

**A Resolution of the Scientific and Cultural Facilities District
Pertaining to Weighting of Tier II Funding Formula Factors**

WHEREAS, the enabling legislation creating the Scientific and Cultural Facilities District (SCFD), C.R.S. §32-13-101 et seq. (32-13-101 et seq.) describes the public origin of the funds to be distributed and the public expectations for their use, as emphasized by the bolded language herein; and

WHEREAS, C.R.S. §32-13-107(3)(b)(I)(A) requires that to be eligible for SCFD Tier II funds, an organization must be a 501(c)(3) nonprofit with a “**primary purpose** of enlightening and entertaining the **public** through the production, presentation, exhibition, advancement or preservation of visual arts, performing arts, cultural history, natural history, or natural sciences including earth, life, or physical sciences, as such terms are defined by the board, or shall be an agency of local government that has such primary purpose”; and

WHEREAS, C.R.S. §32-13-107(3)(b)(I)(B) requires that “any such facility shall have its principal office within the district, shall conduct the majority of its activities within the state of Colorado, and shall **principally benefit the residents of the district**”; and

WHEREAS, C.R.S. §32-13-107(3)(b)(II)(A) historically equally weighted the Tier II funding formula on two factors; annual operating income and annual paid attendance; and

WHEREAS, C.R.S. §32-13-107(3)(b)(II)(A) was modified during the 2016 legislative session, stating Tier II distributions “shall be based upon a formula to be applied annually that gives a specific weight to the annual operating income of such facilities, the annual paid attendance at such facilities, and the **annual documented free attendance** at such facilities. The board shall determine the weight to be given to each factor, and such determination shall be binding on the board.”; and

WHEREAS, the SCFD Board of Directors is committed to expanding access to arts, culture, and science programming; and

WHEREAS, the Board encourages SCFD organizations to offer opportunities for free attendance which will help meet the goal of broadening access to all residents of the district, particularly traditionally underserved communities; and

WHEREAS, including documented free attendance as part of the formula for determining the funding for Tier II organizations will encourage and support those organizations offering free attendance opportunities; and

WHEREAS, C.R.S. §32-13-106(2)(d) authorizes the SCFD Board of Directors to engage staff to assist the Board in its duties and develop such procedures and instructions to implement board policy; and

WHEREAS, SCFD staff conducted a series of surveys, discussions, and meetings with all current Tier II organizations to obtain input on the modified funding formula and weighting of the three factors set forth in C.R.S. §32-13-107(3)(b)(II)(A); and

WHEREAS, Tier II leadership appointed a Free Attendance sub-committee to form recommendations on defining documented free attendance. The nine-member sub-committee consisted of a diverse representation of organizational size, discipline, and county location and met several times over the summer/fall of 2017; and

WHEREAS, the sub-committee's summary and recommendations were circulated amongst all Tier II organizations and auditors familiar with the distribution process. The sub-committee summary received feedback and made modifications before being presented to the SCFD board; and

WHEREAS, SCFD issued notice to all Tier II organizations of this proposed policymaking process in advance and afforded an opportunity for public comment at its regular monthly board meeting on November 16th;

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SCIENTIFIC AND CULTURAL FACILITIES DISTRICT AS FOLLOWS:

Section 1. Commencing in distribution year 2020, for purposes of Tier II distribution, the weight of the statutory factors for the funding formula shall be as follows:

Annual Operating Income:	50%
Annual Paid Attendance:	48%
Documented Free Attendance:	2%


The board may modify the weight to be given to each factor not more than once every two years, as stated in C.R.S. §32-13-107(3)(b)(II)(A).

Section 2. To confirm qualifying documented free attendance, all **four** of the following **must be met**

- 1) the program or activity must serve the **primary purpose** of the organization as set forth in C.R.S. §32-13-107(3)(b)(I)(A); and
- 2) participation in the program or activity must be **free of charge** to said participant, regardless of the program or activity's fee structure; and
- 3) a per-person count, demonstrating participation in the program or activity, is kept by the organization as evidenced by **verifiable, contemporaneous documentation**; and
- 4) the program or activity must be **open to the general public**, such that anyone who wishes to participate may do so.

Commencing in distribution year 2020, Tier II organizations will be required to sign an affidavit verifying that all four parts of the test set forth in Section 2 have been satisfied for each program or activity for which documented free attendance has been reported, similar to current practices applied to reporting Annual Paid Attendance. An organization may be required to demonstrate and document how and why a program or activity meets each requirement of the four-part test.

Introduced and approved at a regular meeting of the Board of Directors of the Scientific and Cultural Facilities District, the 16th day of November 2017.


Chair

ATTEST:


Secretary

