

## Kentucky Equal Justice Center

### Board Minutes

July 16, 2020

**Board Members Present:** Hailey O’Hair (Client Member); Bob Brown, Rick Clewett, Chris Frost, Lisa Gabbard, John Rosenberg (Community Members); Robert Johns, Neva Scott, Amanda Young (Program Directors); Kristin Brooks, Jacob Taulbee (Staff Reps).

**KEJC Staff:** McKenzie Cantrell, Ben Carter, Maddy Clark, Nathalie Dietrich, Leah Engle, Allison Hight, Tyler Offerman, Betsy Stone, Rich Seckel, Alexandra Werner Winslow.

#### Welcome and Introductions

As the group gathered on Zoom, members greeted each other and introduced themselves. Treasurer Hailey O’Hair said she was joining from Boston, where she was about to begin law school at New England Law with a full scholarship.

New Communications Coordinator Alexandra Werner Winslow introduced herself. Alexandra said she also worked at Appalshop but was happy to add KEJC’s frontline set of issues to her ongoing work. Alexandra previously had worked at Southern Poverty Law Center.

#### Welcome and Introductions: Approval of Minutes

A quorum being present, Chair Bob Brown invited a motion on the minutes of the previous board meeting.

**Motion:** John Rosenberg moved to approve the minutes of the April 21, 2020, board meeting.  
**Second:** Hailey O’Hair  
**Action:** Approved unanimously

#### Highlights of Recent Activity: Status of Remote Work

Rich said he was impressed that KEJC staff had kept up a vigorous level of work despite the complications presented by the pandemic. He said that, for him, highlights included:

**Notice Improvement Project:** The Cabinet for Health and Family Services had convened a group of policy staff, tech consultants and advocates for comprehensive review of public benefits notices for clarity, readability, policy accuracy and user friendliness. He said that he, Betsy, and Miranda were members of the working group, which had resumed weekly meetings after a pause for the pandemic.

**Town Halls:** Rich said that the pandemic had fostered new forms of community participation and that KEJC had been part of the creative new wave, helping offer town halls on both DACA and the soon-to-disappear \$600 weekly UI supplement. Rich said McKenzie had emceed the UI event, which featured compelling personnel testimony from workers.

**Timely Litigation:** Rich said Betsy and Ben would provide details during staff reports, but gave each a shout for litigation respectively (a) challenging UK Hospital's procedures for collecting medical debt, including use of the Kentucky Department of Revenue and (b) calling on the Governor and Secretary of State to provide for fall elections at least equally as safe as the spring primaries.

**Workers' Rights Transition Grant:** Rich said that KEJC dotted the i's and crossed the t's of grant deliverables to good effect. Public Welfare Foundation had deposited a \$250,000 two-year "transition" grant in KEJC's accounts, a last but worthy installment of its investment in KEJC's workers' rights project.

**Super high level consultation:** As advocates nationwide grappled with pandemic-related relief programs, Rich said, he was impressed with the accessibility of national expert advocates like longtime friend (and now law professor) David Super, who had worked with both Tyler and Betsy over the last several weeks.

### **Administration and Development: Financial Report through 2<sup>nd</sup> Quarter 2020**

Bob next recognized Rich to give the financial report. Rich began with a walk-through of the cover sheet of the financial report in the board package, as follows:

**Profit and Loss Budget Overview FY 2020:** anticipated a gain of \$44 counting only \$80,000 of the \$250,000 in Public Welfare Foundation funds.

**Profit and Loss through June 30:** showed a gain of \$316,824 compared to the expected loss of -\$142,379—a positive variance of \$459,202 including Vanguard brokerage account gains.

**Balance Sheet as of June 30:** showed Total Current Assets of \$675,948 up from \$230,929, on March 30 and up 57.42% percent from \$429,402 on June 30, 2019.

**Income and Expense Charts:** 81.57% of spending was payroll. 45.71% of income was from grants.

Rich said he had revised his end of year carryover prediction to take into account (a) the extra \$170,000 from Public Welfare that he had not included in the budget and (b) a negative

uncertainty factor of 5% of budget. The resulting carryover prediction for December 31, 2020, was \$478,535.

Commenting on the dynamics of the budget, Rich said that while the total balance had risen, unrestricted funds remained flat at an estimated \$60,600. He said the amount was reassuring but not actionable for new spending. He noted that the match requirement for KEJC's Victim of Crime Act (VOCA) grant created demand for unrestricted funds.

Rich said that he had hoped to meet a big portion of VOCA cash match through in-kind volunteer time, but that it had proven hard to recruit, train and deploy attorney volunteers during the pandemic. He said he had submitted a VOCA budget adjustment lowering the in-kind volunteer match and raising the personnel cash match amount.

Walking through the supporting documents in the financial report, Rich noted that:

- **Balance Sheet:** The seemingly high balance of \$675,948 was buoyed up by three large restricted funds: about \$125,000 in Public Welfare funds to be saved for a grant year beginning July 1, 2021; about \$100,000 in the Mason Fund "quasi endowment" for Maxell Street; and most of KEJC's Paycheck Protection Program loan.
- **Budget vs. Actual:** Income YTD was running at 216% of budget, while expenditures were at 95%, a favorable combination. On the Income Graph in the package, Rich said the big spike in May represented arrival of both Public Welfare funds and the Paycheck Protection Program loan.
- **Months of reserves:** Rich said that unrestricted funds would last less than a month in the unlikely event that KEJC would have to live on them alone. He said total funds would last just over 8 months if KEJC received no new income.

Commenting on his Recent Fundraising handout, Rich said that items in green text represented good news not anticipated when the budget was made, including:

- The MAZON grant for the second year of the Food Justice Fellowship, which included an extra \$5,000 in funds designated as unrestricted operational support.
- A new grant of \$15,000 through the Protecting Immigrant Families campaign for advocacy and outreach on the Trump administration's chilling "public charge" rule.

Rich thanked Tyler for his work reporting to MAZON and Miranda for writing most of the proposal on public charge.

### **Administration and Development: Paycheck Protection Program**

Rich said the Paycheck Protection Program had brought in a forgivable loan of \$142,452. Rich said Congress had extended the period for forgivable PPP expenditures from eight weeks to twenty-four weeks. Bob asked how much of the loan KEJC had spent and how much it would be able to use before the time limit.

Rich said that, so far, KEJC had used about \$45,000. Given the new spending period, he said, KEJC would be able to use about three times that amount—almost all the loan—on forgivable payroll, rent and utility expenses without supplanting grants. Rich said that he hoped the loan would forestall the use of unrestricted funds and perhaps even allow the program to build them up.

**Administration and Development: Resource Organizer**

Rich said that KEJC had begun the search for a Resource Organizer to help with grants and fundraising. He said the design of the position was influenced by advice from Beth Grupp to attendees at the Public Welfare fundraising training. Beth had said, “you have the writers,” but need someone to keep the fundraising, grant seeking, and grant reporting process organized.

Rich said he hoped the new person would increase KEJC’s “bandwidth,” including outreach to new potential funders. He noted that Beth had emphasized building relationships with potential funders, so that the “ask” would make sense when the time came.

**Governance and Strategic Planning: Nominations**

Neva Polley Scott said that members of the KEJC Executive Committee and Nominating Committee had met jointly recently. She said that during the meeting and by email exchange, Nominating Committee members had considered renomination of members willing to serve a new term and nomination of officers.

Neva said that committee members had charged her with making relevant nominations from the floor during the board meeting.

**Motion:** Neva Polley Scott moved to approve John Rosenberg and Lisa Gabbard for new two-year terms as Community Members of the board.

**Second:** Rick Clewett

**Action:** Approved unanimously

**Motion:** Neva Polley Scott moved to approve Bob Brown for a new one-year term as Chair of the Board and Hailey O’Hair for a new one-year term as Treasurer.

**Second:** John Rosenberg

**Action:** Approved unanimously

**Governance and Strategic Planning: Call for Nominations**

Given composition of the board set out in the KEJC Bylaws, Rich said, the actions just taken left one Community Member slot and up to two Client Member slots available. (The Bylaws provide for up to six Community Members and three Client Members. One of the Client Member slots had never been filled.)

Ben asked how the remaining positions would be announced and filled. Rich said he would update the KEJC Nomination Form and send out a call for Nominations to the board and staff, plus a core email list of about 150 people who knew KEJC’s mission and advocacy well. (He later also posted a blog on the KEJC website.)

**Governance and Strategic Planning: Strategic Planning Update**

Chair Bob Brown said the Executive Committee also discussed the strategic planning proposal submitted by Marian Guinn of MG Coaching and Consulting. The proposal envisioned a two-phase process, starting with assessment and moving on to planning. The total cost: \$10,100.

Activities under the plan included discussions with board, staff and stakeholders about progress, results and roadblocks under the last plan; a survey of board and staff to identify priorities for the new plan; a strategic retreat to reach consensus on elements of the new plan; and drafting of the plan itself.

Bob said Executive Committee members recommended approving the proposal. He invited members to share their perspective. Past chair Chris Frost said that he had participated in the last planning process in 2008 and 2009. He said the last plan was a complete success that kicked off a period of program expansion that was “quite remarkable.” He said it was time to plan again, given the new and unique challenges of the current era.

Rick Clewett added thoughts on the challenges of the times, including succession, diversity, and racial justice. He said the price of the proposal was reasonable and in line with the market price. Rob Johns agreed that it was the right time for planning and that he was “totally supportive” of going forward. Amanda Young said she seconded Rob’s statement.

Senior Counsel Ben Carter said he was excited about the conversations that would unfold under the proposal, including the prospect of envisioning new partnerships and of getting the new Resource Organizer engaged. John Rosenberg said he agreed it was a good time for planning. “It’s my two cents to go forward,” he said.

- Motion:** John Rosenberg moved to approve the proposal submitted by Marian Guinn and to direct Rich to complete the contract.
- Second:** Rick Clewett
- Action:** Approved unanimously

Rich said he would reach out to Marian, complete the contract, and begin discussions about the work plan. He said the next step would be a call to introduce Marian to Bob, with work under the plan to begin as soon as August.

## **Governance and Strategic Planning: Personnel Committee**

Personnel Committee Chair Neva Polley Scott said the project of updating personnel policies remained where it had been at the time of the last board meeting: consultant Kathleen Carnes of Dinsmore had produced a rough draft of updated policies with a focus on modernization and compliance rather than alteration of employee benefits.

Neva said she and Rich planned to review the draft and make comments intended to turn it from “rough draft” to a complete first draft for consideration by the Committee. Rich apologized for the delay. He said that a large proportion of KEJC’s funding had been in play in the few weeks since the last board meeting, in the form of grant proposals, reports and agreements adding up to over \$800,000.

Chair Bob Brown asked whether the new personnel policy draft addressed salary comparability. Rich said that salary scales had not initially been identified as part of the scope of the personnel policy update. Personnel Committee Chair Neva Polley Scott agreed that salary comparability had not been part of the scope but expressed willingness to take it on.

Rich said that time, money, and process were key ingredients in the salary comparability update. After a discussion, it was left to the Executive Committee to consider the right home and process for the work.

(After the meeting, Rich suggested to Bob that he confer with Neva as chair of the Personnel Committee and with Chris, who had participated in the last comparability discussions in 2013, with a goal of setting out touchstones for the analysis and a work plan to prepare proposed new scales.)

## **Governance and Strategic Planning: Meeting Dates**

Rich said the remaining meeting dates of the year were:

- September 25                      Friday                      Board Meeting
- December 10                      Thursday                      Annual Meeting

## **Big Picture: Legal Aid Funding**

John Rosenberg said that a virtual version of ABA Days was coming up at the end of July, featuring online visits with Kentucky’s Congressional delegation. AppalRed Legal Aid director Rob Johns said that the relevant House subcommittee had included \$465 million for the Legal Services Corporation (LSC) in its budget for the coming federal fiscal year, a \$25 million increase over the current amount. “We’ll see what happens in the Senate,” he said.

Rob noted that the House-passed Heroes Act had a \$50 million supplement for LSC, as had the earlier CARES act that passed into law.

Neva Polley Scott said that between the Paycheck Protection Program and the extra LSC funds, a year that could have been difficult for civil legal aid programs had turned out reasonably well. Looking ahead, however, she said that 2021 could be challenging. Neva said that Bank of America settlement funds for the programs were scheduled to taper off. As well, the outlook on donations from law firms was uncertain.

### **Staff Reports**

The board heard staff reports on recent litigation, including the challenge to UK Hospital's debt collection procedures; the action calling on the Governor and Secretary of State to ensure safe elections in the fall; and the status of DACA following the recent Supreme Court decision.

Betsy Davis Stone reported on the UK suit, Ben Carter on the elections litigation and Leah Engle on DACA. No board action was required in response to the reports. For more detail on recent work, see written staff reports on the KEJC Board web page under the July 16, 2020, heading at:

<https://www.kyequaljustice.org/board-meetings>

### **Adjournment**

**Motion:** Chris Frost moved to adjourn the meeting.  
**Second:** Rob Johns  
**Action:** Approved unanimously

### **Reported by:**

Richard J. Seckel, Director  
September 21, 2020