

Kentucky Equal Justice Center

Board Minutes

April 20, 2021

Board Members Present: Bob Brown, Rick Clewett, Chris Frost, Lisa Gabbard, John Rosenberg (Community Members); Joshua Crabtree, Robert Johns, Neva Scott, Amanda Young (Program Directors); Kristin Alexander, Katina Miner, Jacob Taulbee (Staff Reps).

KEJC Staff: Miranda Brown, McKenzie Cantrell, Ben Carter, Raaziq El-Amin, Leah Engle, Allison Hight, Tyler Offerman, Angela Rojas, Rich Seckel, Ethan Sharp.

Welcome and Introductions

As participants gathered on Zoom, Chair Bob Brown called the meeting to order and invited Rich to conduct a roll call. Along the way, Rich welcomed new staff members Angela Rojas and Ethan Sharp, the new immigration attorney and legal assistant at Maxwell Street.

Rich said that Katina Miner was new to the board, having won a special election among staff in Kentucky legal aid programs to serve out a vacant, unexpired term as Attorney Staff Representative to the board.

Bob drew attention to an entry in the staff reports that described the award for health advocacy bestowed upon Rich by the Foundation for a Healthy Kentucky. Bob said that Rich had directed the prize money of \$5,000—which he could designate to any nonprofit—to KEJC.

Rich said that health advocacy had been a team effort. He said he appreciated the Foundation's support of KEJC's litigation challenging the Bevin administration's Medicaid plan.

Approval of Minutes

Bob invited a motion on the minutes of the previous board meeting. Allison Hight asked to be included on the list of staff who were present.

Motion: John Rosenberg moved to approve the minutes of the December 10, 2020, board meeting with the change in the attendance list.
Second: Lisa Gabbard
Action: Approved unanimously

Strategic Planning Survey Results

Strategic planning facilitator Marian Guinn joined the group to present results of her survey of board members, staff, and community partners. Marian said she sent the survey to 55 people, with 39 responding. Among the results:

Current programs: All programs had majority support, with health care and immigration law scoring highest.

State support functions: Among the longstanding state support services, legislative and administrative advocacy drew the most support, followed by litigation assistance and outreach.

New initiatives: Among a multitude of potential new initiatives, the idea of building back office administrative support scored highest, with activities to address racial diversity and equity, succession planning and housing coming in next.

Josh Crabtree asked whether scores varied among board, staff, and stakeholders. He said that Task Forces as a support function might have scored high with legal aid staff. Josh also raised the prospect of a community needs assessment, asking “Are we telling people what they need or listening?”

Marian said the next step in planning would be a small group meeting to prepare materials to guide the full 6.5-hour retreat. She said the retreat could be held either in person or by Zoom. Rich said he could poll the group on whether to meet in person. (Note: Rich provided the survey results to board and staff with the materials for the retreat.)

Administration and Development: Financial Report FY 2020

Bob next recognized Rich to give the financial report. Rich said that he would report first on year-end FY 2020 and then on the first quarter of 2021. He began with a walk-through of the cover sheet on the report for FY 2020 in the board package, as follows:

Profit and Loss Budget Overview FY 2020: anticipated a gain of \$44, counting only \$80,000 of a potential \$250,000 grant from Public Welfare Foundation.

Profit and Loss through December 31: showed a gain of \$341,649 compared to the expected gain of \$44—a positive variance of \$341,604.

Balance Sheet as of December 31: showed Total Current Assets of \$702,171, up from \$663,816 on November 30 and up 96.01% from \$358,237 on December 31, 2019.

Income and Expense Charts: 84.17% of spending was payroll. 71.31% of income came from grants.

Rich said the end of year balance of \$702,171 exceeded his November 30 projection of \$621,126, in part due to strong year-end donations. He estimated unrestricted funds at \$208,885 on December 31, a new high since efforts to increase them had begun in 2012.

Rich said that the Budget vs. Actual page showed income at 129% of budget and expenditures at 97.6%, a favorable ratio that also indicated the expenditure side of the budget had been accurate.

Rich said his chart for months of reserves showed that if KEJC received no new income—an unlikely scenario—Total Current Assets would last 8.5 months and unrestricted assets 2.5 months, a five-year high.

Reflecting on the dynamics of the year, Rich said that two things accounted for most of the large positive Profit and Loss ratio and the high year-end balance:

- a two-year transition grant of \$250,000 from Public Welfare Foundation (the last in its series of grants for the workers' rights project)
- a Paycheck Protection Program loan of \$142,452

Rich added that if the Public Welfare funds and the Mason Fund brokerage account for Maxwell Street were factored out of the balance sheet, the resulting figure of \$384,087 fell in the normal range for recent operations. Rich said that the current high balances were great, but they had to last into 2022.

Administration and Development: Financial Report and Outlook Q1 2021

Rich said that 2021 would be a very different year than 2020, since KEJC did not expect a big windfall like the Paycheck Protection loan. He recapped the cover sheet for the first quarter report, as follows:

Profit and Loss Budget Overview FY 2021: anticipated a loss of \$175,438 offset primarily by \$170,000 in advance Public Welfare Foundation funds.

Profit and Loss through March 31: showed a loss of -\$59,159 compared to the expected loss of -\$119,582—a positive variance of \$60,423, including Vanguard brokerage gains for the Mason fund.

Balance Sheet as of March 31: showed Total Current Assets of \$643,245, down from \$702,171, on December 31 but up 178.55% from \$230,929 on March 31, 2020.

Income and Expense Charts: 85.01% of spending was payroll. 53.58% of income was from grants.

Rich said the budget loss for the year-to-date was mostly a matter of cash flow: KEJC had received significant grant funds in 2020 to be used in 2021 and 2022. He predicted carryover of \$566,733 at the end of 2021.

Rich said he was pleased that unrestricted reserves had kept growing and were now well beyond the “solvency” level he had identified (\$80,000). His chart on months of reserves showed that KEJC could operate for 7 months on Total Current Assets and 2.5 months on unrestricted funds. Rich said the former figure had declined slightly since the last report, while the latter had inched upward, perhaps reflecting strong end of year donations.

Split three ways, Rich said, unrestricted funds of an estimated \$241,345 could be saved for solvency, deployed to underwrite the new salary scales the board had adopted and allow initial investments in back-office infrastructure. He noted, however, that there were risks in spending a one-time surplus on ongoing expenses.

Turning to the Budget vs. Actual printout, Rich said that income was running at 127.7% of budget and spending a 94.11%, a favorable ratio. He said that key items on the income side included a \$30,000 subgrant from Community Farm Alliance to help with a campaign to dedicate new funds to the SNAP double dollars program at farmers' markets.

Rich said a new grant of \$15,000 for outreach and advocacy on public charge also drove up the bottom line for the first quarter. (Public charge is a set of rules on whether and how actual or potential use of public benefits affects immigration status. The Biden administration had set aside troubling Trump era policies.)

Rich noted that VOCA billing for the year to date was right on target at 99% of budget. Turning to recent funding raising efforts, he said that KEJC had applied for or planned campaigns to raise a total of \$289,002, with \$95,000 approved to date, an approval rate of 33 percent.

Rich said that the unfunded items not been turned down but were simply pending. He said several big opportunities were coming up, including potential new grants from James Graham Brown Foundation and Kentucky Housing Corporation and a potential renewal of VOCA funding to serve immigrant victims of crime at Maxwell Street.

Administration and Development: ARPA and KHC Housing Funds

KEJC Senior Counsel Ben Carter reported on the flow of dollars to Kentucky to help forestall an eviction crisis—about \$250 million with up to 10% available for housing stability services. He said that Adrienne Bush of the Homeless and Housing Coalition of Kentucky had set up a meeting for him with key officials at Kentucky Housing Corporation.

Ben said KHC had asked for a seven-bullet concept paper with “transformational” proposals for spending about \$15 million over 4 years. Ben had created a draft response with two key functional elements and cost centers: funding for legal aid programs to provide information and representation and funding for KEJC to build a coordination center.

Ben said the idea was to “build it, make the case, and preserve it” beyond the 4-year grant cycle, including community connections that could help with policy advocacy. Members discussed the timeline, the capacity of legal aid programs, the need for getting the word out quickly, and more.

- Motion:** John Rosenberg moved that the board express support for KEJC to move ahead in discussions with KHC about funding for a comprehensive eviction prevention project.
- Second:** Rick Clewett
- Action:** Approved unanimously

Administration and Development: Audit Bid for 2020

Bob invited Rich to report on auditor Vickie Richardson’s bid to perform the audit and prepare KEJC’s 990 for the year ending December 31, 2020. Rich said that barring new complications in the financials, Vickie had said she could produce the documents for \$4,835, the same fee as last year.

- Motion:** Josh Crabtree moved to direct Rich to enter into an agreement with auditor Vickie Richardson to perform the audit and prepare the 990 for FY 2020 under the terms she had offered.
- Second:** Joshua Crabtree
- Action:** Approved unanimously

Governance: Tasks for 2020

Chair Bob Brown invited Rich to set out tasks related to governance and board membership. Rich said that the one-year terms of officers Bob Brown (Chair) and Hailey O’Hair (Treasurer) were coming to an end. He said the terms of three Community Members and one Client Member of the board also were about to expire.

Rich said he would reach out to members with expiring terms to see whether they wished to continue serving and would let the Nominating Committee know their wishes before the next board meeting. Rich said that the Nominating Committee in turn would decide whether to issue a call for nominations.

Meeting Dates for 2021

Rich drew members’ attention to the remaining board dates for the year, set out in the board package as follows:

July 15	Thursday	Board Meeting
September 24	Friday	Board Meeting
December 16	Thursday	Annual Meeting

Big Picture: Legal Services Funding

Josh Crabtree started off reports on Congressional funding for the Legal Services Corporation. Josh said that he and John Rosenberg had been on a call with staff for Rep. Andy Barr and were scheduled to meet by phone with Senator McConnell’s staff at 1:00 on the day of the board meeting.

John said that the Legal Services Corporation had been left out of the most recent stimulus bill but planned to request a budget of \$1 billion, in part in response to legal needs driven by the COVID-19 pandemic. He said that Rep. Brett Guthrie had suggested that a supplemental appropriation bill might present the next good opportunity for funding increases.

Staff Reports

The board heard staff reports on multiple issues and projects. No board action was required in response to the reports. For details, see the [Staff Reports](#) on the KEJC Board web page under the April 20 heading at: <https://www.kyequaljustice.org/board-meetings>.

Adjournment

Motion: Robert Johns moved to adjourn the meeting.
Second: Lisa Gabbard
Action: Approved unanimously

Reported by:

Richard J. Seckel, Director
July 12, 2021