

## REPORT OF THE FINANCE COMMITTEE

The Finance Committee met on Tuesday, August 15, 2017 at 11:30 AM at the Cincinnati Public Schools Education Center in the Board Conference Room.

### ATTENDEES

#### Finance Committee Members

Chairperson Melanie Bates, Eve Bolton, Carolyn Jones

#### Administrators

Kelley Bagayoko, Early Childhood Education; Cheryl Broadnax, Assistant Superintendent, Early Childhood; Brittany Marks, Director of Financial Reporting and Transparency; Bill Moehring, Chief Operating Officer; Lauren Roberts, Internal Auditor; Laura Sanregret, Teacher, Dater Montessori; Jennifer Wagner, Treasurer/CFO

#### Focused Capital Solutions, LLC

Nan Cahill, Managing Director

#### Cincinnati Preschool Promise

Stephanie Byrd

#### Community Members/Board Candidates/Parents

Craig Rozen

### Governmental Relations Update

Nan Cahill, Managing Director, Focus Capital Solutions, was present and informed the Committee about the following projects.

### SW Ohio Legislators Visit/Breakfast

Ms. Cahill reported that she is still working on establishing a date for the meeting.

### Updated List of Legislative Priorities

Ms. Cahill reported that she will be meeting with the Administration on September 1, 2017 to update the list of legislative priorities.

### Federal Tax Reform

Ms. Cahill advised the need for Administration to provide her with the top three federal tax reform issues for CPS. Mrs. Wagner will schedule a meeting with her leadership team to determine what those three issues will be.

### Cleveland Metropolitan School District/Ohio ESSA

Ms. Cahill reported that she is working with the Cleveland Metropolitan schools and meeting with the Ohio School Boards Association, the Buckeye Association of School Administrators, the Ohio Association of School Business Officials, and the Ohio ESC Association the week of August 21, 2017 to talk about their agenda items and how to work together on the same agenda.

- Nan Cahill and Eric Kearney met with ODE leadership and the Joint Education Oversight Executive Director. Superintendent DeMaria was very familiar with and supportive of CPS and our innovative programs. He said he was going to try to get down there soon (and he kept his promise).

- Step Up To Quality Preschool Ratings – Superintendent DeMaria and his staff reported that:
  - 36 schools in CPS have been rated.
  - 5 are pending, which means they cannot get rated because they have not been licensed long enough.
  - 1 is not rated, but in process: Hartwell Elementary. Staff plans to rate this location as soon as possible, but cannot without students.
- House Task Force on Education and Poverty held its first meeting. The first meeting focused on data examining poverty statistics and how they are widening the achievement gap provided by the Joint Education Oversight Committee. The next meeting is scheduled for Thursday, August 17 with presentations by Phil DeVol, co-author of *Bridges Out of Poverty*, and Becky Carroll, Health Policy Institute. We understand the committee will be travelling throughout the state.
- Joint Education Oversight Committee will continue to be a public policy resource the Ohio legislature. Currently they are focusing on preschool impact on achievement and identifying programming for social emotional training. Preschool Promise Interim Executive Director Stephanie Byrd is connected with their work and will be presenting information on the Preschool Promise in September.
- We discussed challenges with the Educational Management Information System (EMIS) with Superintendent DeMaria. He suggests a meeting with David Ehle, Director of Data Collection, Processing, and Reporting, and Beth Jullerat, Chief Information Officer, which his office would coordinate. He acknowledged that it will be difficult to resolve all issues but if CPS could identify the top three issues his office would help facilitate the conversation.
- Upcoming
  - Nan and Eric will be meeting at the end of the month with the Ohio School Board Association, Buckeye Association of School Administrators, Ohio Association of School Business Officials and the ESC Association.
- Still Pending
  - Dates to invite SW Ohio Legislators to visit CPS – Can we get a few dates?
    - Bill Blessing – member Finance Subcommittee on Primary & Secondary Education, Bill Seitz, Tom Brinkman, Alicia Reece, Brigid Kelly, Catherine Ingram, Cecil Thomas, Louis Terhar, Steve Wilson.
  - Federal Tax Reform
    - Identify concerns related to tax proposals– think we need a little more background on what the proposals are and how they affect CPS.
    - Invite Reps/Sen to visit this summer and discuss tax reform
    - In the least send a letter

## **GONGWER**

Ms. Cahall provided the Committee with a copy of the GONGWER report.



**PLEASE NOTE: THE LEGISLATURE IS OUT OF SESSION.**

**There has been very little legislative activity. One education related piece of legislation introduced was HB 318, related to defining a school resource officer.**

### **HB 37 SCHOOL FACILITIES ([Arndt, S.](#))**

To require the Ohio School Facilities Commission to establish a program assisting school districts in purchasing technology and making physical alterations to improve technology infrastructure and school safety and security.

Committee Hearing in House [Education & Career Readiness](#) (5/23/2017; CONTINUED-SUBSTITUTE (No testimony))

**[HB 49](#)** BIENNIAL BUDGET ([Smith, R.](#))

To provide authorization and conditions for the operation of state programs.

Signed by the Governor (6/30/2017; Signed: June 30, 2017; Effective: With Line Item Vetoes; earlier Delivered to the Governor)

**[HB 58](#)** CURSIVE HANDWRITING ([Brenner, A.](#), [Slaby, M.](#))

To require instruction in cursive handwriting.

Committee Hearing in House [Higher Education & Workforce Development](#) (6/21/2017; REPORTED (No testimony))

**[HB 80](#)** SUMMER FOOD PROGRAM ([LaTourette, S.](#), [Smith, K.](#))

To require school districts to allow approved summer food service program sponsors to use school facilities to provide food service for summer intervention services under certain conditions.

Referred in Senate (4/5/2017; [Government Oversight & Reform](#))

**[HB 102](#)** SCHOOL FUNDING ([Brenner, A.](#))

To replace locally levied school district property taxes with a statewide property tax and require recipients of certain tax exemptions to reimburse the state for such levy revenue lost due to those exemptions; to increase the state sales and use tax rates and allocate additional revenue to state education purposes; to repeal school district income taxes; to require the Treasurer of State to issue general obligation bonds to refund certain school district debt obligations; to create a new system of funding schools where the state pays a specified amount per student that each student may use to attend the public or chartered nonpublic school of the student's choice, without the requirement of a local contribution; to eliminate the School Facilities Commission; to eliminate the Educational Choice Scholarship Pilot Program, Pilot Project Scholarship Program, Autism Scholarship Program, and Jon Peterson Special Needs Scholarship Program; to eliminate interdistrict open enrollment; to require educational service centers to transport students on a countywide basis; and to permit school districts to enter into a memoranda of understanding for one district to manage another.

Committee Hearing in House [Finance](#) (6/20/2017; CONTINUED (See separate story))

**ACTION:** *Committee member Bolton advised Ms. Cahall to provide the Finance Committee with an update on HB110 as it pertains to College Credit Plus.*

**[HB 110](#)** APPRENTICESHIP PROGRAMS ([Hagan, C.](#), [Dean, B.](#))

To create a subprogram of the College Credit Plus Program that permits students to participate in certified apprenticeship programs.

**[HB 176](#)** SCHOOL TESTING ([Thompson, A.](#))

With regard to state achievement assessments, statewide academic content standards and model curricula, and teacher and administrator evaluations.

Committee Hearing in House [Education & Career Readiness](#) (5/31/2017; CONTINUED (See separate story))

**ACTION:** *Committee member Bolton advised Ms. Cahall to provide the Finance Committee with an update on HB181 as it pertains to School Assessments.*

**[HB 181](#)** SCHOOL ASSESSMENTS ([Hood, R.](#), [Brinkman, T.](#))

With regard to the state academic content standards and primary and secondary education assessments.

Committee Hearing in House [Education & Career Readiness](#) (6/20/2017; CONTINUED-AMENDED (No testimony))

**ACTION:** *Treasurer Wagner asked if the whole state's voucher program will be eliminated. Ms. Cahall reported that there will be a significant affect and she will provide the Committee with more information about the Pilot.*

**HB 200** SCHOOL CHOICE ([Koehler, K.](#))

To eliminate the Educational Choice Scholarship Pilot Program and Pilot Project Scholarship Program and to create the Opportunity Scholarship Program.

Committee Hearing in House [Education & Career Readiness](#) (6/20/2017; CONTINUED-SUBSTITUTE)

**HB 235** EDUCATION PLAN ([Gavarone, T.](#))

Regarding procedures for approval or disapproval of the state education plan for the federal Every Student Succeeds Act.

Committee Hearing in House [Education & Career Readiness](#) (6/20/2017; REPORTED (No testimony))

*Ms. Cahall informed the group that HB318 was introduced to legislators to possibly address School Resource Officers in Columbus that may not be qualified.*

**HB 318** SCHOOL RESOURCE OFFICERS ([Patterson, J.](#), [LaTourette, S.](#))

To define the necessary qualifications and responsibilities of school resource officers.

Introduced in House (8/9/2017)

**SB 8** SCHOOL TECHNOLOGY & SAFETY ([Gardner, R.](#), [Terhar, L.](#))

To require the Ohio School Facilities Commission to establish a program assisting school districts in purchasing technology and making physical alterations to improve technology infrastructure and school safety and security.

Passed in House (7/6/2017; 97-0 (Amended))

**SB 54** SUMMER FOOD PROGRAMS ([Brown, E.](#), [Lehner, P.](#))

To require school districts to allow approved summer food service program sponsors to use school facilities to provide food service for summer intervention services under certain conditions.

Committee Hearing in Senate [Government Oversight & Reform](#) (6/6/2017; CONTINUED (No testimony))

**SB 82** SCHOOL ABSENCES ([Williams, S.](#), [Lehner, P.](#))

To require a public school to place a telephone call within one hour of the start of the school day to a parent whose child is absent without legitimate excuse.

Committee Hearing in Senate [Education](#) (4/25/2017; CONTINUED (No testimony))

**SB 85** SCHOOL CHOICE ([Huffman, M.](#))

To eliminate the Educational Choice Scholarship Pilot Program and Pilot Project Scholarship Program and to create the Opportunity Scholarship Program.

Committee Hearing in Senate [Education](#) (4/25/2017; CONTINUED)

**SB 133** STUDENT BEHAVIOR ([LaRose, F.](#))

To require the Education Management Information System to include information regarding persons at whom a student's violent behavior that resulted in discipline was directed and to require the Department of Education to submit a one-time report to the General Assembly regarding that information.

Referred in Senate (4/26/2017; [Education](#))

**Cincinnati Preschool Promise (CPP) Updates**

Assistant Superintendent Cheryl Broadnax updated the Committee about the August 14, 2017 CPP Board meeting. She informed the Finance Committee about the number of applications that were received and the number of children that were granted tuition assistance, thus far. The CPP proposed accepting five-year olds, due to parents wanting their children to receive an additional year of preschool.

This is not a practice of the District. The Committee addressed the question as to how many children are receiving tuition assistance from the \$15 million levy.

The Finance Committee also discussed and continued conversation on what dollar amounts are allocated to the District for tuition assistance for three- and four-year olds, as well as administrative fees.

**ACTION:** Committee member Bolton, at the Board's August 28, 2017 Regular Board meeting, will assign the Finance Committee and/or the appropriate party to provide CPP with a list of what the Board requires and what CPP must do as outlined in the Master Agreement, Board policy, the Board's Resolution and state law.

Ms. Byrd and the Finance Committee had extensive dialogue about a motion that was made at the CPP meeting to not accept \$800,000 to fund Special Education, which is required by the Master Agreement.

Ms. Byrd recommended that a full Board discussion take place on the issue and that the concern is what would happen if those dollars were not available. Ms. Bolton expressed concern as to what seems to be a resistance in wanting to agree to the dollars for preschool disability, that tax payers voted for.

**ACTION:** The Steering Committee and the CPP Board will meet to come up with recommendations on how to allocate the approximate \$800,000 to educate preschool students with disabilities; three- and four-year olds. An additional Board member will be recommended to sit on the Steering Committee. The Committees will discuss policies and responsibilities for both entities.

The CPS Board and the Steering Committee will meet together to review the recommendations

## **Treasurer Financial Updates**

### **Monthly and Year-to-Date Revenue and Expenditures**

Treasurer Wagner provided the Committee with the following information for General Fund monthly statements through June 2017. She also reported that finances were \$9.8 million under budget.

- Revenues through June are \$21.2M higher than last year due to new levy collections and an increase in PILOT payments.
  - \$546.8M of \$512.5 Anticipated (106.7%)
  - 3-year average of May YTD Revenues is 94.5%
- Expenditures are higher year to date in comparison but well under budget.

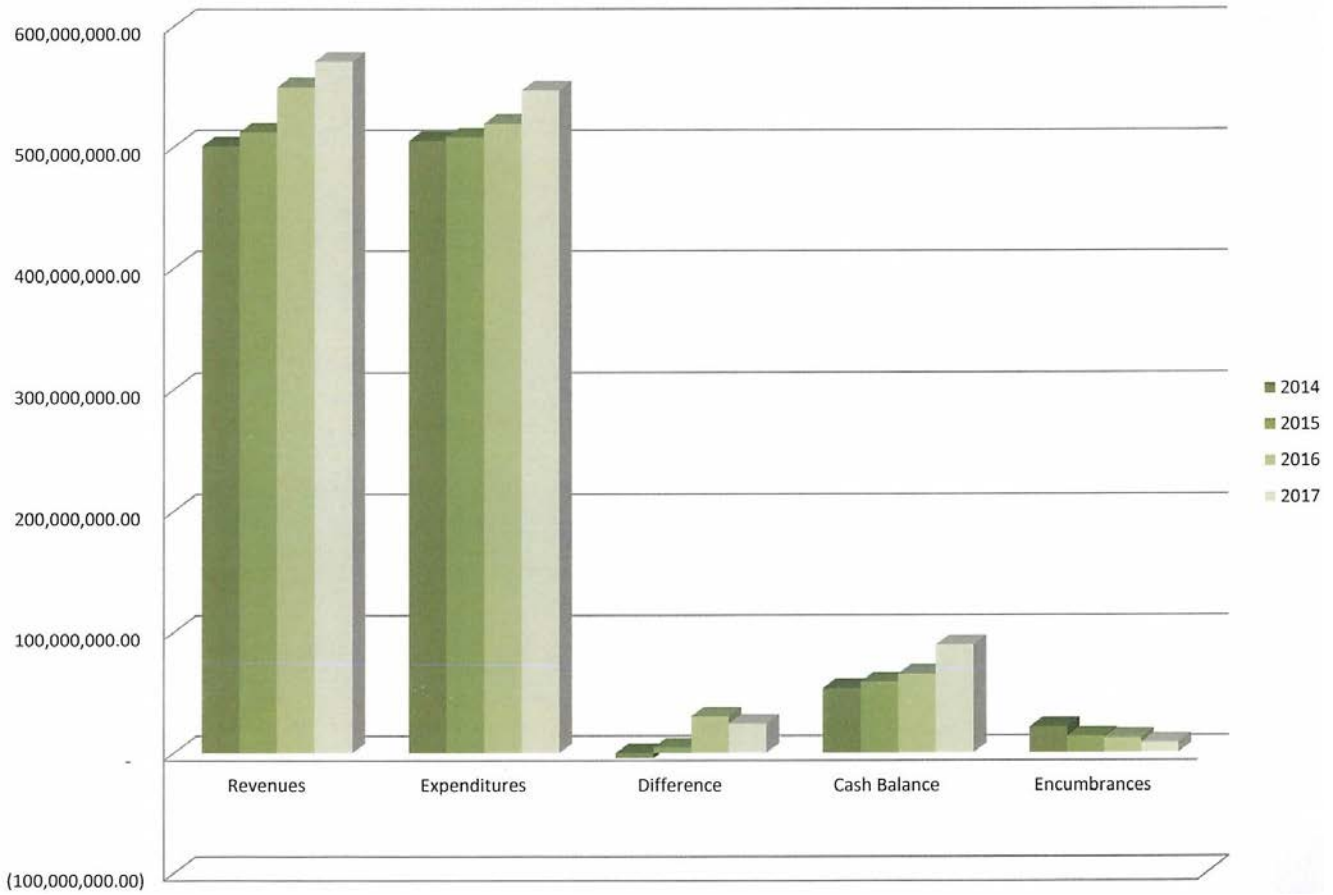
#### Schoolwide Pool (Fund 598):

- Revenues – \$186.4M of anticipated \$198M (94%)
- Expenditures – \$187.4M of anticipated \$189.7M (98.8%)

**ACTION:** Mrs. Wagner will update the Committee on revenue and expenditures for the months of August and September at the September 19, 2017 Finance Committee meeting.

**ACTION:** Purchasing will provide an update on Supplier Diversity at the September 19, 2017 Finance Committee meeting. The item is on the Finance Committee's workplan for discussion to take place in the month of September.

### June 2017 General Fund YTD



### State and Federal Grants Summary

	State	Federal	Combined
Beg. Cash	\$3,185,188.40	\$12,276,039.20	\$15,461,227.60
Receipts YTD	13,168,158.28	58,716,136.20	71,884,294.48
Expenditures YTD	16,193,142.71	61,958,292.33	78,151,435.04
Encumbrances	310,882.88	2,318,528.51	2,629,411.39
Unencumbered Cash	(\$150,678.91)	6,715,354.56	6,564,675.65
Estimated Receipts	\$15,456,909.89	\$ 77,064,476.40	\$ 92,521,386.29
% Received of total	85.2%	76.2%	77.7%

*Note: Federal fund estimated receipts include 15 months of estimated resources due to carryover funds.*

### Payment In Lieu of Tax Agreements

The following Payment In Lieu of Tax Agreements will be submitted in the Treasurer's Report for Board approval at the August 28, 2017 Regular Board meeting.

Agreement	Years of Agreement	Estimated Annual Revenue	Estimated Total Agreement Revenue
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(A.) TLAAT 7, LLC 12-year \$7,095.50 \$85,146.06

*Description:* improvements made to real property located at 1125 Towne Street in the Bond Hill neighborhood of Cincinnati for the remodeling of and expansion of the building

(B.) Urban Legacy VIII, LLC 5-year \$1,734.82 \$8,674.09

*Description:* Description the improvements made to real property located at 118 W. 15th Street in the Over-the-Rhine neighborhood of Cincinnati in connection with the remodeling of the first floor of the building thereon into commercial space.

(C.) Deeper Roots Holdings, LLC 12-years \$3,339.06 \$40,068.73

*Description:* improvements made to real property located at 2108 Colerain Avenue in the West End neighborhood of Cincinnati in connection with the remodeling of an existing building into a coffee house.

(D.) K-S Realty Holdings, LLC 12-years \$4,910.96 \$58,931.49

*Description:* 3044 Harrison Avenue in the Westwood neighborhood of Cincinnati in connection with the remodeling of a building into a craft brewery and tap room.

**ACTION:** Committee Chair Bates inquired about receiving a list of Community Reinvestment Agreements to learn about dollars that have generated from the agreements. Mrs. Wagner reported that a temporary employee was hired to work on rebuilding the database and a report will be presented at the September 19, 2017 Finance Committee meeting.

**Comprehensive Annual Financial Report (CAFR)**

Mrs. Wagner reported that she is currently working on the CAFR and the audit begins on Monday, August 21, 2017.

The meeting adjourned at 1:08 PM

**Finance Committee**

Melanie Bates, Chair  
Eve Bolton  
Carolyn Jones

**Staff Liaisons**

Laura Mitchell, Superintendent  
Jennifer Wagner, CFO/Treasurer  
Bill Moehring, Interim Chief Operating Officer