

Denver Public Schools
District School Improvement and Accountability Council
Budget and Finance Committee

To: Board of Education, Members
From: District School Improvement and Accountability Council Budget and Finance Committee
Date: April 21, 2014
RE: 2014-2015 Budget Recommendations – General Fund Changes

INTRODUCTION:

In accordance with the state accountability law, the District School Improvement and Accountability Council (District SIAC) is making recommendations to the Board of Education regarding the priorities for spending school district monies. The District SIAC delegated this responsibility to a committee. The committee presented its recommendations to the SIAC at its regular meeting on March 25, 2014. The SIAC approved the committee's report.

The members of the SIAC Budget and Finance Committee are:

- Roger Armstrong
- Sherry Eastlund
- Valentina Flores
- Roger Kilgore
- Karl Luce
- Lynn Otto (Chairperson)
- Ed Shackelford
- Jesse Sutherland
- Kristen Tourangeau

Over the last twelve months, members of this committee met with representatives from the Budget Office to define an agenda of education, and then met an additional 5 times for presentations and discussions of budget areas. The budget areas covered were:

- Colorado School Finance Funding and Other Major Revenue Streams
- Budgeted Expenditures by Fund and Appropriation Levels
- School Allocations
- Charter Schools
- DPS Long-Term Obligations (including COPS and General Obligation Debt)

David Hart, Kate Kotaska and several other members of their staff provided valuable information as a part of this process. They spent many evenings on their own time assisting us in understanding the budget complexities. The Committee is now looking at the best way to advise and create a deeper relationship with the Board, and would appreciate your input and advice to do this.

On January 16, 2014, the Board saw a presentation on the State of the District, which included a slide titled “FY 2014-15 Recommended General Fund Changes” (see attachment). The committee identified this as the area that we could learn more about, so we crafted questions to the District Staff. On February 27, the committee received answers to those questions, and the committee is presenting those answers, as well as our recommendations in this report.

FY 2014-15 Recommended General Fund Changes

OVERVIEW: Of the \$27.6 million in general fund spending that was recommended, \$9 million is “the burn”, spending from the general fund. Think of it as spending from a savings account. The balance is from funds that will be received from the state and other sources due to increased student enrollment. District SIAC continues to be concerned about spending the general fund balance, but we do hear a commitment from the district staff to reduce such spending from year to year, and eventually replace fund balances as state and local funding increase in a financial recovery.

The District budgeting process that led to these spending recommendations was described to us as follows:

- Department heads were asked to evaluate needs and submit their requests.
- They were also asked to make choices and tradeoffs between expenses that were funded in the past, and new needs they wanted funded. Over \$46 million of incremental funding requests were identified in the initial budget process.
- In the end, this was winnowed down to \$27.6 million.

The Committee questioned how much of this money went to charters vs district schools, and was informed that with a few small exceptions, all of this General Fund spending is being spent in non-charter District schools.

Budget Matters

Student Based Budgeting (\$4 million carry forward)

In the past, schools that had teacher vacancies were not allowed to carry forward salaries not spent, and were required to return those funds to the General Fund. This has now changed, so that each school can carry forward those unspent salaries into the next year. This creates a change in the General Fund, since these funds are no longer returned. **District SIAC supports this change.**

ELA-CELA Access Weighting (\$2.2 million)

Additional funds for ELA students who score 1, 2, and 3 on the Access scale. (Please note the scale has been changed.) **The Committee recommends that the board gain understanding of how the use of these funds will be evaluated in order to determine the benefits, as well as use of possible future spending.**

Targeted supports for Red and Orange Schools (\$1.5 million): This takes the form of district grants, from \$150-\$250K to individual schools. Each school must submit a detailed plan to their Instructional Superintendent to receive a grant, and these plans are now being developed. **The committee recommends that the board review the plans for the district grants, and ensure that there is an evaluation process in place regarding the results produced, before additional monies are approved in future years.**

Student Based Budgeting (\$2.8 million) \$20 per pupil, plus \$20 per pupil to backfill Title II (staff development) to replace a cut of federal funds. **The committee supports the backfill of Title II for the loss of federal funds. The committee does not understand the rationale for an increase of \$20 for Student Based Budgeting, and recommends the Board obtain information to understand the decision to increase spending by \$1.4 million, as opposed to spending these funds on other purposes.**

Program Matters

Extended day and Year (\$1.8 million, info provided by OSRI) There was \$2 million in the budget for the 2013-2014 school year as a pilot program, mostly in the Denver Summit Schools Network (DSSN) and 8 other schools (Cole, Grant, Johnson, Lake, Manual, Merrill, North and Godsmen) These new funds will apply to the existing schools, and add Oakland Elementary. **The committee recommends that the Board ask for the evaluation of results of the extended day programs in the schools where they existed during the 2013-2014 school year, specifically by school and course (math, reading, writing, etc.).**

CTE (\$0.8 million: Career and Technical Education, formerly referred to as vocational training) Funds for expanded training at John F. Kennedy HS and PUSH Academy. Analysis of CTE programs has revealed these students have higher attendance rates, higher graduation rates and higher levels of career readiness. **We recommend that the Board look at the analysis that has been done, and as appropriate, consider allocating future monies to this program.**

Standards Implementation \$0.8 million (Office of the Chief Academic Officer) Expand "Short Cycle Assessment pilot (SCAN) that was conducted over the last two years, with demonstrated success. The program supports school teams of Teacher and School Leaders in implementing short-cycle assessment work in support of the new Colorado Academic Standards/CCSS and PARCC preparation. The pilot would be expanded to an additional 50 schools. This is a school wide commitment of shared leadership and pays for coaching and release time for teachers. **The committee advocates for SCAN teacher training in leadership, but does not have knowledge of the "demonstrated results" that were measured in the pilot program. Before allocating additional funds, we would advise the board to review these results in order to make their decision.**

Teacher Leadership \$ 1.5 million (Human Resources) Trains teachers to help peers grow, and initial indications are positive. There is a demand from schools for teaching teams, and the training and development of teacher leadership. **DSIAC BAFC recommends that the Board review the evaluation that has been done to better understand an increase in spending. The committee encourages spending on Teacher Leadership if it shows demonstrable results in a child's education and teacher retention.**

Summer School Expansion (\$1.5 million) This funding is for all levels of school: Elementary, Middle and High School. Each school must submit a proposal and pass a rigorous review. With follow up questions the Committee learned that the summer school funds will be spent as follows:

- ELA Summer Academy, grades 1-8 with ACCESS Levels 1-3, to support English Language Development
- Literacy Summer Academy, grades 1-3, identified as reading below grade level, attendance is mandatory.
- ELA 9th Grade Academy, students entering grade 9 with ACCESS levels 1-3
- Literacy Parent Academy (8 summer locations)

The committee advocates ELA and literacy programs, particularly parental support, but recommends that results be carefully monitored over time.

Personalized Learning (\$2 million, request from OSRI) As explained to the committee, in this type of learning the student is actively involved in creating their own learning goals, and teaching methods can include small group cooperative learning, traditional classrooms, and large group lectures. Denver Schools are now in the application process to apply this pilot mode. To better understand this model of learning, the committee was advised by district staff to Google the following websites:

- “School of One”
- “Grant Middle School”

The Committee is concerned about the overuse of technology which might allow young people to be denied the attention they need from a qualified teacher. The committee recommends more Board exploration into the results being produced in the model schools in Denver, and around the country.

Other Matters

- Our experience is that every year more funds are spent on ELA. How are the results of this spending being measured? What is the total spending in the budget for ELA and how are these students doing over time.
 - What is spent on Spanish Speaking English Language Learners vs. speakers of other languages?
 - What is the level of student achievement for these groups?
- The committee asked for a detailed list of the \$1.5 million on the “Other” line of the General Fund Changes. The Committee received information regarding the departments requesting this \$1.5 million. The list included approximately 20 departments, therefore the committee did not do further analysis of this line item.
- Since there is no longer a requirement under state law to annually set aside monies for the capital and insurance reserve fund, **the committee recommends that the Board of Education consider a policy to reinstitute this practice. This would help ensure that adequate funds for major capital expenditures, in times of need, are available and lessen the District's dependence on going to the voters for a general obligation bond to pay for capital needs.**

- Jeffco public schools publishes an on line document called “Dollars & Sense”. In 12 pages it gives interested groups, including parents, taxpayers, students and teachers, understandable information about a district budget. **The committee recommends that the BOE and District develop and promote a document similar to the example the committee has provided below. Cut and copy the address into your browser and view the document.**

<http://www.jeffcopublicschools.org/finance/documents/Dollars%20&%20Sense%202013-2014>

District SIAC respectfully presents these comments and recommendations, and looks forward to any questions or further discussion. The Committee wants to know how we can be of service to the Board of Education regarding their review and approval of the annual DPS budget.

FY 2014-15 Recommended General Fund Changes

- In 2014-15, we are recommending to fund an incremental \$28M to the General Fund to support the programs shown in the table to the right
- This will result in a burn of the General Fund balance of \$8-9M

Description	General Fund Amount
Student Based Budgeting	
Carryforward	\$4.0M
Provided an additional \$20 per pupil in SBB Base Funding	\$1.4M
Support additional students through CELA SBB Weight	\$2.2M
Targeted supports for Red and Orange schools	\$1.5M
Backfill school Title II allocations with an increase to SBB Base of \$20 per pupil	\$1.4M
Total Student Based Budgeting	\$11.5M
Targeted School-Based Funding	
Additional supports for Special Ed students	\$1.7M
Extended day and year	\$1.8M
Personalized Learning / Technology (includes some funding in 2012 MLO)	\$2.0M
CTE	\$0.8M
Recruiting / Teacher prep	\$0.6M
Standards Implementation	\$0.8M
Teacher leadership	\$1.5M
Summer school expansion (partially funded through READ act)	\$1.5M
Other	\$1.5M
Total Targeted School-Based Funding	\$12.1M
Total School Funding	\$22.6M
Operational Support	
Primarily Maintenance, Custodial, Transportation and Technology systems, HR systems and support	\$5.0M
Total Recommended Changes	\$27.6M

