



1047 Santa Fe Dr.
Denver, CO
80204

303.860.0588

www.scfid.org

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Dear Tier III Colleagues,

Thank you for your patience as SCFD has been figuring out new protocols and policies given the world we now find ourselves in. Please know, everything we can legally do within the statute to support our cultural community, we will do! While we do not have the answers to everything, we thought it prudent to share with you what we know and what we don't yet know in the hopes you will find it helpful and reassuring.

FAQ

To start, we would like to answer some frequently asked questions we have received in the last few months:

- **Was the Tier III funding for 2020 collected last year or is it being collected this year?**

The money made available to the County Cultural Councils in 2020 is based on the projected sales & use tax revenue SCFD is budgeting to collect this 2020 calendar year. Any funding collected this year above the projection rolls over into next year's available funds.

For 2020, SCFD has projected a 30% decrease in collected tax revenue, which illustrates why all SCFD funded organizations are experiencing a decrease in SCFD funds available this year.

- **Can the State or any other government body re-appropriate SCFD revenue?**

No, SCFD is an independent division of local government, a special tax district and therefore we are not part of any city or state budget.

- **Will we lose SCFD funding if we received a PPP loan or other financial assistance from the federal or state government?**

No, you will not lose SCFD funding due to federal or state assistance. SCFD is not part of the federal or state government, so receiving revenue from both funding sources is not considered "double-dipping" into government funds.

- **Could there potentially be further cuts to available SCFD funds this year?**

We hope not, but the possibility exists. While we budgeted conservatively and based projections on a 30% decrease over revenue collected last year, there remains the possibility that this projection was not enough of a cut. We will have a better picture of the true impact on the sales tax base as we move further into the year.

The worse-case scenario is the economy recovers slower than anticipated, and we have to enact an overall percentage decrease to

CULTURE FOR ALL

every county's funding plan. Again, this is a worse-case scenario and would be used only as a last resort.

- **Will there still be SCFD County Check Ceremonies this fall?**

Due to public health concerns, and to alleviate financial and staffing pressures felt by county governments, SCFD will be mailing award checks this fall. This will allow us to get funding out to organizations as soon as checks are cut at the end of September/beginning of October. County cultural councils may opt to host a recognition celebration for organizations, in which case you will be notified directly by the county.

LOOKING TOWARD 2021

The effects of the pandemic will be felt for the next few years and we know organizations have some SCFD concerns going forward. While we do not have definitive answers on the following issues, rest assured we are aware of the problems and working on solutions.

- **Future postposed and cancelled programming due to COVID-19 public health issues and requirements**

SCFD will continue monitoring state and local directives regarding social distancing and public convenings. As we do not know what Fall 2020 and beyond are going to bring at this moment, we are currently unable to make a determination regarding whether project funds will need to be returned if programming does not take place. As SCFD receives more information, we will be able to make decisions that are in the best interest of both the community and our funded organizations. Please note that we will not make a decision that punishes organizations who follow state and local mandates regarding public convenings and public health.

- **Organizations who will be in jeopardy of not meeting activity percentage thresholds in some counties due to cancelled programming**

SCFD and the County Cultural Councils are aware of this issue. They will be discussing a fair and equitable way to address it during the councils' fall retreats, which are public meetings whether held in person or virtually. Please stay tuned for more information as it becomes available.

- **Attendance at Virtual Programming**

SCFD is looking at a policy regarding virtual programming and how it can be counted as activities in SCFD Grant Applications and reporting. While we assess the viability of this policy, we encourage you to undertake tracking efforts and save forms/reports from whatever can be generated from the digital platforms you are using. Please note: Programming will still need to **demonstrate meaningful engagement**

with your mission so, for example, e-newsletter reads or Facebook likes do not count towards this.

- **Economic hardships of Tier II organizations potentially effecting the Tier III funding pool in future years**

To be able to apply for Tier II funding, one of the main criteria is being able to meet a qualifying income threshold. This threshold is dictated by the statute, giving SCFD staff very little wiggle room. Right now, it is roughly \$1.7M.

We are implementing all policies that are legally allowed, while following the requirements outlined in the SCFD Statute. Even with these considerations, some Tier II organizations may not be able to meet the required income threshold necessitating them to become a Tier III applicant. This may create a strain on Tier III funds in some counties.

Thank you for everything you are all doing to take care of your staff, your patrons, and our cultural community. SCFD was born out of a crisis 30 years ago and will be here for you and our community through this crisis as well. As we know more information, we will relay it to you in a timely fashion. Please remember you are always welcome to reach out to SCFD staff with any questions, concerns, or if you just need someone to lend an ear to listen! Stay safe and stay strong!

Warm Regards,
SCFD Staff