



Financial Oversight Committee Meeting

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

Meeting Minutes

March 3, 2020 – 10:00 a.m.

Financial Oversight Committee (FOC)

Members Present:

Mike Bestor
Gordon Calahan
Leanne Emm (by phone)
Mary Everson
Kyla Jones
Scott Tarbox

Committee Members and Staff Absent:

Brian Ballard

Staff Present:

Kathleen Askelson, Chief Financial Officer
Dr. Jason Glass, Superintendent
Nicole Stewart, Director, Budget and Treasury
Stephanie Corbo, Director, Finance
Steve Bell, Chief Operating Officer
Debbie Ranguet, Exec. Assist. to CFO

Independent Auditor and Other:

Paul Niedermuller, CliftonLarsonAllen, LLP

Welcome and Introductions: Scott Tarbox called the meeting to order and declared a quorum.

Approval of the Minutes: Mary Everson moved to approve the minutes for February 4, 2020. Gordon Calahan seconded. The motion carried unanimously, and the minutes were approved as presented.

Budget Update: 2020/2021 Budget Development (proposed budget assumptions and projections):

Kathleen Askelson walked through the information that will be presented to the Board of Education (BOE) on March 5, 2020. Askelson reviewed the timeline and noted that the Board will continue budget discussion at the March 11 study session. Highlights of upcoming targets and deadlines include presentation of budget recommendations to the Board by the District Accountability Committee (DAC) on March 5; timing of March forecast from the state; ongoing negotiations with employee groups; opportunity for feedback through the online citizen budget survey; feedback/direction from the Board at March meetings; building of proposed budget in April; public comment and presentation of proposed budget to Board on May 7; and adoption/appropriation of the budget at the June 4 BOE meeting. The proposed assumptions per the Governor's proposal estimate new revenue for Jeffco from the state at \$16.6M bringing the total new resources for 2020/2021 to \$23.2M. Askelson clarified that the new resources are a mix of revenue and a credit to expenditures for retirement/turnover savings. Expenditures and revenue loss assumptions are estimated at \$23.2M with \$2.6M of that for the mandated PERA increase and \$3M for the estimated loss of revenue from loss of student enrollment. Staff will be looking for direction on the remaining \$17.6M in unallocated resources.

Askelson presented an option for increasing the amount of available resources by \$2.1M, should the Board provide that direction, to be generated from reductions at central. She clarified that should the Board direct staff to look for additional funds beyond that to fund any other Board budget priorities, additional reductions from central and from schools would be necessary. Potential expenditures that could be funded with the unallocated funds include compensation, a cost of living increase (COLA), an increase to student based budgeting (SBB) per the DAC recommendation to add teaching resources per the results of the school accountability committee survey.

Discussion covered the cost to add one teacher and/or one para per school, reasons for additional teachers when enrollment is declining, and how to balance declining enrollment with teacher/student ratios at schools. Askelson commented on expenditure assumptions and noted that it is too early to know if there will be an increase for insurance premiums. Upcoming community engagement includes an online community budget survey; two budget forums scheduled in April; and an opportunity for public comment at the May 7 Board of Education meeting.

Staff will be looking for direction from the Board at the March meetings. The legislative session ends on May 6. The proposed budget will be presented to the Board on May 7 with adoption on June 4.

Employee Negotiations Status: Askelson advised that negotiations with the employee associations began in February with meetings scheduled through March 31, noting that all meetings are being live streamed. To date the meetings covered primarily housekeeping and process document review, and core training. Jefferson County Education Association (JCEA) topics for spring include class size, case load, sick leave through sharing or bank, legally-required innovation school language and teacher rights. Jeffco Education Support Professionals Association (JESPA) topics include call-in pay, grievance process, stop staff shortages, and respect for all staff. Their next meeting is in mid-March.

There was discussion regarding what is driving the change in contract language for the innovation schools which Dr. Glass clarified addresses state language to make it less onerous to open and operate an innovation school. Other discussion included clarification on the interest for having a sick leave sharing bank and the challenges it presents; teacher rights and respect for all staff; and questions regarding the status of proposed legislative status of changes to Family Medical Leave Act (FMLA). Staff will follow up on the status of any proposed changes on FMLA and will advise.

Audit Committee Recap from February Meeting: Stephanie Corbo reported on the February Audit Committee meeting noting that the focus was on Audit Committee training for new members; an audit update for second quarter financials; and an overview of the internal audit process that covered governing policies, areas of review, report samples, audit recap, and update on audit frequency.

Bond Program and Facilities Update: Tim Reed, Executive Director-Facilities & Construction Management, provided an update on the financial status of the Capital Improvement Plan that compared expenditures from December 2019 to February 2020. The presentation covered the status of bid results, projects scheduled to be bid, and the status of additions and new buildings to be bid in late summer fall. Reed noted that even with some bids coming in high, bids as a total are net under. There was discussion regarding the environment for bidders and the status of changes to Columbine and possible consideration for use of reserves to fund changes. Reed advised that the Enrollment Projections report will be available in late March.

FOC Conclusions/Recommendations: Following discussion, the committee did not have anything to communicate at this time. Areas for consideration at the April meeting include use of reserves, ensuring a balanced budget, and funding for changes to Columbine.

Wrap Up and Next Meetings: There was further discussion regarding the district's emergency preparedness plan and possible actions such as virtual remote learning, sanitation procedures, closures and work from home plans. Stephanie Corbo provided an overview of marijuana grant funding as a follow up from the February committee meeting. Askelson reviewed dates of upcoming meetings.

The meeting adjourned at 11:00 a.m.