

**Prosperity Denver Fund
Board of Directors Meeting Minutes**

November 13, 2024

7:30-9:30 AM MT

On Zoom

Attendees:

Board members: Theresa Peña, Steve Kurtz, Millie Barsallo, Mark Goodman, Polica Houston, Diana Romero Campbell, Jason Wardrip

Staff: Rebecca Arno - CEO, Lauren Sisneros - Advisor, Korrine Salas Young - Community Engagement Director, Amy Franklin - Data & Evaluation Director, Brian Labra Vergara - Program Support Specialist, Rebecca Andruszka - Project Manager

Advisors: Trey Rogers - Recht Kornfeld

Guests: Nate Cadeña - DSF, Natasha Garfield - DSF, Lorii Rabinowitz - DSF, Brian Stamer - Colorado UpLift, Anna Michaels-Boffy, Rhett Gutierrez- OCA, Nicole Wirtz - Colorado UpLift, Joseph

Call to order: Theresa Peña, Chair, called the meeting to order at 7:30 AM. A quorum was present.

Motion to approve September 11 and September 27 board meeting minutes: *Steve Kurtz moved, Polica Houston seconded. Motion was unanimously approved.*

Data & Finance

2025 Budget

Rebecca Arno presented the 2025 organizational budget, which reflects staffing up (in alignment with the strategic plan) and renting office space. The Data & Finance Committee has reviewed and brings it to the Board with their recommendation to approve.

Motion to approve the 2025 organizational budget: *Steve Kurtz moved, Polica Houston seconded. Motion was unanimously approved.*

Database Proposal

Amy Franklin presented the proposal to use AidKit as the database vendor who best fits our needs. Rebecca Arno said that this is a significant expenditure for the organization and

that we have been engaged in ongoing negotiations with them. Steve Kurtz explained AidKit's fee modeling and how we were able to negotiate them to a student-based fee (represented by Option B in the draft contract) rather than a disbursement-based fee.

Amy reviewed the timeline, explaining that if the motion was approved at this meeting, we would soft-launch the database for the spring distribution as we need approximately 16 weeks for development. Metrix IQ's contract ends with the 2024 calendar year, which we would extend through June.

Steve also explained that for disbursements, PDF will transfer funds to AidKit and that they will then distribute to the Supported Organizations. Theresa Peña stated that we knew we needed this kind of solution for our expanded programming and that the contract with AidKit will address our current needs and relieve some of our administrative burdens. Amy shared that the reconciliation of student records has taken significant staff time and that is a task AidKit will take over in the future. Rebecca confirmed that we will share the contract with the City's Office of Children's Affairs once we have a version that includes our negotiations to align with the City's needs.

Motion to allow staff to negotiate the AidKit contract in the parameters discussed above: *Steve Kurtz moved, Jason Wardrip seconded. Motion was unanimously approved.*

Monthly Financial Reports

Steve Kurtz reviewed the August and September 2024 financial reports and asked the Board to regularly acquaint themselves with the "Bill Payment" section. No issues or unusual activity was reported.

Motion to approve the August and September 2024 financial reports: *Steve Kurtz moved, Jason Wardrip seconded. Motion was unanimously approved.*

Financial Audit

Rebecca Arno updated the Board on the financial audit process. She reminded the Board to complete any remaining Conflict of Interest forms and shared that we will process these forms earlier in the year in the future. The auditors will present at the December Data & Finance Committee and then the January Board meeting.

Fall 2024 Distribution

Rebecca Arno recognized Korrine Salas Young and Amy Franklin for their exemplary work leading to the largest distribution in our history - \$15.6 million.

Supported Organizations and Collegiate Program

Korrine Salas Young reviewed that we work with 64 Supported Organizations (compared to 33 last year) - 47 in the collegiate program, 16 in the credentials program, and one that is only participating in the high school program (the other high school program participants are also in the collegiate program). For this distribution, we are reimbursing 32 collegiate programs, 10 credential programs, and 20 high school programs. The collegiate program distribution of \$9.6 million represents 2,493 scholarships.

Theresa Peña asked some clarifying questions about the Supported Organizations and Korrine confirmed that not all Supported Organizations in our collegiate programs have eligible scholars in each cycle. Theresa also asked about getting more high school associations involved in our programs. Polica Houston recommended getting administration and counselors to champion a scholarship program at high schools.

High School Support Service Program

Korrine reviewed the evaluation areas and final figures for the high school support service program. We will fund 20 programs a total of \$4.7 million, which represents services to 14,890 Denver students. However, Korrine cautioned against looking too closely at cost per student figures because the programs vary so widely. Because we use a reimbursement model, all programs have already happened and have been evaluated (although they will continue for new students). Proposals were reviewed by 2-3 peer reviewers and more than half of the proposal form focused on the program's progress.

At Steve Kurtz's request, Korrine highlighted some key programs included in this distribution, including those led by Breakthrough, HighView, Rise 5280, and North. All Board members will also be sent recipient profiles after this meeting. Each organization will receive their proposal scoring sheets for reference. There were six peer reviewers, who were referred by DPS, COSI, and other Support Organizations and partners. We will recruit new peer reviewers next year.

In order to allocate funds, the raw scores were normalized. Organizations could receive up to 95% of their program costs reimbursed, and for those who received less than a perfect score were adjusted accordingly.

Polica Houston praised the staff for a job well done and suggested that we use the profiles of this year's reviewers to identify those for next year's cohort.

Credentials Program

Amy Franklin shared that we will fund 10 credentials programs for a total of \$1.29 million, representing 332 learners and 35 different credential pathways. Rebecca Arno pointed out that the figures are slightly different than shared in the packet sent the previous week. There was some clean up and our counsel, Trey Rogers, confirmed that high school students could not be eligible when they participate in credential programs.

Theresa Peña asked about trade apprenticeships, which did not have strong representation in our final distribution figures. Jason Wardrip explained that numbers have increased, but that these tend to be smaller programs and don't have many learners who are Denver residents. Amy explained that she is working with a number of organizations that will participate in the Spring cycle.

Jason and Theresa discussed some of the missed opportunities for credentials and apprenticeship programs to work with existing high school students. Nate Cadeña shared that Denver Scholarship Fund has dedicated staff working with credentials programs but have experienced some systemic challenges working with the programs. Rebecca suggested that PDF could play a role in helping address those challenges.

Theresa congratulated the PDF team for this historic distribution cycle. Millie Barsallo asked about conflict of interest and Trey Rogers confirmed that any Board members with a conflict of interest with a Supported Organization should recuse themselves from the vote to approve Fall 2024 distribution. In the future, we can present votes to work around those conflicts.

Motion to approve the Fall 2024 distribution of \$15,655,493.32: *Jason Wardrip moved, Mark Goodman seconded. Motion was unanimously approved. Millie Barsallo and Polica Houston recused themselves from the vote due to conflicts of interest.*

Rebecca Arno confirmed that the staff hopes to make all of the payments by the end of the week. Steve Kurtz let Board members know that the organization moved funds from the Wintrust account to pay for the distribution.

Ordinance Clarification

Rebecca Arno reviewed the proposed language changes to the ordinance referring to the credentials programs. The Board received a memo outlining the proposed changes and implementation concerns, including not matching tax dollars, focusing on non-credit bearing programs, and better understanding how apprenticeships in particular are funded. Theresa Peña explained that only 50% of Denver Public School graduates go into a 2- or 4-year higher education pathway and that the way the ordinance is currently written, our organization is unable to fund the training programs that serve the greatest number of Denver youth. The Board is not being asked to vote on this measure today, but is asked to closely review the redlined draft of the ordinance.

Nate Cadeña shared his concerns about whether or not university programs could be included in this definition, which would go against voter intent as pre-polling showed that funding universities with this fund was a concern for many voters. Amy Franklin confirmed that any new programs would still need to provide wage data in order to participate. Lorii Rabinowitz asked about the risk of going to the City Council again with a language change when the organization has significant reserves. Theresa explained that we have been working with Councilwoman Romero Campbell, who has shared that we have a different level of support with the current council. We are also discussing a reserve policy that will earmark funds for Supported Organizations. The Board and staff will meet with Councilmembers ahead of time. Nate suggested taking a closer look at the data regarding the 50% of DPS graduates who are not on a higher ed pathway to ensure that our generalized narrative about them is accurate. He also asked about room for growth long-term considering that we drew down some of our reserves for this cycle's distribution.

City Audit

Rebecca Arno reminded the Board that PDF underwent our first city audit in 2023. There were items on the auditor's list that were to be completed by June 2024, which we weren't able to complete due to the leadership transition. However, these items were complete by the time the auditor presented their findings on a September 2024 call. The follow-up report and press release about the report still listed these tasks as incomplete. The press release came out the day of the big snowstorm and did not have much traction with the press. Rebecca and Theresa Peña will represent PDF at the November 21st auditors subcommittee meeting.

Motion to approve meeting adjournment: *Steve Kurtz moved, Jason Wardrip seconded.*
Motion was unanimously approved.

Meeting was adjourned at 9:18 AM.