



SCHOOL DISTRICT NO. 1  
IN THE CITY AND COUNTY OF DENVER  
DENVER, COLORADO

**AGENDA**

**BOARD OF EDUCATION MEETING**

ADMINISTRATION BUILDING  
900 GRANT STREET  
FIRST FLOOR BOARD ROOM  
**October 19, 2006**

OPENING OF MEETING – 5:00 p.m.

- Call to Order
- Pledge of Allegiance
- Roll Call

BOARD MEMBER REPORTS

- DSIAC Presentation on Charter Applications

SUPERINTENDENT'S REPORTS

- School Safety Report

CONSENT AGENDA\*

Board of Education

*Minutes of the Board of Education*

*August 24, 2006*

*September 18, 2006*

*September 21, 2006*

*October 5, 2006*

*Gift Report – The Board of Education will be asked to accept gifts having a value of \$500 or more.*

*Motion to Approve the Teaching American History Award – The Board of Education will be asked to approve the acceptance of the grant award from the*

\* *Items scheduled for action at this meeting are noted in italics*

\*\* *Items for information only*

*U.S. Department of Education. This award will improve performance for all students in U.S. History.*

***Motion to Approve Resolution to Oppose Amendment 40*** – The Board of Education will be asked to approve the resolution. The Board of Education opposes Amendment 40 for the reasons listed in the resolution.

***Finance and Audit Committee***

***Motion to Approve Issuing a Purchase Order to Microsoft Corporation*** – The Board of Education is being asked to approve this motion to allow the Department of Technology Services to renew the licensing agreement for Microsoft Office and Microsoft Windows for District computers.

***Motion to Approve Issuing a Purchase Order to Rocky Mountain Independent Electrical Contractors (IEC)*** – The Board of Education is being asked to approve this motion to allow E.G. Opportunity School to pay the instructor and rent the facility, supplies, and equipment required for apprenticeship training classes during the 2006-2007 school year.

**Chief Operating Officer**

***Human Resources***

***Motion to Approve the Personnel Transaction Report*** – The Board of Education will be asked to approve the Personnel Transaction Report, which contains information regarding employee activity such as appointments, resignations, and transfers.

***Motion to Ratify the updated contract language between Denver Association of Educational Office Professionals (DAEOP) and Denver Public Schools*** – The Board of Education will be asked to approve a 2.445% COLA increase to salary for all eligible DEAOP employees as outlined in the attached revision to Article 14.1.1. The Board of Education will also be asked to approve changes to the Article 14-Service Increment as outlined in the attached revision to the Article.

**Chief Financial Officer**

***Motion to Approve Resolution Authorizing Banking Transactions*** – The Board of Education will be asked to approve this resolution to re-designate signature authority as a result of the resignation of Richard Allen, the former Assistant Superintendent of Budget and Finance and the reclassification of Jack Warren to Disbursing Manager.

***ProComp Trust Board Composition*** – The Board of Education will be asked to approve that the three District representatives on the Board of Directors of the Professional Compensation System (ProComp) for teachers trust fund be the Treasurer of the Board of Education, the Chief Financial Officer and the Budget Director.

**OLD BUSINESS**

**Repeal/Reenact Policy KF-R – Community Use of School Facilities** – Staff is recommending that the District Policy KF-R – Community Use of School Facilities be

\* *Items scheduled for action at this meeting are noted in italics*

\*\* *Items for information only*

repealed and reenacted in order to support the Denver Plan which will establish a more open, community friendly, and less costly community use environment.

#### NEW BUSINESS\*\*

##### Policy Review

**Revised Policy ILBA – District Student Assessment** – Staff is submitting a revised Policy ILBA – District Student Assessment, for first reading in order to be consistent with the changes made to the applicable laws, regulations, and rules which authorize the implementation of this Policy. The revised policy addresses district staff expectations and behavior in an ethical manner with respect to assessment.

**Revised Policy DFA – Investment and Cash Policy** – The Board of Education will be asked to review for first reading revisions to District Policy DFA to reflect statutory changes, the role of an investment advisor, and staff title changes.

#### ADJOURNMENT

PUBLIC COMMENT – 6:30 – 7:30 p.m.

\* *Items scheduled for action at this meeting are noted in italics*

\*\* *Items for information only*

MINUTES OF THE REGULAR MEETING (06-11) OF THE  
BOARD OF EDUCATION OF SCHOOL DISTRICT NO. 1,  
IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO  
HELD IN THE BOARD ROOM, 900 GRANT STREET  
5:00 P.M., THURSDAY, AUGUST 24, 2006

**I. Call to Order – 5:10 p.m.**

Pledge of Allegiance

Roll Call

President Theresa Pena called the meeting to order at 5:10 p.m. The following Board of Education members were present: Jill Conrad, Rev. Lucia Guzman, Mr. Bruce Hoyt, Mrs. Jeannie Kaplan, Mrs. Michelle Moss, Mr. Kevin Patterson, and Ms. Theresa Peña.

**II. Board Member Reports**

- . Recognition of Denver Public Schools Employee Jennifer Wilson, Teacher, Grant Ranch Elementary School, Recipient of the 2006 Disney’s Teacher of the Year Award

Mrs. Moss introduced Jennifer Wilson, teacher at Grant Ranch K-8 School, recipient of the 2006 Disney Outstanding Elementary School Teacher of the Year Award.

- . Recognition of Denver Public Schools Employee Michael Langley, Executive Director, Facility Management

Mr. Patterson introduced Michael Langley, Executive Director, Facility Management, in recognition of his pending retirement, and presented a resolution to thank him for his dedication and loyalty to the district.

- . Recognition of Denver Public Schools Employee Susan Renick, Teacher, Whiteman Elementary School, Recipient of the Colorado Association of Partners in Education (CAPE) Volunteer of the Year Award

Mrs. Kaplan recognized Susan Renick, teacher at Whiteman Elementary School, as the recipient of the Colorado Association of Partners in Education (CAPE) Volunteer of the Year Award.

Lesbian, Gay, Bisexual, Transgender Education Advisory Council (LGBTEAC) Report

R. Keith Lucero, Chairperson, and Kathy Bougher, member, presented the report.

### **III. Superintendent's Report**

Mr. Bennet asked Dr. Jaime Aquino, Chief Academic Officer, to present the report on the 2005-2006 CSAP and ACT results.

Mr. Bennet said that district staff has spent the summer keeping track of Manual students. The last four weekends, three hours a day on Saturday and Sunday, volunteers have been knocking on the doors of our students to make sure they have the information they need for registration and for transportation. Volunteers will be out again this weekend. The plan is to continue this tracking for the first month of school. They started out with a group of 558 kids; as of today, 418 are registered; 63 students are accounted for; a total of 481 students have been counted. That means they know where 86 percent of Manual students are; they are still working on the remaining 14 percent.

### **IV. Consent Agenda**

Assistant Secretary Jacquie Lucero read the Agenda items. In accordance with Consent Agenda procedures, the following items were removed from the Agenda and held for discussion:

Motion to Adopt a Resolution in Support of the Denver Preschool Program

Motion to Adopt a Resolution Recognizing Constitution Day and Ongoing Efforts to Prepare Students for Civic Responsibility and Fulfill the Civic Mission of our Schools

Motion to Approve Architect for North Renovation Phase II

Mr. Hoyt moved that all matters on the Consent Agenda not held be approved. Mr. Patterson seconded the motion. The motion passed unanimously. The following items were approved:

#### **Board of Education**

Motion to Adopt a Resolution Recognizing Michael Langley for Providing Outstanding and Dedicated Service to School District No. 1 – A copy of this Resolution, recognizing Michael Langley as he officially retires, is appended to the minutes of this meeting.

Motion to Adopt a Resolution Recognizing Susan Renick, Teacher, for Receiving the Colorado Association of Partners in Education (CAPE) Volunteer of the Year Award A copy of this resolution is appended to the minutes of this meeting.

Motion to Adopt a Resolution Recognizing Jennifer Wilson, Teacher, for Receiving the 2006 Disney Teacher of the Year Award – A copy of this resolution is appended to the minutes of this meeting.

Motion to Adopt a Resolution Recognizing Mary Ellen McEldowney for Providing Outstanding and Dedicated Service to School District No. 1 – A copy of this Resolution, recognizing Mary Ellen McEldowney as he officially retires, is appended to the minutes of this meeting.

Minutes of the Regular Board of Education Meeting of June 22, 2006, the Special Meeting of June 26, 2006, and the Special Meeting of July 27, 2006 – Copies are appended to the minutes of this meeting.

Gift Report - A copy is appended to the minutes of this meeting.

Motion to Approve Board Meeting Schedule for the 2006-2007 School Year - A copy is appended to the minutes of this meeting.

### **Finance and Audit Committee**

Motion to Approve Award of Invitation of Bid #BD1152 to IKON Office Solutions, Lewis Paper Place, Office Depot, Pyramid School Products, and Standard Stationery Supply - A copy of this motion, to provide for the purchase of office paper, as needed, to keep the Warehouse stocked for a one-year period, is appended to the minutes of this meeting.

Motion to Approve Award of Request for Proposal #BD 1156 to Spectrum K-12 School Solutions – A copy of this motion, to provide for the purchase and Implementation of Individualized Educational Plan Software for the Department of Student Services/Special Education, is appended to the minutes of this meeting.

Motion to Approve Contractor for Window Replacement Project at Thomas Jefferson High School – A copy of this motion, approval of Front Range Home Improvements, Ltd. as the design-builder for the replacement of windows, is appended to the minutes of this meeting.

Motion to Approve Architect for Design of Green Valley II K-8 School - A copy of this motion, approval of Eidos Architects as the designer, is appended to the minutes of this meeting.

### **CHIEF ACADEMIC OFFICER**

#### **Division of Teaching and Learning**

Motion to Approve the Second Amendment to the Life Skills Center of Denver Charter Contract – A copy of this motion, approval of second amendment, is a change in the

curriculum and benchmarking system to improve student achievement at the school; the PLATO curriculum will be replaced with the APEX Learning curriculum as it is aligned with Colorado standards; and the Scantron Assessment will be replaced with MAPS, another district-approved benchmark system, is appended to the minutes of this meeting.

## **CHIEF OPERATING OFFICER**

### **Human Resources**

Motion to Approve the Personnel Transaction Report – A copy of this report is appended to the minutes of this meeting.

Motion to Ratify the Agreement between Denver Public Schools and the ABGW Effective July 1, 2006 through June 30, 2009 – A copy of this report is appended to the minutes of this meeting.

Motion to Ratify the Agreement between Denver Public Schools and the ATU Effective August 1, 2006 through July 31, 2009 – A copy of this report is appended to the minutes of this meeting.

Motion to Ratify the Agreement between Denver Public Schools and the FMA Effective September 1, 2006 through August 31, 2009 – A copy of this report is appended to the minutes of this meeting.

## **POLICY REVIEW**

Motion to Adopt New Policy FF – Naming of Facilities and Repeal of Procedures FF-R and FF-FF-R-Naming of Facilities – A copy of this policy, consolidating the repealed policies in to the new policy, is appended to the minutes of this meeting.

## **OLD BUSINESS**

There was none.

## **NEW BUSINESS**

There was none.

## **HELD CONSENT AGENDA ITEMS DISCUSSION**

Motion to Adopt a Resolution in Support of the Denver Preschool Program

Mr. Hoyt said this initiative will be on the Denver ballot November 7th and he feels it could have a significant long-term impact on the Denver Public Schools. This is an area that is under-served and has the potential to have great influence on children's ability to succeed in school. It could

have significant impact on the district's ability to close the achievement gap. He urged everyone to vote for this initiative.

Mr. Hoyt moved adoption of the resolution. Mr. Patterson seconded the motion. The motion passed unanimously. A copy of this resolution is appended to the minutes of this meeting.

Motion to Adopt a Resolution Recognizing Constitution Day and Ongoing Efforts to Prepare Students for Civic Responsibility and Fulfill the Civic Mission of our Schools

Ms. Conrad noted that Constitution Day, the anniversary of the signing of the Constitution, will be celebrated September 17, 2006. She felt it would be a good opportunity to reflect on the importance of civic education for district students and to highlight some of the good work that is already being done in the district. The resolution acknowledges the historic role that public schools have played in fulfilling and maintaining a healthy democracy; and reiterates the mission and vision of Denver Public Schools, as articulated in the Denver Plan, to make ensure that all district students will be well prepared for success in life, work, civic responsibility, and higher education.

Ms. Conrad moved adoption of the resolution. Rev. Guzman seconded the motion. The resolution passed unanimously. A copy of the resolution is attached to the minutes of this meeting.

Motion to Approve Architect for North Renovation Phase II

Rev. Guzman said she wanted to acknowledge the work that has already been done in Phase I of North High School's renovation. This motion will ensure that the same architects and their firm will be able to continue their work on Phase II of the renovation.

Rev. Guzman moved approval of the motion. Mr. Patterson seconded the motion. The motion passed unanimously. A copy of the report is attached to the minutes of this meeting.

Ms. Pena adjourned the Regular Meeting at 6:21 p.m.

**PUBLIC COMMENT SESSION – 6:35 P.M.**

ACE Mentoring Program

Bryan Weber, Bruce Davis, Tom O'Keefe spoke on behalf of the Ace Mentoring Program. Copies of materials passed out at the meeting are appended to the minutes of this meeting.

High School Achievement

Marisol Bolaños read a letter addressed members of the Board of Education and Superintendent Michael Bennet. A copy of that letter is attached to the minutes of this meeting.

Ms. Peña adjourned the meeting at 6:52 p.m.

Jeanne S. Kaplan, Secretary  
Board of Education

MINUTES OF THE SPECIAL MEETING (06-12) OF THE  
BOARD OF EDUCATION OF SCHOOL DISTRICT NO. 1,  
IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO  
HELD IN THE BOARD ROOM, 900 GRANT STREET  
4:00 P.M., MONDAY, SEPTEMBER 18, 2006

**I. Call to Order – 4:15 p.m.**

Roll Call

President Theresa Pena called the meeting to order at 4:15 p.m. The following Board of Education members were present: Ms. Jill Conrad, Rev. Lucia Guzman, Mr. Bruce Hoyt, Mrs. Jeannie Kaplan, Mrs. Michelle Moss, Mr. Kevin Patterson, and Ms. Theresa Peña.

**IV. Consent Agenda**

**Board of Education**

Motion to go into Executive Session

Mr. Hoyt moved to go into Executive Session for the purpose of discussing negotiations and strategy related to the pending agreement with the Denver Classroom Teachers Association (DCTA), C.R.S. 24-6-402-(4)(e). The motion passed unanimously.

Motion to Consider the Denver Classroom Teacher's Association (DCTA) Contract

Following the Executive Session, Ms. Conrad moved for approval of the agreement with the Denver Classroom Teachers Association (DCTA). Mrs. Moss seconded the motion. The motion passed unanimously.

Ms. Peña adjourned the meeting at 4:25 p.m.

Jeanne S. Kaplan, Secretary  
Board of Education

MINUTES OF THE REGULAR MEETING (06-13) OF THE  
BOARD OF EDUCATION OF SCHOOL DISTRICT NO. 1,  
IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO  
HELD IN THE BOARD ROOM, 900 GRANT STREET  
5:00 P.M., THURSDAY, SEPTEMBER 21, 2006

**I. Call to Order – 5:05 p.m.**

Pledge of Allegiance

Roll Call

President Theresa Pena called the meeting to order at 5:05 p.m. The following Board of Education members were present: Ms. Jill Conrad, Rev. Lucia Guzman, Mr. Bruce Hoyt, Mrs. Jeannie Kaplan, Mrs. Michelle Moss, Mr. Kevin Patterson, and Ms. Theresa Peña.

**Academic Performance by East High School's Constitutional Scholars**

Susan McHugh, East High School teacher, introduced the following Constitutional Scholar students: Than Hedman, Mackenzie Jacobs, Elise Mann, and Alex Stevens.

**II. Board Member Reports**

**Charter School Presentation to the Board of Education:**

Denver Collegiate Academy – Information on the proposed charter school was presented by members of the Founding Team, including Angele Davenport and Heather Lamm.

Colorado Agricultural and Natural Sciences High School – Information on the proposed charter school was presented by Buffie Berger and other members of the Steering Committee.

Ricardo Flores Magón Academy– Information on the proposed charter school was presented by Marcos Martinez and other charter board members.

**III. Superintendent's Report**

Manual High School Update

Mr. Bennet discussed the spreadsheet report, Manual Registration Summary as of Wednesday, September 20, 2006. As of now, 56 percent of students are attending over

85 percent of the time at traditional high schools, which is an improvement over last year.

The walk campaign concludes Saturday morning—eight weekends in a row of walking the Manual neighborhood. The results have been tremendous, the numbers listed on the spreadsheet are a direct result of the walk campaign. The renewal effort at Manual is going very well, members of the Manual neighborhood and community are visiting model schools in Boston and Los Angeles, with visits planned for Montbello and the Center for International Studies. Mr. Bennet expressed his appreciation for the hundreds and hundreds of hours that Board of Education members, district staff, and community members volunteered for Manual students. He also thanked the Department of Technology (DOTs), Transportation Department, the Manual Academic Research Center (MARC), and the Community Specialists.

Ms. Conrad thanked the Superintendent for his deep commitment to this effort. She expressed concern for the students who are below the 85 percent attendance rate and asked what strategy they planned to address this attendance issue.

Kim Knous-Dolan, Special Assistant to the Superintendent, said the schools are supposed to call home daily if there are attendance issues. Another planned strategy is the school champion program where each school champion is responsible for tracking approximately five Manual students at their current school. They hope to have that program in place and active very shortly.

Mr. Patterson expressed his appreciation to the Superintendent for keeping the focus and the commitment that this Board made to follow-up the students at Manual, to continue to support the families, and to continue a positive environment for these children so they can continue their high school education.

Mrs. Moss expressed her hope that they will be able to apply some of the lessons they have learned at Manual to all high schools because many of them are in need of help in these areas as well.

In response to Mrs. Moss' questions regarding Infinite Campus, Ms. Dolan said that Infinite Campus has been set up to help parents check on their student's attendance and get daily updates.

Mrs. Moss encouraged parents to check with their child's school and get the password they need to access Infinite Campus. Student information available includes attendance, current grades, missing assignments, and extra credit opportunities.

#### Recommendations for Teacher Dismissals

The Superintendent presented two recommendation for teacher dismissals: Kathryn Wells and Suzanna Mayo.

#### **IV. Consent Agenda**

Assistant Secretary Jacquie Lucero read the Agenda items. In accordance with Consent Agenda procedures, the following items were removed from the Agenda and held for discussion:

Motion to approve Resolution in Opposition of Amendment 39

Motion to approve Resolution in Opposition of Amendment 38

Mr. Hoyt moved that all matters on the Consent Agenda not held be approved. Mr. Patterson seconded the motion. The motion passed unanimously. The following items were approved:

#### **Board of Education**

Gift Report - A copy is appended to the minutes of this meeting.

Motion to Approve Resolution in Opposition of Referendum J - A copy of this Resolution, to oppose Referendum J, a proposed ballot measure on classroom spending requirements referred by the Colorado General Assembly and which will appear on the general election ballot November 2006, would change state law to require each school district in Colorado to spend at least 65 percent of its operational expenditures on instructional and non-instructional services that directly affect student achievement, is appended to the minutes of this meeting.

#### **Finance and Audit Committee**

Motion to Ratify the Approval of the Independent Contractor Agreement with Educational Based Services - A copy of this motion, which will furnish the district with eight Speech Language Pathologists who provide critical services to students in need, is appended to the minutes of this meeting.

Motion to Ratify the Approval of the Independent Contractor Agreement with Sewall Child Development Center- A copy of this motion, which provides preschool educational services to the district's special education children, is appended to the minutes of this meeting.

Motion to Approve the Renewal of Software Maintenance and Support to Cayenta - A copy of this motion, to provide continued software maintenance and support for the financial systems software, is appended to the minutes of this meeting.

Motion to Approve Issuing a Purchase Order to Denver Pipefitters JATC - A copy of this motion, to allow Emily Griffith Opportunity School to rent the facility, supplies, and equipment for apprenticeship training classes during the 2006-2007 school year, is appended to the minutes of this meeting.

## **CHIEF OPERATING OFFICER**

### **Human Resources**

Motion to Approve the Personnel Transaction Report – A copy of this report is appended to the minutes of this meeting.

Motion to Ratify the Agreement between Denver Public Schools and the Denver Federation for Paraprofessionals (DFP) Effective July 1, 2006 through June 30, 2009  
A copy of this agreement is appended to the minutes of this meeting.

### **Facilities Management**

Motion to Approve Use Agreement with the Community College of Denver (CCD)  
A copy of this agreement, CCD's current use agreement for Cole Middle School ends on September 30, 2006, the extension will run through June 30, 2007, is appended to the minutes of this meeting.

Motion to Approve Acquisition of 35 Acre High School Site Located West of 48th Avenue and Tower Road - The State Land Board will acquire the site; therefore, the district is not required to pay for the site. A copy of this motion is appended to the minutes of this meeting.

### **Denver Public Schools Retirement System**

Motion to Amend by Substitution Sections 70.133, 70.1035, 70.1041, 70.1042, and 70.1045 of the Retirement and Benefit Plan - A copy of this agreement, a request for Board approval of the amendments in order to comply with the revised regulations under the Internal Revenue Code for Joint and Survivor Annuities; new language will be substituted that generally reduces the amount of the continuing benefit a co-annuitant will receive if such co-annuitant is a non-spouse and there is more than a ten-year age difference between the member and the co-annuitant, is appended to the minutes of this meeting.

### **\*PUBLIC COMMENT SESSION – 6:35 P.M.**

#### **School Calendar**

Sharon Maples, teacher, addressed the Board regarding the proposed calendar. She said that she has discussed this issue with many teachers and they feel that instruction can be improved by starting school in September through June. The heat in the schools in August is so unbearable that there isn't a great deal of learning taking place. They also recommend, in order to break up the long haul from Christmas to June, a two-week Spring Break.

## **HELD CONSENT AGENDA ITEMS DISCUSSION**

### **Motion to Approve Resolution in Opposition of Amendment 39**

Mr. Hoyt said that the November ballot has several amendments that deal with education and he encouraged voters to be really cautious. A lot of times amendment can seem very appealing but these amendments have a number of complicated provisions that go well beyond the stated purpose and are ripe with unintended negative consequences. Members of the Board of Education are proposing resolutions in opposition to two of these amendments.

Mr. Hoyt moved adoption of this resolution. Ms. Conrad seconded the motion. The motion passed unanimously. A copy of this resolution is appended to the minutes of this meeting.

### **Motion to Approve Resolution in Opposition to Amendment 38**

Ms. Kaplan moved adoption of this resolution. Mr. Hoyt seconded the motion. The resolution passed unanimously. A copy of the resolution is attached to the minutes of this meeting.

## **OLD BUSINESS**

There was none.

## **NEW BUSINESS**

### **Policy Review**

Revised Policy KF-R – Community Use of School Facilities – Staff is recommending that the district Policy KF-R be repealed and reenacted in order to support the Denver Plan which will establish a more open, community-friendly, and less costly community use environment. A copy of this policy is appended to the minutes of this meeting.

Richard Cosgrove, Executive Director, Facility Management, spoke on the revised Community Use policy.

Ms. Peña invited public comment on the proposed changes to the Community Use policy in the thirty (30) days open for public comment.

### **Chief Operating Officer**

Ms. Kaplan moved that the Board of Education go into an Executive Session to discuss the Denver Association of Educational Office Professionals (DAEOP) pending negotiations related to the collaborative bargaining agreement, pursuant to C.R.S. 24-6-402(4)(e). Mr. Hoyt seconded the motion. The motion passed unanimously. A copy of this motion is appended to the minutes of this meeting.

Walter Kramarz, Deputy General Counsel, attested to same at the resumption of the open meeting.

Ms. Peña adjourned the meeting at 7:36 p.m.

Jeanne S. Kaplan, Secretary  
Board of Education

MINUTES OF THE SPECIAL MEETING (06-14) OF THE  
BOARD OF EDUCATION OF SCHOOL DISTRICT NO. 1,  
IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO  
HELD IN THE BOARD ROOM, 900 GRANT STREET  
4:00 P.M., MONDAY, OCTOBER 5, 2006

**I. Call to Order – 4:13 p.m.**

Roll Call

President Theresa Pena called the meeting to order at 4:13 p.m. The following Board of Education members were present: Rev. Lucia Guzman, Mrs. Jeannie Kaplan, Mrs. Michelle Moss, Mr. Kevin Patterson, and Ms. Theresa Peña. Ms. Jill Conrad arrived at 4:26 p.m. Mr. Bruce Hoyt arrived at 4:30 p.m.

**IV. Consent Agenda**

Assistant Secretary Jacquie Lucero read the Agenda items. In accordance with Consent Agenda procedures, the following items were removed from the Agenda and held for discussion:

Motion to Ratify a Contract between KRONOS and the Denver Public Schools

Motion to Adopt a Resolution: Identification and Filing of Amended Budget and Appropriation Resolution and Copies Thereof

Mr. Patterson moved that all matters on the Consent Agenda not held be approved. Mrs. Kaplan seconded the motion. Voting “Yes,” Rev. Guzman, Mrs. Kaplan, Mrs. Moss, Mr. Patterson, and Ms. Peña. Ms. Conrad and Mr. Hoyt had not yet arrived. The following items were approved:

**Board of Education**

Motion to Approve a Contract between the Colorado Refugee Services Program (CRSP) and the Denver Public Schools – Approval of the contract for \$377,000.72 by which federal funds would be granted for Emily Griffith Opportunity School to provide English as a Second Language instruction to refugees and asylees in Colorado in accordance with needs identified by CRSP; the services will include placement assessment, classroom instruction, and progress assessment; the contract term is for the period October 1, 2006 through September 30, 2007. A copy of this motion is appended to the minutes of this meeting.

## **Chief Financial Officer**

### **Financial Services**

**Motion to Adopt a Resolution: Amending the Adopted Budget for the Fiscal Year Beginning July 1, 2006, and Ending June 30, 2007** – A copy of this motion, amending the 2006-2007 Adopted Budget in order to identify the specific adjustments to the revenues and expenditures of all funds, is appended to the minutes of this meeting.

**Motion to Adopt a Resolution: Authorizing the use of the Beginning Fund Balance During the Fiscal Year Beginning July 1, 2006, and Ending June 30, 2007** – This motion authorizes the expenditure of the beginning fund balance of specified funds as anticipated in the amended budget, in accordance with SB 03-149; and also states the purpose for which the expenditure is made and states the district's plan to ensure the use of beginning fund balance will not lead to an ongoing deficit. A copy of this motion is appended to the minutes of this meeting.

**Motion to Adopt a Resolution: Adopting the Amended Budget for the Fiscal Year Beginning July 1, 2006, and Ending June 30, 2007** – A copy of this motion is appended to the minutes of this meeting.

**Motion to Adopt a Resolution: Appropriation for Expenditures During the Fiscal Year Beginning July 1, 2006, and Ending June 30, 2007** – A copy of this motion, approval to appropriate the moneys to be expended in each fund, is appended to the minutes of this meeting.

## **Chief Operating Officer**

### **Enterprise Management**

**Motion to Ratify the Memorandum of Understanding between the Denver School Nutrition Association (DSNA) and the Denver Public Schools** – A copy of this motion, approval of a 2.1 percent COLA and step increase for all eligible DSNA employees; the COLA increase is effective September 1, 2006, and the step increases are slated for January 1, 2007, is appended to the minutes of this meeting.

## **HELD CONSENT AGENDA ITEMS DISCUSSION**

Motion to Ratify a Contract between KRONOS and the Denver Public Schools

Mr. Andre Pettigrew, Chief Operating Officer, discussed this contract and answered questions from Board members.

Mrs. Kaplan moved for adoption of this motion. Mrs. Moss seconded the motion. The motion passed unanimously. A copy of this motion is appended to the minutes of this meeting.

Motion to Adopt a Resolution: Identification and Filing of Amended Budget and Appropriation Resolution and Copies Thereof

Ms Velma Rose, Chief Financial Officer, discussed the budget and answered questions from Board members.

Mr. Patterson moved for adoption of this motion. Mr. Hoyt seconded the motion. The motion passed unanimously. A copy of this resolution is appended to the minutes of this meeting.

Ms. Peña adjourned the meeting at 4:39 p.m.

Jeanne S. Kaplan, Secretary  
Board of Education

**OCTOBER 2006  
GIFT REPORT**

AMOUNT	RECIPIENT	DONOR	INTENDED USE OF GIFT
\$4,000.00	Lincoln Elementary School	Lincoln Elementary School PTA	Teacher support and incentives, incidental fund, etc.
\$2,000.00	Lincoln Elementary School	Derek Lawrence	Gift of books
\$1,000.00	Henry Middle School	Rachel Anderson	Supplies for Social Studies department
\$1,500.00	Skinner Middle School	Anonymous	Principal's Incidental Activity account
\$3,000.00	East High School	Conger Family	Band
\$19,000.00	George Washington High School	Denver Foundation Grants Account	Support dance program
\$15,000.00	Denver School of the Arts	Friends of DSA	Visiting Artists Program
\$35,000.00	District Music Program	The Fray	Music education
\$80,500.00		<b>It is recommended that these gifts be accepted and that appropriate letters of thanks be sent by the Board of Education President to the donors.</b>	



DENVER PUBLIC SCHOOLS

Report to:  
Denver Board of Education

***GRANT AWARDS: 250,000 or GREATER***

***Teaching American History***

Submitted by:



Suzanne Simmons  
720-423-8268

on

September 20, 2006



## RECOMMENDED MOTION

It is recommended that the Board of Education approve the acceptance of the grant award as described in the attached summary and that the Superintendent be directed to submit all necessary documents consistent with the grant application guidelines and be authorized to make any technical or administrative adjustments that may be necessary.

Grant/Funder Name:	<b>Teaching American History/USDE</b>
Total Amount Awarded:	<b>Year 1: \$282,168</b>
	<b>Year 2: \$331,552</b>
	<b>Year 3: \$385,840</b>



**ACTION TAKEN:**

Approved  
Disapproved  
Postponed Date

**Program:** Thinking Like Historians: Building Bridges to America's Past, Phase II

**Department:** Curriculum Instruction - Humanities

**Contact Person:** Theress Pidick  
**Phone:** 720-423-3895

**Name of Funder:** US Department of Education

- Denver Plan Alignment:**
- Provide Professional Development for U.S. History teachers.
  - Provide professional development to all middle school history teachers by August 2008.
  - Continue with district-wide high school U.S. History implementation, including professional development.

**Amount Granted Period:**

Yr 1:	\$282,168	07 01 06	06 30 07
Yr 2:	\$331,552	07 01 07	06 30 08
Yr 3:	\$385,840	07 01 08	06 30 09

**District Indirect:** Yes, 4.88%

**Collaborating Organizations:** n/a

**Required District Commitment:** n/a

**Abstract:**

*Thinking Like Historians* improves teaching and learning in American History through the intensive in-service education of a core group of American History teachers. These teachers then disseminate their knowledge and skills among all other DPS American History teachers.

*Thinking Like Historians* also provides teachers with American History expertise and the support of local historians. As teacher expertise grows, students begin to think like historians – actually *become* historians of this, their country.

Board of Education  
October 19, 2006  
Resolution – Opposition to Amendment 40

**MOTION**

I move that the Board of Education Approve a  
Resolution to Oppose Amendment 40 for School  
District No. 1 in the City and County of Denver,  
Denver, Colorado

***DRAFT – FOR DISCUSSION PURPOSES ONLY***



**DENVER PUBLIC SCHOOLS**

BOARD OF EDUCATION  
900 Grant Street  
Denver, CO 80203  
720-423-3211

School District No. 1, City and County of Denver

Resolution # \_\_\_\_\_

WHEREAS, the Board of Education of School District No. 1 in the City and County of Denver, State of Colorado, has an interest in protecting an independent, experienced judiciary because it is necessary at times to challenge legislative actions before the appellate courts, especially when those actions infringe on a local board of education’s constitutional authority for local control of instruction; and

WHEREAS, a proposed ballot initiative to amend the Colorado Constitution, which will appear on the general election ballot this November as Amendment 40, limits the number of terms that Colorado Supreme Court justices and Court of Appeals judges (“appellate court judges”) may serve to three terms: one initial two-year term plus two four-year terms; and

WHEREAS, this proposal requires appellate court judges who have already served ten years or more to leave their current positions in January 2009, which means that five of the seven justices on the Supreme Court and one-third of the Court of Appeals judges (seven of nineteen) would be removed from the bench and replaced by new, inexperienced appointees; and

WHEREAS, the merit selection and retention system that has been in place for over 40 years has served Colorado very well and has greatly reduced the role of politics in the judicial process and ensured the functioning of an independent judiciary that is the envy of many states; and

WHEREAS, this initiative is extreme and unnecessary in that it would remove all appellate judges from the bench after ten years, regardless of their skills, accomplishments, or experience at a time when knowledge and experience is essential for judges; and

WHEREAS, Amendment 40 will inject politics into the courtroom, giving the power to any governor who serves two terms to appoint and nearly restructure the entire judiciary.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Education of School District No. 1 in the City and County of Denver, State of Colorado, officially declares its opposition to Amendment 40, which imposes term limits for Supreme Court and Court of Appeals judges because this constitutional amendment will undercut the independence of the judiciary and insert partisan politics into the judicial decision-making process.

Adopted this \_\_\_<sup>th</sup> day of October, 2006

By: \_\_\_\_\_  
Theresa Pena, President

**MOTION**

I move that the Board of Education approve issuing a purchase order in the amount of \$711,510.00 to renew the licensing agreement for Microsoft Office and Microsoft Windows being used on District computers.

**DENVER PUBLIC SCHOOLS**  
**Interdepartmental Communication**

To: Board of Education

Through: Andr Pettigrew, Chief Operating Officer

From: Michael Thomas, Director of Purchasing

Date: October 2, 2006

Subject: Procurement Approval Request 07-034 Microsoft Office and Microsoft Windows

Scope of Procurement

Renew licensing agreement for Microsoft Office and Microsoft Windows for a one-year period, November 1, 2006, through October 31, 2007.

Rationale for Procurement

The Microsoft School Agreement provides for the continuation of the District-wide license for Microsoft Office and Microsoft Windows and allows the District to install and use the software and operating system on 18,625 computers. It includes auto upgrades and fixes to the latest software at no additional cost. The agreement also includes a Work at Home Provision where District employees have licensing rights to install both Office and Windows on a single home computer for their District work related needs.

Without the licensing agreement the District would have to purchase individual licenses for each computer, all upgrades and fixes would be an additional cost and the Work at Home Provision would not be available. Individual licenses would cost the District \$3,287,126.25. The agreement is saving the District over 2.5 million dollars.

Source of Funding

Expenditures will be paid from Technology Services Mill Levy Budget Fund.

Procurement Process

The Department of Technology Services will enter a purchase requisition online so that a purchase order can be issued to pay for the licensing agreement after it has been approved.

Approval Request

Approval is being requested to issue a purchase order to **Microsoft Corporation** in the amount of **\$711,510.00**.

The procurement request will be reviewed by the Finance and Audit Committee on October 16, 2006.

lz

**MOTION**

I move that the Board of Education approve issuing a purchase order to Rocky Mountain IEC to pay the instructor and rent the instructional supplies, equipment and facility required for apprenticeship training classes.

**DENVER PUBLIC SCHOOLS**  
**Interdepartmental Communication**

To: Board of Education

Through: Andr Pettigrew, Chief Operating Officer

From: Michael Thomas, Director of Purchasing

Date: September 26, 2006

Subject: Procurement Approval Request 07-033 Apprenticeship Training;  
Rocky Mountain Independent Electrical Contractors (IEC)

Scope of Procurement

Rental of instructional supplies, equipment and the facility for apprenticeship training for the 2006-2007 school year.

Rationale for Procurement

Provide instruction to union and non-union apprenticeship programs for electricians. Classes are conducted at various sites and E.G. Opportunity School rents the instructional supplies, equipment and the facility for the classes and pays the instructor s salary. Fees are determined by the number of students in the classes.

Source of Funding

Expenditures will be paid from E.G. Opportunity School s General Supplies, Site Rental, and Professional/Educational Services Funds.

Procurement Process

E.G. Opportunity School has entered a purchase requisition online so that a purchase order can be issued after approval has been received.

Approval Request

Approval is being requested to issue a purchase order to **Rocky Mountain IEC** in the amount of **\$292,043.00**.

The procurement request will be reviewed by the Finance and Audit Committee on October 16, 2006.

lz

**BOARD OF EDUCATION**  
**October 19, 2006**  
**DAEOP Contract Language**

**MOTION**

I move that the Board of Education approve contract language changes in the Agreement between Denver Association of Educational Office Professionals (DAEOP) and Denver Public Schools. These changes reflect that all eligible DAEOP employees will receive a 2.445% COLA increase effective September 1, 2006 and step increases effective July 1, 2007 as outlined in the attached revision to Article 14.1.1. Also revisions to the Article 14-3-Service Increment will reflect handling Longevity Increment effective January 1, 2007.

# DAEOP PROPOSAL

Submitted October 3, 2006

Tentative Agreement:

Article: 14.3 – Service Increment

Date: 10/10/2006

DAEOP  
DPS

CURRENT AGREEMENT: Article 14.3

14.3 ~~Service Increment~~

Beginning January 1, 1983, all employees with fifteen (15) or more years of continuous service with the Denver Public Schools shall receive a \$600 annual service increment and shall receive an additional \$600 annual service increment after the completion of each additional five-year (5) period of continuous service.

14.3.1 Anniversary dates of appointment shall be the dates on which service increments take effect.

14.3.2 The date on which service increments were awarded before January 1, 1980, cannot alter the awarding of subsequent service increments due to take effect on the anniversary date of appointment marking the completion of each additional five (5) years of service thereafter.

DAEOP PROPOSAL - Article 14.3

~~Service Increment~~ Longevity Increment

Longevity Increments are awarded after the completion of 15 years of continuous DPS service and each five-year period of continuous service thereafter. Effective January 4, 1983-1, 2007, the value of each longevity increment will be increased to \$840 annually for all longevity increments earned on or after January 1, 2007. **For 2007, employees currently receiving one or more service longevity increments earned prior to 1/1/07 and not scheduled to receive an additional increment in 2007, will receive an additional \$20 per month (\$240 annually), on their anniversary date in 2007, to be added to their most current annual increment. Additional increments earned prior to January 2007 will continue to be paid at the \$600, pre-January 1, 2007, rate.**

14.3.1 Anniversary dates of appointment shall be the dates on which service **longevity** increments take effect.

14.3.2 The date on which service **longevity** increments were awarded before January 1, 1980, cannot alter the awarding of subsequent ~~service~~ **longevity** increments due to take effect on the anniversary date of appointment marking the completion of each additional five (5) years of service thereafter.

**DAEOP PROPOSAL**  
Submitted October 3, 2006

Tentative Agreement:

Date: 10/10/2006  
DAEOR [Signature]  
DPS [Signature]

Article: 14.1.1 - Salary

CURRENT AGREEMENT: Article 14.1.1  
Salary step increases will be effective June 30, 2006.

DAEOP PROPOSAL - Article 14.1.1

A ~~4.00%~~ **2.445%** increase will be added to the current salary schedule, effective September 1, 2005-2006. Salary step increases will be effective July 1, 2007.

**Board of Education Consent Agenda  
October 19, 2006  
Resolution Authorizing Signatures  
for Banking Transactions**

**TO:** Michael Bennet, Superintendent  
**FROM:** Velma A. Rose, Chief Financial Officer  
**DATE:** October 17, 2006  
**SUBJECT:** Resolution Authorizing Signatures for Banking Transactions

**Background Information – Selection of UMB Bank of Colorado**

In January 2002, a request for proposal to provide banking services was issued to seven banks. Three of the seven banks submitted proposals. The evaluation committee evaluated the bids based on (1) the ability of the vendor to provide the banking services set forth in the RFP, (2) the cost of the proposed banking services to the District, (3) whether the vendor met the minimum qualifications and the terms and conditions specified in the request for proposal, (4) the financial condition of the bank, and (5) the experience and success of the vendor in providing banking services to municipal governments in Colorado.

The evaluation committee recommended to and received the concurrence from the Board Finance and Audit Committee Treasurer, that UMB Bank of Colorado be awarded the contract for the District's banking services. UMB Bank of Colorado is in the second year of their five year contract with the District.

**Authorized Signatures for Banking Transactions**

Attached is a resolution authorizing signatures for UMB Bank of Colorado banking transactions. *Currently, authorization has been given as follows:*

- To deposit and withdraw funds from District accounts at UMB: Kevin Patterson, the Treasurer of the Board of Education; Richard H. Allen, the *former* Assistant Superintendent, Budget and Finance; Velma A. Rose, the Chief Financial Officer; Marjorie Uhlar, the Controller; Jack Warren, the *former* Lead Accountant; and Brett Fuhrman, the Budget Director.
- To transfer funds between School District accounts at UMB and to wire funds from these accounts: as authorized by Michael F. Bennet, Superintendent. Currently, Richard H. Allen, the *former* Assistant Superintendent, Budget and Finance; Velma A. Rose, the Chief Financial Officer; Marjorie Uhlar, the Controller; Jack Warren, the *former* Lead Accountant; and Brett Fuhrman, the Budget Director, have been authorized.
- To affix facsimile signatures on School District checks: Richard H. Allen, the *former* Assistant Superintendent, Budget and Finance; and Velma A. Rose, the Chief Financial Officer

*With the reclassification of Jack Warren to Disbursing Manager and the resignation of Richard H. Allen as Assistant Superintendent for Budget and Finance, a new resolution is necessary eliminating Richard H. Allen and changing the title for Jack Warren to Disbursing Manager with respect to the deposit and withdrawal of funds. Michael F. Bennet as the Superintendent can identify staff authorized to transfer funds between School District accounts at UMB and to wire funds from these accounts. In addition, it is necessary to replace the facsimile signature of Richard H. Allen for School District Checks to that of Marjorie S. Uhlar, Controller.*

**SUGGESTED MOTION**

**I MOVE THE APPROVAL OF RESOLUTION \_\_\_\_\_ AUTHORIZING SIGNATURES FOR BANKING TRANSACTIONS.**

**RESOLUTION**

**AUTHORIZING SIGNATURES FOR BANKING TRANSACTIONS**

\_\_\_\_\_, the undersigned, Secretary of the Board of Education of School District No. 1 in the City and County of Denver, and State of Colorado (hereinafter called the "School District"), does hereby certify:

1. That she is the Secretary of School District No. 1 in the City and County of Denver, and State of Colorado and has the custody of the School District's records, minutes and seal.
2. That at a meeting of the Board of Education duly called, convened and held in accordance with its by-laws and with law on the nineteenth day of October , 2006, at which a duly authorized quorum of the members of the Board of Education of the School District were present in person, the following resolution was adopted:

**(DEPOSIT AND WITHDRAWAL AUTHORITY)**

RESOLVED, that a bank checking and/or savings account and/or Certificates of Deposit in the name of this School District be opened with the UMB Bank of Colorado (hereinafter called the "Bank"); that any two of the following

- |                   |                         |
|-------------------|-------------------------|
| Kevin Patterson   | Treasurer               |
| Velma A. Rose     | Chief Financial Officer |
| Marjorie S. Uhlar | Controller              |
| Brett Fuhrman     | Director, Budget        |
| Jack Warren       | Manager, Disbursing     |

are hereby authorized to sign checks of this School District and orders for the payment of money withdrawing funds as aforesaid from the Bank and that the Bank is hereby authorized and directed to honor and pay checks and orders so executed or drawn; and any one is hereby authorized to endorse for credit or negotiation any and all checks, drafts, notes, bills of exchange or other evidences of indebtedness or orders for the payment of money belonging to, payable to or in the possession of this School District, and that all endorsements for credit may be made by the written or stamped endorsement of the name of this School District without designation of the person making the same, and the Superintendent of the School District is hereby authorized to revoke the authority hereby conferred upon such persons or give such authority to such other employees of the School District by advising the Bank in writing; and

**(FUNDS TRANSFER AUTHORITY)**

RESOLVED, that any individual now or hereafter holding the office of Superintendent of the School District is authorized from time to time hereafter to (A) execute or otherwise enter into on behalf of the School District the Terms and Conditions Governing Wire Transfers by the Bank and one or more other funds transfer agreements under which Bank may from time to time transfer funds to or from the School District to or from other accounts or individuals or entities; and (B) take such actions and execute such further documents as said individual may in his/her sole discretion deem appropriate or necessary to cancel, amend or modify such Terms and Conditions, and other funds transfer agreements;

RESOLVED FURTHER, that the Superintendent of the School District is hereby authorized to designate any other employee(s) of the School District who may give "Authorizations" (as defined in the Terms and Conditions or any other funds transfer agreement)

each of which shall be binding on School District until Bank receives written notice to the contrary;

RESOLVED FURTHER, that the authority granted to the Superintendent (as such incumbent is identified in incumbency certificates furnished to Bank from time to time) shall continue in effect until Bank has received written notice revoking such authority.

**Certification of Incumbency and the Specimen Signature of the Individual Empowered to Give Authorizations**

(The following space should include the name of the individual referred to by name or title in the first "Resolved" under Funds Transfer Authority)

<b>Name</b>	<b>Title</b>	<b>Specimen Signature of Authorized Signer</b>
Michael F. Bennet	Superintendent	_____

The undersigned Secretary of the Board of Education also hereby certifies that the individual above currently holds the office of Superintendent and that the specimen signature adjacent thereto is the signature of such individual.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Secretary, Board of Education

**(FACSIMILE SIGNATURE AUTHORITY)**

RESOLVED FURTHER, that the Bank is hereby requested, authorized and directed to honor checks, drafts, or other orders for the payment of money drawn in the School District's name, including those drawn to the individual order of any person whose name appears thereon as a signer thereof, when bearing or purported to bear the facsimile signature of any one of the following:

Velma A. Rose  
Marjorie S. Uhlar

Chief Financial Officer  
Controller

and the Bank shall be entitled to honor and to charge this School District for all such checks, drafts or other orders, regardless of by whom or by what means the facsimile signature thereon may have been affixed thereto, if such facsimile signature resembles the facsimile specimens duly certified to filed with the Bank by the Secretary of this School District.

**Board of Education Consent Agenda**  
**October 19, 2006**  
**ProComp Trust Board Composition**

**TO:** Michael F. Bennet, Superintendent

**FROM:** Velma A. Rose, Chief Financial Officer

**DATE:** October 17, 2006

**SUBJECT:** ProComp Trust Board Composition

**PROPOSED ACTION**

The Professional Compensation System for Teachers Agreement (Agreement) provides for the a Teacher Compensation Trust Fund Board of Directors (Board), the composition of which is” three representatives appointed by the Association President, three representatives of the District, and two representatives of the community appointed by the agreement of the other six members of the trust. The District’s representatives to the Board of Directors of the Trust shall be the Treasurer of the Board of Education, the Chief Financial Officer of the District and the Assistant Superintendent for Budget and Finance.”

As the position of Assistant Superintendent for Budget and Finance was eliminated upon the resignation of Richard Allen effective October 1, 2006, action is needed to address the composition of the District’s representatives on the Board. In contemplation of this possibility, the Agreement further provides that “in the event that changes in organization eliminate such positions, the Board of Education shall designate equivalent positions”. Based on current organization of the District such designations would result in the Chief Financial Officer taking the place of the Assistant Superintendent for Budget and Finance, and the Budget Director taking the place of the Chief Financial Officer. In addition to meeting the equivalency test, this is further supported by the requirements for the community members on the Board to have “substantial professional qualification in financial matters”.

**SUGGESTED MOTION**

I MOVE THAT THE THREE DISTRICT REPRESENTATIVES ON THE BOARD OF DIRECTORS OF THE PROFESSIONAL COMPENSATION SYSTEM FOR TEACHERS TRUST FUND BE THE TREASURER OF THE BOARD OF EDUCATION, THE CHIEF FINANCIAL OFFICER AND THE BUDGET DIRECTOR.

## Policy ILBA- District Student Assessment

District assessment provides information on each student's educational growth for the purposes of instructional improvement, special programs, communication with students and parents, and state and federal accountability. ~~that is required in monitoring accreditation goals and in improving levels of student achievement.~~ The district's assessment program consists of tests that are given statewide and nationally, as well as locally developed assessments that monitor student progress toward state standards. In addition, teachers create classroom assessments that match ~~The program is composed of a broad range of assessment opportunities, including tests that are given nationwide as well as assessments that are matched to the~~ district's approved curriculum. and identify individual strengths and weaknesses.

District staff are to administer all assessments in accordance with federal, state, and local laws and policies. ~~Together, these measures meet the required specifications in a number of local, state, and national mandates for determining the quality of an educational system. Such mandates include the district's Strategic Plan and other requirements for special programs.~~ District procedures related to training, test security, administration, and processing are to be followed. District staff are expected to administer assessments and use results in an ethical manner. Assessment results must be treated as confidential and should only be used for appropriate, bona fide educational purposes.

~~In addition, teachers are encouraged to create individual classroom assessments that are uniquely matched to each student's needs. Eligible students considered for special programs may take recommended tests related to enrollment. Parents may also request that their student take any assessment that is available as part of the district's assessment program.~~

LEGAL REFS: Educational Accountability Act of 1971 [C.R.S. § 22-7-102-(2)(b)]

Testing Requirements [C.R.S. § 22-32-109.5]

C.R.S. 22-53-205 Public School Finance Act of 1994 [C.R.S. § 22-54-101]

C.R.S. 22-53-207 (3),(5)

Accreditation Indicator Reporting [1 CCR 301-1, Rule 2202-R-3.040]

(1)Dps Board of Education Policy LC – Relations with Education Research Agencies

~~CROSS REFS.: GCS, Professional Research and Publishing  
HLBB, State Program Assessments  
JLDAC, Screening/Testing of Students  
LC, Relations with Education Research Agencies~~

~~CONTRACT REF-: Denver Classroom Teachers Association, Agreement, Article 5 -- Student Achievement, Instruction and Educational Reform Collaborative Decision Making, Section 5.13 Survey of School Performance~~

## Policy DFA- INVESTMENT AND CASH MANAGEMENT POLICY

### ***Policy***

It is the policy of School District No. 1 in the City and County of Denver and State of Colorado (the School District) to invest its funds in a manner which will provide for the highest investment return consistent with the preservation of principal and provision of the liquidity necessary for daily cash flow demands. In addition, it is the policy of the School District to implement internal controls to ensure the ~~safeguard~~ SAFETY of its financial assets and cash.

### ***Purpose and Scope***

This policy shall apply to the management and investment of all financial assets and cash of the School District over which it exercises financial control, as presented and accounted for in the School District's Comprehensive Annual Financial Report. In order to effectively make use of the School District's cash resources, the moneys of the following funds may be pooled into one or more investments and accounted for separately. Upon maturity, the interest income earned shall be prorated and credited to the respective funds.

1. General Fund (to include the Emergency Reserve)
2. Capital Reserve Fund (to include the Emergency Reserve)
3. Self-Insurance Internal Service Fund
4. Other Internal Service Funds
5. Government Designated Purpose Grants Fund (excluding federal funds which are required to be held in non-interest bearing accounts)
6. Special Revenue Funds (as appropriate)
7. Pupil Activity Fund
8. Food Services Fund
9. ~~Trust Funds- Expendable and Non-Expendable~~ PERMANENT GOVERNMENT FUND

10. PRIVATE PURPOSE (TRUST) FUND (EXCLUDING THE RETIREE HEALTH BENEFIT TRUST)

11. Building Fund

12. Bond Redemption Fund

13. Any new fund created by the School District, unless specifically exempted

Not covered by this policy is that of the management and investment of cash by individual schools and accounted for in the Student Activities Fund in the School District's Comprehensive Annual Financial Report. Investment activities of the Denver Public Schools RETIREMENT SYSTEM, THE DENVER PUBLIC SCHOOLS RETIREE HEALTH BENEFIT TRUST, AND THE DENVER PUBLIC SCHOOLS PROFESSIONAL COMPENSATION SYSTEM FOR TEACHERS TRUST ~~Employees' Pension and Benefit Association~~ are also not governed by this Policy.

### ***Objectives***

FUNDS allocated to a specific fund but temporarily not needed shall be invested in accordance with state law and in a manner designed to accomplish the following objectives. These objectives, which are stated in order of priority, are:

1. SAFETY - to ensure the safety of the funds invested. The School District will not invest in securities that expose itself to an undue credit risk of an issuer or a broker/dealer. Investments shall be undertaken in a manner to ensure the preservation of principal in the portfolio.

2. LIQUIDITY - to ensure that adequate funds are available at all times to promptly pay all of the School District's financial obligations. Transactions will be entered into taking into account the liquidity needs of each School District fund and ~~minimizing~~ LIMITING exposure to interest rate risks.

3. YIELD -to earn the maximum return possible on the funds available for investment while complying with state statutes, consistent with the safety of principal and the cash flow needs of the School District.

## ***Ethics and Conflict of Interest***

Officers and employees involved in the investment process shall refrain from personal business activity that could create an appearance of impropriety or could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. These officers and employees shall disclose to the ~~Assistant Superintendent, Budget and Finance, and the~~ CHIEF FINANCIAL OFFICER any material financial interests in financial institutions that conduct business with the School District, and they shall further disclose any large personal/investment positions that could be related to the performance of the School District's portfolio. These officers and employees shall subordinate their personal investment transactions to those of the School District, particularly with regard to the time of purchases and sales.

## ***Delegation of Authority***

The Board of Education designates ~~the Assistant Superintendent, Budget and Finance, and the~~ CHIEF FINANCIAL OFFICER as the cash management and investment officer of the School District who shall be responsible for all investment decisions and cash management activities consistent with the terms of this Policy. The CHIEF FINANCIAL OFFICER shall delegate to certain employees in the Financial Services Department responsibilities for investment activities and cash management activities and shall establish a system of internal controls to regulate these activities. THE CHIEF FINANCIAL OFFICER MAY SECURE AN INVESTMENT ADVISOR, THROUGH A COMPETITIVE BID PROCESS, TO PROVIDE INVESTMENT ADVISORY SERVICES TO ASSIST IN THE DEVELOPMENT AND REVIEW OF THE SCHOOL DISTRICT'S INVESTMENT POLICIES, PROCEDURES AND STRATEGY, MONITOR FINANCIAL MARKETS TO IDENTIFY OPPORTUNITIES CONSISTENT WITH THE SCHOOL DISTRICT'S INVESTMENT OBJECTIVES, AND EXECUTE DISCRETIONARY SECURITY TRANSACTIONS CONSISTENT WITH THE SCHOOL DISTRICT'S INVESTMENT POLICY STATEMENT.

## ***Prudence***

The ~~Assistant Superintendent, Budget and Finance, and the~~ CHIEF FINANCIAL OFFICER shall be guided by THE "PRUDENT INVESTOR RULE" (C.R.S. § 15-1.1-101, ET SEQ.), AND IN COMPLIANCE WITH APPLICABLE STATE LAW REGARDING INVESTMENT OF PUBLIC FUNDS (INCLUDING, WITHOUT LIMITATION, C.R.S. § 24-75-601, ET SEQ.), AND this Policy. The ~~Assistant Superintendent, Budget and Finance, the~~ CHIEF FINANCIAL OFFICER and those individuals they authorize to invest on their behalf, who

act within the guidelines of this Policy and exercise due diligence, shall not be held personally responsible for assuring sufficient liquidity of investments to meet daily operational needs nor for losses due to financial entity failures where respective funds and securities are held nor for an individual security's credit risk or market price changes. It is expected that deviations from expectations be reported in a timely fashion to the Superintendent and appropriate action taken to control adverse developments.

### ***Authorized Financial Dealers and Institutions***

The Division of Financial Services AND, IF APPLICABLE, THE DISTRICT'S INVESTMENT ADVISOR, will maintain a list of financial institutions authorized to provide investment services. No School District funds shall be deposited in any financial institution except as authorized by ~~the Assistant Superintendent, Budget and Finance, or~~ the CHIEF FINANCIAL OFFICER. Any broker/dealer and bank dealer providing investment services under this policy must:

1. Be one of the following: (1) designated as a primary government securities dealer by the Federal Reserve Bank of New York; (2) a direct issuer of eligible investments (i.e., bankers acceptances, commercial paper, certificates of deposit); (3) or a pre-qualified dealer with offices within the Denver metropolitan area and a minimum net capital of \$5,000,000;
2. Have been in operation for at least two years. Must provide the School District with audited financial statements at least annually, as well as interim financial statements which may be either audited or unaudited. The firm must not have a qualification of the auditor's opinion or a contingent liability that could materially affect the capital of the broker/dealer or bank dealer;
3. Except for bank/PRIMARY dealers, provide the School District with Focus reports as filed with the National Association of Securities Dealers;
4. Assign specific personnel to the School District's account and provide a resume of qualifications of both the broker/dealer or bank dealer and the assigned personnel; and
5. Provide written certification of having read and understood the School District's investment and cash management policy, and intending to comply with items 1-4 above. FOR CIRCUMSTANCES WHERE THE DISTRICT'S INVESTMENT ADVISOR EXECUTES TRADES ON BEHALF OF THE DISTRICT, IT IS THE SCHOOL DISTRICT'S RESPONSIBILITY TO ENSURE SUCH TRADES ARE IN COMPLIANCE WITH THE SCHOOL DISTRICT'S INVESTMENT AND

CASH MANAGEMENT POLICY AT ALL TIMES. THE INVESTMENT ADVISOR WILL ADVISE THE SCHOOL DISTRICT ON HOW THE BROKER/DEALERS MEET THE REQUIREMENTS LISTED IN ITEMS 1-4 ABOVE.

Any bank or savings and loan association providing investment services under this policy must be an eligible public depository as defined by the appropriate state agency (i.e., State Banking Division or State Financial Services Division), and must maintain an office within the Denver metropolitan area.

At least annually, ~~the Assistant Superintendent, Budget and Finance,~~ the CHIEF FINANCIAL OFFICER, or designee, will review the financial condition of its authorized financial institutions.

The intent of the School District is to support the financial institutions located within the Denver metropolitan area. However, investments will be made through institutions located outside of this area when it is determined that the local financial institutions are not quoting competitive rates, and for any other substantial reason which is in the best interest of the School District.

### ***Authorized and Suitable Investments***

The School District will limit its investments to those allowed by state law (C.R.S. §24-75-601 AND C.R.S. § 24-75-702). Within the choice of investments allowed by state law, the School District will only invest in the following (IF IT IS IN THE BEST INTERESTS OF THE SCHOOL DISTRICT, THE CHIEF FINANCIAL OFFICER CAN REQUEST BOARD OF EDUCATION APPROVAL OF AN EXCEPTION TO THE INVESTMENT AND CASH MANAGEMENT POLICY TO EXTEND THESE MATURITY DATE LIMITATIONS ON A TRANSACTION BY TRANSACTION BASIS):

1. BONDS OR OTHER INTEREST-BEARING OBLIGATIONS OF THE UNITED STATES GOVERNMENT, to include treasury bills, treasury notes, treasury bonds and treasury strips. Both principal and interest are unconditionally guaranteed by the United States Government. These securities, which have various maturities, are readily available in the secondary market, and possess yields that are generally lower than that of other market instruments. ~~As for market risk, there is a degree of price volatility that results from an active secondary market.~~
2. BONDS OR OTHER INTEREST-BEARING OBLIGATIONS OF THE UNITED STATES GOVERNMENT AGENCIES AND UNITED STATES GOVERNMENT

SPONSORED CORPORATIONS. These securities, which have various maturities, are also available in the secondary market, but this market is not as active as the market for direct government obligations. ~~Market risk is considered normal when sold by the School District prior to maturity.~~ These securities include obligations of the Federal Farm Credit System, the Federal Home Loan Bank, the Federal Home Loan Mortgage Corporation (Freddie Mac), ~~the Student Loan Marketing Association (Sallie Mae),~~ the Federal National Mortgage Association (FNMA or Fannie Mae), the Export-Import System (e.g., Export-Import Bank of the United States, Private Export Funding Corporation), the Government National Mortgage Association (GNMA or Ginnie Mae), and the Tennessee Valley Authority. EXCLUDING GNMA, These obligations are not guaranteed by the United States Government, and, as such, must be rated at time of purchase in its highest rating category by ~~TWO~~ ~~one~~ or more nationally recognized organizations which regularly rate such obligations. THE MAXIMUM MATURITY DATE FOR ALL SECURITIES LISTED ABOVE MUST BE NO MORE THAN FIVE YEARS FROM THE DATE OF PURCHASE.

3. MONEY MARKET FUNDS THAT ARE REGISTERED UNDER THE FEDERAL INVESTMENT COMPANY ACT OF 1940, AS AMENDED. The investment policies of the funds must include an attempt to maintain a constant share price of one dollar. No sales/load fee can be added to the purchase or deducted from the redemption price AND NO FEE MAY BE CHARGED UNLESS THE BOARD OF EDUCATION AUTHORIZES SUCH A FEE AT THE TIME OF THE INITIAL PURCHASE. The funds must invest in securities which: (1) have a maximum maturity of THIRTEEN MONTHS ~~one year,~~ (2) are legal investments for Colorado local governments, AND (3) ~~are perfected reverse repurchase agreements which mature within twenty days and~~ (4) have an average WEIGHTED maturity of 90 ~~180~~ days or less.

4. PRIME BANKERS ACCEPTANCES that are in essence time drafts sold at a discount by a state or national bank. ~~which: (1) has a combined capital and surplus of \$250,000,000, (2) is insured by the FDIC and (3) has an A or better rating for its long term debt or the long term debt of its holding company; not to exceed a maturity of 6 months.~~ The bankers' acceptance must MATURE WITHIN THREE YEARS AND carry a minimum OF TWO ratings at the time of initial purchase of P-1 by Moody's Investor Service, ~~and~~ A-1 by Standard and Poor's Corporation AND/OR F-1 BY FITCH. This instrument represents an irrevocable primary obligation of the accepting bank, is readily marketable through a secondary market, has a yield that is generally competitive with certificates of deposit of similar maturities, and contain normal market risk.

~~5. COMMERCIAL PAPER that is rated in its highest rating category (minimum of P-1, Moody's Investor Service; A-1, Standard and Poor's Corporation), not to exceed a maturity of 270 days. MUST MATURE WITHIN THIRTEEN MONTHS AND CARRY A MINIMUM OF TWO RATINGS AT THE TIME OF INITIAL PURCHASE OF P-1 BY MOODY'S INVESTOR SERVICE, AND A-1+ BY STANDARD AND POOR'S CORPORATION AND/OR F-1+ BY FITCH RATINGS. Commercial paper is a short-term, unsecured promissory note issued for a maturity specified by the purchaser and sold primarily on a discount basis. Issuance is usually by major corporations and bank holding companies, are marketed either through dealers or directly by the issuer. Their yields are competitive with other money market instruments and, given the liquidity conditions, contain normal market risk.~~

~~BONDS WHICH ARE ISSUED BY THE WORLD BANK and at the time of purchase is rated in one of the two highest rating categories by one or more nationally recognized rating agencies.~~

~~6.7. GENERAL OBLIGATIONS OF any state of the United States, the District of Columbia, or any territorial possession of the United States or of any political subdivision, institution, department, agency, instrumentality, or authority of any of such governmental entities, and at the time of purchase is rated in one of the two highest rating categories by ~~one~~ TWO or more nationally recognized rating agencies. THE MAXIMUM MATURITY DATE FOR ALL SECURITIES LISTED ABOVE MUST BE NO MORE THAN THREE YEARS FROM THE DATE OF PURCHASE.~~

~~7.8. REVENUE OBLIGATIONS OF any state of the United States, the District of Columbia, or any territorial possession of the United States or of any political subdivision, institution, department, agency, instrumentality, or authority of any of such governmental entities, and at the time of purchase is rated in one of the two highest rating categories by one or more nationally recognized rating agencies.~~

~~8.9. Any interest in a LOCAL GOVERNMENT INVESTMENT POOL organized pursuant to CRS 24-75-702.~~

~~9.10. REPURCHASE AGREEMENTS, provided that: (1) the School District's security interest is in governmental obligations (see #1 and #2 above), (2) the agreement is collateralized as required by law, at a minimum of 102% of the purchase price plus accrued interest (on at least a weekly basis, this should be marked to market and evaluated, with collateral deficiencies cured by the counter-party on the date of discovery, but not later than the following business day), and the collateral is delivered VERSUS PAYMENT to~~

and held in a third party safekeeping account, and (3) a master repurchase agreement with the financial institution has been executed. Repurchase agreements represent purchases of any approved security at a specified rate of return with an agreement by the seller to subsequently repurchase the security at its original cost plus interest. THE PERIOD FROM THE DATE OF SETTLEMENT OF A PURCHASE AGREEMENT TO ITS MATURITY SHALL BE NO MORE THAN FIVE YEARS FROM THE DATE OF PURCHASE. Repurchase agreements may be for various maturities, are not negotiable but a seller may be willing to break an agreement, contain yields that are generally higher than may be obtained by direct purchase of securities of similar maturities, and contain minimal market risk.

10.44. TIME DEPOSIT ACCOUNTS AND CERTIFICATES AT BANKS AND SAVINGS AND LOAN INSTITUTIONS, that are state-approved depositories of public funds. These institutions must have a minimum equity of \$3,500,000; commercial banks must maintain a minimum capital to assets ratio of 5%, savings and loans must maintain a net worth to assets ratio of 5%. Certificates of deposit which exceed the FDIC/FSLIC insured amount shall be collateralized in accordance with the State Public Deposit Protection Act. The collateral will have a market value equal to or exceeding 100% of principal and interest at all times less the FDIC/FSLIC insured amount taking into consideration the School District's total deposits for all funds within the financial institution ~~(up to \$100,000)~~.

### ***Safekeeping and Custody***

All security transactions that are not overnight shall be conducted on a delivery-versus-payment basis. Overnight securities, excluding collateral for repurchase agreements, will be held by the dealer in the name of the Denver Public Schools. All repurchase agreement transactions, to include overnight, however, must be conducted on a delivery-versus-payment basis. Securities transactions conducted on a delivery-versus-payment basis will be held by a third party custodian recommended by the ~~Assistant Superintendent, Budget and Finance, and~~ CHIEF FINANCIAL OFFICER and approved by the Board of Education, under a written agreement and evidenced by safekeeping receipts.

All securities purchased and sold shall be authorized or confirmed in writing with the issuer.

### ***Diversification***

It is the policy of the School District to diversify investments and to ensure the safety and liquidity of the investments. This can be accomplished by observing the following sound investment practices (the numbers in parentheses refer to the authorized and suitable investment types listed on pages 3 through 5 of this Policy):

1. At least 20% of the investment portfolio shall be invested in government securities (see above, #1, and #2).
2. Not more than ~~250~~20% of the portfolio shall be invested in money market funds at the time of purchase, and not more than 5% of the portfolio may be invested in the funds of any one issuer (see above #3).
3. Not more than 15% of the portfolio will be invested in bankers acceptances at the time of purchase, and not more than 5% of the portfolio may be invested in the bankers acceptance of any one issuer (see above, #4).
4. Not more than 20% of the portfolio will be invested in commercial paper at the time of purchase, and not more than 5% of the portfolio may be invested in the commercial paper of any one issuer (see above, #5).
5. Not more than 20% of the portfolio shall be invested in ~~World Bank securities,~~ General Obligations of any state of the U.S. and Revenue Obligations of any state of the U.S. (see above, #6, AND #7 ~~and~~ #8).
6. ~~Not more than~~ AT LEAST 10% ~~20%~~ of the portfolio will be invested in local government investment pools (see above, #9).
7. Investments in term repurchase agreements (other than repurchase agreements for the investment of general obligation bond proceeds and certificates of participation proceeds) shall not exceed 20% of the investment portfolio at the time of purchase (see above, #10).
8. Not more than 15% of the portfolio will be invested in certificates of deposit at the time of purchase, and not more than 5% of the portfolio may be invested in the certificates of deposit of any one issuer (see above, #11).

### ***Maximum Maturities***

The maturity of securities will not exceed the cash needs of the School District as it relates to time. Maturities for School District investments may not exceed ~~two~~ THREE years without written authorization from ~~the Assistant~~

Superintendent, ~~Budget and Finance~~, and the CHIEF FINANCIAL OFFICER, SUBJECT TO THE MAXIMUM MATURITIES OTHERWISE REQUIRING BOARD OF EDUCATION APPROVAL. ~~The maximum maturity date for all securities listed above must be no more than five years from the date of purchase unless otherwise authorized by the Board of Education (CRS 24-75-601.1).~~

### ***Competitive Participation***

Whenever practical, the School District shall obtain a minimum of three competitive quotes or request for proposals for all investments with consideration to specific settlement dates. Price of execution will be the primary determinant of selection. In the case where the School District is given equal prices, preference will be given to the financial institutions located within the Denver metropolitan area, with selection determined by random process.

### ***Internal Controls***

Internal controls will include, but not be limited to, the following to ensure the integrity of the cash management and investment process:

1. All investments require the approval of ~~the Assistant Superintendent, Budget and Finance~~, or CHIEF FINANCIAL OFFICER, OR DESIGNEE.
2. All wires from the School District's bank require an on-line or telephone confirmation to those employees authorized in the Terms and Conditions Governing Wire Transfers by ~~UMB Bank Colorado~~ THE SCHOOL DISTRICT'S BANK.
3. A resolution of proposed eligible public depositories is submitted for Board of Education approval, at a minimum, annually.
4. All purchases and sales of investments are confirmed in writing with the issuer.
5. All wires for the payment of principal and interest on outstanding general obligation bonds and certificates of participation are pursuant to debt schedules and invoices with wiring instructions from the paying agent.
6. For repurchase agreements approved by the Board of Education for the investment of proceeds from the issuance of general obligation bonds and certificates of participation, wire requests for the draw down of balances are confirmed in writing.

7. All manual and system-generated checks require two signatures in accordance with the resolution approved by the Board of Education.
8. System-generated accounts payable checks are not printed, facsimile-signed and released by the Disbursing Office until the CHIEF FINANCIAL OFFICER or designee has reviewed and approved the Accounts Payable Department's printout of the checks.
9. System-generated payroll checks and payroll direct deposits are approved by the Payroll Department prior to the Disbursing Office's printing and release of the checks with the facsimile signatures and generation of the direct deposit electronic transfer or tape.
10. Prior to the scheduled release of accounts payable checks, the Assistant to the Treasurer or designee is to review a sample of the payments on the accounts payable check register for authorization of payment prior to the Disbursing Office's processing and release of the checks.
11. Prior to the scheduled release of payroll checks, the Assistant to the Treasurer or designee is to review payroll files for reasonableness. After the checks are released, the Assistant to the Treasurer will review a sample of department and school payroll checks for propriety of amount and payee.
12. The amount of property tax and motor vehicle tax receipts is confirmed in writing by the City and County of Denver to the School District prior to the wiring of such funds to a pre-designated School District bank account.
13. The amount of monthly state equalization and periodic state categorical funding is confirmed in writing by the Colorado Department of Education to the School District prior to the wiring of such funds to a pre-designated School District bank account.
14. The Assistant to the Treasurer or designee is to review a sample of the deposits submitted by the Disbursing Office and compare them with the general ledger receipt batches generated by General Accounting.
15. The Board of Education, by resolution, annually authorizes the CHIEF FINANCIAL OFFICER to participate in the State Interest-Free Loan Program and to borrow available funds in the Capital Reserve Fund, ~~and~~ Self-Insurance Internal Service Fund, GOVERNMENT-DESIGNATED PURPOSE GRANTS FUND AND SPECIAL REVENUE FUND for the General Fund.

16. Both the Superintendent and the CHIEF FINANCIAL OFFICER or designee sign the Cash Flow Work Sheet submitted to the State Treasurer for purposes of requesting funds for the General Fund through the State Interest-Free Loan Program. The requested amount of funds is based on cash flow projections approved by the CHIEF FINANCIAL OFFICER or ~~Assistant Superintendent, Budget and Finance.~~

17. Annually, the external auditors, as part of the annual independent School District financial audit, review the internal controls, test the interest earnings and confirm the outstanding investments. General Accounting reconciles the bank account balances to the general ledger balances, such reconciliations to be reviewed by the external auditors. The audited balance sheet amount of General Fund cash is reconciled to that reported on the Cash Flow Work Sheet to the state and submitted to the State Treasurer.

### ***Reporting***

The Finance and Audit Committee shall receive quarterly reports summarizing cash receipts and disbursements for each fund, investment purchases, earnings on matured investments and a schedule of outstanding investments.

### ***Glossary of Terms***

AGENCIES: These are federal agency securities.

BANKERS' ACCEPTANCE: A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

BROKER: A broker brings buyers and sellers together for commission paid by the initiator of the transaction or by both sides; the broker does not position (i.e., the broker does not own the securities he is buying or selling). In the money market, brokers are active in markets in which banks buy and sell money and interdealer markets.

COLLATERAL: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COMMERCIAL PAPER: A short-term, ~~unsecured~~ promissory note issued by corporations for a maturity specified by the purchaser, usually from 1 to 270 days and sold primarily on a discount basis.

**CERTIFICATE OF DEPOSIT (CD):** A time deposit with a specific maturity evidenced by a certificate. Large-denomination CDs are typically negotiable.

**COUPON:** The annual rate of interest that bond's issuer promises to pay bondholders on the bond's face value.

**DEALER:** A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

**DELIVERY VERSUS PAYMENT:** There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with a simultaneous exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

**DISCOUNT:** The difference between the cost price of a security and its value at maturity when the price quoted is lower than the face or maturity value. A security selling below original offering price shortly after sale also is considered to be at a discount.

**DISCOUNT SECURITIES:** Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, e.g., U.S. Treasury bills.

**DIVERSIFICATION:** Dividing investments among a variety of securities offering independent returns.

**ELIGIBLE DEALERS:** See investment and cash management policy.

**ELIGIBLE PUBLIC DEPOSITORY:** An association that has been designated an eligible public depository by the State of Colorado pursuant to statute and is, therefore, qualified to hold savings deposits of the School District.

**EMPLOYEE:** As used in this document, the term employee means a person delegated or designated by the CHIEF FINANCIAL OFFICER ~~and Chief Operating Officer~~ to carry out certain investment and cash management responsibilities.

**EXPORT-IMPORT BANK OF THE UNITED STATES:** The EX-IM BANK was founded in 1934. The bank operates under authority granting broad powers to finance and facilitate exports of American products by extending loans, guarantees and export credit insurance. EX-IM BANK is governed by a five-member board of directors appointed by the President of the United States.

The bank also guarantees credit and short-term discount notes issued by the sponsored corporation, the Private Export Funding Corporation. Purchasers may select the maturity for any period from three to 360 days.

**FEDERAL FARM CREDIT SYSTEM:** The farm credit banks collectively issue consolidated system-wide discount notes. These are the joint and severable obligations of the banks, with maturities ranging from five to 270 days. Discount notes are used to meet routine cash management requirements, and to provide for interim financing between bond sales. These banks also issue consolidated bonds with six-month and nine-month maturities offered monthly.

**FEDERAL HOME LOAN BANK (FHLB):** The institutions that regulate and lend to savings and loan associations. The Federal Home Loan Banks play a role analogous to that played by the Federal Reserve Banks vis-à-vis member commercial banks. The banks issue consolidated bonds and discount notes as joint and severable obligations of the Home Loan Banking System. Although they operate under federal charter with government supervision, these securities are not secured or guaranteed by the U.S. government. However, the banks are required to maintain secured advances, guaranteed mortgages, U.S. government securities or cash in an amount at least equal to the amount of consolidated bonds and discount notes outstanding.

**FEDERAL HOME LOAN MORTGAGE CORPORATION (FHLMC):** A government organization established in 1970 to create a secondary market in conventional mortgages. The FHLMC (also known as Freddie Mac) sells its own government-insured bonds and uses the proceeds to buy either insured or conventional mortgages from federally insured financial institutions and then resells them in the form of mortgage-backed, pass-through certificates. FHMLC assumes and guarantees that all security holders will receive timely payment of principal and interest.

**FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA):** FNMA, like GNMA, was chartered under the Federal National Mortgage Association Act in the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. FNMA is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

**FEDERAL RESERVE SYSTEM:** The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 Regional Banks and about 5,700 commercial banks that are members of the system.

**FUND:** Independent fiscal and accounting entity with a self-balancing set of accounts in which cash and other financial resources are recorded, together with all related liabilities and residual balances. Each fund has a specific purpose or carries on specific activities.

**GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA):** Commonly referred to as Ginnie Mae, this is a real estate-oriented security, whose holders are guaranteed against loss by the U.S. government, representing portions of a pool of government-guaranteed FHA and VA mortgages. Unlike bonds, Ginnie Maes do not pay back the principal at maturity. Instead, they pay principal payments each month along with interest.

**INTEREST:** Money paid for the use of another's money.

**LIQUIDITY:** A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value.

**MARKET VALUE:** The price at which a security is trading and could presumably be purchased or sold.

**MATURITY:** The date on which the principal or stated value of an investment becomes due and payable to the investment holder.

**MONEY MARKET:** The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

**PAR VALUE:** The face value, or principal amount, of a security.

**POOL:** A collection of investments for separate or multiple funds and/or funded projects.

**PORTFOLIO:** All securities held in the various investment pools of the School District which are under the control of the CHIEF OPERATING OFFICER and CHIEF FINANCIAL OFFICER and governed by this Investment and Cash Management Policy.

**PRIMARY DEALER:** A group of government securities dealers that submit daily reports of market activity and positions and monthly financial

statements to the Federal Reserve Bank of New York and are subject to its informal oversight.

PRIME: Prime banker's acceptances and prime commercial paper shall be those securities having a minimum TWO short-term ratingS of A-1+, and P-1+, AND/OR F-1+.

PRUDENT PERSON RULE: An investment standard requiring trustees and portfolio managers to make financial decisions in the manner of a prudent person, e.g., with intelligence and discretion. The prudent person rule requires care in the selection of investments but does not limit investment alternatives.

REPURCHASE AGREEMENT: A financial contract through which a holder of securities sells securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The repurchase agreement "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this loan.

SECONDARY MARKET: Where existing issues are bought and sold by subsequent owners and purchasers. It may be either over-the-counter or through an exchange.

~~STUDENT LOAN MARKETING ASSOCIATION (SLMA): SLMA, a government-chartered, privately owned corporation providing a secondary market in government-guaranteed student loans. SLMA sells government-guaranteed bonds to investors to raise funds for purchasing student loans from financial institutions.~~

TENNESSEE VALLEY AUTHORITY (TVA): TVA is an agency of the U.S. government established in 1933 to promote economic growth in the Tennessee Valley region. While not secured or guaranteed by the U.S. government, TVA discount notes are an obligation of the TVA, a wholly-owned corporate agency and instrumentality of the United States of America which is required by federal law to charge rates sufficient to cover its operating, capital and debt service costs. An active secondary market exists for TVA's debt securities.

TREASURY BILLS: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BONDS: Long-term U.S. Treasury securities having initial maturities of more than ten years.

TREASURY NOTES: Intermediate U.S. Treasury securities having initial maturities of less than ten years.

YIELD: The rate of annual income return on an investment, expressed as a percentage. Income Yield is obtained by dividing the current dollar income by the current market price for the security. The Net Yield or Yield to Maturity is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

Adopted: September 16, 1999

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SEPTEMBER , 2006

LEGAL REF: C.R.S. § **15-1.1-101**.

C.R.S. § 24-75-601

C.R.S. § 24-75-702