

## Board of Directors

Meeting Minutes

Date: March 14, 2022 (12:00 p.m. to 2:00 p.m.)

Location: In person at the DPP office and online via Zoom

**Members in attendance (In Person):** Mr. Michael Baker (Chair), Ms. Erin Brown, Mr. Zach Hochstadt, Ms. Anne Rowe and Ms. Susan Steele

**Members in attendance (via Zoom):** Dr. Lydia Prado (Vice-Chair), Mr. Chris Daues (Treasurer), Ms. Amber Münck (Secretary), Ms. Samantha Jacobson and Councilwoman Amanda Sandoval

**Members not in attendance:** Ms. Janice Sinden

**Staff in attendance (In Person):** Ms. Nayely Avila, Dr. Cristal Cisneros, Ms. Elsa Holguín, Mr. Chris Miller, Ms. Tricia Nelson and Ms. Carley Noerr

**Staff in attendance (via Zoom):** Ms. Ellen Braun

**Guests (In Person):** Mr. Jeffrey Cohen, Ms. Anna Jo Haynes, Ms. Priscilla Hopkins, Mr. Rob McDaniel, Ms. Valerie Gonzales and Mr. Paul Smith

**Guests (via Zoom):** Ms. Kara Penn

Agenda Topic	Discussion	Action/Follow-Up/Decision
<b>Call to Order and Welcome</b>	<b><u>Call to Order and Welcome</u></b> Mr. Baker welcomed the Committee and called the meeting to order.	
<b>Consent Agenda (For Approval)</b>	<b><u>Consent Agenda (For Approval)</u></b> Mr. Baker presented the Consent Agenda for approval, highlighting the following: <ul style="list-style-type: none"> <li>• February 14, 2022, Strategic Planning Committee Minutes</li> <li>• February 15, 2022 Board Minutes</li> <li>• January 2022, Financial Statements</li> </ul>	Ms. Rowe motioned to approve the consent agenda, Ms. Brown seconded; All in favor, motion approved.
<b>2021 Audit Presentation</b>	<b><u>2021 Audit Presentation</u></b> Mr. Cohen, of GC2 Professional Services, presented the 2021 Financial Audit Presentation, highlighting the following:  DPP shifted to a program year budget for its fiscal operations, to align with its program operations. This shift allows for more transparency for management, board and voters, reduces risk of error and creates a better tool to manage operations and program funds.	

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	<p>DPP continued its record of strong financial management despite the COVID-19 pandemic – including a clean 2021 audit – and closely monitored revenue projections and economic forecasts that impacted the city sales tax. This allowed the organization to adjust expenses and reallocate funding to new areas of need, maintaining financial stability while deepening impact for preschools and families.</p> <p><b>Financial Management</b>  The 2021 financials indicate the long-term reserves target at \$10.511 million when fully funded and \$8.43 million of reserves designated for pilot programming, bringing our overall Board designated reserves as of December 31, 2021, to \$18.94 million. Our net assets at \$16.78 million reflect a \$2.17 million gap for our long-term reserves. The Board of Directors are aware of this gap and are committed to supporting Denver preschool and families through the pandemic and beyond.</p> <p>Mr. Smith noted the potential risk of DPP’s small team size and institutional knowledge that relies on such a small number of staff.</p>	<p>Mr. Hochstadt motioned to approve the 2021 Financial Audit as presented, as well as the management letter; Ms. Steele seconded. All in favor; motion approved.</p>
<p><b>2022-2023 Tuition Credit System Annual Process</b></p>	<p><b><u>2022-2023 Tuition Credit System Annual Process</u></b>  Mr. McDaniel, of Metrix IQ, presented the 2022-2023 Tuition Credit System Annual Process, highlighting the following:</p> <p><b>Enrollment Forecasting</b>  Based on current workforce shortages in our community preschool providers, gentrification and lingering effects of the pandemic, DPP is predicting a 3% decrease to community enrollment. DPS enrollment remains flat.</p> <p>DPP continues to see a decline in our tier 1 and tier 2 children and an increase in tier 5 children.</p> <p>Families are now seeking care for longer hours, needing support for a full work day.</p> <p><b>2022-2023 Tuition Credit Scale (For Approval)</b>  Mr. McDaniel presented the 2022-2023 Tuition Credit Scale for approval.</p> <p>Dr. Cisneros spoke about the opt-out population, suggesting that an estimated 85% of these families sent their children to schools located within, what can be assumed to be, more affluent areas. The remaining percentage of families sent their children to schools within, what can be assumed to be, areas of lower income households and/or predominantly immigrant communities.</p>	<p>Ms. Brown motioned to approve the 2022-2023 Tuition Credit Scale as presented, which includes a 7.7% increase over the current Program Year scale, Ms. Rowe seconded; All in favor, motion approved.</p>

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	<p>Mr. McDaniel reviewed the history of DPP’s Tuition Credit Scale since its inception.</p> <p>Ms. Holguín confirmed that the dollars, as listed, were adjusted to the new federal poverty level.</p> <p><b>Preschool for 3s Parameters</b>  Ms. Braun noted that next month DPP Staff will ask the Board for formal approval on the parameters used to estimate budgets for the 2022-2023 Preschool for 3s budget, as well as approval to continue the DPP Scholarship program.</p> <p>Ms. Steele asked if DPP was able to supply this tuition credit to as many tier 1 and tier 2 families that wanted it for 3-year-olds?</p> <p>Ms. Holguín responded, noting that availability was capped due to the program budget. First come, first served. As the program was closed, there was no wait-list available.</p> <p>Ms. Steele hypothesized that if this program were to be granted additional dollars, it could be fairly assumed that there would be families that would fit the criteria in which to be served by this increase. She continued, asking how the program was received within the community and by providers.</p> <p>Ms. Holguín responded, stating the response was overwhelmingly positive.</p> <p><b>DPP Scholarship Parameters</b>  Mr. McDaniel stated that Metrix is working with DPP Staff in efforts to figure out how to best support the opt-out families; there may be an opportunity for targeting outreach for this population.</p> <p>The Scholarship currently fills the gap between the top DPP Tuition Credit and the published rate. DPP is shifting to a cost-of-care number, versus the published rate number.</p> <p>Ms. Braun initiated a discussion with the following prompt: “If we have \$2 million ‘extra’ are these two projects [Scenario ‘C’ in the handout] what the Board would want DPP to invest in, would the Board prefer to save it for a ‘rainy day’ or for another project? This feedback will help Staff craft the recommendation to be presented next month.”</p> <p>Ms. Steele noted the provider benefits and potential room for expanding upon that support.</p>	

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<p><b>2020-2021 Quality Assurance Annual Report</b></p>	<p><b><u>2020-2021 Quality Assurance Annual Report</u></b>  Ms. Braun presented the 2020-2021 Quality Assurance Annual Report, highlighting the following:</p> <p>The Quality Assurance Annual Report is essentially an internal audit of DPP’s systems. It follows a Tuition Credit from the moment an application is submitted all the way to a particular month when DPP is paying out Tuition Credits. The Flahive Group LLC requested information to form their findings from schools, our contractors and the Council. They followed around 22 sites this year, randomly selecting up to 5 students per site.</p> <p>Major discrepancies were reported to providers’ sign in/sign out records, as expected due to limited access for parents to enter the premises due to COVID safety protocols. These discrepancies lead to discrepancies in attendance records as attendance is based on when a child is signed in or out of school.</p> <p>Extended-day students are over-represented relative to the cohort because virtually all extended day students are in community-based schools. Conversely, DPS schools are underrepresented in the QAP sample, and DPS is by far the largest pool of full-day students. As a consequence, full-day students are a smaller proportion of the resulting sample.</p> <p>Duplicate Student Enrollments in the review of a DPS school for February 2021, DPS was unable to provide enrollment information for one of the selected students, stating that the student did not participate at that school at all in February. Upon consulting the Metrix pay file, two enrollments were found for that same student. Both DPS and the community-based school were paid full tuition credits for that enrollee. A scan of that pay file indicated that there were more than 50 duplicates – 44 involving one DPS school and one community-based school. A consultation with pay files for subsequent months found similar duplicates between DPS and community-based schools, but the frequency was far less than for February. DPS acknowledged that these were indeed erroneous. DPS also asserted that there were many more students served by DPS for February which were not reported to DPP. Other types of duplicates were understandable – e.g., a change in status or a change from one school to another. However, there were some other duplications not pertinent to DPS. Metrix has examined each such duplicate.</p>	
<p><b>President’s Update</b></p>	<p><b><u>President’s Update</u></b>  Ms. Holguín asked Ms. Rowe to present updates on the Strategic Planning Committee’s recent Special Session. Ms. Rowe highlighted the following:</p> <ul style="list-style-type: none"> <li>• Mr. Bill Jaeger presented updates on Universal Preschool (UPK) to the Strategic Planning Committee during a Special Session of the Board.</li> </ul>	

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	<ul style="list-style-type: none"> <li>• DPP's role in UPK</li> </ul> <p>Ms. Penn noted the timeline for DPP's goals and vision for Strategic Planning and UPK.</p> <p>Ms. Holguín provided updates on the meeting with City Council and the upcoming meetings with the Mayor and the Policy Review Committee.</p> <p>Ms. Holguín led a discussion surrounding DPP's involvement with and support of HB22-1295 going forward, noting that DPP has helped with the strategic thinking and planning process thus far.</p>	<p>Ms. Brown motioned to support and endorse HB22-1295 for Colorado's new Department of Early Childhood implementation plan which includes Universal Preschool; Dr. Prado seconded. Ms. Steele abstained. All others in favor; motion approved.</p>
<b>Community Updates</b>	<p><b><u>Community Updates</u></b></p> <p>Ms. Hopkins updated the Board on the following:</p> <ul style="list-style-type: none"> <li>• Ms. Ives, Budget Manager of DPS, will present a formal DPS 4YO process at the next DPP BOD meeting in April.</li> <li>• DPS is navigating many changes within the organization under the new Superintendent.</li> </ul>	
<b>Adjourn</b>	<b><u>Adjourn</u></b>	<p>Ms. Steele motioned to adjourn the meeting, Ms. Brown seconded; All in favor, motion approved.</p>

I certify that the above minutes are correct and approved by the Board of Directors.

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Münck, Amber, Secretary