

# DAC Minutes

November 28, 2017

5:30- 7:30 pm

## 1. Welcome

- **Meeting was called to order at 5:35 pm by Ed Krug.**
- Introduction of Visitors: Student Board of Education
  - Lisbeth - Senior at MLK
  - Flora – a Senior at DSST
  - The SBOE has 2-3 kids from each school, 2-3 meetings with BOE/year
- BOE president Anne Rowe

## 2. Approval of October minutes

- No Amendments
- Erich Bethke moved to approve the minutes as read. Kristin Barnes seconded. Motion passed.

## 3. Board comments

## 4. Budget review - Erik Johnson, Executive Director of Finance

- 4 years with district
- Supports all financial planning at DPS, supports special programs for homeless, migrant, foster, military through Title 1
- Thinking about next year's budget process
- <http://board.dpsk12.org/wp-content/uploads/2017/12/DAC-Presentation-11-28-17.pdf>
- Kicks off in Sept/Oct: create long range plan, 5 year forecast, known revenues and expenses, state level, federal, private grant level. Enrollment projections inflation.  
EX: Title II loss of \$2.5 million to DPS (improving the quality of teachers.)
- Provides guideline for what DPS can afford. Reduction or additions to programming?

*Bond: set thing XYZ doesn't change (Bond oversight committee)*

*Mill Levy: can be adjusted, tweak based on results, etc.*

EX: Utilities: 200+ buildings - add A/C increases energy, LED replacement decreases energy cost.

ANNE ROWE comments: District reaches out to schools for wish list, CPAC of 60+ people makes recommendations, District recommends to the board, board asks the voters. Bond oversight committee makes sure district is investing with fidelity.

- State of the District: every school/ department budgets person by person
- Proposed Budget: comes to BOE in April
- Proposed Adopted Budget: May or June (dependent on State Legislative process) 70-80% revenue dependent on state legislature
- Fall Adjustments: based on who actually shows up for the school year at which school.
- K-12 Funding formula for Colorado- per-pupil based

- Increases by inflation and population count every year
- Factor applied to districts (legislature can control) size, at risk pupils = FRL, cost of living, online and accent, personal cost
- PPR \$7800 approx. in DPS currently (WY \$12,000 Vermont \$20,000+)

ANNE ROWE comment: on average \$2500 PPR below every other state. Other states believe in education. We might believe it but we don't fund it.

- 1982 Gallagher Amendment: ties commercial and residential property tax revenue to 55% commercial 45% residential. Set assessment rate for commercial at flat value. Cap on commercial property can be taxed.

Helpful podcast: <https://www.npr.org/podcasts/563081589/the-taxman>

- 1992 TABOR: Sets ceiling at amount of revenue of what state can collect. Recession causes revenue to go down and no way to allow revenue to go back up.
- 2000 Amendment 23: sets base funding for educational funding - reduced funding by \$billion/year
- 2009 Great Recession: Devastated K-12 finances across state because of TABOR
- Tahlia: question about funding versus student outcomes: Erik answer-\$\$\$\$ does not always equate to value. Newark and Zuckerburg example. ANNE ROWE answer: We are doing great, can you imagine what we can do with more funding? Especially for vulnerable students.
- Erich budget subcommittee: Should we spend money on marketing to publicize the efficient use of limited funds? Anne: we can access incredible amount of grant money and Mill Levy funds because of our limited budgeting.
- Ed: others step in and help participate, non-profit community, parents, step up and help. Scarcity changes the attitude to help.
- Kristin: parents want to help but are limited by personal funds.
- Darcy: we are lucky in Denver, what about the rest of the state, schools with leaky roofs. Our schools should have enough money for basic needs like paper. Anne: rural areas without commercial property have an even harder time. Erik: some superintendents drive the school bus.
- Before 1982- 30% property value funded K-12
- Today- 6.5% property value goes to K-12
- TABOR: voters get to vote on tax increases K-12 has to convince voters through Mill Levy and Bonds to get funds. TABOR reform is needed. Need a cohesive message.
- Fernando's video that was discussed:
- <https://youtu.be/DYPSRRqxQ2g>
- DPS has 6 current Mill Levy overrides. 25% cap on ability to raise funds. Counties that have the ability can't fund kids more than other kids who don't have the opportunity.
- K-12 education is the biggest part of the state's General Fund. That's why we saw the biggest cut during the great recession. DPS is 11% of states K-12 education.
- (Negative Factor) Budget Stabilization Factor = \$86 million annually that we don't get

- DPS gets:
  - 50% local taxes (property)
  - 25% from state
  - 10% federal
  - 11% tuition, fees, private grants and donations.
- Federal revenue proposed decrease of 13%
- Gentrification lessens federal funds, Title I, Title II, etc...
- FY17-18 Budget
  - PPR \$7800 (don't know until January until what to expect for next year)
  - 86,840 students
  - FRL 67.1%
- SBB increase because of inflation. Dollars follow kids, dollars follow certain types of kids. Funding kids equitably – FRL (general poverty weight, because poor doesn't equal poor) SPED, GT, Direct Certification (foster care, food stamps, homeless, etc. qualify automatically without having to apply).
- Fails undocumented because they aren't in the system, hope to identify kids that are missed by using other known factors). There was a direct correlation between Direct certification and success. Boston is looking at neighborhood level of where kids reside to really isolate the real issues and needs. DPS working closely with Boston.
- Money goes to kids and people supporting schools generally
- How do we get more money out of central and into schools?
- Kristin: how do you look at admin % of funds which appears higher than other districts. Erik: we have problems that Douglas County and Boulder don't have. We don't code things well, based on state coding system so it looks like more people are funded centrally, social workers, instructional superintendents, instructional deans who reside at schools. But we do have fat to cut in central district. We can go leaner. 75 people in finance office.
- Anna: are salaries available for public review? Erik: info must be CORA'd
- Enrollment trend forecast:
  - Total district enrollment flatlining because of birthrates and gentrification. Customer base declining.
  - = Less revenue
- We need to cut in order to maintain solvency
- Mark and Tom must decide where to cut
- Proposed in January, reduction in central office not in schools
- \$110 million in reserves. (savings account)
- Governor's budget, negative buy down might bring in extra money
- PERA changes could impact district and employees take home pay and retirement
- Karen: does DPS track money raised? Erik: PTA gets transferred into a fund 13 account. (CORA) Parent pays into school account fund. Schools have individual accounts hard to keep track of. Consolidating all fees into central managed funding.
- Heidi: include all schools? Erik: yes innovation, not charter

- Erich: when will know what the big hits are? Erik: expecting big changes (positive) reduce central functions, push them out to schools. Catalogued every single service by \$\$ amount will be published. Darcy: as more funds go to school, any guide to principals about how to communicate to community? Erik: plan when we talk about the menu of services, substantial improvement next year.
- Stacy: do charters have to hire union teachers? Erik: charters are not bound by DCTA agreement and less than 50% teachers in district run schools are union members. Innovation school may or may not be union teachers. Agreements negotiated with DCTA is extended to ever district and innovation teacher Jesse: PERA seems to be a big mess, some years ago it was 70% funded, what can we do to control PERA fluctuation Erik: all PERA decisions made for actuarial evaluations. Fund status is just a fake number.
- Thalia invites students to ask questions: Surprised that this is the first time they are hearing all this. Learned a lot, thank you. Thinks principals should communicate to students as well as families. How can students give input? Erik: be part of the CSC to get involved. Voice needs to be of the people of need. Funds need to be used equitable. Erich: budget subcommittee recommendation was to have principals understand how to communicate better.
- Director of legislative affairs has recently left so Mark Ferrandino is stepping in. District focused on immediate needs and society needs to fix long term.

5. **Norms** - Creating Norms for our group.  
Tabled until next meeting

#### 6. Subcommittee updates

- Budget – wants to share recommendations from last year. Really picks up after session starts, January.
- Performance – Rob J from central office, needs to get connected, have not meet yet
- FACE – fine tuning principal survey training, how to actively engage with data and communicate. Parent survey is single survey at the end of the school year, recommend shorter surveys throughout year for broader data points. Readymade surveys to help schools.
- Great Schools – gave recommendations to BOE about charter school renewals and in line with staff. BOE voted to move forward with staff recommendations. Will need DAC support

#### 7. Announcements

- DPS news and updates DEC 13 Superintendent forum New Hope Baptist Church
- Need to start soliciting agenda items from the group
- Jennifer Bacon won BOE seat, still wants to attend and receive communications. Seems like a conflict of interest. Needs checking.
- Mixer next month, move NORMS conversation until January

**Meeting adjourned 7:34pm**