

REPORT OF THE FINANCE COMMITTEE

The Finance Committee met on Tuesday, July 18, 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

Administrators

Kelley Bagayoko, Early Childhood Education; Brittany Marks, Director of Financial Reporting and Transparency; Lauren Roberts, Internal Auditor; Jennifer Wagner, Treasurer/CFO

Focused Capital Solutions, LLC

Nan Cahall, Managing Director

Kearney and Kearney

Eric Kearney, CEO, President

Cincinnati Preschool Promise

Stephanie Byrd

Pastor Ennis Tate

Cincinnati Federation of Teachers

Angel Green

Community Members/Board Candidates/Parents

David Brenner, Marcia Futel, Howard Konicov, Craig Rozen

Lobbyist Updates

Nan Cahill, Managing Director, Focus Capital Solutions, LLC, and Eric Kearney of Kearney and Kearney, were present and discussed the following projects with the Committee.

- HB 49, Ohio Operating Budget, has been passed by the General Assembly and signed by Governor Kasich. Governor Kasich vetoed 47 items in the budget the General Assembly sent him. The House took a bold step and voted to override 11 of the line item vetoes. Nine of the eleven overrides dealt with Medicaid. It is unclear whether the Senate will take up the House over-rides.
- House Speaker Rosenberger has created a special task force on education and poverty. Chair of the newly created task force is Representative Bob Cupp (R- Lima). Representative Cupp is very familiar with the issues surrounding poverty and education. Eric Kearney and Nan Cahall met with him earlier in the year to discuss the CPS legislative agenda.
- Ohio Every Student Succeeds Act (ESSA) Plan <http://education.ohio.gov/Topics/Every-Student-Succeeds-Act-ESSA>
 - ❖ ODE has released the final Ohio ESSA Plan. The plan has been submitted to the Governor and is awaiting his signature.
 - ❖ The working group within CPS reviewing the plan have compiled a set of comments.
 - ❖ A list of legislators and their contact information was shared with the working group so they could send our SW Ohio delegation the comments.

Chairperson Bates said the first step was to determine what's in the Ohio ESSA Plan and now the next step is to determine how to implement it. She reported that Cleveland Metropolitan School District is very involved with the implementation of the Plan. Ms. Cahall indicated she would contact them.

ACTION: Ms. Cahall will contact Cleveland Metropolitan School District regarding the Ohio ESSA Plan.

- Upcoming
 - ❖ Nan Cahall and Eric Kearney will be meeting with ODE leadership, Joint Education Oversight Executive Director in the coming weeks. Additionally, the Ohio School Boards Association will be coordinating a meeting with Nan and Eric and Buckeye Association of School Administrators, Ohio Association of School Business Officials and the ESC Association.

Committee member Bolton questioned what the agenda for this meeting would include. Ms. Cahall indicated it is a loose agenda now, and includes the items from the list provided by the Administration a few months ago. Ms. Bolton suggested adding to the agenda Transportation, as it is very important to CPS' budget, and also Preschool Ratings. Ms. Cahall asked the Committee for any other items to include.

ACTION: Treasurer Wagner will provide a brief paragraph explaining the complications CPS faces with ODE and timely data reporting and reconciling.

ACTION: The Administration will reconvene and update the list of Legislative Priorities to provide to Ms. Cahall for use in upcoming meetings.

- 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

Cincinnati Preschool Promise (CPP) Updates

Ms. Byrd reported that the CPP Board approved the budget with several footnotes, and is working toward August 21, 2017, which is the first day of enrollment for community-based programs.

She shared that the main goal is to fully fund every four-year old below 200 percent of the federal poverty level (FPL) the first year and beyond.

The CPP and CPS teams came to a decision to have a pilot that will put education experts together to see how three-year olds below 200 percent of the FPL can be best impacted. Future funding requests will be based on the success of the first-year pilot from among three-year olds who have the greatest need.

Committee member Bolton questioned if there was going to be enough funding for all four-year olds below 200 percent of FPL, but not enough for all three-year olds below 200 percent of FPL. Ms. Byrd responded that it is a matter of available financial resources.

Ms. Bolton questioned how many three-year olds will not be funded, and if CPP is able to fund some, but not all, three-year olds, how will it be decided which ones will be funded. She also questioned how

many three-year olds below 200 percent of FPL there are in our district, and how much serving all of them will cost.

Committee member Bolton thanked Pastor Tait for the memo confirming that there will be three separate audits conducted by: CPS, CPP, and United Way.

ACTION: The Administration will provide the total number of three-year olds below 200 percent of FPL in the district and also the cost for serving all of them.

Treasurer Financial Updates

Monthly and Year-to-Date Revenue and Expenditures

Treasurer Wagner shared that, due to some processing issues with Sungard, the monthly and year-end reports will be delayed in order to ensure accuracy. She anticipates they will be available within a week or so, and will provide them via memo or share them at the regular Board meeting on July 24, 2017.

Community Reinvestment Agreements

Mrs. Wagner reported that she does not have any agreements at this time, and that she is working with David DiMuzio regarding the Board assignment.

On July 19, 2017, a community meeting is scheduled to discuss the Anthem site development in Walnut Hills. The meeting will be held at 7 p.m. at St. Ursula. The Committee discussed the availability of Administration to attend the meeting on behalf of CPS.

ACTION: The Administration will send a representative to attend the community on July 19, 2017.

Financial Audit Update

Internal Auditor Roberts reported that Plattenburg & Associates has been engaged. Brittany Marks, Director of Financial Reporting and Transparency, will be the point person for the audit.

Ms. Marks shared that reports are currently being created in Sungard Business Plus. The auditors will be on site within the next few weeks; however, they cannot come until the books are closed.

New Year Budget Discssion

Treasurer Wagner presented the following timeline for FY19 Budget Development:

October 2017	Five year forecast development & submission
November 2017	Renewal Levy FY19 Budget Target set
December 2017	Senior Leadership Strategic Projects Identified Board of Ed Budget Retreat/Discussion
January 2018	Student Based Staffing School Based Budget Development
February 2018	Central Office Budget Development

March 2018	Budget consolidation/Compliance Review
April 2018	Budget Presentation – 1 st Draft
May 2018	Public Engagement
	Revised Budget Presentation – 2 nd Draft
	Five Year Forecast update and submission
June 2018	Public Hearing
	Budget Adoption Annual Appropriation Resolution

ACTION: In order to ensure accurate deadline dates, Board staff will provide Treasurer Wagner with a copy of the Board calendar prepared by the Ad Hoc Committee.

Committee member Bolton thanked Treasurer Wagner for the timeline, and stated the goal was to develop a budget process. She questioned when the process would be developed. Mrs. Wagner indicated it would be developed soon.

Investment Update

Ms. Marks presented the Investment Report (copy attached), which included changes from February. She shared that interest rates have gone up, which is good news.

District Insurance Update

Treasurer Wagner reported that Dan Hoying requested that this item be moved to the August Finance Committee meeting agenda, due to his unavailability at today’s meeting. Committee Chairperson Bates agreed with this request.

Other Business

Committee member Bolton asked about posting for the Student Reconciliation Specialist position. The Committee discussed the responsibilities for this position.

ACTION: The Administration will provide a copy of the job description for the Student Reconciliation Specialist position to the Committee.

ACTION: A monthly update by the Student Reconciliation Specialist will be added to the Finance Committee’s Work Plan.

The meeting adjourned at 1:05 PM

Finance Committee

Melanie Bates, Chair
Eve Bolton
Carolyn Jones, *absent*

Staff Liaisons

Mary A. Ronan, Superintendent, *absent*
Jennifer Wagner, CFO/Treasurer
Bill Moehring, Interim Chief Operating Officer, *absent*

Cincinnati Public Schools Investment Report

FY17 Year to Date

	Interest (4141000)	Realized Gains/Losses (4143000)	Distributions (2590-5848000)	Dividends (4142000)	June (May*) 2017 Balances
5/3 41729 Investment Account	\$ 428,444.83	\$ 58,837.88	\$ (5,869.25)		\$ 4,941,022.26 *
5/3 63131 Investment Account	\$ 9,584.24		\$ (451.29)		\$ 42,900,037.53 *
Huntington 00555 QSCB Series 2012	\$ 1,643.86			\$ 0.32	\$ 1,155,991.57
Huntington 48389 QZAP	\$ 32,117.36	\$ (122,684.89)			\$ -
Huntington 00312 Sinking Fund 2010	\$ 117,498.58				\$ 9,311,155.21
Huntington 0303					\$ -
Huntington 00573 Sinking Fund 2012	\$ 71,267.47				\$ 4,271,973.97
Huntington 00564 QSCB Series 2012					\$ -
Huntington 30908 Cinci Tax Deposit Acct					\$ -
Star Ohio 18582				\$ 3,089.32	\$ -
Star Ohio 64906				\$ 106.43	\$ 15,738.89
Star Ohio 67206				\$ 2,964.83	\$ 380,375.02 *
Star Ohio 75494				\$ 2,727.09	\$ 394,070.41
Star Ohio 75503				\$ 8,002.93	\$ 1,194,755.19 *
Star Ohio 75512				\$ 3,475.24	\$ 523,607.11 *
US Bank 7000 QSCB Sinking Fund Series #2	\$ 16,920.42			\$ 6,607.39	\$ 1,020,630.84 *
US Bank 70955	\$ 473,855.77				\$ 1,030,571.08
BNY 240301			\$ (39,915.14)		\$ 46,330,821.74
US Bank 0978 General Account	\$ 44,476.78			\$ 3.13	\$ -
Total	\$ 1,112,703.30				\$ 73,449,052.51
Total	\$ 1,112,703.30			Total: \$	186,919,803.33