

Steamboat Springs Education Fund Board

April 1, 2020

5:30PM

Zoom virtual meeting

Education Fund Board Directors participating included Sam Jones, Cristina Magill, Norbert Turek, Kandise Gilbertson, Jon Wade, Jim Beers, Jeanne Mackowski, Jill Brabec and Julie Tourigny. Adam Alspach was absent. Also in attendance were Linda Thomas (SSEF accountant); Tim Miles, Jay Hamric, Mark Rydberg (SSSD); Brandon LaChance (NRCCS); Michael Girodo (MVMCS); and Christy Sinner and Brian Hoza (HSD). Sarah Katherman prepared the minutes.

- **Call to Order:**

Sam Jones called the meeting of the Steamboat Springs Education Fund Board to order at 5:30 PM.

- **Public and Advisory Board Comment**

No comments.

- **Meeting Minutes – March 4, 2020:**

MOTION

*Julie moved to approve the EFB meeting minutes cited above, as written. Jon seconded the motion. **The motion carried unanimously.***

- **Financial Report**

Linda reviewed the financial reports included in the meeting materials. She reported that year-to-date SSEF revenues are up 10.19% over forecast, but with the impacts of the COVID-19 pandemic, the revenues from March through the end of the fiscal year are likely to be significantly lower than forecast.

- **Budget Discussion**

Sam presented a document, included in the meeting materials, outlining some assumptions regarding the expected reduction in sales and use taxes. Estimating that sales tax revenues could be down 50% from March to July, the resulting reduction in SSEF revenues over the 5-month period would be \$754,708. Sam proposed that this loss could be spread over two years (2020 budget and 2021 budget). He noted that the carry-over surplus funds from last year (revenues over forecast received after the budget was set in March through the end of the fiscal year) are \$182,000. Sam suggested that the surplus over budget plus half of the expected loss ($\$182,000 + \$377,354 = \$559,354$) could be taken out this year's budget and deferred to next year's budget to ease the painful and disruptive drop in funds next year. He offered that the SSEF has the fiduciary responsibility to manage the expected reduction in funds.

There was general consensus that this year's budget needs to be reduced. Several EFB members expressed concern that the economic fallout from the pandemic would last at least through the fall. Cristina suggested that the needs and priorities of the school districts may also change as a result of the expected drop in funding. Mark Rydberg said that the main concern is next year. He agreed that there may be changes in where the SSEF funds will be needed. The school districts' budget must be complete by June. Because the situation is changing rapidly, the EFB decided that the decision on where to set the budget should be delayed. The EFB also decided that the districts should be given more flexibility in how

they spend the SSEF grant funds. Christy said that HSD does not yet know what it will need. Michael concurred.

Sam proposed allocating the funds and allowing the districts a lot of leeway in how they use the money. Cristina suggested that the EFB/GC could establish categories of spending (staff, tech, capital projects, etc.) and the districts could report how their grant funding would be distributed into those categories. This would preserve some level of accountability. The EFB unanimously agreed with this concept. Jill said that altering the established rules was acceptable, provided that the justification for doing so is made clear. For their accountability reports, the districts can provide the details for how the funds were ultimately spent. Sam proposed that the decision regarding where to set the budget could be postponed until May.

Jill reviewed the impact of the 2008 recession on subsequent years' SSEF funds. Expecting a 40% drop or more would not be unreasonable. Cristina noted that some accountability measures for this year's grants (e.g. test scores) would be affected by school closing.

Regarding the community group applications, it was decided that they would be processed as usual, with a new budget amount that would be determined in May. Jeanne suggested that the community groups could be given the opportunity to amend their requests. Mark said that once he is provided with an amount in May, he would be able to allocate the funds into categories very quickly. He added that the SSEF funding would go primarily to personnel. The districts will submit their categorical breakdowns in May. The final grant awards will be approved in June.

COVID-19 impacts on current grants

Jenny noted that some non-profits (and perhaps school districts, as well) have not been able to complete the programs for which they were granted funds due to the school closures. In some cases, the organizations had already incurred costs associated with those programs. Jenny proposed that organizations be given the following options:

1. Groups can be given the latitude to provide their programming virtually.
2. If expenses have been incurred for uncompleted programming, the SSEF will reimburse the organizations with the proper documentation, as usual.
3. Organizations could roll their funds over until next year.
4. The unused funds for programming not provided would be rescinded to the SSEF.

Sam offered that option 3 would be a budgetary and accounting nightmare. This option was eliminated. Sarah suggested that instead of the normal accountability reports, organizations whose programming was incomplete could explain how their programs were affected. The EFB agreed with allowing community groups the above stated three options.

- **May meeting**

Revise the budget and set allocations for the districts and the community groups.

The EFB meeting adjourned at 7:00 p.m.