

**BOARD Meeting Activity
Special Meeting
May 17, 2023**

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EXECUTIVE SESSION

The Board of Education convened into executive session to discuss negotiations [per C.R.S. 24-6-402(4)(e)] particular matters: Interest Based Bargaining (IBB) with the Colorado Springs Education Association and Meet and Confer with Executive Professionals and Educational Support Professionals (ESP).

ACTION

Contract Award: Firm Transportation of Natural Gas

The Board of Education approved contract C2023-1050 to provide firm transportation of natural gas to the Colorado Springs Utility gate. If fully executed, this contract will expire on June 30, 2028.

Interim Chief Operations Officer Mrs. Kris Odom provided a summary regarding the background of natural gas delivery to the District and an overview of the procurement process for this contract. Project Manager, Facilities and Operations Mr. Travis Whitley provided an overview of the technical aspects of the contract.

BACKGROUND: The District currently participates in two different utility rate structures with Colorado Springs Utilities (CSU) for natural gas. One is the "Commercial" rate, and the other is the "Transportation Tariff." Both have different advantages for the District. In 2010 an initial study of natural gas by school site determined that some sites would realize savings if moved to the "Transportation Tariff" rate. Savings have been recognized over the years. Currently, these savings are less robust than in past years due to various factors, including the cost of natural gas, weather (usage), and the time CSU hedges its rates for this Tariff. To participate in the "Transportation" Tariff, the District must enter a Tri-Partite Agreement. The District has one agreement with CSU and a second agreement with the transport vendor, which requires the vendor to enter into a third agreement with CSU.

CONTRACT: This effort was competed under full and open competitive procedures and will provide the District with firm transportation of natural gas in accordance with the City's

Transportation Tariff. This contract is a one-year contract with four one-year option terms. If the District determines that participating in the Transportation Tariff is no longer cost-effective during an annual option year, the District can revert to the "commercial" rate structure with a 180-day written notice before November 1 of any given year.

Budget Transfer - Tesla Middle School Relocation

The Board of Education approved the Capital Reserve Fund Contingency Transfer of \$380,000 for construction costs related to relocating Tesla Educational Opportunity Middle School to the Tesla Professional Development Building.

Information regarding the reasons for the relocation, along with details regarding the proposed site configuration and construction, was prepared and presented by Tesla Educational Opportunity School Principal Jason Miller and Assistant Capital Program Manager Jennifer Hotaling.

Tesla Math Teacher Chantell Szczech-Jones provided the Board with information regarding the current location of Tesla Middle School and the vision for the proposed space in the Professional Development Building.

Assistant Principal Jodi Fletcher and Dean of Students Franziska Lindau provided the Board with additional information supporting this agenda item. Swigert Aerospace Academy Principal Jim Nason discussed what alternative educational schools offer students.

PUBLIC HEARING on Mill Levy Override (MLO) Plan Amendments to Program Implementation Plans (PIPs) 2017-1, 2017-3 and 2017-11, with introduction of new PIPs 2017-12, 2017-13, 2017-14 and 2017-15.

Time was set aside at 5:15 p.m. for comments pertaining to the Mill Levy Override (MLO) Plan Amendments to Program Implementation Plans (PIPs) 2017-1, 2017-3, and 2017-11, with the introduction of new PIPs 2017-12, 2017-13, 2017-14, and 2017-15.

There were two comments.

Mill Levy Override Plan Amendments to Program Implementation Plans (PIPs) 2017-1, 2017-3, and 2017-11, with the introduction of new PIPs 2017-14 and 2017-15.

The Board of Education approved Mill Levy Override Plan Amendments to PIPs: 2017-1 Comprehensive Student Support Model; 2017-3 Education Support Professionals Attraction & Retention, 2017-11 Contingency Reserve Fund Balance (Non-Recurring), and the introduction of new PIPs 2017-14 Undesignated Inflationary Fund Balance (Recurring) and 2017-15 Curriculum, Instructional Materials and Instructional Software as reflected in the plan amendments spending plans attached.

Information was prepared and presented by Interim Chief Operations Officer Kris Odom.

BACKGROUND: This information was presented as non-action to the Board at the May 10, 2023, Regular Board Meeting. Two public hearings were held: May 10, 2023, and May 17, 2023.

A plan amendment is needed to allocate approximately \$1.6M in recurring and \$3.9M in non-recurring funding due to the payoff of the Bond Redemption and the inflationary adjustment approved by the Board of Education in December 2022. The Mill Levy Override Oversight Committee met on March 21, 2023, for discussion and voted to pass with strong support to the District Accountability Committee (DAC). The DAC met on April 20, 2023, for discussion and voted with support to pass the below plan amendments.

MLO 2017 PIP 1: Comprehensive Student Support Model (Amendment)

The original 2017 materials/services/supplies budget was proposed at \$319,500 to support 24 FTE. This PIP was fully implemented last FY, with 63.5 FTE, and the supply budget has stayed the same at \$80,000. This amendment increases the supplies/materials/services budget by \$35,881 for additional assessment survey costs, *Second Step® Middle School* social-emotional learning (*SEL*) curriculum, and general office supplies.

MLO 2017 PIP 3: Education Support Professionals (ESP) Attraction & Retention (Amendment)

Recurring undesignated contingency reserve funds in the amount of \$700,000 placed into PIP 3, Attract and Retain ESP to help offset anticipated market compensation adjustments for FY 2023-24. This will use up most of the remaining undesignated recurring fund's balance from the inflationary adjustment levied in December 2022 by the Board.

MLO 2017 PIP 11: Contingency Reserve Fund Balance (Non-Recurring) (Amendment)

This Plan amendment provides clarity between paying property taxes (11a) and non-recurring contingency funds realized mid-year by the audited financials (11b). As a result of the annual financial audit and the board-approved inflationary adjustment in December 2022, there is currently a total of \$3,976,704 in non-recurring funds awaiting allocation and distribution.

MLO 2017 PIP 14: Undesignated Inflationary Fund Balance (Recurring) (New)

This PIP provides a place for undesignated recurring funds for a short period of time (approximately 12 months) until an assigned allocation is determined. Currently estimated at \$64K, these funds may be used for various needs that may only be fully realized at the start of the new school year.

MLO 2017 PIP 15: Curriculum, Instructional Materials, and Instructional Software (New)

This program accommodates the need for a Curriculum PIP under the 2017 MLO, similar to that under the 2000 MLO. Placing this program under the 2017 MLO allows for growth and potential inflationary increases to its budget going forward.

Mill Levy Override Plan Amendments for the new Program Implementation Plan (PIP) 2017-12 Mitchell Promise

The Board of Education approved the Plan Amendment to the 2017 Mill Levy Override for the new PIP 2017-12 Mitchell Promise for a pilot project initially for Mitchell high school graduates only who meet academic and other eligibility requirements. This PIP will run for four years, beginning July 1, 2023, through June 30, 2027. The annual budget for this PIP is \$200,000.

Information was prepared and presented by Interim Chief Operations Officer Kris Odom.

This new PIP will fund the Mitchell Promise, a scholarship opportunity for our highest-poverty high school. This is a 50% match (up to \$200,000) with Pikes Peak State College (PPSC) and is for a two-year degree.

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A motion was made to amend the original motion by changing it to reflect that the PIP will run for two years, beginning July 1, 2023, through June 30, 2025, and the annual budget will be \$200,000, \$400,000 total. This motion failed.

Mill Levy Override Plan Amendment for the new Program Implementation Plan (PIP) 2017-13
Preschool Enhancement to Universal Preschool Program (UPK).

The Board of Education did not approve the Plan Amendment to the 2017 Mill Levy Override for the new PIP 2017-13 Preschool Enhancement to Universal Preschool Program (UPK). This PIP would be funded annually at \$600,000 for a two-year period beginning July 1, 2023.

Information was prepared and presented by Interim Chief Operations Officer Kris Odom.

Supplemental funding provides the opportunity to serve preschool students not served through UPK, either due to failing to meet the risk factors or limited state funding.

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Additional funding sources for UPK were noted, and the potential to combine the DAC Budget Sub-Committee and the Mill Levy Override Oversight Committee (MLOOC) was discussed.

NON-ACTION

Public Hearing on the Proposed FY 2023-2024 Budget

Time was set aside at 6:00 p.m. for comments pertaining to the Proposed FY 2023-2024 Budget.

There were no public comments regarding the Proposed FY 2023-2024 budget.

Resolution 2023-38, Use of Portion of Beginning Fund Balance

Senior Executive Director of Financial Services, Ms. Laura Hronik noted that the resolution identifies the amount of fund balance and the specific non-recurring items for which the funds will be used.

Colorado Revised Statutes, 22-44-105(1.5)(a) states that a duly adopted budget shall not provide for expenditures, inter-fund transfers, or reserves in excess of available revenues and beginning fund balance. Accordingly, this resolution authorizes the use of beginning fund balance to balance revenues and expenditures.

The Board of Education determines that the beginning fund balance in the general fund and other funds are sufficient to fund one-time expenditures. This resolution is based on a state statute requiring the Board of Education to authorize the use or expenditure of fund balance (non-recurring) funds. This resolution aims to ensure full disclosure of the use of the beginning fund balance to balance the expenditure budget.

The Board of Education should be comfortable with the use of beginning reserves as a means to accomplish the District's business plan. The use of the beginning fund balance should represent a reasonable match of recurring and non-recurring sources and uses.

Resolution 2023-39, Designations of Fund Balance

Information was prepared and presented by Senior Executive Director of Financial Services Ms. Laura Hronik.

Governmental accounting allows for the designation of fund balance to restrict and designate the availability of unspent funds at the end of a fiscal year.

Required by the Governmental Accounting Standards Board, this resolution allows the Board of Education to designate certain unspent budgets (mostly school budgets) to carry forward to the following fiscal year. This resolution is especially important in designating resources for specific purposes. The management of reserves is a critical financial planning tool that allows for the strategic carryover of projects under contract.

The Board of Education should be satisfied that the designation of reserves adequately plans for the District's future. Any modification or alteration of the reserve levels should take place at this time.

Resolution 2022-40, Interfund Borrowing

Senior Executive Director of Financial Services, Ms. Laura Hronik explained that it is sometimes necessary to borrow between funds and described various circumstances where this is needed.

The Board agreed via thumbs-up recognition to move agenda items D2, D3, and D4 to consent at the next Regular Board Meeting.

Resolution 2023-41, Appropriation of the FY23/24 Budget

Information prepared by Senior Executive Director of Financial Services Ms. Laura Hronik and presented to the Board through a PowerPoint presentation that addressed the FY23/24 Budget details.

Colorado Revised Statute 22-44-110(4) requires that the Board of Education adopts a budget with an appropriation resolution, by fund, for the next fiscal year. The appropriation resolution sets the maximum level of expenditures, subject to re-appropriation, for each fund for the 2023-2024 fiscal year.

One of the first documents in the front of the budget document is the appropriation resolution. By approving the appropriation resolution, the Board of Education adopts the budget. The District uses a budget consideration process that utilizes a heavy amount of staff and community participation and involvement. In addition to the countless hours of discussion and debate at multiple levels of the organization, including employee group input, the District enjoys a strong relationship with the District Accountability Committee's (DAC) Budget Subcommittee. The DAC Budget Subcommittee plays a key role in bringing community input into resourcing the District mission.

The objectives of the budget adoption process are to best resource the District's business/strategic plan, reflect the priorities of the District 11 Board of Education, comply with all regulatory requirements, and provide a sound financial plan with adequate contingencies for the stewardship of taxpayer resources.

A lack of thumbs-up acknowledged that it was not the will of the Board to bring this agenda item to a work session. The agenda item will come before the Board again as an action item at the June 14, 2023, Regular Board Meeting.

ADJOURNMENT

The meeting adjourned at 8:20 p.m.