



Financial Oversight Committee Meeting

1829 Denver West Dr., Building 27
Golden, CO 80401

Meeting Minutes September 5, 2017 – 10:00 a.m.

Financial Oversight Committee (FOC)

Members Present:

Brian Ballard
Mary Everson
Gordon Calahan
Chris Johnson
Bob West

Committee Members and Staff Absent:

Mike Bestor
Scott Tarbox

Staff Present:

Dr. Jason Glass, Superintendent
Kathleen Askelson, Chief Financial Officer
Stephanie Corbo, Finance Director
Steve Bell, Chief Operating Officer
Nicole Stewart, Budget & Treasury Director
Tom McDermott, Education Leadership
Program Resident, Superintendent's Office
Scott Allensworth, Achievement Director
Wanda Hamilton, Achievement Director
Debbie Rainquet, Exec. Asst. to CFO

Independent Auditor and Other:

Haley Cox, CliftonLarsonAllen, LLP

Approval of Minutes: Bob West moved and Chris Johnson seconded to approve the minutes from August 1, 2017. The motion carried unanimously.

Student Based Budgeting (SBB): Nicole Stewart presented information on the timeline, background and factors for SBB. She reviewed the methodology used for development of and adjustment to current SBB funding factors. Discussed were staffing ratios; funding variances and rationale for elementary, middle and high schools; other factors such as at risk and IB programs; sliding scale used to account for school size based on student enrollments; funding for kindergarten; and Title and free and reduced. It was noted that the SBB methodology is re-evaluated annually to determine how the factors are working and what or if adjustments need to be made prior to launch of the budget development process for the next year.

Achievement directors Wanda Hamilton and Scott Allensworth reported on the effectiveness and challenges of SBB noting that principals are very positive about SBB due to the flexibility it offers to direct funding to programs/staffing that have been identified as priorities and have the most impact for their students and community. Examples of adjustments made through SBB funding flexibility are additional mental health and gifted and talented support, flexibility to hire full time Art/Music/PE staff and interventionist support. Allensworth shared specific examples of how SBB has allowed schools to implement programs that have impacted students who were off track and now re-engaged. Both felt SBB has helped principals become savvy in response to community priorities and staffing decisions.

There was discussion regarding the 6-8 middle school transition, role of school accountability committees, priority decision-making process, budget team support for achievement directors, funding for substitute teachers, the challenge of enrollment adjustments, other restructure ideas that include the IB factor to equitably fund similar program, and schools with high mobility populations and how schools communicate that community voices were heard and priorities were funded. FOC members felt

strongly that schools should make a practice of communicating the message about funding community priorities on their websites.

Stewart reviewed reports with drill down capabilities that are automatically generated and available to principals on their school portal each afternoon to assist with monitoring revenues, expenditures and staffing.

Cash Forecast: Askelson reported that based on estimates, current cash projections indicate no borrowing will be needed to cover expenditures prior to receipt of property tax revenues in the spring. Staff will continue to monitor.

2018/2019 Budget Update: Askelson updated the committee on the status of fiscal year 2017 noting that it is finishing better than estimates indicated back in March. Budget staff is evaluating whether schools have planned expenditures for their carryforward dollars. Askelson clarified that per state statute, unplanned spend down requires Board approval.

Stewart advised that as a follow-up to the fiscal year 2018 departmental Budgeting for Outcomes process staff is gathering documentation on outcomes as a result of last year's renewal requests. The information will be used by district leadership to evaluate if a program continues or if dollars can be re-allocated. Departments will begin submitting renewal requests for 2018/2019 in December. The budget team is working on SBB funding models for the 6-8 transition.

Askelson also reported on an issue that is holding up E-Rate funding which reimburses the district for some technology costs due to a question by the FCC on a purchasing procurement. The district is appealing the decision, and if it is determined that the issue is valid, the district will review its procurement process to address any problems.

Committee Communication Follow-up: Brian Ballard advised that as a follow-up to discussion at the August meeting, the committee would like to have a monthly communication to inform and educate the community about the Financial Oversight Committee and communicate support and/or opinions. Ballard provided an example of information that could be communicated to support the SBB process.

Discussion topics included background on past communications to the Board and public, key objectives of the committee in an oversight and advisory role to the Board, opportunities for future communications that can have more impact on stakeholders and become part of the district's extended communication process, how to build credibility of the district, opportunities to communicate why FOC members are stakeholders in the district, and opportunities for the committee as a third party group of experts to address issues plaguing the district or raised at public comment.

Following discussion and ongoing, the committee will review various aspects of district finances from an advisory and oversight perspective and formulate an active statement of opinion to be drafted by the chair and communicated to the Board on a regular basis. The district will amplify and, if appropriate, respond to the statement. The district, in partnership with FOC and/or the Board of Education, is responsible for bringing back specific or micro items for further investigation.

Suggestions for future messaging include confidence of the committee with the SBB and BFO processes, confidence in the entire budgeting process, information on the reasons and expectations for school carryforwards, strategic reasons for building reserves, confirmation of responsible spending, financial transparency about where the money goes, and the importance of decisions that are impactful districtwide not just for one child or one school. In addition, the committee recommends that schools

should communicate on their websites those priorities that were identified by school accountability committees and funded through SBB.

Ballard will draft a statement of observation and recommendations regarding SBB. Staff will report back regarding the status of school carryforwards to determine if the amounts are excessive or acceptable.

Ballard confirmed that the committee will do a deep dive on the Budgeting for Outcomes process at a future meeting.

Wrap Up and Next Meetings: Askelson confirmed the next FOC meeting on October 3. She noted that FOC will be invited to attend the October 19 Board of Education study session for a dialogue with the Board as part of the Fourth Quarter Financial Report.

The meeting was adjourned at noon.