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Colorado Economic Recovery Accountability Board Meeting Summary January 21, 2010 1:00 p.m. – 3:30 p.m.

MEETING DATE

January 21, 2010 University of Northern Colorado University Center, Panorama Room Greeley, CO

MEETING PARTICIPANTS

A. Board Members:

Don Elliman, Ray Baker, Taryn Edwards, Eric Rothaus (on behalf of Treasurer Kennedy), Admiral Richard Truly, Tony Hernandez, Ray Baker, Bob Gibson, Sandy Gutierrez, and André Pettigrew

B. Guests:

David Altman, Jim Blair, Wade Kloos, Terrie Craven, Miles Moffett, UNC President Kay Norton, Cris White, Jenny Flanagan

C. Governor's Office

Kyle Miller, Chris Smith, Myung Oak Kim, Linda Gallegos

MEETING SUMMARY

A. Introduction

Don Elliman called the meeting to order. University of Northern Colorado President Kay Norton presented opening remarks. At this point UNC has been awarded \$14, 039,556 through December 2009. They are anticipating an additional \$9, 182,668 through the fiscal year that ends in June 2010. This represents two years of backfilling the cuts in the State's general fund. The amount of jobs saved because of ARRA is 231.06 FTE. The ARRA funding has allowed them to better plan for a period of three fiscal years.

B. CERAB Staff Updates

1. Elliman presented CERAB staff and Race to the Top Updates.

Mark Cavanaugh is now the Chief Financial Officer for the Colorado Department of Higher Education. Kyle Miller and Chris Smith along with Myung Oak Kim are taking over his duties. Maranda Pleau, Minority Outreach Coordinator, returns to work the week of January 25th. The Race to the Top application for the competitive funding for K-12 was submitted on the 19th. If we are not selected, we will regroup and strengthen our position and apply in September.

2. Chris Smith presented on the 2nd cycle of Quarterly Reporting.

They have successfully submitted all the state awards on time. They are almost through the agency review period, entering into the federal review period. The data will go live at the end of the month. The new guidance allows them to make edits to the January records through February and March. Recovery.gov instituted several new validation checks which include soft (which are warning flags for review, but can still be submitted), and hard edits (errors cannot be submitted until they are corrected). There is new job calculation guidance. They are no longer reporting jobs on a cumulative basis. They are reported only on a quarterly basis. Another change is how a job retained is defined. A job retained is a job funded by the Recovery Act. There is also a new classification of type of jobs within the created and retained category. The basic distinction is an indefinite term employee is hired until the job is done, and/or the Recovery Act funds run out e.g., a construction worker. The definite term employee is hired to complete a term of a contract, e.g., a teacher who is hired to complete a 1-year term.

- **3.** Admiral Truly introduced the subject of Risk Management. The issue has been discussed at Board meetings and at outside meetings. Risk Management is a priority with the Board. They have looked at a variety ways that risk management could be applied, with limited resources, to the oversight of the Recovery Act funds. Admiral Truly introduced Kyle Miller who presented on risk management.
- **4. Kyle Miller Presented on Risk Management.** The money has to be spent with accountability, transparency and under a strict timeline. They are able to utilize existing state agency plans, and will continue to meet with the agencies to review their plans.

The CERAB staff has created a document that shows how agencies can apply risk management in regard to the Recovery Act funds. This document can be found at Colorado.gov/recovery under Accountability Board. By meeting with the various agencies, staff will share best practices with those agencies who have not finalized their plan. The State also has a hotline and email posted on the Colorado.gov/recovery website under "Report a Problem" that allows anyone to report suspected fraudulent use of Recovery Act funds.

Admiral Truly requested that after CERAB staff complete their meetings with state agencies, they submit a report to the Board on their findings.

C. Colorado State Forest Service Report- Terrie Craven from the Colorado State Forest Service presented.

The agency was established in 1956. They are employees of the Colorado State University system with 145 employees in 17 districts around the state. The ARRA grant money that the Colorado State Forest Service received came from the U.S. Forest Service through a competitive grant process. This presentation can be found at Colorado.gov/recovery under Accountability Board/Meeting Information.

D. The Colorado Housing and Finance Authority – Cris White, CHFA Interim Executive Director presented. White presented on Single Family Finance, the JumpStart Tax Credit Program which was created in response to the first time home buyer program. This program was launched on April 1st of 2009. They have done 115 loans. He also presented on Multifamily Finance, the Tax Credit Assistance Program (TCAP) and the Tax Credit Exchange Program (TCEP). His entire presentation, including a video on the Denver Gardens, a product of TCAP funds, can be found at Colorado.gov/recovery under Accountability Board.

E. Public Comment

Jim Blair, President of Integrated Risk Management Solutions, encouraged CERAB staff and the Board to establish expectations of the management team early. He recommended that the Board and staff insist on confirmation while projects are in process, so that they will have the leverage to return the funds to the project.

F. Meeting Adjourned

With no further business the meeting was adjourned. The next Board meeting will be held on February 26th, 1pm at CSU Pueblo, 2200 Bonforte Blvd, Occhiato University Center, ASG Chambers 2nd floor, Pueblo, CO.