I. Call To Order

A. Pledge of Allegiance

B. Roll Call

President Elaine Gantz Berman called the meeting to order at 5:36 p.m. The following Board of Education members were present: Ms. Elaine Gantz Berman, Mrs. Susan G. Edwards, Rev. Lucia Guzman, Mr. Kevin Patterson, and Mr. Lester Woodward. Mr. James Mejía and Mrs. Michelle Moss were absent and excused.

C. Recognitions

*Public Risk Managers Association 2002 Risk Manager of the Year*

Velma Rose, Chief Financial Officer, introduced Stephen Finley, Manager of Risk Management, and said that she had the privilege, in May, of participating in a ceremony at the national Public Risk Managers Association conference, where Mr. Finley was celebrated as the 2002 Public Risk Manager of the Year. She said that she was honored to see him stand in front of thousands of people representing Denver Public Schools, and that he had “done the district proud.” She said that he had spoken about what the district has been able to achieve and the opportunities that were afforded him. She asked him to talk about the award and the other honors he had received at the conference.

Mr. Finley said that the Denver Public Schools’ “Stay Cool In School” program and curriculum, promoting school safety, was named the top safety program in the nation, and that the program “DPS School Walk” was honored with a second place achievement award. He also noted that Mike Mayo, district Safety Manager, was recognized by the National Association of School Safety and Security Law Enforcement Officers for Outstanding Contribution By A Non-Safety Person, and that he received the honor for his part in the development of the district’s Emergency and Evacuation Plans. He thanked the Board for their support of the programs developed by the Department of Risk Management.

On behalf of the district, Ms. Gantz Berman thanked Mr. Finley for his extraordinary leadership and for bringing such a great honor to the district.
Student Board of Education

Ms. Gantz Berman welcomed Kate Schmidt, Student Board of Education representative from the Denver School of the Arts, who was in attendance at the meeting. Kate introduced her parents, Carla and Kurt Schmidt, who were also present. She stated that, as a senior who has already graduated from the Denver School of the Arts, she wished to thank this, and past, Boards of Education for their support of the Gifted and Talented Program. She said that the program was one of the most influential and helpful programs in her entire educational experience. She also expressed thanks for the existence of Denver School of the Arts and said that it was a very nurturing and accepting environment in which to receive an education. The City of Denver, she said, is very fortunate to have such an amazing educational institution.

In response to a question from Ms. Gantz Berman, Kate said that she would be attending Colorado College in the fall.

D. Approve Agenda

Mrs. Edwards moved that the Board of Education approve the agenda for this meeting. Mr. Patterson seconded the motion. A roll call vote was recorded as follows: voting “aye,” Ms. Gantz Berman, Mrs. Edwards, Rev. Guzman, and Mr. Woodward. Mr. Mejía and Mrs. Moss were absent and excused. The motion was declared duly carried.

II. Board Member Reports

There were no reports.

III. Superintendent’s Reports

Department of Public Information

Superintendent Jerry Wartgow stated that the district had gained significant recognition for one of its publications, and introduced Mark Stevens, Director of Public Information, to provide a clearer explanation. Mr. Stevens said that the National School Public Relations Association honored the “DPS Today” (the district enrollment guide) an Award of Excellence.

New Principals

Carla Santorno, Northeast Area Superintendent, said that the search process for a principal for Smiley Middle School was a lengthy one, but that they had a group of excellent candidates from which to choose. She said that it was her pleasure to announce that Nate Howard had been chosen to serve as Smiley’s principal.
Mr. Howard introduced his wife, Angela Hutton-Howard, Executive Director of the Denver Educational Foundation; as well as his daughters, Nicole, who is a student at Martin Luther King Middle School; and Natalie, who attends George Washington High School; and his mother, Mary Latson, who is a teacher at Lincoln Elementary School. He said that he looks forward to serving as Smiley’s principal.

Ms. Santorno also announced that Jackie Gonring, interim Assistant Principal at Montbello High School had been appointed as the permanent Assistant Principal at that school; and that Damon Smith had been selected as Assistant Principal at the new Rachel B. Noel Middle School.

David Debus, Northwest Area Assistant Superintendent, stated that Dr. Offie Hobbs was the newly appointed principal of North High School but that he could not attend the meeting because he was in the process of relocating to Denver from St. Louis, Missouri.

He explained that Suzana Cordova, Principal of Remington Elementary School, had recently been appointed to the position of District Literacy Coordinator, which left a vacancy in the principalship at Remington. The Remington community, he said, wished to secure the services of a permanent principal and introduced Andrea Dillard and Michelle Craig, representatives of the Remington principal selection committee, who were instrumental in the selection process. He stated that the committee chose Sal DiMarco, who has served in the Denver Public Schools for 17 years, and as an educator for 22 years. He welcomed Mr. DiMarco and wished him well in his principalship.

Mr. DiMarco said that he looks forward to becoming part of the Remington community, that he is familiar with the northwest Denver community, as he has worked at Brown Elementary School for 17 years, and that he is very pleased to be able to remain in northwest Denver. He introduced his wife, Pam, his mother-in-law, Fran Coleman, Colorado State Representative from District 1, and several other members of his family. He thanked them for their support throughout the years and for the help he knew they would provide him in helping to become the kind of leader that the district needs.

Irene Martinez-Jordan, Southeast Area Superintendent, introduced Kathryn Johnson as the new principal at University Park Elementary School. Dr. Martinez-Jordan stated that Ms. Johnson is a product of Denver Public Schools, having attended Dora Moore and Park Hill Elementary Schools and Gove Middle School before her family moved to Arvada, where she attended high school. However, she said, both Ms. Johnson’s mother and grandmother were graduates of East High School. She said that Ms. Johnson graduated from the University of Colorado at Denver and is currently a Ph.D. candidate at the University of Denver. Ms. Johnson, she said, began her teaching career at Lincoln Elementary School, taught at Steck Elementary School for a few years, and has worked for the past six years in the Department of Assessment and Testing.

Ms. Johnson said that she is excited and enthused about taking over the duties of principal of University Park. She said that she has learned a great deal in her time in the Denver Public Schools and that she looks forward to continued learning and challenges.
to working closely with children again, and to becoming a part of the University Park community.

Dr. Wartgow congratulated the new principals and said that he was glad to welcome them to the district’s management team.

IV. Consent Agenda

Assistant Secretary Jacquie Lucero read the agenda items by section and number. In accordance with consent agenda procedures, Board members requested that the following items be held for discussion:

IV-D-2 Resolution 2786 – Supplemental Budget for the Fiscal Year Beginning July 1, 2001, and Ending June 30, 2002
IV-D-8 Resolution 2787 – Amending the Proposed Budget for the Fiscal Year Beginning July 1, 2002, and Ending June 30, 2003
IV-D-12 Class Size Information and the Use of the One-Percent Funding Increase Provided by Amendment 23
IV-D-13 Motion – To Set Tuition Rates, Athletic Fees, and Community Use Fees for the 2002-2003 School Year
IV-E-4 Motion to Amend Section 60 of the Retirement Plan, Effective July 1, 2002
IV-E-5 Motion to Adopt the Recommended DPSRS Employer Contribution Rate, Effective July 1, 2003

Mr. Woodward moved adoption of the consent agenda and Mr. Patterson seconded the motion.

A roll call vote was recorded as follows: voting “aye,” Ms. Gantz Berman, Mrs. Edwards, Rev. Guzman, Mr. Patterson, and Mr. Woodward. Mr. Mejía and Mrs. Moss were absent and excused. The motion was declared duly carried.

The following items were approved under the consent agenda process:

A. Board of Education

1. Minutes of the Regular Meetings of May 2, 2002, and May 16, 2002 – It was recommended that the Board of Education approve the minutes of the Regular Meetings of May 2, 2002, and May 16, 2002.

2. Policy Adoption/Revision/Deletion

   a. Revise – Policy and Related Procedures JBB, Sexual Harassment – Student

      It was recommended that the Board of Education approve the proposed revisions to Policy JBB and related Procedures JBB-R – Sexual Harassment. A copy of the proposed revisions is appended to the official minutes of this meeting as Appendix 02-11, IV-A-2a.
b. **Revise – Policy JBBA, Harassment Based on Race or Color, National Origin, Sexual Orientation, Disability, or Religion** – It was recommended that the Board of Education approve the proposed revisions to Policy JBBA – Harassment Based on Race or Color, National Origin, Sexual Orientation, Disability, or Religion. A copy of the proposed revisions is appended to the official minutes of this meeting as Appendix 02-11, IV-A-2b.

c. **Revise – Policy and Related Procedures JLF/JLF-R, Reporting Child Abuse/Child Protection** – It was recommended that the Board of Education approve the proposed revisions to Policy JLF and related Procedures JLF-R – Reporting Child Abuse/Child Protection. A copy of the proposed revisions is appended to the official minutes of this meeting as Appendix 02-11, IV-A-2c.

d. **Revise – Policy KFA, Public Conduct on School Property** – It was recommended that the Board of Education approve the proposed revisions to Policy KFA – Public Conduct on School Property. A copy of the proposed revisions is appended to the official minutes of this meeting as Appendix 02-11, IV-A-2d.

e. **Revise – Policy KI, Visitors to Schools** – It was recommended that the Board of Education approve the proposed revisions to Policy KI – Visitors to Schools. A copy of the proposed revisions is appended to the official minutes of this meeting as Appendix 02-11, IV-A-2e.

f. **Delete – Policy KDC – Grounds for Suspension/Expulsion** – It was recommended that the Board of Education approve the deletion of Policy KDC – Grounds for Suspension/Expulsion. A copy of the policy proposed for deletion is appended to the official minutes of this meeting as Appendix 02-11, IV-A-2f.

g. **Delete – Policy Procedures JEC-R, Tuition for Early Childhood Education and Kindergarten** – It was recommended that the Board of Education approve the deletion of Policy Procedures JEC-R – Tuition for Early Childhood Education and Kindergarten. A copy of the procedures proposed for deletion is appended to the official minutes of this meeting as Appendix 02-11, IV-A-2g.

B. **Superintendent’s Office**

1. **Gift Report** – It was recommended that the Board of Education approve the Gift Report. A copy of this report is appended to the official minutes of this meeting as Appendix 02-11, IV-B-1.
2. **Grant Proposal – Safe and Drug Free Schools – U.S. Department of Education – Reducing Drug and Alcohol Use** – It was recommended that the Board of Education approve submission of the grant application entitled *U.S. Department of Education: Grants to Reduce Drug and Alcohol Use*, and that the Superintendent be directed to submit all necessary documents consistent with grant application guidelines and be authorized to make any technical or administrative adjustments that may be necessary. A copy of the grant application summary is appended to the official minutes of this meeting as Appendix 02-11, IV-B-2.

3. **Motion – To Adopt the Consolidated Plan for Federal Programs** – It was recommended that the Board of Education adopt the Consolidated Plan for Federal Programs and that staff be directed to submit the Consolidated Plan application, as well as develop plans needed to ensure full compliance with all provisions of the “No Child Left Behind Act of 2001,” and implement such plans subject to approval by the Board of Education as needed. A copy of the Consolidated Plan is appended to the official minutes of this meeting as Appendix 02-11, IV-B-3.

4. **Grant Proposal – National Science Foundation’s Math and Science Partnership Initiative** – It was recommended that the Board of Education approve submission of the grant application entitled *National Science Foundation: Math and Science Partnership Initiative*, and that the Superintendent be directed to submit all necessary documents consistent with grant application guidelines, and be authorized to make any technical or administrative adjustments that may be necessary. A copy of the grant application summary is appended to the official minutes of this meeting as Appendix 02-11, IV-B-4.

5. **Resolution 2796 – Pioneer Charter School Contract Renewal** – It was recommended that the Board of Education adopt Resolution 2796 approving the renewal of the contract for Pioneer Charter School. A copy of Resolution 2796 is appended to the official minutes of this meeting as Appendix 02-11, IV-B-5.

C. **Administrative Services**

1. **Human Resources**

   a. **Personnel Transaction Report** – It was recommended that the Board of Education approve the Personnel Transaction Report. A copy of this report is appended to the official minutes of this meeting as Appendix 02-11, IV-C-1a.
b. Approval of Salary Adjustments for Professional/Technical Employees and Classified Non-Affiliated Employees, Effective September 1, 2002 – It was recommended that the Board of Education approve a two-percent salary increase for Professional/Technical and Classified Non-Affiliated employees effective September 1, 2002, and a benefit allowance supplement of $45.00 effective July 1, 2002. A copy of this motion is appended to the official minutes of this meeting as Appendix 02-11, IV-C-1b.

c. Approval of the Agreement Between the Vocational Teachers’ Federation and the Denver Public Schools, Effective June 15, 2002, to June 14, 2005 – It was recommended that the Board of Education approve the Agreement between Denver Public Schools and the Vocational Teachers’ Federation effective June 15, 2002, to June 14, 2005. A copy of this Agreement is appended to the official minutes of this meeting as Appendix 02-11, IV-C-1c.

2. Facility Management

a. Final Settlements – It was recommended that the Board of Education approve the Final Settlements for Contracted Services. A copy of this report is appended to the official minutes of this meeting as Appendix 02-11, IV-C-2a.

b. Construction Contract for the Crofton Elementary School Playground and Learning Landscape Project – It was recommended that the Board of Education approve the construction contract for the Crofton Elementary School Playground and Learning Landscape Project, and that the firm of Leisure Time Associates be approved for the contract. A copy of this motion is appended to the official minutes of this meeting as Appendix 02-11, IV-C-2b.

c. Construction Contract for the Eagleton Elementary School Playground and Learning Landscape Project – It was recommended that the Board of Education approve the construction contract for the Eagleton Elementary School Playground and Learning Landscape Project, and that the firm of Colorado Designscapes, Inc. be approved for the contract. A copy of this motion is appended to the official minutes of this meeting as Appendix 02-11, IV-C-2c.

d. Construction Contract for the Remington Elementary School Playground and Learning Landscape Project – It was recommended that the Board of Education approve the construction contract for the Remington Elementary School Playground and Learning Landscape Project, and the firm of Colorado Designscapes, Inc. be approved for the contract. A copy of this motion is appended to the official minutes of this meeting as Appendix 02-11, IV-C-2d.
e. **Forest City Stapleton Agreement for the Acquisition of Five Additional School Sites at the Stapleton Property** – It was recommended that the Board of Education approve the agreement with Forest City Stapleton, Inc. for the donation of school sites at the Stapleton Development. It was further recommended that the Board of Education authorize officers of the Board and staff to implement this action. A copy of this motion is appended to the official minutes of this meeting as Appendix 02-11, IV-C-2e.

D. **Budget and Finance**

1. **Statement of Revenue Allocations, Appropriations, Commitments, and Expenditures for the Period July 1, 2001, to May 31, 2002** – The Statement of Revenue Allocations, Appropriations, Commitments, and Expenditures for the period July 1, 2001, to May 31, 2002, was submitted for information. A copy of this statement is appended to the official minutes of this meeting as Appendix 02-11, IV-D-1.

3. **Resolution 2788 – Supplemental Budget Appropriation for Expenditures During the Fiscal Year Beginning July 1, 2001, and Ending June 30, 2002** – It was recommended that the Board of Education adopt Resolution 2788 – Supplemental Budget Appropriation for Expenditures During the Fiscal Year Beginning July 1, 2001, and Ending June 30, 2002. A copy of Resolution 2788 is appended to the official minutes of this meeting as Appendix 02-11, IV-D-3.

4. **Resolution 2789 – Identification and Filing of Supplemental Adopted Budget and Appropriation Resolution, and Copies Thereof** – It was recommended that the Board of Education adopt Resolution 2789 – Identification and Filing of Supplemental Adopted Budget and Appropriation Resolution, and Copies Thereof. A copy of Resolution 2789 is appended to the official minutes of this meeting as Appendix 02-11, IV-D-4.

5. **Resolution 2790 – Authorizing the Chief Financial Officer to Borrow Unencumbered Funds** – It was recommended that the Board of Education adopt Resolution 2790 – authorizing the Chief Financial Officer to borrow unencumbered money from other district funds, as authorized by Colorado Statutes. A copy of Resolution 2790 is appended to the official minutes of this meeting as Appendix 02-11, IV-D-5.

6. **Resolution 2791 – Authorizing the Chief Financial Officer to Borrow Funds From the Colorado State Treasury Interest Free Loan Program** – It was recommended that the Board of Education adopt Resolution 2791 – authorizing the Chief Financial Officer to borrow funds from the Colorado State Treasury Interest Free Loan Program. A copy of Resolution 2791 is appended to the official minutes of this meeting as Appendix 02-11, IV-D-6.
7. **Resolution 2792 – Designating Eligible Public Depositories** – It was recommended that the Board of Education adopt Resolution 2792 – Designating Eligible Public Depositories. A copy of Resolution 2792 is appended to the official minutes of this meeting as Appendix 02-11, IV-D-7.

9. **Resolution 2793 – Adopting the Budget for the Fiscal Year Beginning July 1, 2002, and Ending June 30, 2003** – It was recommended that the Board of Education adopt Resolution 2793 – adopting the budget for the fiscal year beginning July 1, 2002, and ending June 30, 2003. A copy of Resolution 2793 is appended to the official minutes of this meeting as Appendix 02-11, IV-D-9.

10. **Resolution 2794 – Appropriation for Expenditures During the Fiscal Year Beginning July 1, 2002, and Ending June 30, 2003** – It was recommended that the Board of Education adopt Resolution 2794 – Appropriation for Expenditures during the fiscal year beginning July 1, 2002, and ending June 30, 2003. A copy of Resolution 2794 is appended to the official minutes of this meeting as Appendix 02-11, IV-D-10.

11. **Resolution 2795 – Identification and Filing of Adopted Budget and Appropriation Resolution, and Copies Thereof** – It was recommended that the Board of Education adopt Resolution 2795 – Identification and Filing of Adopted Budget and Appropriation, and Copies Thereof. A copy of Resolution 2795 is appended to the official minutes of this meeting as Appendix 02-11, IV-D-11.

**E. Denver Public Schools Retirement System**

1. **Audited Financial Statements for the Denver Public Schools Retirement System** – Audited Financial Statements for the Denver Public Schools Retirement System were presented to the Board of Education for information. A copy of these statements is appended to the official minutes of this meeting as Appendix 02-11, IV-E-1.

2. **Annual Actuarial Valuation for the Denver Public Schools Retirement System** – A report entitled *Annual Actuarial Valuation for Denver Public Schools Retirement System* was presented to the Board of Education for information. A copy of this report is appended to the official minutes of this meeting as Appendix 02-11, IV-E-2.

3. **Three-Year Experience Study for Denver Public Schools – January 1, 1999, Through December 1, 2001** – A report entitled *Denver Public Schools Retirement System: Three Year Experience Study* was presented to the Board of Education for information. A copy of this report is appended to the official minutes of this meeting as Appendix 02-11, IV-E-3.
Mr. Patterson asked that Velma Rose, Chief Financial Officer, and Richard Allen, Assistant Superintendent of Budget and Finance, give a brief overview of the changes in the budget for the 2001-2002 fiscal year, that resulted in the proposed supplemental budget. Ms. Rose said that the current fiscal year budget was affected by such factors as the Amendment 23 charter school funds in the amount of $91,000, which the district received from the state the week prior to the meeting. Those funds, she said, must be passed on to the eligible charter schools and impact the budgets of each of them.

She said that other changes made in the supplemental budget are similar to changes made in the Supplemental Budget in June 2001. She said that the district has an agreement with the Foundation for Educational Excellence whereby the Foundation advance-funded to the district monies to provide for infrastructure improvements to the Technology Academies at both Martin Luther King Middle School and Montbello High School. In return, she said, the district agreed to set up a special revenue fund, which will eventually provide for funding to replace the equipment that was originally purchased with Foundation funds as the equipment wears out or becomes obsolete. To comply with the agreement, she said, funds were transferred from the General Fund to the special revenue fund and that transfer is reflected as one of the changes in the Supplemental Budget.

In response to a request from Ms. Gantz Berman for more information regarding Amendment 23 charter school capital construction funds, Ms. Rose said that, this year, a charter school was eligible to receive the support of Amendment 23 funds if it demonstrated that it committed at least three percent of its operating funds for some capital purpose. She said that there were a number of district charter schools that submitted applications to receive those funds, but instead of receiving the requisite dollar amounts that were stated in the statute, the state initially only funded to the level that they had appropriated funding for that purpose. The Colorado Department of Education, she said, submitted a Supplemental Appropriation Request to the state to fully fund the program, received those funds, and forwarded the $91,000 received by the district the previous week.

Mr. Patterson moved adoption of Resolution 2786 as follows:

Be it resolved by the Board of Education of School District No. 1 in the City and County of Denver and State of Colorado that the supplemental budget for the fiscal year beginning July 1, 2001, and ending June 30, 2002, as presented at this meeting as set forth in Schedules attached to this Resolution, be and hereby is, an official supplemental budget of School District No. 1 in the City and County of Denver and State of Colorado for said fiscal year.

Mrs. Edwards seconded the motion.
A roll call vote was recorded as follows: voting “aye,” Ms. Gantz Berman, Mrs. Edwards, Rev. Guzman, Mr. Patterson, and Mr. Woodward. Mr. Mejía and Mrs. Moss were absent and excused. The motion was declared duly carried.

A copy of Resolution 2786 is appended to the official minutes of this meeting as Appendix 02-11, IV-D-2.

IV-D-8 Resolution 2787 – Amending the Proposed Budget for the Fiscal Year Beginning July 1, 2002, and Ending June 30, 2003

Mrs. Edwards moved adoption of Resolution 2787 as follows:

Be it resolved that the Proposed Budget for the fiscal year 2002-2003, as presented by the Superintendent on May 16, 2002, be amended to include modifications as set forth in schedules attached to the Resolution.

Mr. Patterson seconded the motion.

Richard Allen, Assistant Superintendent of Budget and Finance, explained that the budget process calls for presenting a proposed budget to the Board of Education in May for discussion and public comment. Taking these discussions into consideration, he said, staff from the Office of Budget and Finance make amendments to the proposed budget per instructions from the Board, and prepare a Resolution for adoption of the amended budget. He said that the process is somewhat cumbersome, but that it is specified in state statute and must be adhered to.

Mr. Allen said that he feels that staff has retained and enhanced many of the budgetary reforms that were discussed with the Board early in the budget process. The amended budget, he said, still begins with the most important district priorities for educational improvement and the majority of the budget is built around those priorities. He said that the current budget also reflects the beginning of a phasing out process of the practice of using one-time revenues or fund balances for continuing base expenditure items; and, in fact, the amended budget has enhanced that process slightly over what was originally proposed, as some technical and policy adjustments have allowed more money to be placed in the Contingency Fund.

On the expenditure side of the budget, he said, the differences between the original and amended budgets occurred in three main areas. He explained that changes had been made at the school level regarding conversions of Resource Allocation Methodology (RAM) allocations, where school principals, working with their Collaborative Decision Making (CDM) teams decided to exercise their rights to determine how those allocations would be used. Departments within central administration, he said, also made changes to their budgetary allocations. He explained that the reallocations by schools and departments did not have an impact in the overall expenditures of the district but, rather, simply moved around existing district resources.

Mr. Allen said that some changes were made that did impact the budget, including an increased allocation of $135,000 to the Pupil Activity Fund, reflective of the increase in the athletic participation fee, which will be used to provide athletic trainer resources in each of the high
schools. He also noted that there is a partial restoration—in excess of $300,000—of the Truancy Reduction Project, over and above the partial restoration in the proposed budget; there was an increase of approximately $41,000 to fund support for costume distribution. He explained that there were funds transferred to the Contingency Fund that are earmarked for projects that the Board wishes to undertake, but that need to be more clearly defined before they can be implemented. Another $200,000 in funds, he said, were allocated to address diversity issues at Denver School of the Arts; there are also funds, in two blocks totaling $630,000, for technology upgrades necessary for administrative control systems, and $100,000 designated for elementary school teachers to purchase supplies and materials for their classrooms. He said that there was also an increase of approximately $472,000 in the unallocated Contingency Fund, as a result of a recommendation from the District School Improvement and Accountability Council (DSIAC), as stated in their June 6, 2002, presentation to the Board.

Mrs. Edwards said that she wished to commend Mr. Allen and his staff and that, in the many years she has served on the Board, she has never seen a more directed and focused budget process than the one that occurred this year. The proposed budget, she said, focuses completely on student achievement and has taken the resources of the district and matched them to the district’s goals of increasing the achievement of all students while narrowing the gap between lower- and higher-performing students. She said that the Board and district staff listened to the concerns of community members and district employees, especially in the area of equity, and made budget adjustments accordingly, and that she is pleased with the amended budget, and would be happy to vote in support of it.

Mr. Patterson added his gratitude to Mr. Allen and Ms. Rose for their efforts in simplifying the budget process and making budget information more easily accessible to people than the format followed in previous years. The amended budget, he said, is a true policy document that talks about the district’s priorities and demonstrates how funding follows those priorities. He said that he looked forward to finding ways to bring further refinements to the budget and presenting information to the citizens of Denver to ensure that they understand how the Denver Public Schools intends to serve their children.

Student Board of Education member Kate Schmidt thanked the Board and Mr. Allen for including the Denver School of the Arts in the budget revisions as an important priority.

Ms. Gantz Berman said that, by law, the Board must accept the revised budget by June 30, 2002; and there would be an opportunity to further amend the budget by the end of October, so that allocations would be based on the actual number of students in the district according to the October 1 pupil membership count. She said that she also was asked to convey that Mr. Mejía and Mrs. Moss support the amended budget, although they were unable to attend the meeting.

Dr. Wartgow, in addition to thanking Mr. Allen and Ms. Rose, extended thanks to the members of the Citizens Budget Task Force for their work on the budget, and their suggestions and recommendations. He said that it is often difficult to change long-standing processes and that having the Citizens Budget Task Force behind them made the transition much easier. It was a significant accomplishment, he said, to develop a budget so aligned with district goals.
Mr. Allen agreed and said that the Task Force impressed upon him the necessity of having multiple budget formats to make it understandable to the district’s many constituencies. He said that the budget currently before the Board is a start in that direction and that he and his staff intend to continue along those lines to ensure that budget information is accessible to everyone who has an interest in the matter. Upon adoption of the proposed budget, he said, he and his staff will update the budget narrative to include all the differences between the budget as originally proposed and the final approved budget.

A roll call vote was recorded as follows: voting “aye,” Ms. Gantz Berman, Mrs. Edwards, Rev. Guzman, Mr. Patterson, and Mr. Woodward. Mr. Mejía and Mrs. Moss were absent and excused. The motion was declared duly carried.

A copy of Resolution 2787 is appended to the official minutes of this meeting as Appendix 02-11, IV-D-8.

IV-D-12 Class Size Information and the Use of the One-Percent Funding Increase Provided by Amendment 23

Mr. Patterson moved the approval of the report entitled Class Size Information and the Use of the One-Percent Funding Increase Provided by Amendment 23; and that staff be directed to submit the report to the appropriate state agency, as required by law. Mr. Woodward seconded the motion.

Mr. Allen stated that the terms of Amendment 23 require that the funding each Colorado school district receives be based upon per pupil funding of inflation (at the current Consumer Price Index rate) plus one percent; the amendment also requires that the district provide an explanation of how each district uses that additional one percent, specifically geared at reducing class size in grades kindergarten through three. If the additional funding was not used for class size reduction, he said, an explanation must be provided as to why that was not a priority or could not be accomplished. He explained that the Amendment provides certain requirements for part of the money received, such as an increase in the district’s Capital Reserve Fund. The report currently before the Board, he said, is in compliance with state statute and has been available for public comment for 30 days.

He explained that much of the funding increase would be used to reduce class size, including the funding of the Montbello area overflow plan, additional teacher allocations in both the mainstream programs, and the English Language Acquisition Program. The additional monies, he said, would also be used to fund the fixed cost increases associated with opening three new elementary schools in 2002-2003 and 2003-2004, as well as facility additions to many existing elementary schools. He explained that one of the obstacles to the district’s reducing class size is the lack of classrooms in which to educate the overflow of children and that capital construction within the district over the next few years should help address that problem, but not solve it altogether.
A roll call vote was recorded as follows: voting “aye,” Ms. Gantz Berman, Mrs. Edwards, Rev. Guzman, Mr. Patterson, and Mr. Woodward. Mr. Mejía and Mrs. Moss were absent and excused. The motion was declared duly carried.

A copy of this motion is appended to the official minutes of this meeting as Appendix 02-11, IV-D-12.

IV-D-13 Motion – To Set Tuition Rates, Athletic Fees, and Community Use Fees for the 2002-2003 School Year

Mr. Patterson moved that the tuition rates, athletic fees, and community use fees be set at the recommended rates stated in a report attached to the motion. Mrs. Edwards seconded the motion.

Mr. Allen said that a review of tuition rates and other fees is conducted on an annual basis as part of the budget process. He explained that the report recommends an increase in the athletic participation fee from $45 to $60 per year, with the additional revenue derived from that increase allocated as an offset to the Athletic Trainer Program item on the newly adopted budget. Community use fees, he said, have been left unchanged for the coming school year, except in cases where an event requires police or fire personnel provided by the City of Denver; the city has increased their rates and that increase must be passed on to the organizations using the district’s facilities. He said that his staff would be studying the current Community Use of Facilities policy and provide an analysis of the cost factors, as well as the facility use categories currently in operation under the policy, which determine how much money is paid for use of a facility.

A roll call vote was recorded as follows: voting “aye,” Ms. Gantz Berman, Mrs. Edwards, Rev. Guzman, Mr. Patterson, and Mr. Woodward. Mr. Mejía and Mrs. Moss were absent and excused. The motion was declared duly carried.

A copy of the motion is appended to the official minutes of this meeting as Appendix 02-11, IV-D-13.

IV-E-4 Motion to Amend Section 60 of the Retirement Plan, Effective July 1, 2002

To provide for the Denver Public School Retirement System (DPSRS) employer contribution rate change to begin on July 1, 2003, which is eighteen months after the end of the calendar year on which the actuarial valuation is based, Mr. Woodward moved that the Board of Education adopt the amendments to Section 60 of the DPSRS Retirement and Benefit Plan effective July 1, 2002, as explained in the report attached to the motion. Rev. Guzman seconded the motion.

Mr. Woodward introduced David Stella, Executive Director of DPSRS to explain the retirement plan contribution rate and the amendment to the retirement plan currently before the Board.
Mr. Stella said that although DPSRS is currently very economically sound, he regretted having to report that the cost of operating the system has increased as a result of the world financial markets over the past several years.

Mr. Stella said that, despite actuarial claims, the formula for funding a retirement system is fairly simple—the benefits promised in the system cannot exceed the contributions, plus investment income, minus the expenses to operate the system. Each year, he said, the consulting actuary measures the funding progress of the system, and then recommends a contribution rate, which is designed to pay for promised benefits to both active and retired members of the system. He said that the district’s retirement system is pre-funded, which means that assets are accrued during the working career of an employee, and the accumulation at retirement pay the benefits of the retired individual. However, he said, it is important to remember that actual experience varies from year to year, and in years when investment returns do not meet the expectations held when the system was designed, then a funding shortfall occurs requiring a contribution increase to offset the loss in investment income. He stated that the district’s retirement system is in the top 23 percent of the public funds universe, yet like every other system, it experiences less than anticipated investment returns.

He said that the DPSRS Board of Trustees met on June 3, 2002, and after discussion, recommended that the Board of Education increase the employer contribution rate to 4.98 percent from 2.90 percent effective July 1, 2003. The Board of Trustees, he said, also recommended that the Board of Education approve an amendment to Section 60 of the Retirement Plan to provide for the delay in the effective date of the contribution rate change. He explained that that was the purpose of the two motions before the Board.

Mr. Woodward said that he wanted to make it clear that the Board is not initiating the delay or trying to put off accepting the responsibility to make an increased contribution. He explained that the actuarial study for the plan year that ended December 31, 2001, was received by the Board in April 2002, but that that was already well into the budget planning process for the 2002-2003 fiscal year and an increase that significant could not be incorporated into the budget because it was so far into the process. The delay, he said, allows for proper budget planning for the 2003-2004 fiscal year.

Mr. Stella agreed and explained that a delay in a contribution change is normal and customary in most retirement system funding, and that that lag can be anything from six months to a year.

Mrs. Edwards said that it is her understanding that contribution rates are calculated as an average over several years so that employers do not have to change the rate each year.

Mr. Stella replied that there is a “smoothing” mechanism built into the investment experience that averages the experience over a period of five years; however, when there is an accumulated loss in investment return or earnings are significantly less than anticipated, eventually that must flow through to the contribution rate. He said that earnings have been less than expected for two years in a row, and that the Board approved benefit improvements that took effect in January 2001, which used some of the previous surpluses in the system.
In response to a question from Mrs. Edwards regarding the actual dollar cost of the increase, Mr. Stella explained that the increase is slightly more than two percent in a payroll of approximately $300 million, which would amount to about a $6 million increase. Mr. Allen added that that $6 million would be taken from more than one fund, but that the General Fund would bear the most burden for it, approximately $5 million.

Ms. Gantz Berman thanked Mr. Stella for his explanation and said that he had made the issue much clearer to the Board.

A roll call vote was recorded as follows: voting “aye,” Ms. Gantz Berman, Mrs. Edwards, Rev. Guzman, Mr. Patterson, and Mr. Woodward. Mr. Mejía and Mrs. Moss were absent and excused. The motion was declared duly carried.

A copy of this motion is appended to the official minutes of this meeting as Appendix 02-11, IV-E-4.

IV-E-5 Motion to Adopt the Recommended DPSRS Contribution Rate, Effective July 1, 2003

Mr. Woodward moved that the employer contribution rate for the Denver Public Schools Retirement System be increased from 2.90 percent to 4.98 percent, as recommended by the consulting actuary to the DPSRS Board of Trustees, effective July 1, 2003. Mr. Patterson seconded the motion.

Mr. Woodward expressed hope that the DPSRS investment return would increase so that the Board would not have to take a similar action in the near future.

Mr. Stella replied that the investment climate is tied to the stock market and, as the market improves, so will investments. He said that DPSRS investments had some outstanding years in the late 1980s and early 1990s, with returns well beyond what could be considered norms. Unfortunately, he said, this might be a period where investments “regress to the mean,” which is actually the average reasonable expectation for investments.

A roll call vote was recorded as follows: voting “aye,” Ms. Gantz Berman, Mrs. Edwards, Rev. Guzman, Mr. Patterson, and Mr. Woodward. Mr. Mejía and Mrs. Moss were absent and excused. The motion was declared duly carried.

A copy of this motion is appended to the official minutes of this meeting as Appendix 02-11, IV-E-5.

V. Old Business

There was no Old Business.
VI. **New Business**

A. **Information Only**

1. **Report of Expelled Students** – The Report of Expelled Students was submitted for information. A copy of this report is appended to the official minutes of this meeting as Appendix 02-11, VI-A-1.

B. **Issues Requiring Action Following Public Input**

1. **Adoption/Revision/Deletion of Policies**

   a. **Delete – Policy CFB – Evaluation of Principals/Building Administrators** – The Board of Education accepted the recommendation to delete Policy CFB – Evaluation of Principals/Building Administrators. A copy of Policy CFB is appended to the official minutes of this meeting as Appendix 02-11, VI-B-1a.

   b. **Delete – Policy Procedures GCOC-R – Evaluation of Administrative Staff** – The Board of Education accepted the recommendation to delete Policy Procedures GCOC-R – Evaluation of Administrative Staff. A copy of Policy Procedures GCOC-R is appended to the official minutes of this meeting as Appendix 02-11, VI-B-1b.

   c. **Revise – Policy GBAB – Harassment Based on Race or Color, National Origin, Sexual Orientation, Disabilities, Religion, Age, or Gender (Employee)** – The Board of Education accepted the recommendation to revise Policy GBAB – Harassment Based on Race or Color, National Origin, Sexual Orientation, Disabilities, Religion, Age, or Gender (Employee). A copy of the proposed revisions to this policy is appended to the official minutes of this meeting as Appendix 02-11, VI-B-1c.

   d. **Revise – Policy GBAA – Sexual Harassment (Employee)** – The Board of Education accepted the recommendation to revise Policy GBAA – Sexual Harassment (Employee). A copy of the proposed revisions to this policy is appended to the official minutes of this meeting as Appendix 02-11, VI-B-1d.

   e. **Revise – Policy Procedures GBAA-R – Sexual Harassment (Employee)** – The Board of Education accepted the recommendation to revise Policy Procedures GBAA-R – Sexual Harassment (Employee). A copy of the proposed revisions to this policy is appended to the official minutes of this meeting as Appendix 02-11, VI-B-1e.
VII. **Adjournment**

Ms. Gantz Berman adjourned the meeting at 6:48 p.m.

Susan G. Edwards, Secretary
Board of Education