**Extraordinary Cost Oversight Board**

**Minutes**

**May 9, 2017 - 12:30 PM CDT**

**MacKay – Conference Room 5 Second Floor**

* Member’s Present
  + Kelly Glodt
  + Jennifer Heggelund
  + Brian Jandahl, **President**
  + Brian Lueders, **Vice President**
  + Shayne McIntosh
  + Niki Mohr
  + Denise Perry
  + Kathy Schmeichel
  + Linda Turner
* Member’s Absent
  + Susan Kurtz
* Others Present
  + Tamara Darnall
  + Travis Jordan
  + Bobbi Leiferman
  + Olivia Waggoner
  + Susan Woodmansey

The meeting was called to order at approximately 12:34 p.m., May 9, 2017 by President Jandahl.

Motion by Turner, second by McIntosh,to amend the agenda by moving discussion and adoption of risk rubric to identify districts for follow up monitoring, to after recommendations on application. The motion carried unanimously.

Motion was made by Glodtto approve the minutes from the May 19, 2016 meeting, seconded by McIntosh. The motion carried unanimously.

Susan Woodmansey provided a status report on the Extraordinary Cost Fund (ECF). Susan gave a 15 year history of funding related to the districts that applied this year. It was noted that this is the first time there has not been enough funding to cover all requests. There were two first year applications in FY2017 and three districts that had recovery payments in FY2016. The total appropriation available for ECF for FY2017 was $4,940,197 and if all the districts that applied were approved for funding at the amounts requested, the fund would be in a deficit in FY2017 a total of $(33,086).

A motion was made by Glodt and seconded by Schmeichel to go into executive session to consider applications at approximately 1:05. The motion carried unanimously.

President Jandahl declared the board out of executive session at approximately 2:50 p.m.

A motion to recommend for approval the amount requested for Brookings School District in the amount of $361,930 was made by Glodt and seconded by McIntosh. The motion carried unanimously with Brian Lueders abstaining.

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| **District Name** | **Recommended Amount** |
| Brookings 05-1 | $361,930 |

A motion to recommend for approval the amount requested for Smee School District for a total amount of $349,199 was made by Glodt and seconded by McIntosh. The motion carried unanimously with Kathy Schmeichel abstaining.

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| **District Name** | **Recommended**  **Amount** |
| Smee 15-3 | $349,199 |

Motion by McIntosh, seconded by Glodt, to recommend for approval any district whose fund balance grew as a result of Extraordinary Cost Fund funding from FY16 will be reduced by the amount of the increase in the fund balance that exceeds zero as a result of such payment. The motion carried unanimously. The below amount of $915,525 was recommended for these 8 districts.

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| **District Name** | **Recommended Amount** |
| Baltic 49-1 | $83,722 |
| Flandreau 50-3 | $167,952 |
| Florence 14-1 | $165,474 |
| Lake Preston 38-3 | $66,716 |
| Marion 60-3 | $153,470 |
| Mount Vernon 17-3 | $46,081 |
| Sioux Valley 05-5 | $251,611 |
| Wilmot 54-7 | $99,591 |

A motion to recommend for approval the amount requested for the following 19 districts in the amount of $3,099,789 was made by McIntosh and seconded by Lueders. The motion carried unanimously.

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| **District Name** | **Recommended**  **Amount** |
| Avon 04-1 | $176,171 |
| Belle Fourche 09-1 | $121,996 |
| Bon Homme 04-2 | $217,684 |
| Bridgewater-Emery 30-3 | $73,749 |
| Canistota 43-1 | $110,862 |
| Dell Rapids 49-3 | $154,258 |
| Dupree 64-2 | $136,017 |
| Edgemont 23-1 | $50,000 |
| Estelline 28-2 | $211,550 |
| Garretson 49-4 | $152,055 |
| Hamlin 28-3 | $122,238 |
| Lead-Deadwood 40-1 | $69,862 |
| Lennox 41-4 | $146,215 |
| McCook Central 43-7 | $57,501 |
| McLaughlin 15-2 | $276,737 |
| Montrose 43-2 | $160,218 |
| Sisseton 54-2 | $80,143 |
| Tea Area 41-5 | $579,886 |
| Tri-Valley 49-6 | $202,647 |

Linda Turner reviewed the proposed risk rubric. Final decision was proposed to remove the two risk indicators regarding amount and percent of request to total budget, and replace with “receive an automatic review if the district applying is at 30% of SE budget or receives more than $500,000 unless they have received an onsite review as a result of ECF in the last fiscal year”. Additionally, the points were adjusted to reflect updates.

A motion was made by Lueders to adopt revised rubric and seconded by Perry. The motion carried unanimously.

Linda Turner presented the current membership list and discussed the upcoming term expirations with the board. Board members Kurtz and McIntosh are at term-end, and were recognized for their service on the Extraordinary Cost Board. It was recommended that Perry be moved to a voting member position and recommendations be presented to Melody Schopp for appointment.

President Jandahl called for nominations for President. President Jandahl was nominated to serve as president again. No other nominations were offered. Motion was made by Glodtto close nominations and cast a unanimous ballot for President Jandahl, second by Schmeichel. The motion carried unanimously.

President Jandahl called for nomination for Vice President. Lueders was nominated, no other nominations were offered. Motion was made by Turner and seconded by Schmeichelto close nominations and cast a unanimous ballot for Lueders. The motion carried unanimously.

A motion to adjourn was made at approximately 3:24 p.m. by Turner and seconded by Glodt. The motion carried unanimously.