



To: First Steps Board of Trustees  
From: Judith Aughtry, Chair, Finance and Administration Committee  
Date: March 10, 2016

**RE: Consent Agenda Item: Waiver Request for 8% Cap on Administration**

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**ACTION ITEM: Waiver Request for 8% Cap on Administration**

On March 10, 2016, the Finance and Administration Committee unanimously approved waivers for all 22 local partnerships who exceeded the 8% administrative cap for SFY 2015.

There are a number of factors that went into this decision.

First, the 2014 statutory changes for First Steps include a requirement that the 8% cap be evaluated by an outside entity for possible changes. That process is moving forward at this time. June of 2017 is the deadline for this process to be completed.

Second, it is extremely difficult for the local partnerships who only receive \$138,000 per year to meet this requirement. With the potential new funding being proposed by the Governor and the House Ways and Means Committee, the additional funding would resolve most of these issues.

Third, with these and other actions taking place, it is expected that as the budget plans are developed for SFY 2017 and 2018, additional accountability would be included to ensure that the cap is achieved, regardless of the final percentage deemed appropriate.

**Committee Recommendation: Approval**

# ADMINISTRATIVE MATRIX

Reasons Local Partnerships Exceeded the 8.0% Administrative Limit

FY 15

## Data extracted from Local Partnerships Request for Waiver Letters/Memos

Partnership	INFORMATION ONLY										Not Enough Funding	Necessary Admin. Cost	Increase In Admin. Expenses	Less Overall or Program Spending	Increase Employee Benefits	Loss of CDEPP 4-K	Decreased Private Donations	Running In-House Programs	Expanded Duties & Tasks
	Repeat From FY 14	Minimum Budget Allocation																	
1 Abbeville	●	★	◆								◆								
2 Aiken	●		◆																
3 Allendale	●	★	◆					◆			◆								
4 Bamberg	●	★	◆								◆								
5 Calhoun	●	★	◆								◆								
6 Chester	●		◆																
7 Clarendon	●	★	◆								◆								
8 Dillon	●		◆								◆								
9 Fairfield	●	★	◆								◆								
10 Florence	●		◆								◆								
11 Georgetown	●		◆					◆							◆				◆
12 Greenwood	●		◆								◆						◆		
13 Jasper	●	★	◆								◆								
14 Kershaw	●		◆								◆				◆				
15 Lee	●	★	◆								◆								
16 Marion			◆								◆								
17 Marlboro	●	★	◆								◆							◆	
18 Oconee			◆										◆						
19 Saluda		★	◆										◆						
20 Sumter			◆																
21 Union	●	★	◆								◆								
22 Williamsburg	●		◆																◆

### NOTES:

- 1) **20** Local Partnerships exceeded the 8% Administrative Limit in **FY 14**
- 2) **2** Did not repeat from **FY 14** (Chesterfield & Colleton)
- 3) **18** Local Partnerships repeated from **FY 14**