

**Maine Health Access Foundation
Board of Trustees Meeting Minutes
December 8, 2022
(Held via videoconference.)**

Trustees Present: Catherine Ryder (Chair); Beth Bordowitz, Barbara Crider, Dennis King, Michael Lambke, Barbara Leonard (*ex-officio*), Kevin Lewis, Edward Miller, Grace Odimayo, Susan Roche, Abdulkerim Said, Toho Soma, Ian Yaffe

Trustees Absent: Clarissa Sabattis

Guest Present: Susan Foster

Staff Present: Margo Beland, Charles Dwyer, Jake Grindle, Holly Irish, Ruta Kadonoff, Dani Kalian (recorder), Jeb Murphy, Frank Martinez Nocito

Welcome

Chair Catherine Ryder called the meeting to order at 1:03 p.m. and welcomed those present. Introductions were made, an ice-breaker exercise was conducted, and the meeting agenda was reviewed.

Consent Agenda

Chair Ryder asked if any items on the consent agenda required discussion. Hearing none, *it was MOVED, SECONDED (King/Soma), and VOTED (with Elizabeth Bordowitz recusing herself from voting on the minutes since she was not a Trustee at that time), to approve the following consent agenda items:*

- President's report
- October 13, 2022, Joint Board and CAC meeting minutes
- October Treasurer's Report and Finance Dashboard

Finance Committee –Barbara Leonard (CEO)

Review of Progress Toward 2022 Required Payout: CEO Leonard provided a detailed review of MeHAF's progress toward our 2022 payout. She first returned to the Treasurer's report and pointed out the beginning endowment value as of January was \$148,577,548.75 and its value at the end of October was \$117,350,914.89, emphasizing the current year endowment decline that will impact the 2023 budget, which is relevant to the next item of discussion. For fiscal year 2022, current anticipated spending will be just under the adjusted projected payout for 2022 of \$7,367,967, which is approximately 5.1% of 2021 January to December Net Asset Value of the endowment. It was asked, based on the supplied Treasurer's report as of October, why the actual program spending vs the proposed program spending is below budget to date. Ms. Leonard noted this is due to the timing of grants made throughout the year with significant grantmaking scheduled for December, which will result in us being on budget by the end of the year.

Presentation of 2023 Annual Budget: Ms. Leonard presented the 2023 budget and explained the budget development process to which all staff contributes. The budget was reviewed by all key standing committees and it was recommended for Board approval by the Finance Committee. CEO Leonard noted that the administration budget that was included in the meeting packet has since been updated to reflect a 13.9% increase in MeHAF's health insurance policy premiums that was received from our insurer in late November, after the budget process was well underway. The Executive Committee was informed of this increase at its December 2 meeting

and approved the revised budget. The updated budget was sent to all Trustees on Monday for review.

Ms. Leonard reviewed details of the administrative and grants and programs budget, along with the development of the 2023 projected payout. It was explained that each year as the budget is prepared, the estimate of our required 5% payout is based on the average Net Asset Value (NAV) of the endowment over the first six months of the year, with the January to June 2022 NAV being \$136,808,432. Because of market volatility and decline in market value in 2022, the estimated NAV was reduced to \$132,500,000. For the 2023 budget this yielded a target projected payout figure of \$6,625,000. The actual budget bottom line is \$6,966,667, which includes expenses that do not count toward the 5% payout (e.g., taxes, investment expenses). When finance and investment expenses, taxes, and other costs that cannot be applied to the 5% payout are included, the total 2023 proposed budget is \$6,681,167. CEO Leonard noted that once the projected 2023 payout was calculated, program and administrative budgets were developed accordingly and using the Budget Allocation Guidelines relative to the Strategic Goals. It was also noted that, in the administrative budget, salaries have increased based on inflation along with recommended salary range data acquired from a foundation survey conducted by The Croner Company, which was engaged by MeHAF this year.

Trustees offered the following questions and comments:

- It was asked how the \$9M MacKenzie Scott gift is addressed in the 2023 budget? CEO Leonard noted that it will be reflected in the budget, but not until 2023 when the funds will be actually received, and after some planning for the use of funds. *(This topic was discussed in more detail later in the agenda.)*
- It was noted that Finance Committee members had reviewed the budget and agreed it was developed very thoughtfully, especially given the volatility and decrease in the endowment during 2022, and how the 5% payout calculation is challenging due its backward-looking nature. The Finance Committee also cautioned about being conservative with spending to ensure perpetuity.
- Trustees appreciated the clear way the budget is presented and explained.
- It was asked how the endowment is managed. Ms. Leonard noted that it is managed and allocated based on the guidelines set forth in our Investment Policy Statement, which is reviewed regularly and updated as needed through consultation with MeHAF's investment advisors and approved by the Finance Committee.
- Since there is no funding allocated in 2023 for COVID-19, it was asked about funding for the effects of other recent respiratory viruses that are spreading. CEO Leonard noted that we hesitate to put money into respiratory illnesses because they are not as disruptive as were the first stages of COVID.
- It was asked how administrative expenses relate to payout and how efficiently they are managed. CEO Leonard noted that much of the administrative budget is comprised of staff expenses, as we allocate most staff time to the payout since their work is directly related to grantmaking and programming. The remaining administrative budget lines are carefully managed and are not extravagant in any way.

It was MOVED, SECONDED (King/Lambke), and VOTED UNANIMOUSLY to approve the 2023 annual operating budget as recommended by the Finance Committee.

Executive Committee – Catherine Ryder (Chair) and Barbara Leonard (CEO)

Charitable Gift to MeHAF: CEO Leonard announced that MeHAF will be the recipient of a \$9 million unrestricted charitable gift from philanthropist MacKenzie Scott. Staff and the Executive Committee have been addressing administrative protocols that needed to be put in place before we are able to accept this gift. The Executive Committee approved a gift receipt policy earlier this year, and the Finance Committee has approved an investment fund for the gift. The Board was asked to provide guidance regarding the use of funds relative to MeHAF's core budget via the following proposed resolution, which has been approved and is recommended by the Executive Committee.

Board Resolution:

The Board resolves that the donated funds will be expended on activities that are consistent with MeHAF's mission. When possible, funds will be used to leverage other funds. In keeping with the extraordinary opportunity of this gift, MeHAF will make every effort to expend the \$9 million over the course of three to five years, while maintaining activities to implement the MeHAF Strategic Framework at a level of financial commitment that would have existed absent the gift.

CEO Leonard provided additional details, noting that the funds will be requested to arrive in early January. The Finance Committee, at its November 10 meeting, approved investment of the funds into a U.S. Treasury Cash Reserves fund, which is a highly liquid, low-volatility fund. Attorney Nelson Toner provided guidance (via a memo) regarding spending above the required 5% payout relative to compliance with the Maine Uniform Prudent Management of Institutional Funds Act. The proposed resolution is consistent with this guidance.

Trustees discussed ideas about ways to use these funds, and shared the following:

- There was support of spending the gift rather than just adding it to the endowment. [NOTE: the gift must become part of the endowment from an accounting and tax standpoint; the idea of spending the funds from the gift differently or more rapidly would require spending beyond the required 5%.]
- It was asked if spending it within three-five years is feasible. Ms. Leonard noted that spending it within that timeframe may be possible, and it would also be acceptable to keep some in the endowment while spending plans are being made.
- There was support of the simplicity of the resolution and to carry this over to streamlined or no reporting requirements and unrestricted grants.
- It was suggested, that given the fundamentally flawed health care delivery system, we spend much of the gift on working with policy and advocacy groups that can work to improve the system.

It was MOVED, SECONDED (Roche/Bordowitz), and VOTED UNANIMOUSLY to approve the proposed Resolution for use of Charitable Gift as recommended by the Executive Committee.

Governance Committee – Susan Roche (Chair) and Barbara Leonard (CEO)

Board and Community Advisory Committee Recruitment Process Update: Governance Committee Chair Sue Roche noted that the Governance Committee has begun the active recruitment process to fill three Board vacancies and up to five Community Advisory Committee (CAC) vacancies. We have received positive responses from three Board prospects and two CAC prospects. Outreach to one additional CAC prospect is pending.

The draft election slates for new Trustees and Board officers will be presented to the Board for review at the February 2023 meeting. The draft election slate for new Community Advisory Committee members and officers will be presented to the CAC at its January 2023 meeting. Following those meetings, names of nominees will be submitted to the Attorney General for review.

Revised Bylaws Update: Ms. Roche shared that the bylaws revision process has been moving along and that the materials to submit the proposed bylaws changes to the Superior Court have been prepared and sent to the Attorney General's Office for review. In addition to the proposed changes, the materials include a draft motion and draft order. No timeline is known for these next steps to take place, but Ms. Leonard will continue to monitor with attorney Nelson Toner.

**Strategic Planning Committee – Mike Lambke (Chair), Ruta Kadonoff (VPP),
Barbara Leonard (CEO), Susan Foster (Evaluation Consultant)**

Planning for Evaluation of Strategic Framework: SPC Chair Mike Lambke reported that the Strategic Planning Committee (SPC) has initiated the process of working with evaluation consultant Susan Foster to develop a plan for evaluation of the MeHAF Strategic Framework. The Framework was updated and extended through 2025 earlier this year, and its evaluation was delayed for several years due to the pandemic. CEO Leonard provided process details noting that the SPC met on November 2 and affirmed the general approach to evaluation that is being proposed. After gathering input at this meeting, a similar discussion will be held with the Community Advisory Committee in January. The SPC will further develop the plan in February and March, with a goal of bringing the evaluation plan to the April joint Board and CAC meeting for approval by both groups.

Ms. Foster joined the meeting to lead the discussion to inform the development of the evaluation plan. She asked Trustees to consider if we are: asking the right questions to get to the solutions we are seeking; identifying the problems and issues we want to learn about. The plan should provide a clear outline for how do we effectively conduct the evaluation of our work.

Ms. Foster provided background and context relative to MeHAF's Strategic Framework. She explained that we are trying to do our work within a complicated system that is reluctant to change and that the ripple effects from our grantmaking are and can be significant. We need to ask if our Strategic Framework is yielding the changes that we are hoping to see. That basis for framing needs to be asked of people in the communities who are experiencing the barriers most intensively. How do we think about learning and evaluation through thinking about systems that are working and not working, and partner with the appropriate stakeholders?

The rationale for our evaluation approach was presented as follows:

1. **Our goal** – Create an internal process for evaluating progress on the Strategic Framework.
2. **Our commitment to equity** – Equitable evaluation advances progress on equity; values cultural relevance and asks about the effect of our strategy on different cultural/ethnic populations.
3. **Our methods** – Mixed methods equally value qualitative and quantitative ways of learning. Focus on contribution vs. attribution.
4. **Our focus** – Assesses system changes vs individual outcomes and/or intervention, and considers budget.
5. **Evaluation Use** – Staff, Board, and Community Advisory Committee learning; Informs communications; Connect how our work contributes to the mission; Enables mid-course

corrections; Anticipate trends that may affect 2025 planning; Evaluation means nothing if you don't use it.

Through the work of the Health Equity Capacity Building grants, Ms. Foster noted that the participants have become more nuanced in understanding how an equitable society is achieved, understanding that the root cause of inequity is an imbalance of power in who has the ability to shape the decisions that impact health. This is being reflected in how their work is being done, within the context of a changing world.

Ms. Foster shared the strategic learning questions that are being considered and asked Trustees if they seem appropriate. Trustees offered the following comments and questions:

- These are ambitious and appropriate goals. It was asked if the format of evaluation questions will be tailored to the stakeholders being asked? This is not a typical evaluation process and, therefore, the typical reporting process cannot be expected (i.e., conversation vs. narrative; pen/paper vs verbal).
- Are the questions too limited and overly specific? Are we not going deep enough into the underlying questions?
- It's important to ask "but/for" formatted questions – "but for the presence of this funding and catalyst, what would have happened?"
- In which systems has MeHAF made the most progress and why? Do we need to specifically ask questions about the systems in which MeHAF is working?
- It will be important in this process to identify and build leadership from marginalized communities within the larger system. Build into the evaluation plan ways to find out if there is a lack of alignment and how to address it.

Ms. Foster was thanked for her presentation and input and Trustees indicated their interest in hearing more as the process develops.

Program and Grants Committee – Grace Odimayo (Chair) and Ruta Kadonoff (VPP)

Committee Updates: Program and Grants Committee (PGC) Chair Grace Odimayo shared that, at its November 7 meeting, the PGC reviewed and approved the proposed slate of 2022 Community Responsive Grants Program grantees, the Request for Proposals for the upcoming round of 2023 Systems Improvement and Innovation Responsive Grants, and the proposed 2023 Program Budget. Details were outlined in a shared memo.

Updates, Trustee Check-in, and Meeting Evaluation – Catherine Ryder (Chair) and Barbara Leonard (CEO)

New MeHAF Office Space: CEO Leonard reported that the MeHAF office will be moving to 146 Capitol Street (just down the sidewalk) on January 4-6, 2023. Staff is in the process of clearing out old files, packing, and planning for the move.

Charitable Gift to Maine Immigrants' Rights Coalition: Ms. Leonard provided an update on the approach taken for making a grant to the Maine Immigrants' Rights Coalition (MIRC). The grantmaking method used was a CEO charitable gift, which requires neither an application nor reporting. The Executive Committee, at its December 2 meeting, approved an increase in funding to this budget line from unallocated funds.

2023 Meeting Calendars: Meeting calendars for Board, Community Advisory Committee, and standing committees were included in the meeting packet. Trustees were encouraged to mark their calendars. It was noted that the date of the June Board meeting will need to be changed as it conflicts with the Grantmakers In Health Annual Conference. A scheduling poll will be sent later this month.

Meeting Evaluation: Trustees appreciated the well-run meeting, the clear presentation of the 2023 budget, and the evaluation information presented by Susan Foster.

Next Meeting

The Board of Trustees will next meet on February 9, 2023.

Adjournment

The meeting adjourned at 3:55 pm. (*King/Lambke*)

Respectfully Submitted,
Barbara A. Leonard, MPH
President & CEO