**Extraordinary Cost Oversight Board**

**Minutes**

**May 10, 2019 - 12:30 PM CDT**

**MacKay – Conference Room 5 Second Floor**

* Member’s Present
  + Brian Lueders, **President**
  + Kelly Glodt – **Vice President**
  + Trent Osborne
  + Kathy Schmeichel
  + Marcia Sherman
  + Linda Turner
  + Fallon Woods
  + Denise Perry
* Member’s Absent
  + Jennifer Heggeland
* Others Present
  + Bobbi Leiferman
  + Susan Woodmansey
  + Kristin Jerome
  + Tamara Darnall

The meeting was called to order at approximately 12:30 p.m., May 10, 2019 by President Lueders.

Motion by Vice President Glodt, second by Shermanto approve the minutes from May 21, 2018. The motion carried unanimously.

Linda Turner provided the board an update on the Legislative Interim meetings. House Bill 1001 passed to revise the timing of the recalculation of state aid to special education. Senate Bill 1 passed to add a legislator to ECF Board. Senate Bill 2 – an inflationary increase for ECF failed. Senate Bill 3 interim legislature committee passed will have the dates for summer 2019 meetings after the Legislative Executive Board meeting June 11, 2019.

Susan Woodmansey provided a status report on the request for 2019 Extraordinary Cost Fund (ECF). Total of 22 requests in the amount of $3,016,145 and the appropriation available for FY2019 is $4,066,348.

A motion was made by Schmeichel and seconded by Woods to go into executive session to consider applications at approximately 12:42. The motion carried unanimously.

President Lueders declared the Board out of executive session at approximately 1:52 p.m.

A motion was made to recommend for approval the amount requested for the following 19 districts in the amount of $2,450,1514 was made by Vice President Glodt and seconded by Woods. The motion carried unanimously.

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| **District Name** | **Recommended Amount** |
| Avon 04-1 | $182,721 |
| Bon Homme 04-2 | $45,374 |
| Bridgewater-Emery 30-3 | $114,227 |
| Canistota 43-1 | $157,204 |
| Dell Rapids 49-3 | $16,416 |
| Dupree 64-2 | $184,955 |
| Edgemont 23-1 | $25,566 |
| Estelline 28-2 | $49,443 |
| Flandreau 50-3 | $297,621 |
| Freeman 33-1 | $69,625 |
| Garretson 49-4 | $50,000 |
| Marion 60-3 | $195,526 |
| McCook Central 43-7 | $173,866 |
| Montrose 43-2 | $117,064 |
| Mount Vernon 17-3 | $120,815 |
| Sioux Valley 05-5 | $223,636 |
| Tri-Valley | $217,928 |
| Waverly 14-5 | $62,051 |
| Wilmot 54-7 | $146,476 |

A motion was made to recommend for approval the amount of $124,292 for the Baltic School District. The requested amount was $174,988 but when comparing the ending fund balance from FY2017 to FY2018 the district reported an increase in their fund balance – that increase was funded by the ECF paid to the district and therefore the board recommended an adjustment of $50,969. Motion made by Sherman and seconded by Turner. The motion carried unanimously.

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| **District Name** | **Recommended**  **Amount** |
| Baltic 49-1 | $124,292 |

A motion was made to recommend for approval the amount of $119,275 for the Florence School District. The requested amount was $121,516 but when comparing the ending fund balance from FY2017 to FY2018 the district reported an increase in their fund balance – that increase was funded by ECF paid to the district in the prior year and therefore the board recommended an adjustment of $2,241. Motion was made by Schmeichel and seconded by Turner. The motion carried unanimously.

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| **District Name** | **Recommended Amount** |
| Florence 14-1 | $119,275 |

A motion was made to recommend for approval of $245,843 for the McLaughlin School District. The requested amount was $269,127 but when comparing the ending fund balance from FY2017 to FY2018 the district reported an increase in their fund balance – a portion of that increase was funded by ECF paid to the district in the prior year and therefore the board recommended an adjustment of $23,284. The motion was made by Woods and seconded by Vice President Glodt. The motion carried unanimously.

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| **District Name** | **Recommended Amount** |
| McLaughlin 15-2 | $245,843 |

The board inquired on the status of any repaying of ECF from the prior year. There was a repayment of $175,343 of 2018 ECF. The repayment of any funds is lost to ECF and paid to the State’s general fund. The board made a formal recommendation that the Department of Education and/or Legislature determine if there is a way to allow these funds to be retained and available for future ECF funding requests.

Based on a risk rubric developed by this board, Linda Turner reviewed the districts that may be eligible for follow up by the Office of Special Education. The Board recommended for review: Avon, Dupree, Florence and Tri Valley. Based on the recommendation from the Board the previous year to add the application submission timing as a criteria, clarification was sought as to what the program currently collects and how that would be included on the rubric. The Board recommended that districts that submit in the first 25 days of the application window be assigned low risk because that gives the fiscal office an opportunity to review the submission and seek clarification before the window closes. Districts that submit the application in five days or less of the submission deadline would be assigned high risk.

Turner reviewed the current membership list and noted there were no term expirations. There was a vacant seat that had been left unappointed this year in anticipation of a legislative appointment if SB1 passed. At the April 23, 2019 Legislative Executive Board meeting, the Board appointed Representative Lana Greenfield to serve on the Extraordinary Cost Fund Board beginning fiscal year 2020; she will fill the spot that was left unappointed this term.

President Lueders called for nominations for President. Lueders was nominated to continue as President. No other nominations were offered. Motion was made by Glodtto close nominations and cast a unanimous ballot for Lueders, seconded by Osborne. The motion carried unanimously.

President Lueders called for nomination for Vice-President. Glodt was nominated to continue as Vice-President, no other nominations were offered. Motion was made by Sherman and seconded by Schmeichelto close nominations and cast a unanimous ballot for Glodt. The motion carried unanimously.

A motion to adjourn was made at approximately 2:13 p.m. by Sherman and seconded by Turner. The motion carried unanimously.