

Board of Directors

Meeting Minutes

Date: Tuesday, March 21, 2023 (12:00 to 2:00 p.m.)

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

Attendance

Members (In Person): Dr. Lydia Prado (Chair), Ms. Erin Brown (Vice-Chair), Mr. Chris Daues (Treasurer), Ms. Anne Rowe (Secretary), Mr. Zach Hochstadt, Ms. Jennifer Rodriguez-Luke and Ms. Susan Steele

Members (Zoom): Mr. Michael Baker, Councilwoman Amanda Sandoval and Ms. Janice Sinden

Members not in attendance: Ms. Amber Münck

Staff (In Person): Ms. Nayely Avila, Ms. Irene Bonham, Ms. Ellen Braun, Dr. Cristal Cisneros, Ms. Elsa Holguín, Mr. Chris Miller, Ms. Carley Noerr and Ms. Rebekah Ray

Guests (In Person): Ms. Kat Jarvis, Ms. Lena Johnson, Ms. Emily Lapham and Mr. Rob McDaniel

Guests (Zoom): Mr. Jeffrey Cohen, Ms. Anna Jo Haynes (Board Emeritus) and Mr. David Thurow

Agenda Topic	Discussion	Action/Follow-Up/Decision
Call to Order and Welcome	<u>Call to Order and Welcome</u>	
Consent Agenda <i>(For Approval)</i>	<u>Consent Agenda</u> <i>(For Approval)</i> Dr. Prado presented the Consent Agenda for approval, highlighting the following: <ul style="list-style-type: none"> February 21, 2023 Board of Directors Minutes January 2023, Financial Statements 	Ms. Brown motioned to approve the consent agenda; Mr. Hochstadt seconded. All in favor; motion approved.
2022 Financial Audit Presentation <i>(For Approval)</i>	<u>2022 Financial Audit Presentation</u> <i>(For Approval)</i> Mr. Cohen, of GC2 Professional Services, presented the 2022 Financial Audit Presentation (For Approval), highlighting the following: DPP is the 501 (c)(3) administrator of the City's dedicated .15 percent sales tax, which champions, funds, and expands access to high-quality preschool for ALL Denver families, regardless of income or neighborhood. Denver voters initially approved the sales tax to fund DPP in 2006 and reauthorized and expanded it in 2014. DPP is currently authorized through 2026. DPP remains financially sound and is steadfast in evaluating its management practices to ensure it continues as a strong and viable organization. Rigorous assessment of our program has shown that DPP has significantly expanded access to preschool, improved kindergarten readiness for Denver's kids, and raised the quality of early education programs in the City. DPP is committed to its values of access for all; informed choice; high quality, intentional inclusivity; and leadership in action. These efforts include leaning into the significant challenges and opportunities that the Denver community faces.	

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	<p>The 2022 calendar year saw continued challenges due to the lasting effects of the pandemic, inflation, and Denver’s rising cost of living. As a result, DPP prioritized how to use available resources to support the DPP’s preschool providers and families more deeply. Key highlights of 2022 include:</p> <ul style="list-style-type: none"> • Provided \$27.4 million in programming expenses • Expanded our tuition support to two years of free preschool for our children with the highest financial need • Launched our strategic planning process to position the organization for successful growth • Named the Local Coordinating Organization (LCO) for Denver for the implementation of the State’s new universal preschool program, UPK Colorado • Continued to utilize our reserves to support the needs of the community <p>Foundational Programs</p> <p>DPP provided \$22.1 million in tuition credits in 2022. In addition, DPP significantly expanded its tuition credit system supports in 2022, increasing spending by \$2.2 million compared to the previous year. The tuition credit system is inclusive of the following:</p> <ul style="list-style-type: none"> • The 4-year-old tuition credit scale; • DPP Scholarship Pilot, which fully covers the cost of tuition for children at or below 185% of the federal poverty line; • Preschool for 3s Pilot, supporting a small cohort of 3-year-olds through our tuition credit scale; <p>All tuition credit funding is paid directly to providers on behalf of each family, then deducted from the families’ tuition bills. These tuition credits supported 4,785 students who attended preschool in the 2021-2022 school year, 4,336 4-year-old students, and 388 3-year-olds who attended preschool in the 2022-2023 school year thus far.</p> <p>The organization proudly invested \$2.5 million in quality improvement resources for more than 269 preschools. These quality improvement dollars provided schools with funding for teacher and director professional development, coursework, grants, workforce stipends, coaching, scholarships, and classroom materials, helping to ensure that Denver preschoolers receive a high-quality education.</p> <p>Financial & Operations Management</p> <p>In 2022, DPP took essential steps to position the organization for growth, including expanding its financial expertise by creating and hiring a new Director of Finance position, diversifying the program stream and revenue by being awarded the LCO contract for Denver for UPK Colorado, and laying the groundwork for an ordinance change to support DPP’s further growth and expansion.</p> <p>The organization updated its reserve target and policy to give it adequate funds to weather economic downturns and ensure that we fulfill our financial commitment to families through the end of the 2027 academic year unless reauthorized by November 2026. The 2022 financials indicate the long-term reserves target at \$17.5 million and \$6.7 million designated for pilot</p>	

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	<p>programming, bringing our overall Board designated reserves as of December 31, 2022, to \$24.2 million. The amount in the designated fund as of December 31, 2022, was \$20.6 million. The Board of Directors is aware of this gap and are committed to supporting Denver preschool and families.</p> <p>DPP continued its record of strong financial management– including a clean 2022 audit – and closely monitored revenue projections and economic forecasts that effected the city sales tax. This allowed the organization to adjust expenses and reallocate funding to new areas of need, maintaining financial stability while deepening the impact on preschools and families.</p> <p>Planning for the Future: DPP’s 2023-2025 Strategic Plan Now, well into our second decade of impact, DPP is not merely focused on the mission but proactively paving the way for significant, equitable advancements in early childhood education, local, statewide, and across the nation. We take our role as a leader and one of the original tuition credit programs in the country seriously. While there is much to learn from what we have done, there is much to learn and improve upon as we look ahead.</p> <p>This momentum was captured in developing DPP’s 2023-25 strategic plan, to be released in the spring of 2023. DPP is entering an unprecedented period of change and growth. As such, our strategic orientation over the next three years is one of growth in funding, programming, and infrastructure to serve Denver’s families and young children better. We seek to grow in ways that create equity, are sustainable, and model the way forward for early childhood supports that transform the lives of families. DPP commits to bold action to help eliminate differences in educational, well-being, and health outcomes due to systemic racism, generational poverty, and discrimination through our role in early childhood education.</p> <p>This plan has laid out DPP’s priorities for the next three years, beginning with our guiding principles, our unwavering and living commitment to creating a more equitable early childhood system, and leading in the state and national early childhood environment. Work is already well underway to fully realize the scope of our new strategic plan –a living, breathing roadmap that we will continue to revisit over the months and years ahead. We look forward to involving those we serve and partner with in this process and working together to accomplish our vision, mission, and goals.</p> <p>This momentum was captured in developing DPP’s 2023-25 strategic plan, to be released in the spring of 2023. DPP is entering an unprecedented period of change and growth. As such, our strategic orientation over the next three years is one of growth in funding, programming, and infrastructure to serve Denver’s families and young children better. We seek to grow in ways that create equity, are sustainable, and model the way forward for early childhood supports that transform the lives of families. DPP commits to bold action to help eliminate differences in educational, well-being, and health outcomes due to systemic racism, generational poverty, and discrimination through our role in early childhood education.</p> <p>This plan has laid out DPP’s priorities for the next three years, beginning with our guiding principles, our unwavering and living commitment to creating a more equitable early childhood system, and leading in the state and national early childhood environment. Work is already well</p>	


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<p>2023-2024 Tuition Credit Scale Presentation <i>(For Approval)</i></p>	<p><u>2023-2024 Tuition Credit Scale Presentation</u> <i>(For Approval)</i> Mr. McDaniel, of Metrix IQ, presented the 2023-2024 Tuition Credit Scale Presentation (For Approval), highlighting the following:</p> <p>2023-2024 Landscape</p> <ul style="list-style-type: none"> • <u>Uncertainty</u> <ul style="list-style-type: none"> ○ More questions than answers ○ Pathway to optimizing DPP impact is a work in progress ○ Every corner of the ECE ecosystem is changing • <u>Perseverance</u> <ul style="list-style-type: none"> ○ DPP is the trusted advisor for Denver providers ○ Clear, understandable funding is the objective for 2023/24 ○ Efficiency and optimization may be 2 years away • <u>Transformation</u> <ul style="list-style-type: none"> ○ \$325M of NEW public funding entering the Colorado ECE ecosystem ○ The future is BRIGHT, but the pathway is bumpy! <p>Enrollment Forecast Forecasting is based on an assumption that the launch of Universal Preschool in Colorado will lead to an increase in capacity at current preschools, new preschools and more children participating in DPP.</p> <p>Mr. McDaniel presented visual charts for the following:</p> <ul style="list-style-type: none"> • 2023/24 Demographics • 2023/24 UPK Income Tier Harmonization 	

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	<ul style="list-style-type: none"> • 2023/24 Funding Impact by Tier • Tuition Credit History Since Inception <p>Measurables</p> <ul style="list-style-type: none"> • Total 4yo budget: \$17.46M • Community budget: \$8.2M (15% ↑) • DPS budget: \$9.26M (flat) • 6.5% ↑ over latest 22/23 estimate (\$16.4M) • Annual SUT budget increase of 3.1% • Average tuition credit \$967/mo. 1 (14% ↑) • Maximum tuition credit \$1,227/mo. <p>Ms. Steele commented on the average tuition credit compared to the average cost of care.</p> <p>Mr. McDaniel and Ms. Braun presented the proposed Denver Preschool Program, Monthly Tuition Credit Scale 2023-2024.</p>	<p>Ms. Steele motioned to approve the 2023-2024, 4-year-old tuition credit scale and budget as presented in the Board Packet; Ms. Brown seconded. All in favor, motion approved.</p> <p>Mr. Hochstadt motioned to approve the DPS Cap for 2023-2024 at \$9.264m; Ms. Brown seconded. Al in favor, motion approved.</p>
<p>Strategic Organization Presentation</p>	<p><u>Strategic Organization Presentation</u> Ms. Lapham, of Prosono, presented the Strategic Organization Presentation, highlighting the following:</p> <p>Project Orientation: UPK Implementation Strategy Project Overview At the outset of the project, Prosono outlined three key outcomes to work towards throughout each phase:</p> <ol style="list-style-type: none"> 1. DPP understands how its current operations and business model aligns with UPK policy recommendations and future growth opportunities 2. DPP has the knowledge and resources to prepare for and expand UPK operations through implementation of recommendations 3. DPP has a long-term implementation plan, including a technology roadmap, to provide the organization with a path forward that can be adapted to multiple scenarios <p>Over eight months, Prosono’s workstreams blended and overlapped to address the pressing needs of the UPK work.</p> <p>Key Deliverables:</p> <ul style="list-style-type: none"> • <u>Discovery</u> <ul style="list-style-type: none"> ○ Project Planning Materials, incl. Key Evaluation Questions ○ Business Model Canvas ○ Four Fits Framework • <u>Growth Strategy</u> <ul style="list-style-type: none"> ○ Market Assessment Scorecard ○ Growth Opportunity Recommendations ○ UPK Crosswalk ○ UPK Legislative Analysis • <u>Recommendations</u> 	

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	<ul style="list-style-type: none"> ○ Organizational Design ○ Scenario Planning ○ Blended & Braided Funding ○ Budget Support –Real-time & Toolkit ● <u>Implementation</u> <ul style="list-style-type: none"> ○ Operational Launch Milestone Facilitation ○ Strategy Implementation Support ○ Technology Decision Tree <p>Looking Forward: Strategy and UPK Integration and Implementation The final set of UPK Strategy recommendations are compiled into the following toolkits for future planning and use:</p> <ul style="list-style-type: none"> ● <u>Project Orientation</u> - A review of each element of the UPK Implementation Strategy workstream ● <u>Key Growth Areas</u> - An overview of the priority areas for potential growth for DPP and recommended timelines for DPP undertaking each opportunity ● <u>Scenario Planning</u> - A sample of potential different scenarios within UPK implementation that DPP should be monitoring and addressing. This section is a resource that can be updated and added to as the state makes decisions regarding UPK ● <u>Blending & Braiding Recommendations</u> - Recommendations on how DPP should be pursuing, communicating, and addressing blending and braiding opportunities and challenges ● <u>Organizational Design</u> - An overview of recommendations on organizational structure and growth over the next few years ● <u>Operational Framework</u> - A summary of recommendations and insights on DPP’s updated Business Model Canvas and Four Fits Model ● <u>Technology Decision Tree</u> - Areas for improvement to scale current technology platforms ● <u>Budget Modeling</u> - A summary of insights and resources from the first budget exercise and subsequent budget discussions <p>Key Evaluation Questions provided alignment on direction and informed the focus of subsequent recommendations.</p> <p>To help DPP answer the key questions of the project, a suite of tools was created based on data, research, subject matter expertise and iterative design principles. These tools collectively helped answer the questions DPP sought to answer upon project kickoff.</p> <p>The Board discussed barriers that may be faced moving forward.</p> <p>Dr. Prado thanked the Office of Children’s Affairs for raising the funding to provide DPP with the LCO planning support from Prosono.</p>	
President’s Update	<u>President’s Update</u> Ms. Holguín presented the President’s Update, highlighting the following:	

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	<p>UPK DPP Staff provided the following updates on UPK:</p> <ul style="list-style-type: none"> • 16,000 students were expected, UPK received close to 30,000. • More providers have signed up for UPK. • In the third stage of the process, families will have to accept the match. • Some children currently enrolled with schools did not match through UPK. Reasons for this include: <ul style="list-style-type: none"> ○ Families that chose not to sign up. ○ The UPK application asking for income verification created a barrier for some. Though families could have submitted the application without that information, the ability to omit income data was not clear. ○ Many families elected to move from one provider to another. This was observed predominantly in community school families opting to move to a DPS school. <p>DPP</p> <ul style="list-style-type: none"> • DPP is transitioning from working with Mission Spark on writing the Strategic Plan to Prosono for implementation support. • Ms. Bonham is working on DPP’s next annual report. • DPP is responding to media requests and City Council meetings. 	
<p>Community Updates</p>	<p><u>Community Updates</u> Dr. Prado opened the floor for updates from community members.</p> <p>Office of Children’s Affairs (OCA) Ms. Jarvis shared that the health initiatives team is making an offer this week for an Early Childhood Coordinator. With the Healthy Childhood grant received earlier this year, the healthy food program is being introduced at recreation center sites and will be introduced to early childhood sites next. Ms. Jarvis introduced the new OCA team member, Ms. Lena Johnson.</p>	
<p>Adjourn</p>	<p><u>Adjourn</u></p>	<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.


[Anne Rowe \(Apr 26, 2023 09:33 MDT\)](#)

 Anne Rowe, Secretary







DPP 03.21.23 BOD Minutes_FINAL

Final Audit Report

2023-04-26

Created:	2023-04-25
By:	Carley Noerr (carley@dpp.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAA8Aqu1Q0oLDkODkgsOMAAN7eQmiOz0YLS

"DPP 03.21.23 BOD Minutes_FINAL" History

-  Document created by Carley Noerr (carley@dpp.org)
2023-04-25 - 7:49:58 PM GMT- IP address: 65.101.246.125
-  Document emailed to annerowe60@gmail.com for signature
2023-04-25 - 7:50:29 PM GMT
-  Email viewed by annerowe60@gmail.com
2023-04-26 - 3:31:57 PM GMT- IP address: 174.51.239.150
-  Signer annerowe60@gmail.com entered name at signing as Anne Rowe
2023-04-26 - 3:33:46 PM GMT- IP address: 174.51.239.150
-  Document e-signed by Anne Rowe (annerowe60@gmail.com)
Signature Date: 2023-04-26 - 3:33:48 PM GMT - Time Source: server- IP address: 174.51.239.150
-  Agreement completed.
2023-04-26 - 3:33:48 PM GMT