



Board of Directors

Meeting Minutes

October 12, 2018 (11:30 to 1:00 p.m.)

Location: Thomas Bean Towers – 2350 Cleveland Place, Denver, CO 80205

Members in attendance: Ms. Chris Watney (Chair), Ms. Susan Steele (Secretary/Treasurer), Mr. Michael Baker, Ms. Anna Jo Haynes, Dr. Rebecca Kantor, Ms. Penny May, and Ms. Amber Münck

Members on Conference-Call: Councilwoman Stacie Gilmore

Members not in attendance: Mr. Zach Hochstadt (Vice-Chair), Dr. Rosemarie Allen, Ms. Janice Sinden, Mr. Mike Yankovich

Staff in attendance: Ms. Ellen Braun, Ms. Jennifer Landrum Dr. Marina M. Mendoza, Mr. Chris Miller, Ms. Tricia Nelson, Ms. Angeles Ross

Guests: Mr. Charles Dukes, Ms. Lisa Roy

Agenda Topic	Discussion	Action/Follow-Up/Decision
Call to Order		
Consent Agenda		<p><i>(For Approval)</i></p> <ul style="list-style-type: none"> ▪ August 14, 2018 Board Minutes ▪ June 2018 Financial Statements ▪ July 2018 Financial Statements ▪ August 2018 Financial Statements ▪ Butler Institute for Families 2016-2019 Budget Amendment ▪ National Opinion Research

		<p style="text-align: center;">Center (NORC) 2016-2019 Budget Amendment</p> <p>Ms. Haynes motioned to approve the consent agenda; Ms. May seconded; All approved.</p>
<p>DPP Budget Presentation</p>	<p><u>DPP Budget Presentation</u></p> <p>Ms. Braun presented the overview of the 2019 budget, highlighting the following:</p> <ul style="list-style-type: none"> • The 2019 financial model was designed with the intention to add no money to reserves and includes proposed expansions to all program areas. • Within the last four years, DPP has seen a 23.3 percent increase in revenue from the City. The 2019 projected revenue is \$23.4 million, an 8.75 percent increase from 2018 to 2019. • The draft proposal projects total expenses at \$22.9 million, which represents 97.6 percent of total anticipated City revenue, with \$586 thousand to net reserves. • The City forecasts a 2018 reconciliation of \$700,000 payable to DPP in June 2019. Due to past reconciliation fluctuations between forecast and actual, DPP has chosen to not include this figure in the proposed budget. <p>Tuition Credits</p> <ul style="list-style-type: none"> • The tuition credits line item is updated based on the approval of the 2019-2020 Tuition Credit Scale. • The total calendar year tuition credits are budgeted to \$15 million. • Beginning with the 2018-2019 program year, the tuition credit scale was developed within a three-year cycle that includes annual increases tied to CPI. • The proposed expansion project for tuition credits totals \$357,900, this expansion would launch the 2019-2020 tuition credit scale in January 2019. 	

Quality Improvement

Mr. Miller presented the budget for Quality Improvement (QI), noting the following:

- The QI budget has increased from \$2.1 million in 2018 to \$3.08 million in 2019; the increase is driven by the quality improvement expansion to younger preschool classrooms. Other increases are due to expanding core activities, such as: more coaching, flexible/choice resources, increasing Pre-K CLASS® observations and incentives, achievement award structure, curriculum, and child assessment resources.
- All contract periods for Clayton Early Learning, Denver’s Early Childhood Council and Qualistar Colorado will end August 31, 2020. Contract budgets are set annually.
- Proposed project expansion in quality improvement total \$287,610. This allotment will deepen DPP’s impact with schools on multiple levels and include enhanced achievement awards, expansion of training, credits and curriculum, and administrative overhead.

During the budget presentation, the value of exploring mental health supports for providers to handle child behaviors that may lead to suspensions and expulsions was discussed.

Enrollment and Customer Service

Ms. Mendoza presented the budget for Enrollment and Customer Service, noting the following:

- The 2019 Enrollment and Customer Service budget is 3.4 percent of the total revenue. The majority of the budget is allocated to the MetrixIQ contract.
- The remaining portion of the budget is for a partnership with Mile High United Way for an Enrollment Specialist.

Evaluation

Ms. Mendoza presented the budget for Evaluation, noting the following:

- The total evaluation budget is \$1.20 million, which is 5.1 percent of revenue. This is divided between four contracts: The Flahive Group, LLC, Clayton Early Learning, National Opinion Research Center,

The Board consented to commencing the increase of Achievement Award increase beginning in September 2018 to coincide with the start of the program year.

and Butler Institute at University of Denver and the Implementation Group.

- All contract periods for Clayton Early Learning, NORC and the Butler Institute will end August 31, 2019. The optional extended term could begin in September 2019.
- The contract with the Flahive Group, LLC began September 1, 2018, and includes an expansion from 10 quality assurance reviews to 24.
- The proposed expanded projects for the evaluation budget total \$178,190, which will serve to expand the child outcome and longitudinal evaluation projects.

Communications

Ms. Nelson presented the budget for Communications, noting the following:

- Community Outreach is budgeted at \$1.75 million, which is 7.5 percent of revenue.
- The 2019 communications contracts are going through an RFP process. They include a strategist, a copywriter, an outreach events manager, a design firm and a web team.
- The six proposed project expansions total \$817,850. They include an enrollment incentives increase, enrolled family touchpoints sent out quarterly, a media buy increase, Preschool Showcase enhancements, provider and teacher appreciation gifts, and classroom collateral.

Other Expenses

Ms. Braun presented the budget for the Other Expenses, highlighting the following:

- The Other Expenses budget was 0.2 percent of the revenue, totaling \$44 thousand, paying for the Auditor and Outside Contract Services.

Administrative Expenses

Ms. Braun presented the budget for the Administrative Expenses, highlighting the following:

	<ul style="list-style-type: none"> • Administration is budgeted at \$1.02 million, which is 4.3 percent of revenue. • Facilities expenses have increased by 120 percent due to DPP taking over the entire office space. • Payroll expenses are 62 percent of the total proposed administrative budget and reflect no anticipated staffing additions. <p>Reserves Target</p> <ul style="list-style-type: none"> • The Reserves Target is approximately the sum of a 20 percent loss of revenues each year over three years. The reserves target for 2019 is calculated at \$14.07 million. 	<p>The Board chose to leave the net to reserves of \$587 thousand as is for use in for projects approved by the Board at a later date.</p>
Annual Tuition Credit Scale Process	<p><u>Annual Tuition Credit Scale Process</u> Ms. Braun presented the 2019-2020 Tuition Credit Scale Process, detailing the coming month's schedule.</p>	
Executive Session		<p>Mr. Haynes motioned to go into executive session to discuss a personnel matter; Ms. May seconded; All approved.</p>
Adjourn		<p>Ms. Haynes motioned to adjourn; Ms. Watney seconded; All approved.</p>