

Steamboat Springs Education Fund Board  
January 19, 2022  
5:30PM  
Zoom virtual meeting

Education Fund Board Directors participating included Sam Jones, Cristina Magill, Kandise Gilbertson, Jon Wade, Jim Beers, Mary Johnson, Amanda Koziar, Mandy Maass and Adam Alspach. Kipp Rillos and Lisa Ruff were absent. Also in attendance were Linda Thomas (SSEF accountant); Brad Meeks, Stephanie Juneau, and Katy Lee (SSSD); Christy Sinner (HSD); Michael Girodo (MVMCS); Rim Watson (Soroco). 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.

- **Sunshine Law Resolution**

Several incorrect dates were identified on the resolution.

**MOTION**

*Jim moved to approve and authorize the president to sign the Sunshine Law Resolution, as amended. Cristina seconded the motion. **The motion carried unanimously.***

- **Meeting Minutes – October 20, 2021:**

**MOTION**

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

- **Board member appointment**

**MOTION**

*Cristina moved to appoint Lisa Ruff as a member of the SSEF Board of Directors. Kandise seconded the motion. **The motion carried unanimously.***

- **Community Group Grant application review**

Sarah presented a sample grant application and reviewed the process for asking questions via the comment function in Google docs. She reviewed that the Grant Committee consists of: Sam, Kandise, Cristina, Kipp, Amanda, Mandy, Lisa and Mary (Chair). Cristina reviewed the timeline for the grant review process for both community groups and school districts. Sam reviewed the budget worksheet, which will be reviewed again in detail at the March meeting.

- **Financial Report**

Linda reviewed the financial report, as included the meeting materials. She noted the volatility in the tax revenue received, but stated that the City had discovered an error in the building permit use taxes, so the January deposits include the correction of this error. Overall for the year, revenues are up 29.46 over the prior year. At this time the projected total (before taking out the administrative costs, cash flow cushion,

etc.) expected to be available as of June 30, 2022 is \$6,913,435. Linda noted that current available cash is unusually high because no grant payments have yet been made.

Sam reviewed how the budget available for granting is determined, with non-percentage-based expenses, such as administration, the cash flow cushion, and grant writer grants taken out prior to applying the allocation model. He clarified that all revenues received after the budget is set in March carry-over to the following years budget. He said that the allocation model is based on a rolling average and has varied only slightly in many years. Sam noted that the allocation model is determined by the Board and can be adjusted when the budget is set.

In response to a question from Stephanie, Sam reviewed the former system of requiring all receipts to be submitted and reconciled prior to grant payments being made. He said that now payments are made according to a schedule developed in conjunction with Mark Rydberg to accommodate the cash flow needs of the district. In early February, 40% of grant funds awarded to the districts in June of 2021 will be distributed. Community group grants continue to be paid in arrears following the submission of proof of expenditure.

- **Accountability Reports**

Mary reviewed the process through which reviewers evaluated the accountability reports. She went through the accountability report summary document which outlines how SSEF money was spent and the outcomes of the funded programs. She noted that that the 2020-2021 school year had been heavily impacted by COVID-19 and that only three community groups had been awarded funding: Partners, Integrated Community and NW Colorado Health.

Sam noted the importance of the accountability reports and offered that the summary document really tells the story of the efficacy of SSEF grant funding. Sam offered that rather than test scores alone, he would like the accountability reports to provide a more complete picture of changes in student achievement, and how grant funding was used to further the mission and priorities of the SSEF. Mary offered that while test scores are important, it would be very valuable to see trend data and not simply a snapshot of single year. Sam said that the accountability report summary document would be included in his annual report to City Council.

In response to a comment from Sam regarding the failure of SSSD to fund a college counselor, Christy stated that the problem is often not with funding or need, but rather with the inability to find a qualified applicant. All agreed that in addition to the challenges specific to the grant funding awarded it would be useful for the accountability reports to include information regarding the biggest challenges faced by the districts – whether they relate to funded programs or not. A section for this information will be added to the accountability report template.

Regarding the priorities of the SSEF, Rim noted the difficulty of describing the district's needs in a way that will be acceptable and approved by the EFB. He stated his appreciation for the change to a categorical grant process.

- **School Districts' proposal for direct funding**

Brad noted that the discussion of a more streamline funding process had begun with the onset of COVID-19. He said that the idea had been presented to the EFB during the 2021 summer sessions. He said that applying the allocation model to each month's tax revenue would allow for better cash flow and would enable the money to be used for staff positions rather than one-time expenses. He added that more of the money would be available to the districts by eliminating the need for a reserve. Brad suggested that the

SSEF could pilot the program. Christy stated her support, adding that for the smaller districts cash flow is often an issue. She proposed a 2-year pilot program. Rim agreed, and added that no element of the accountability would be eliminated in moving to a more steady stream of payments. Michael stated his appreciation for moving to a categorical grant process and continuing to move toward streamlining the funding as well. Katy Lee noted her letter of support and offered that the hiring would be facilitated by applying the allocation model to monthly receipts.

- **Roundtable discussion of direct funding proposal**

Amanda said that as a parent involved in the Soda Creek PIC, she is aware of the need for counselors, and feels that if a change would support the hiring of counselors, it should be considered. She said that school districts' presentation was helpful.

Jon cited the importance of the EFB's role in providing oversight of the expenditure of the sales tax funds. He said he would not be comfortable with a change at this point. He said that he is fine with the current process.

Cristina asked why it would be easier for the districts to make long-term hires with monthly payments instead of installments when the hiring decision must be made well before the school year. Katy Lee said that when the reserve funds build up and then are paid out in what feels like a lump sum, it is less predictable and can't be spent on ongoing costs. This results in "one time" purchases like the bus. Cristina offered that the EFB could consider changes to the reserve, but said that she does not think changing the funding process would be a smart business decision at this time.

Jim said that the EFB has a fiduciary contract with the taxpayers that must be respected. He said that the request is asking for a change without the input of the taxpayers. He said that he might consider a pilot program in the future, but noted that sales tax revenues are very inconsistent.

Adam stated that the current process is what was presented to the taxpayers in the public outreach conducted prior to the last renewal of the tax. He added that he does not see how the proposal would make funding more predictable, as sales tax revenue is not predictable. Adam said that the fiduciary responsibility of the EFB would not allow for direct payments.

Mary expressed agreement with Cristina that she would consider changes to the reserve. She offered that all grant making programs include an intermediate body that oversees the grant process. She said that the districts' proposal is asking the EFB to remove that oversight. She said that it is the job of the EFB to facilitate, govern and provide accountability of the funds.

Linda asked if the request is for the grant award to be distributed in 12 installments, or if the request is to apply the allocation model to each month's receipts. Brad said that the proposal was for the latter, but that if the EFB is open to reconsidering the reserve policy, that would be great. He also suggested allowing out-of-cycle grants to spend down the accumulating reserve balance. He said his goal is to spend the incoming money in the same year in which it is received. Linda noted applying the percentage to each month's revenue would eliminate the grant element of the process. She suggested that an accelerated payment schedule might be possible.

Sam said that there is also an auditing issue, as the books for each fiscal year need to be closed out by June 30. Linda agreed, and said the accounting would be much messier under the proposed system. She added that the money would need to flow through the SSEF in any case.

Michael stressed that no change is being proposed to the accountability process.

Kandise said she understands that the districts would prefer a steady flow of income, and agreed that the size of the reserve is an issue. She cited the difficulties of waiting for the funding.

Mandy noted that she has never heard of a grant process through which the recipients dictate how grant funds are distributed. She agreed that the cash cushion policy could be reconsidered and said that she would also consider more frequent payments, but stressed that the EFB must be in charge of the flow of funds and keep them safe. It is a contract with the taxpayers.

Sam offered that there are two issues: the payment schedule/cash flow and the reserve balance/cash flow cushion. He added, however, that there is also the issue of optics and the promise to the community. He said that the EFB, as the steward of the funds, often has to make tough decisions and cited the withholding of funds in response to COVID-19. He said that the districts, not the SSEF always bears the risk that tax receipts may fall and funding may not be available to distribute. Sam offered that giving up control of the flow of funds would eliminate the subjective decisions the taxpayers have entrusted the EFB to make. He said that it would be inappropriate for the EFB to give up its oversight role. He said that he does not understand what the problem is with the current system, which was designed to address the cash flow needs of SSSD, per Mark Rydberg. Sam reviewed the process that had been used over the past 20 years and the changes that were made with the categorical grants. He acknowledged that there is no need to set a cash cushion of 10% of the current projected revenues, but would not be in favor of relinquishing control of the flow of funds. He said that the job of the EFB is to allocate funding, create a budget and distribute funds. He asked that everyone respect their established roles and responsibilities.

There was a discussion of the revenue forecast, which is set at last year's actual revenues to allow for an accurate year over year analysis. Regarding the cash flow cushion, Sam noted that this amount is set in March along with the budget. He added that this is not actually a reserve and does not serve the role of a true reserve fund, which would be significantly larger, as some would like to see.

Stephanie proposed that SSEF funding could be managed through a special revenue fund at the district, but said that at a minimum more frequent payments would be helpful.

- **Agenda for March meeting**

- Set preliminary budget
- Contract reviews
- Determine upcoming vacancies
- Appoint committee chairs
- Communications: consider PR piece on upcoming grants

**The EFB meeting adjourned at 8:00 p.m.**