

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

November 9, 2022

7:30-10:30 AM MT

Attendees:

Board members (in-person): Steve Kurtz, Theresa Peña, Mark Goodman, John Kechriotis, Danielle Shoots

Board members (virtual): Angela Cobián, Chris Herndon

Staff: Matt Jordan - CEO, Lauren Sisneros - Director of Programs, Korrine Salas Young - Program Coordinator, Rebecca Andruszka - Project Manager

Advisors (in-person): TeRay Esquibel - Ednium, Lorii Rabinowitz - DSF, Trey Rogers - Recht Kornfield, PC

Advisors (virtual): Megan Helseth - MetrixIQ

Call to order: Steve Kurtz, Board Chair, called the meeting to order at 7:37 AM. A quorum was present.

Motion to approve September 2022 board meeting minutes: *Mark Goodman moved, Theresa Peña seconded. Motion was unanimously approved.*

Board Discussion - Proposed Ordinance Changes

Matt Jordan reviewed the steps taken by the staff and board regarding proposed ordinance changes. These changes would allow the organization to grow to serve 4,000 students per year and fully use our resources by 2025.

The Board engaged in a robust discussion about the changes in general and in particular. Comments included:

- What are changes that the organization should make with the City Council versus with the voters? Do we put the program at risk for reauthorization if we move any of these changes forward without voter approval?
- Previous language (which was rejected by the voters in 2015) included a reference to “debt relief programs” (grants to students) and direct funding to post-secondary institutions. Should we infer that this means that voters are opposed to grant funding rather than reimbursements?

- What is our role to incentivize supported organizations to expand their services (e.g. providing more support to older students, providing support services)? How many organizations are already funding in-line with the proposed changes and which would need additional funding to do so?
- The number of PDF-supported scholars has been steady over the past years - however, our supported organizations have increased scholars. Those scholars are typically excluded from PDF reimbursement because of the residency requirement, even though they are DPS graduates.
- If we open the definition of certificate programs, how can we ensure that we do not end up funding corporate foundations? Even if they provide high-quality services, some are concerned about whether it meets voter intent.
- How do we balance increasing scholar enrollment with increasing scholar completion (with lower debt levels)?
- Are any of these changes better addressed in administrative ways rather than via policies? For instance, could contracts or definitions be altered?

The board voted on each ordinance change that the organization should continue to pursue with the Mayor's office and City Council:

Motion to approve the ordinance change that would allow reimbursements for K-12

support services: *Theresa Peña moved, John Kechriotis seconded.* Discussion: this item seems to be an oversight that it was not included in the ordinance originally.

Mark Goodman suggested an amendment to change this to reimbursements for high school support services. *John Kechriotis seconded. The amended motion was unanimously approved.*

Motion to approve the ordinance change that would expand eligibility of high-quality nonprofit certificate programs: *Theresa Peña moved, Mark Goodman seconded.*

Discussion:

There were questions and concerns about how to ensure programs generate good outcomes. Staff explained that programs would need to show evidence of effectiveness in order to be approved for reimbursements. There was also a conversation about whether corporate foundations should be allowed to receive reimbursements.

Four members approved the motion (Angela Cobián, Chris Herndon, Theresa Peña and Danielle Shoots). Two members (Mark Goodman and John Kechriotis) voted against the motion. The motion was approved.

Motion to approve raising the age limit from 26 to 34: *Theresa Peña moved, Danielle Smith seconded.* Discussion: The board discussed rationale for raising the age limit. By raising the age, it would allow for support when most people get established in their careers, which is up to age 34. There were concerns that age 34 would be considered too old and that there was a focus on young adults in the 2018 ballot initiative.

Danielle Smith suggested an amendment to change the age limit to 26 to 30. *John Kechriotis moved, Theresa Peña seconded. Three members (Angela Cobián, Chris Herndon and Theresa Peña) approved the amended motion. Three members (Mark Goodman, John Kechriotis and Danielle Shoots) voted against the amended motion. Board Chair Steve Kurtz voted as a tie-breaker against the amended motion. The amended motion did not pass.*

Motion to approve changing the residency requirement to graduation from a Denver high school and six months lived in Denver: *Theresa Peña moved, Danielle Smith seconded.*

Discussion: This item is the highest priority among most Supported Organizations. The current 36-month standard is increasingly difficult to administer and, most importantly, is becoming a bigger barrier to participation as more students from low-income households are forced to move out of Denver to find lower cost housing. This item has also received the most attention in the conversations with city staff. The Mayor's Office wants to ensure any changes would not create problems later. The proposed change follows practices and standards from other programs to avoid creating such problems.

Four members (Angela Cobián, Chris Herndon, Theresa Peña and Danielle Shoots) approved the motion. Two members (Mark Goodman and John Kechriotis) abstained from the vote. The motion was approved.

Motion to approve increasing the admin cap from 5% to 8%: *Theresa Peña moved, Danielle Smith seconded.* Discussion: The board talked about how they want greater flexibility in how to provide funds to Supported Organizations that increase their capacity to participate in the reimbursement program and ability to effectively serve students. They discussed other ways of creating such flexibility and directed staff to work with our attorney to redefine admin expenses to exclude investments in Supported Organizations.

Motion to table this motion for a later meeting: *Mark Goodman moved, Angela Cobián seconded. The motion to table was unanimously approved.*

Motion to approve permission for excess funds to be distributed as grants each year: *Theresa Peña moved, Danielle Smith seconded.* Discussion: There were concerns expressed about how this new funding mechanism would be administered and if funds would be

spent on programs that are not effective. There were also questions about what is keeping Supported Organizations from meeting the needs that would be addressed by this change. *One member (Theresa Peña) approved the motion. Three members (Mark Goodman, John Kechriotis and Danielle Shoots) voted against the motion. One member (Angela Cobián) abstained from the vote. The motion did not pass.*

It was agreed that we would address the admin cap question other business matters in a special board meeting in December (to be scheduled).

Fall 2023 Distribution

Lauren reviewed the distribution and reimbursement figures. Staff and the Finance & Data Committee reviewed the reports and recommend approval for a distribution of \$5,363,479 total to 23 organizations.

Motion to approve the 2023 Fall Distribution: *John Kechriotis moved; Danielle Smith seconded. The motion was unanimously approved.*

Motion to move to executive session at 10:19 AM: Steve Kurtz accepted a motion to move into executive session, pursuant to C.R.S. 24-6-402(4)(f)(I), to discuss CEO compensation. *John Kechriotis moved, Danielle Shoots seconded. Motion was unanimously approved.*

Executive session ended at 10:30 AM.

Motion to approve Matt Jordan's increase in annual compensation to \$177,500: *Theresa Peña moved, Mark Goodman seconded. Motion was unanimously approved.*

Motion to adjourn the board meeting at 10:32 AM: *Theresa Peña moved. Motion was unanimously approved.*