

**Maine Health Access Foundation
Board of Trustees Meeting Minutes
December 9, 2021
(Held via videoconference.)**

Trustees Present: Catherine Ryder (Chair); Dennis King, Michael Lambke, Barbara Leonard (*ex-officio*), Edward Miller, Bruce Nickerson, Grace Odimayo, Clarissa Sabbatis, Abdulkerim Said, Toho Soma, Odette Thurston, Ian Yaffe

Trustees Absent: Samuela Manages, Claudette Ndayininahaze, Susan Roche

Community Advisory Committee Members Present: Nélide Berke, Donna Brown, Shirl Weaver

Staff Present: Margo Beland, Charles Dwyer, Andrea Francis, 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., welcomed those present, and introductions were made.

Consent Agenda

Chair Ryder asked if any items on the consent agenda required discussion. CEO Leonard recommended that Health Reimbursement Arrangement (HRA) be discussed. Ms. Leonard shared details about a group health insurance plan renewal date adjustment which allows for alignment of the group health plan with the HRA, annual deductibles, and MeHAF's fiscal year. She noted that this change includes higher premium charges to the employer but that it is within the budgeted amount in the proposed 2022 budget. This change will also result in slightly higher deductibles for employees, which will be absorbed by a higher contribution from MeHAF's new HRA to hold employees harmless for this change. Ms. Leonard also shared that the required documents for the HRA and Section 125 plans are complete and that the new 401(k) plan recordkeeper will commence in January.

It was MOVED, SECONDED (Nickerson/King), and VOTED UNANIMOUSLY to approve the following consent agenda items:

- President's report
- October 14, 2021, Joint Board and CAC meeting minutes
- October Treasurer's Report and Finance Dashboard
- Health Reimbursement Arrangement adjustments for January 1 – December 31, 2022

Finance Committee – Odette Thurston (Chair), Barbara Leonard (CEO)

Presentation of 2022 Annual Budget: Treasurer Odette Thurston and CEO Barbara Leonard presented the 2022 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. The grants and programs budget detail was reviewed along with the 2022 projected 5.3% payout. It was explained that each year in budget preparation, the estimate of our required 5% payout is based on the average net asset value of the endowment over six months (January to June 2021). For the 2022 budget this yielded a figure of \$7,855,000. When finance and investment expenses, taxes, and other costs that cannot be applied to the 5% payout are included, the total 2022 proposed budget is \$7,555,000.

It was noted that given the increases in endowment value over the past two years – \$10M in 2020 and \$14M to date in 2021 – even if we had held the percentage spending flat over time (rather than adjusting upwards due to pandemic spending), we would have been able to spend \$1.4M more in 2022 than in 2020, which is reflected in the program budgets and bottom-line amounts over the past several years in the proposed 2022 budget. It is understood that we cannot expect similar increases to continue over time, and will experience moderate or even significant downturns in the future. Also, by spending more than 5% in the past two years, our required payout amount is functionally reduced in future years, per calculations in our tax returns. However, this “buffer” toward payout reflects the conscious decision to

spend more to meet the health crisis of the pandemic. It is not intended to result in reduced proportional spending in future years, though can be used to do so if warranted.

It was MOVED, SECONDED (Nickerson/King), and VOTED UNANIMOUSLY to approve the 2022 annual operating budget as recommended by the Finance Committee.

Review of Progress Toward 2021 Required Payout: CEO Leonard provided a detailed review of MeHAF's progress toward our 2021 payout. The payout reflected the additional funds approved for COVID-19 response in 2021. The projected 2021 total payout is \$6,134,755 (approximately 5.14%), which indicates spending of \$341,214 over our required 5% payout.

Investment Policy Statement: Treasurer Thurston and CEO Leonard noted that the Finance Committee reviews MeHAF's Investment Policy Statement (IPS) on a regular basis to ensure that it is consistent both with best practices for responsible endowment management and with MeHAF's own mission, values, and investment goals. The Finance Committee, supported by investment advisors Prime Buchholz, has been undergoing a thoughtful process to consider whether and how to incorporate socially responsible investing as an approach to MeHAF's portfolio. The Finance Committee reviewed and amended proposed changes to the section of the IPS that relates to socially responsible investing and approved revised language at its November 18 meeting, which were shared with the Board for its final approval.

It was MOVED, SECONDED (Nickerson/Soma), and VOTED UNANIMOUSLY to approve the proposed changes to the Investment Policy Statement as recommended by the Finance Committee

Update on Socially Responsible Investing Exploration: CEO Leonard reported that our investment advisors from Prime Buchholz continue to analyze MeHAF's portfolio for Environmental, Social, and Governance (ESG) opportunities. The most recent audit of the current managers showed that there are some investments that misalign with MeHAF's mission and with commonly used standards for ESG. We will continue to plan to move away from these exposures as possible, which will be an incremental process.

Governance Committee – Toho Soma (Committee Member) and Barbara Leonard (CEO)

Board and Community Advisory Committee (CAC) Recruitment Process Update and Committee Update: Governance Committee member Toho Soma reported that the Governance Committee has completed the process of recruiting for two vacancies on the Board of Trustees and one vacancy on the Community Advisory Committee (CAC) following conversations with Committee members and staff. Elections for these positions will be conducted at the April 2022 Annual Meeting. The draft election slates for new Trustees and Board officers will be presented to the Board for review at the February 2022 meeting. The draft election slate for new Community Advisory Committee members and officers will be presented to the CAC at its January 2022 meeting. Following this, names of nominees will be submitted to the Attorney General for review.

Strategic Planning Committee – Ed Miller (Chair) and Barbara Leonard (CEO)

Strategic Framework Update: Committee Chair Ed Miller reported that the Strategic Planning Committee (SPC) continued its review of the 2018 Strategic Framework at its November 17 meeting where staff provided updates on activities and progress in each of the four goal areas. The Committee provided reactions and input on the work completed to date and planned for the coming years. Members supported the continuation of the Community Responsive Grants (CRG) and Systems Improvement and Innovation Grants (SIIRG) programs for the next several years so that the foundation can have a full understanding of how these programs are meeting community and system-level needs, as well as potentially identifying opportunities for more focused, issue-specific funding efforts. The next step will be for staff to update background and rationale statements in the framework and draft any minor modifications, for the Committee's review and discussion in February 2022. The goal will be to bring an updated and refreshed Framework that would extend to 2025 for Board and CAC approval at the April 2022 joint meeting.

As was also noted that in the update after the SPC's September meeting, there was a sense of urgency to pursue minor changes to the bylaws to reflect the explicit linkage between working to improve *health* and the ability to be successful in improving access to and quality of *health care*. In the two decades since MeHAF's founding, it has been shown that these two elements of individual and population health cannot be separated. MeHAF has been acting on this knowledge for many years, and the working mission approved by the Board also acknowledges this fact.

The SPC unanimously voted to recommend that the Executive Committee undertake a process to update the bylaws to reflect improving health along with promoting access to health care. The SPC also recommends that the current role of the Community Advisory Committee as stated in the bylaws be reviewed and adjusted to more fully represent the evolution that it has experienced since MeHAF's inception. An Executive Committee subgroup will work with MeHAF counsel Nelson Toner on this process.

**Program and Grants Committee – Dennis King (Chair), Ruta Kadonoff (VPP),
Barbara Leonard (CEO)**

S.E. Foster Associates Contract for Evaluation of the Health Equity Capacity Building Program: Program and Grants Committee Chair Dennis King reported that in June of 2020, the Board approved a four-year extension for all grantees within the Health Equity Capacity-Building (HECB) grants program, extending the end date of the grants to 2025 and 2026 for the two respective rounds of grantees. The external evaluation contractor we have been working with since the start of the program in 2018, S.E. Foster Associates, is operating under a contract that expires on December 31, 2021. Based on the program grant extension and the desire of the grantees to continue working with S.E. Foster, the Program and Grants Committee recommends a new three-year evaluation contract in the amount of \$225,000. Senior Program Officer Jake Grindle shared background on the HECB program along with progress made to date.

Declaration of Conflicts of Interest – No conflicts were declared.

It was MOVED, SECONDED (Yaffe/Said), and VOTED UNANIMOUSLY to approve execution of a contract with S.E. Foster Associates totaling \$225,000 to provide evaluation for the Health Equity Capacity-Building program for the period January 1, 2022 through December 30, 2024, consistent with standard MeHAF contract obligations.

Recent Program and Grants Committee Actions: Chair King reported on recent actions of the Committee, including:

Community Responsive Grants (CRG) Program – In this, the second year of grantmaking for this program, a pool of 43 applicants submitted Letters of Inquiry (LOI) in July, from among whom a MeHAF staff review team selected 24 applicants invited to submit full proposals. Full Proposals were submitted September 14 and reviewed by a panel of 20 individuals comprised of five staff and fifteen community members recruited from diverse communities across the state. On October 20, the reviewer panel convened to discuss the proposals and arrived, by vote of the external members, at a slate of 17 recommended grantees. This slate was presented to and approved by the Program and Grants Committee. The approved list of grantees was shared.

Systems Improvement and Innovation Responsive Grants (SIIRG) Program – A Request for Proposals (RFP) for the second round of grant-making was released on November 9, with applications for the first phase of the process, the Letter of Inquiry, due December 14. The text of the RFP was shared and it was noted that it was developed through several rounds of iteration, with thoughtful comments provided by both Program and Grants Committee members as well as external partners and stakeholders. A key goal was to simplify and clarify language and program criteria to support consistent understanding and interpretation for both applicants and reviewers.

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

COVID-19 Related Grants and Allocation to the MeHAF Donor Advised Fund at Maine Community Foundation: CEO Leonard provided an update on COVID-19 related funding noting that in October, the Board approved use of up to \$450,000 to be awarded in a third wave of COVID-19 pandemic response grants in the final quarter of 2021. The intent of these funds was to support activities that would enhance or leverage federal funds flowing into Maine, including for the development of a community-led health needs assessment, as well as to address critical challenges in the behavioral health and long-term care systems. The proposed allocations were directed as noted below and updates on activities were provided:

- Wrap-around and complementary funding for direct health and social services grants – up to \$300,000
- Supporting coordination of efforts to establish a community-led health needs assessment for immigrant communities – up to \$80,000
- Assessment of the sustainability of behavioral health and long-term care sectors through the lenses of business models and reimbursement structures – up to \$70,000

It was also noted that over the past year the grantees funded by the Health Equity Capacity Building Program have worked together with staff to develop plans for the next four years of that program. Included in those plans is a goal to undertake one or more collaborative projects. In anticipation of this, \$50,000 had been set aside in the 2021 budget to pilot such an effort. The planning process extended later into 2021 than planned, so Board approval is sought to include \$50,000 in the grant to the MeHAF Donor Advised Fund to support this work in early 2022.

Trustees were reminded that MeHAF had established a Donor-Advised Fund (DAF) at the Maine Community Foundation (MaineCF) in order to provide flexibility in funding of projects that may be planned for specific budget years, but that may not develop as quickly as anticipated. Funds can be granted to the DAF, in order to maintain our commitment to the projects and ensuring that MeHAF meets its required annual payout expectations, and then paid out at a later date.

It was noted that since MaineCF is a public charity, there is no limit to how long funds can be held there, but a bill is currently in the US Senate that may change this. Regardless, MeHAF’s guidelines recommend a one-year limit.

Declaration of Conflicts of Interest – The following conflict of interest was declared:

Trustee:	Conflict:
Ian Yaffe	Employee of DHHS—deemed not to be a conflict.

It was MOVED, SECONDED (Miller/Nickerson), and VOTED with one abstention (Yaffe) to APPROVE a grant of \$250,000 to the Maine Health Access Foundation Donor Advised Fund at Maine Community Foundation to support response to the COVID-19 epidemic in Maine (\$200,000; and to provide funds for collaborative projects to be defined by MeHAF Health Equity Capacity Building grantees (\$50,000).

Open Space

Chair Ryder introduced an opportunity to build relationships among Trustees by exploring new ideas related to “purpose-driven board leadership.” The focus of these conversations was an article in the *Stanford Social Innovation Review* by Anne Wallestad titled, “The Four Principles of Purpose-Driven Board Leadership.” The article distinguishes traditional framing of the board role from purpose-driven board leadership as follows:

- **Traditional Framing of the Board Role:** Board service operates in service to an organization that seeks to advance the public good. The board is primarily responsible for sustaining and supporting the organization and its ability to exist in service to its mission.

- **Purpose-Driven Board Leadership:** Board service operates in service to the organization's purpose. The board is primarily responsible for stewarding organizational capacities and maximizing positive impact in service to that core purpose or cause.

Trustees participated in small group discussions and responded to the following prompts.

Respect for Ecosystem - How does MeHAF consider its impact, positive or negative, on the overall ecosystem(s) it is trying to support and/or change? Could we do this better?

Equity Mindset - In what ways has MeHAF's equity mindset become part of regular operations and organizational culture? Where does it still need to be better enacted?

Authorized Voice and Power – To what extent does MeHAF's Board intentionally include people whose voices and perspectives bring forward the direct impact of our work, and how well does the Board provide meaningful and purposeful opportunities for those voices to be heard and to share in leadership and decision-making? What are the opportunities for improvement?

Purpose Before Organization – To what extent do Board members focus on ensuring MeHAF exists as an entity as compared with focusing on MeHAF's purpose, fidelity to the reason MeHAF exists, and to the people and communities MeHAF's work impacts?

Trustees indicated that they appreciated the opportunity to participate in small groups, as these discussions lead to deeper sharing and understanding of the experiences and perspectives of one another. It was agreed that the length of the session was conducive to relationship building, and it was suggested that for future sessions, participants be assigned to allow for interactions with others who were not in their group today. It was also suggested that the staff note taker also be the one to report out to the larger group in order to allow participants to delve deeper into the conversation rather than focusing on how they will be reported out on the discussion.

Updates, Trustee Check-In, and Meeting Evaluation Catherine Ryder (Chair)

2022 Board and CAC and Committee Meeting Calendars: 2022 calendars were shared.

Next Meeting

The Board of Trustees will next meet on February 10, 2022.

Adjournment

The meeting adjourned at 3:51 pm (*Lambke/King*).

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