
A bill for an ordinance to make an appropriation in the “Denver Preschool Program” Special Revenue Fund.

Authorizes an appropriation of \$600,000 to the Denver Preschool Program Special Revenue Fund. The Committee approved filing this item at its meeting on 7-12-22.

Affected Council District(s) or citywide? Citywide

Executive Summary with Rationale and Impact:

Detailed description of the item and why we are doing it. This can be a separate attachment.

This bill request authorizes an appropriation in the Denver Preschool Program SRF to allow DPP access to funds that have been held as reserves since the inception of the program. A companion bill request to amend ordinance 309, series of 2007, to eliminate the requirement for an unappropriated fund balance has also been submitted, which will result in freeing up the \$600,000 in reserves so it can be spent on programs.

DPP is an independent nonprofit organization funded by taxes for which the City and County of Denver is financially responsible. When the Denver Preschool Program (DPP) was created in 2007, it was the first type of organization of its kind. To mitigate potential risks, the City placed conditions on DPP to minimize the effects of fluctuations in sales and use tax revenues received in any calendar year. This included a requirement that the City hold a \$600,000 unappropriated restricted fund balance. The city has held that \$600,000 for the past 15 years.

Over the past 15 years, DPP has met or exceeded every expectation set for them when Denver voters approved the preschool tax and is a model for similar programs across the country. DPP has demonstrated financial stability and successful financial stewardship and has maintained reserves to minimize the effects of significant fluctuations in the amount of sales and use tax revenues. Therefore, the \$600,000 fund balance is not needed to sustain programming in the event of revenue shortfalls. DPP is requesting to strike the fund balance requirement and to appropriate the \$600,000 currently held as unappropriated funds in order to access these funds for programs.

Type (choose one: Grant; Supplemental; Fund Creation; Fund Rescission; Fund Transfer; Appropriation; Other):

Appropriation

Amount: \$600,000

Budget Year:

Fund and Funding Source (Fund/Org/Grant Number, if applicable):

Grantor (if applicable):

Fund Matching Requirements (if applicable):

Fiscal Impact: