

Steamboat Springs Education Fund Board
March 15, 2023
5:30PM
Human Services Board Room

Education Fund Board Directors present included: Adam Alspach, Mary Johnston, Mandy Maass, Lisa Ruff, Jon Wade, Jim Beers, Lauren Hughes, and Kandise Gilbertson. Amanda Koziar and Kipp Rillos were absent. Also in attendance were Linda Thomas (SSEF accountant); Celine Wicks, Stephanie Juneau, and Alissa Merage (SSSD); Emily Barnhart (SMCS); Stuart Handloff; and Jeff Steck. Sarah Katherman prepared the minutes.

- **Call to Order:**

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

- **Public and Advisory Board Comment**

Jeff Steck, a prospective future board member, introduced himself.

- **Meeting Minutes – January 18, 2023:**

The attendance at the January meeting was clarified.

MOTION

Mandy moved to approve the EFB meeting minutes cited above, as amended. Lisa seconded the motion. The motion carried unanimously.

- **Financial Report**

Linda reviewed the financial report, as included in the meeting materials. She said that the current cash on hand is \$2.8M and that sales tax revenues year-to-date are up 10.85% over last 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, 2023 is \$7,455,231. Once current liabilities are paid, the expected cash to be available at the end of the fiscal year is just over \$1.6M. The actual amount of cash to be available after all current liabilities are paid is also dependent upon receiving the forecasted fiscal year revenues for the months April through August of \$2,429,422 as shown on the reserve analysis worksheet. Linda reviewed the estimated budget for 2023 – 2024, noting that the cash flow cushion, the administrative budget, and the grant writer grants – which are all fixed expenses – are discretionary and should be approved by the EFB after the total preliminary budget amount is set.

- **Allocation Model**

Adam reported that he had spoken with Sam about the origin of the allocation model, which is basically a 5-year rolling average of grants awarded. He said that he had also looked into student enrollments and had found that while there had been some variation, not a lot had changed in relative enrollments. Adam suggested that the conversation about moving toward a different funding model was more appropriate for a summer session. He added that he did not think a per pupil funding model was a good idea, and that it would introduce unnecessary complexity into a system that seems to be working well. It was noted that the tax that supports the SSEF is approved by the voters only within SSSD. Following further discussion

of the relative allocations to the different districts, there was consensus to use the established allocation model.

- **Preliminary Budget**

Adam noted that the figures presented on the financial report for the funds expected to be available for 2023-2024 are based on the assumption that sales tax revenues next year will be the same as those collected this year. He asked the EFB to weigh in on that assumption. Jon offered that real estate sales are off significantly compared to the second half of last year. He cited several other factors in the economy to suggest that sales tax revenues next year are unlikely to be as high as they were this year, even if they are not as down as much as the real estate market. Jim countered that although revenues may be off slightly, tourists would continue to come and that sales taxes would remain strong. Stephanie offered that an assumption of no change was prudent, citing strong tourism and inflation. There was a discussion of the consequences to the school districts of estimating too high. Linda reviewed the shortfall policy, approved last year, of paying the administrative expenses and community group grants in full, and reducing school districts proportionately at the end of the year if there is a shortfall in tax revenues. Sarah presented a chart showing historical SSEF budget amounts. She noted that last year's budget was inflated by a very large carry-over from the prior year. Lisa said that her fear is that teachers will be laid off if funds fall short. Stephanie agreed that investments made in educators are harder to absorb, but assured the EFB that SSSD would not fire teachers in the middle of a school year. Jon suggested reducing the sales tax revenue estimate by 7%. Following a robust conversation, with others suggesting that a 5% reduction was sufficient, Linda calculated what the total budgets would be with a 7%, a 6% and a 5% reduction.

MOTION

*Jim moved to approve a total gross budget amount for fiscal year 2024 of \$7,163,554, which assumes a 5% reduction in sales tax revenues. Kandise seconded the motion. **The motion was denied on a 2 – 6 vote.***

MOTION

*Lisa moved to approve a total gross budget amount for fiscal year 2024 of \$7,105,219, which assumes a 6% reduction in sales tax revenues. Mandy seconded the motion. **The motion carried unanimously.***

- **Grant Writer Application Review**

Adam noted that the grant writers are by far the best investment that the SSEF makes, and noted how much SSEF funds are leveraged by their work. Sarah reviewed the amounts granted for grant writers last year. There was a discussion of the increase in the hours requested for the SMCS part-time grant writer.

- **Cashflow Cushion and Administrative Expenses**

There was a discussion of the cash flow cushion. Adam noted that in the past this amount had been pegged at 1% of the total, but had been set as a fixed number in the past few years. He explained that this amount remains available to smooth out the timing differences between tax revenue deposits and the payment of grants.

MOTION

*Jon moved to approve a cash flow cushion of \$600,000, an administrative budget of \$30,000 and grant writer grants of \$198,500 (SSSD/HSD/SRSD) and \$36,750 (SMCS) for fiscal year 2024. Lisa seconded the motion. **The motion carried unanimously.***

Linda calculated that the resulting amount to be allocated to the school districts and the community group grants is \$6,239,969.

MOTION

*Mary moved to approve the percentage allocations for school districts and the community group grants, as presented on the financial report. Jim seconded the motion. **The motion carried unanimously.***

- **Community Group Grant worksheet**

Sarah reviewed the spreadsheet through which each reviewer will fill in their recommended funding levels for the community group grants, with the total to equal the amount allocated to all community groups. She reviewed how the amounts will be compiled on a spreadsheet. The mean and the median funding levels will be calculated. The EFB will discuss the results at the April meeting and will come up with the consensus funding amounts. Sarah noted that the community group funding requests are almost double the amount allocated, due to increases in the funding requested by some organizations and requests by seven organizations that have not heretofore applied for SSEF grants. Mary stated that the EFB should review the community group applications and carefully consider whether the requests are in full alignment with the SSEF mission statement.

- **Contract Reviews**

The EFB reviewed the current contracts and decided to make no changes. The current contracts include Linda (accountant), Paul Sachs (lawyer), McMahan and Associates (auditor) and Alliance Member Services (insurance).

- **EFB Vacancies and Committee leadership**

Sarah stated that the terms for Lisa, Mandy and Adam all expire in June. They all agreed to renew their terms. Adam will remain as President and chair of the Finance Committee. Mary agreed to continue as Grants Committee chair and Treasurer. Lisa agreed to continue as Communications Committee chair. She said she would reach out to Amanda to assist and will work with the SSSD communications team and Steamboat Radio, in addition to the newspaper, on publicizing the SSEF and its significance to the local schools. There was discussion of the need for ongoing outreach on the part of the SSEF to ensure that the community is aware of what the SSEF is and does.

- **Agenda for April meeting**

- Review and determine community group grants
- Review school district categorical grant applications
- Final budget

The EFB meeting adjourned at 7:15 p.m.