification (ASC) Topic 606, Revenue from Contracts with Customers. There was no effect on net assets resulting from this change. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. The Organization has no significant sensitive accounting estimates.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The Organization has no significant sensitive financial statement disclosures.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The one material misstatement noted as a result of our audit procedures and corrected by management was the improper recognition in the current year of $69,500 of fiscal year 2021 grant funds that were received before year-end.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to Marion & Polk Early Learning Hub Inc.'s financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated March 3, 2021.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings or Issues

In the normal course of our professional association with Marion & Polk Early Learning Hub Inc., we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating conditions affecting the Organization, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Marion & Polk Early Learning Hub Inc.'s auditors.

This report is intended solely for the information and use of the board of directors and management of Marion & Polk Early Learning Hub Inc. and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

CERTIFIED PUBLIC ACCOUNTANTS

March 3, 2021

Grove, Mueller & Swank P.C.
475 Cottage Street NE, Suite 200
Salem, OR 97301

This representation letter is provided in connection with your audit of the financial statements of Marion & Polk Early Learning Hub Inc., which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of March 3, 2021:

Financial Statements

1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated January 8, 2021, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
2) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4) Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
5) Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
6) All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
7) We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the Organization's accounts.
8) The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.

9) We have complied with all contractual agreements, grants, and donor restrictions.

10) We have maintained an appropriate composition of assets in amounts needed to comply with all donor restrictions.

11) We have accurately presented the Organization's position regarding taxation and tax-exempt status.

12) The bases used for allocation of functional expenses are reasonable and appropriate.

13) We have included in the financial statements all assets and liabilities under the Organization's control.

14) We have designed, implemented, and maintained adequate internal controls over the receipt and recording of contributions.

15) Reclassifications between net asset classes are proper.

16) With respect to your assistance with the calculation of depreciation based on information provided by us, the preparation of the financial statements and related notes, and information return preparation, we have performed the following:

    a) Made all management decisions and performed all management functions;

    b) Assigned a competent individual to oversee the services;

    c) Evaluated the adequacy of the services performed;

    d) Evaluated and accepted responsibility for the result of the service performed; and

    e) Established and maintained internal controls, including monitoring ongoing activities.

Information Provided

17) We have provided you with:

    a) Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters;

    b) Additional information that you have requested from us for the purpose of the audit; and

    c) Unrestricted access to persons within the Organization from whom you determined it necessary to obtain audit evidence.

18) All transactions have been recorded in the accounting records and are reflected in the financial statements.

19) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

20) We have no knowledge of any fraud or suspected fraud that affects the Organization and involves:

    a) Management;

    b) Employees who have significant roles in internal control; or

    c) Others when the fraud could have a material effect on the financial statements.

21) We have no knowledge of any allegations of fraud, or suspected fraud, affecting the Organization's financial statements communicated by employees, former employees, analysts, regulators, or others.

22) We have no knowledge of any noncompliance or suspected noncompliance with laws, regulations, contracts, and grant agreements whose effects should be considered when preparing financial statements.

23) We are not aware of any pending or threatened litigation, claims, or assessments whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation, claims, or assessments.

24) We have disclosed to you the identity of the Organization's related parties and all the related party relationships and transactions of which we are aware.

25) Marion & Polk Early Learning Hub Inc. is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Organization's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up to date.

Signature:

Title: Executive Director _____

MARION & POLK
EARLY LEARNING HUB INC.
FINANCIAL STATEMENTS
Year Ended June 30, 2020 and 2019

GROVE, MUELLER & SWANK, P.C.
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
www.gmscpa.com
(503) 581-7788 • FAX (503) 581-0152
475 Cottage Street NE, Suite 200 • Salem, Oregon 97301-3814

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Marion & Polk Early Learning Hub Inc.
P.O. Box 12366
Salem, Oregon 97309-0366

Report on the Financial Statements

We have audited the accompanying financial statements of Marion & Polk Early Learning Hub Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Marion & Polk Early Learning Hub Inc. as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

CERTIFIED PUBLIC ACCOUNTANTS
March 3, 2021

MARION & POLK EARLY LEARNING HUB INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019

	2020	2019
ASSETS		
Cash and cash equivalents	$ 2,756,470	$ 1,964,374
Grant and contract receivables	1,009,385	1,340,666
Prepaid expenses	9,090	4,901
Furniture and equipment, net	1,688	2,110
Total Assets	$ 3,776,633	$ 3,312,051
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	$ 548,327	$ 482,257
Accrued wages and taxes	11,905	15,298
Accrued vacation	30,254	27,366
Other accrued liabilities	-	612
Unearned revenue	69,500	77,400
Total Liabilities	659,986	602,933
Net Assets		
Without donor restrictions	2,832,515	2,425,746
With donor restrictions, purpose restrictions	284,132	283,372
Total Net Assets	3,116,647	2,709,118
Total Liabilities and Net Assets	$ 3,776,633	$ 3,312,051

The accompanying notes are an integral part of the financial statements.

MARION & POLK EARLY LEARNING HUB INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2020 AND 2019

	2020		
	Without Donor Restrictions	***With Donor Restrictions***	***Total***
REVENUE			
Contracts and grants	$ 5,799,149	$ 107,931	$ 5,907,080
Donated services and use of facilities	41,046	-	41,046
Net assets released from restriction	107,171	(107,171)	-
Total Revenue	5,947,366	760	5,948,126
EXPENSES			
Program expenses	5,398,289	-	5,398,289
Management and general expenses	142,308	-	142,308
Total Expenses	5,540,597	-	5,540,597
CHANGE IN NET ASSETS	406,769	760	407,529
NET ASSETS, *Beginning of year*	2,425,746	283,372	2,709,118
NET ASSETS, *End of year*	$ 2,832,515	$ 284,132	$ 3,116,647

	2019		
Without Donor Restrictions	*With Donor Restrictions*	*Total*
$ 6,410,184	$ 106,908	$ 6,517,092
70,092	-	70,092
66,972	(66,972)	-
6,547,248	39,936	6,587,184
5,712,410	-	5,712,410
74,162	-	74,162
5,786,572	-	5,786,572
760,676	39,936	800,612
1,665,070	243,436	1,908,506
$ 2,425,746	$ 283,372	$ 2,709,118

The accompanying notes are an integral part of the financial statements.

MARION & POLK EARLY LEARNING HUB INC.
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2020 AND 2019

	2020		
	Early Learning/ School Readiness	***General and Administrative***	***Total***
EXPENSES			
Salaries	$ 480,940	$ 72,959	$ 553,899
Salary related taxes and benefits	116,071	17,608	133,679
Computer services	-	-	-
Advertising	48,931	-	48,931
Conferences and conventions	5,371	-	5,371
Insurance	-	6,797	6,797
Professional fees	17,660	37,743	55,403
Contract service expense	4,660,424	-	4,660,424
Rent	52,811	7,201	60,012
Supplies	8,678	-	8,678
Travel	6,981	-	6,981
Depreciation	422	-	422
	$ 5,398,289	$ 142,308	$ 5,540,597

2019		
Early Learning/ School Readiness	***General and Administrative***	***Total***
$ 544,542	$ 11,744	$ 556,286
108,336	2,337	110,673
2,394	-	2,394
53,363	-	53,363
6,140	-	6,140
-	6,654	6,654
17,678	38,904	56,582
4,921,882	-	4,921,882
43,759	14,523	58,282
4,156	-	4,156
9,738	-	9,738
422	-	422
$ 5,712,410	$ 74,162	$ 5,786,572

The accompanying notes are an integral part of the financial statements.

MARION & POLK EARLY LEARNING HUB INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2020 AND 2019

	2020	***2019***
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 407,529	$ 800,612
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	422	422
Increase (decrease) in cash from changes in assets and liabilities		
Grant and contract receivables	331,281	470,050
Prepaid expenses	(4,189)	2,236
Accounts payable	66,070	(419,899)
Accrued wages and taxes	(3,393)	366
Accrued vacation	2,888	(5,344)
Other accrued liabilities	(612)	45
Unearned revenue	(7,900)	(7,600)
NET CHANGE IN CASH AND CASH EQUIVALENTS	792,096	840,888
CASH AND CASH EQUIVALENTS, *Beginning of year*	1,964,374	1,123,486
CASH AND CASH EQUIVALENTS, *End of year*	$ 2,756,470	$ 1,964,374

The accompanying notes are an integral part of the financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Business

Marion & Polk Early Learning Hub Inc. (the Organization) is a non-profit organization under section 501(c)(3) of the Internal Revenue Code with the purpose of development and support of a coordinated system of early learning services designed to ensure that every child in the service region zero through six years of age is supported to be prepared to enter kindergarten safe, healthy and ready to learn.

Basis of Accounting and Presentation

The accompanying financial statements of the Organization are prepared on the accrual basis of accounting. Using this method, revenues are recognized when earned and expenses are recognized when incurred.

Cash and Cash Equivalents

Cash and cash equivalents include all cash accounts, which are not subject to withdrawal restrictions or penalties, and all highly liquid debt instruments purchased with original maturities of three months or less.

The Organization maintains its cash accounts with banks located in Salem, Oregon. These deposits may exceed the limits of depository insurance; however, the Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and investments.

Receivables

Receivables are generally from amounts due for services provided, member fees or for grants. Receivables are periodically reviewed for collectability and written-off if deemed uncollectible. No allowance for doubtful accounts is considered necessary at June 30, 2020.

Furniture and Equipment

Furniture and equipment are recorded at original or estimated original cost. Donated assets are recorded at their estimated fair market value on the date donated. The Organization defines fixed assets as assets with an initial cost of more than $2,000, and an estimated useful life greater than one year. Equipment is depreciated using the straight-line method over estimated useful lives of five to seven years.

Unearned Revenue

Contracts, cash contributions, and grants paid to the Organization are recognized as revenue in the period earned. Revenue received in advance of the period of recognition is classified as unearned.

Accrued Vacation

Total unpaid vacation was recorded on the books based upon total hours vested multiplied by current wage rates.

***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)*

Net Assets

Net assets and revenues, gains and losses are classified based on imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions.

Net Assets with Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed time and purpose restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resources was restricted has been fulfilled, or both.

Concentrations

During the years ended June 30, 2020 and 2019, concentrations of revenue consisted of:

	2020	***2019***
State of Oregon	98%	96%

Government funding sources can conduct audits of expenditures of funds under contracts to determine eligibility with applicable regulations. In the event ineligible expenditures have been made, a liability for repayment of those funds would exist. It is the opinion of management that it has substantially complied with all regulations affecting such payments and expenditures. Any adjustments would be reported in the year of determination.

Non-Cash Donations

The Organization records various types of in-kind contributions. Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals processing those skills, and would typically need to be purchased if not provided by donation. Contributions of the use of facilities are recognized at fair value when received. The amount reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses.

Functional Expenses

The costs of providing the programs and activities of the Organization have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services which benefited.

***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)*

Taxes on Income

The Organization has been granted exemptions from federal income taxes under section 501(c)(3) of the Internal Revenue Code (the code) and has been determined not to be a private foundation under section 509(a)(1) of the code. As such, no provision for income taxes is reflected in the financial statements.

The Organization follows the provisions of uncertain tax positions as addressed in ASC 740-10. The standard prescribes a threshold for determining when an income tax benefit can be recognized, which is a higher threshold than the one imposed for claiming deductions on income tax returns. The Organization's federal and state income tax returns are subject to possible examination by the taxing authorities until the expiration of the related statutes of limitations on those tax returns. In general, the federal and state income tax returns have a three-year statute of limitations. The Organization would recognize accrued interest and penalties associated with uncertain tax positions, if any, as interest expense. No such interest or penalties were recognized during the periods presented. The Organization had no accruals for interest and penalties at June 30, 2020.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

New Revenue Recognition Accounting Pronouncement

FASB Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers*, as amended, supersedes or replaces nearly all GAAP revenue recognition guidance. These standards establish a new contract and control-based revenue recognition model, change the basis for deciding when revenue is recognized over time or at a point in time, and expand disclosures about revenue. We have implemented Topic 606 and have adjusted the presentation in these financial statements accordingly. The amendments have been applied retrospectively to all periods presented, with no effect on net assets.

FURNITURE AND EQUIPMENT

	2020	***2019***
Furniture and equipment	$ 2,954	$ 2,954
Accumulated depreciation	(1,266)	(844)
	$ 1,688	$ 2,110

LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position are comprised of the following:

	2020	*2019*
Cash and cash equivalents	$ 2,756,470	$ 1,964,374
Grant and contract receivables	1,009,385	1,340,666
	3,765,855	3,305,040
Donor restricted, purpose restrictions	(284,132)	(283,372)
	$ 3,481,723	$ 3,021,668

As part of the Organization's liquidity management plan, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

DEFINED CONTRIBUTION PLAN

The Organization has a defined contribution plan (the Plan) covering substantially all full-time employees. The Organization made matching contributions equal to participants' contributions to the Plan up to 3% of the individual participant's compensation. The Organization's matching contributions to the plan totaled $14,408 and $16,625 for the years ended June 30, 2020 and 2019, respectively.

NON-CASH DONATIONS

During the years ended June 30, 2020 and 2019, the Organization received the following non-cash donations of services and use of facilities that have been reflected in the financial statements of the Organization:

	2020	*2019*
Use of facilities	$ 29,046	$ 58,092
Professional services	12,000	12,000
	$ 41,046	$ 70,092

FUNCTIONAL ALLOCATION OF EXPENSES

The financial statements report certain categories of expenses that are attributable to more than one program or supporting service of the Organization. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include those for personnel, office space, insurance, and professional fees, which are allocated based on estimates of the benefit received by each program or supporting service.

REVENUE FROM CONTRACTS WITH CUSTOMERS

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. The Organization received cost-reimbursable grants of $69,500 and $77,400 that were not recognized at June 30, 2020 and 2019, respectively because qualifying expenditures had not yet been incurred. These amounts are reported as unearned revenues in the statement of financial position.

SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 3, 2021, the date on which the financial statements were available to be issued. In March 2020, schools and many businesses in Marion and Polk counties were closed to control the spread of COVID-19 (coronavirus disease), resulting in an economic recession and the limited ability to provide program services. The extent to which this will impact the Organization is uncertain.

On August 7, 2020, the Organization applied for and received $124,500 in Paycheck Protection Program loan funds. The full amount is expected to be forgiven in accordance with the terms of the program. Management is not aware of any other subsequent events that require recognition or disclosure in the financial statements.

Legislative Advocacy Letters of Support

hub inc.
MARION & POLK EARLY LEARNING HUB

earlylearninghub.org

Jim Seymour, Board Chair
Community Member

Dave Novotney, Board Secretary
Willamette Education Service District

David Rheinholdt, Board Treasurer
Rheinholdt Insurance

Angie Blackwell
Confederated Tribes of Grand Ronde

Phil Blea
Marion County Health and Human Services

Kerry Blum
Polk County Behavioral Health

Donalda Dodson
Oregon Child Development Coalition

Andy Gardner
N.Santiam School District

Levi Herrera Lopez
Mano A Mono

Jimmy Jones
Mid-Willamette Valley Community Action

Stacy lake
Department of Human Services

Christy Perry
Salem Keizer School District

Co-Chairs Frederick and McLain, members of the Education Subcommittee, my name is Jim Seymour, community member and Chair of the Marion & Polk Early Learning Hub Board of Directors. I am writing to express my support for fully funding Early Learning Hubs in the 2021-2023 budget.

As chair of the Marion & Polk Early Learning Hub, I have seen first-hand the value and impact of hubs as a key part of the larger early childhood system. Hubs are uniquely positioned to convene cross-sector partners to focus on the goal of aligning services to meet the needs of children and families within the context of the local community. In our region, because of the Hub work, we have been able fill gaps in services and bring partners together in new ways. This investment has allowed us to be nimble in our approaches to the work, and for multiple community partners to be able to leverage resources to meet the community needs. As an example, we have been able to clearly identify priority populations and develop specific strategies and supports for families. This includes parent education, kindergarten transition programs, literacy initiatives, and health initiatives.

We are proud of the work we have been able to accomplish to meet needs of historically underserved populations in our community. We have partnership with culturally specific organizations and have been able to build capacity to increase access to parent education, kindergarten transition programs, and assisting families in finding preschool resources to meet their needs.

We are just beginning to see and feel the impact of the pandemic – and in our area the impact of wildfires and the recent ice storm – and understand the impact on families with young children. We struggle to meet the needs of families facing economic insecurity prior to the pandemic and we know those struggling prior to 2020 have taken the brunt of the impact of the last year. This is not the time to cut services to these vulnerable families.

A reduction in funding will result in fewer opportunities for families to experience Ready for Kindergarten and other kindergarten transition activities. It will also directly impact on our ability to convene partners and financially support the work of regional partners. We have gained so much ground in our work and ask that you continue to support early learning hubs as a part of the overall early learning system and in making population level changes to ensure children are ready for kindergarten, families are supported, and services are coordinated and aligned.

We urge your support for full hub funding.

Jim Seymour, Chair
Marion & Polk Early Learning Hub

Willamette
EDUCATION SERVICE DISTRICT

Keith Ussery
Deputy Superintendent

Success, Achievement, Together … for All Students

Co-Chairs Frederick and McLain, members of the Education Subcommittee, my name is Sean Aker, the Student Success Act program coordinator at the Willamette Education Service District. I am here today to offer my support for fully funding Early Learning Hubs in the 2021-2023 budget.

Our Partnership with Marion & Polk Early Learning Hub (MPELH) and Yamhill Early Learning Hub has been key in our region to be able to collaborate and align services to address the unique and complex needs of families in our communities. The ability to convene and catalyze action from a cross-sector and collective impact point of view is critical.

In our collaboration, we have been able to make system level changes to better support families in meeting developmental need of their children. An example of this is the referral pathway from medical/pediatric clinics to our agency for early intervention assessments. This resulted in broader education for health clinic on the work of Early Intervention/Early Childhood Special Education and many other supportive resources available to families. It also resulted in better communication and data collection between pediatric clinics and WESD. The changes in data collection forms was adopted at the state level due to this important project.

In addition, MPELH is a trusted and valued partner in bringing early childhood educators together along with kindergarten teachers to be able to create connections, engage in professional development, and focus on kindergarten transitions. We have been able to collaborate this year on a Community of Practice which has included emphasis on social emotional supports, embedding trauma informed practices, and kindergarten transitions. This is a critical element we can provide to our early learning and public educators as we work toward increased attendance and higher rates of third grade reading.

Because of our connection with MPELH, we have been able to do more to reach migrant families served by our organization. This has resulted in greater parent engagement.

The hub role is meant to be nimble to adjust to the needs of their local community, which is why you hear a variety of different examples of the work hubs do. At their core, hubs ensure providers of early learning services are accountable for outcomes and that services are provided in a cost-efficient manner.

The Hub system is a key piece of a larger early childhood system that cannot function without stable investment across the board. We support current service level for all early childhood programming, including hubs, and the Early Childhood Coalition agenda investment package.

I urge your support for full funding of the Early Learning Hubs.

Sincerely,

Sean Aker
Student Success Act Coordinator
Willamette Education Service District

Dave Novotney, Ph.D.
Superintendent

2611 Pringle Rd SE • Salem, OR 97302 • 503.588.5330 • www.wesd.org

Co-Chairs Frederick and McLain, members of the Education Subcommittee,

My name is Lindsay McElroy, I am a member of the Parent Advisory Committee for the Marion & Polk Early Learning Hub. I am here today to offer my support for fully funding Early Learning Hubs in the 2021-2023 budget.

Early Learning Hubs are Oregon's solution to addressing the complex needs of families raising children from pre-birth through age five. Hubs are local conveners with the goal of ensuring there is no wrong door for families attempting to access the myriad of programming and services that support young children and their families. Hubs also interface with the organizations delivering programming to ensure that when there is a gap in services, it is identified and filled.

We've found great advantages to the hub system, which moves outside of agency silos and connects the work of Oregon Health Authority, Oregon DHS, Early Learning Division, the broader ODE, private funders, and community-based organizations, like The Early Learning Hub of Marion and Polk Counties. The hub role is meant to be nimble to adjust to the needs of their local community, which is why you hear a variety of different examples of the work hubs do. At their core, hubs ensure providers of early learning services are accountable for outcomes and that services are provided in a cost-efficient manner.

For me and my family, these programs have allowed me to attend ongoing parent education courses, kindergarten readiness courses, and funding so that my child could attend preschool, through the preschool promise program. These programs have been so appreciated and so beneficial for my family, as well as for many others in the surrounding communities.

The current budget contains a $1.4 million cut which was levied on hubs during a COVID-related special session in an effort to balance the budget. We are just beginning to understand the impact of the pandemic on families with young children. Families are struggling to care for their children while maintaining employment, and those who faced economic insecurity prior to the pandemic have taken the brunt of the impact of the last year. Families need coordinated services now more than ever before. BIPOC families have been disproportionately impacted by the virus, women have disproportionate borne the burden of childcare throughout the shutdown, and we have a real risk of undoing the progress we've made.

With enhanced investment from the federal government and a healthy revenue forecast, we have a responsibility to fully fund the local coordination that ensures families have somewhere to turn when they need help. A cut to hubs means a cut to support for young children and their families. We urge your support for full hub funding. Thank you for the opportunity to share our concerns.

Sincerely,

Lindsay McElroy

Mid-Willamette Valley
COMMUNITY ACTION
Compassion in Motion

28 March 2021

Senator Lew Frederick and Representative Susan McLain
Co-Chairs
Sub-Committee On Education
Joint Committee on Ways and Means
Oregon Legislature
Salem, Oregon 97301

Dear Co-Chairs Frederick and McLain, and members of the Committee:

My name is Jimmy Jones and I am the Executive Director of the Mid-Willamette Valley Community Action Agency here in Salem, where we serve people in poverty in Marion and Polk Counties, as well as nine other Oregon counties in some programs. I also serve as member of the Board of Directors at the Marion-Polk Early Learning Hub. I write in consideration of Senate Bill 5513, which provides funding for Oregon's critical Early Learning Hub system.

The Hubs provide vital infrastructure for the early learning system in our region. If the agencies doing the work are the arms and legs of early learning in Oregon, the Hubs are the body and mind of the system. They connect our agencies outside our programmatic universe, and join our collective efforts with the best practices, research, and information provided by state agencies, like the Oregon Health Authority, DHS, and especially the Early Learning Division. They also connect us to business and education leaders, local stakeholders, and various community based and culturally specific organizations. Without the Hubs, the work would fracture along agency lines and vital coordination, connections, research, and collective planning would be lost.

The Hubs also allow our rural areas to more effectively access competitive early learning dollars. The technical assistance provided by the Hubs empower smaller, rural providers to level the playing field and to successfully compete with larger, well-staffed and adequately funded agencies. Yet this vital infrastructure, so critical to our early learning system, is facing a $1.4 million cut for the 2021-2023 biennium. That cut was created in a prior special legislative session, at a time when Oregon was facing a massive short-fall in revenue. These facts have changed, and so should this budget, since the latest revenue forecast is far, far improved.

The past year has exposed enormous historical inequities for communities of color in Oregon, from the criminal justice system to early learning. Allowing this unnecessary cut to remain in the current budget does not further the cause of racial justice, because it will reduce vital and needed coordinated services at the very moment that Oregon's early learning system is under the greatest pressure as we emerge from the pandemic. COVID will long be remembered as a crisis of the working poor. Our communities of color, in particular, have suffered the burden of the pandemic the greatest. And

women in particularly have been disproportionally affected by the statewide shutdown, which devastated Oregon's family-based childcare and drove countless thousands of younger women, especially women of color, from the workforce. As the state childcare system begins to reopen, the Hub system will be needed more than ever, to provide coordination of services across a distressed childcare sector. These changes will be felt most profoundly in rural Oregon, which otherwise lacks the capacity to shoulder the burdens of such cuts.

Our Agency has, for 52 years, supported those in poverty in Marion and Polk counties. The vast majority of those are the *working poor*, who are desperately trying to raise a family in the middle of enormous economic hardship. Many are in danger of eviction. Many have not been able to pay their rent because they have not been able to return to work because they cannot find childcare. Disinvesting in Oregon's critical early learning system, especially in 2021, is the wrong move, for the wrong reasons, at the wrong time.

Respectfully,

Jimmy Jones
Executive Director

March 25, 2021

Co-Chairs Frederick and McLain
Education Subcommittee

My name is Eva Pignotti, and I am the Head Start & Early Head Start Director at Mid-Willamette Valley Community Action Agency (MWVCAA). Our program serves 885 children ages birth to five years, in Marion and Polk Counties. I am writing to express my support for full funding for Early Learning Hubs in the 2021-2023 budget.

Our partnership with the Marion Polk Early Learning Hub (MPELH) provides collaborative opportunities for programs serving children and families. MPELH coordinates joint outreach and recruitment, professional development, and identification of gaps in services through partnerships with agencies such as MWVCAA, other early learning providers, the Early Learning Division, Oregon Health Authority and school districts including provides of early intervention services.

The role of the Hubs in building connections between pre-school providers and school districts contributes to children's kindergarten readiness, and smooth transitions between pre-school and kindergarten. Joint training opportunities and cohort development to include kindergarten teachers alongside pre-school teachers allows for meaningful engagement that will help to ensure each child's success.

I urge your support for full funding of the Early Learning Hubs. Thank you.

Respectfully,

Eva Pignotti

Eva Pignotti
Head Start & Early Head Start Director
Mid-Willamette Valley Community Action Agency

Mid-Willamette Valley
COMMUNITY ACTION
Child Care
Resource & Referral

March 29, 2021

Senator Lew Frederick and Representative Susan McLain
Co-Chairs
Sub-Committee On Education
Joint Committee on Ways and Means
Oregon Legislature
Salem, Oregon 97301

Dear Co-Chairs Frederick and McLain, members of the Education Subcommittee:
my name is Shannon Vandehey, Program Director of Child Care Resource & Referral of Marion, Polk & Yamhill Counties, a Program of Community Action Agency. I am here today to offer my support for fully funding Early Learning Hubs in the 2021-2023 budget.

The Early Learning Hubs:
• Are Oregon's solution to addressing the complex needs of families raising children from pre-birth through age five.
• Are local conveners with the goal of ensuring there is no wrong door for families attempting to access the myriad of programming and services that support young children and their families.
• Interface with the organizations delivering programming to ensure that when there is a gap in services, it is identified and filled.

As a Child Care Resource & Referral partner:
• We have found great advantages to the hub system, which moves outside of agency silos and connects the work of Oregon Health Authority, Oregon DHS, Early Learning Division, the broader ODE, private funders, and community-based organizations, like our own Community Action Agencies Child Care Resource & Referral (CCR&R).
• We know that the Hub role is meant to be nimble to adjust to the needs of their local community, which is why you hear a variety of different examples of the work hubs do. At their core, Hubs ensure providers of early learning services are accountable for outcomes and that services are provided in a cost-efficient manner.
• Too often the good work being done is stymied by the lack of coordination which can both identify redundancies and gaps in the system to more efficiently serve families.

For Child Care Resource & Referral this means:
• Collaborating on professional development opportunities for up to 600 early learning professionals.
• Partnerships on Curriculum and other supports to promote quality improvement for our Coordinated English, Spanish and Russian Focused Family Child Care Provider Networks that serve an estimated 120 providers.
• Connecting us to other community based organizations to assist us in outreach to children and families in need of quality child care.
• Bringing the community together to highlight equity and anti-racist work, and/or efforts to meet the needs of underserved communities.
• Creating a continuum of professional learning from childcare, preK and kindergarten.

I write in consideration of Senate Bill 5513, which provides funding for Oregon's critical Early Learning Hub System. The current budget contains a $1.4 million cut which was levied on hubs during a COVID-related special session in an effort to balance the budget. We are just beginning to

understand the impact of the pandemic on families with young children. Families are struggling to care for their children while maintaining employment, and those who faced economic insecurity prior to the pandemic have taken the brunt of the impact of the last year. Families need coordinated services now more than ever before. In addition, BIPOC families have been disproportionately impacted by the virus, and women have disproportionately borne the burden of childcare throughout the shutdown. We have a real risk of undoing the progress we've made. With enhanced investment from the federal government and a healthy revenue forecast, we have a responsibility to fully fund the local coordination that ensures a healthier, well informed community.

A cut to Early Learning Hubs mean:

- The high risk that early learning communities become disconnected again.
- Less oversight on duplicative work.
- A decrease in leveraged supports for community early learning programs and school districts.
- A decrease in high quality national professional development opportunities for our region early learning professionals.
- A Decrease in capacity to support families seeking to enroll to Preschool Promise.
- CCR&R's and Early Learning Hubs work hand in hand, in building a supply of quality providers who are ready for initiatives like Preschool Promise or Baby Promise. If Early Learning Hubs are not fully funded, these efforts are at risk of being extremely reduced and children will be the ones who will, in the end, deal with the consequences of this.

We urge your support for full Hub funding. Thank you for the opportunity to share our concerns.

Respectfully,

Shannon Vandehey

ShannonVandehey
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