

Kentucky Equal Justice Center

Board Minutes

December 14, 2023

Board Members Present: Tiffany Pyette (Client Member); Bob Brown, Lisa Gabbard, Shelly Henry, John Rosenberg, Bruce Simpson (Community Members); Jefferson Coulter, Angeleigh Dorsey, Amanda Young (Program Directors); Brandie Ingalls (Staff Rep).

KEJC Staff: Chloe Atwater, Jess Bowman, Miranda Brown, Ben Carter, Jackson Cooper, Gaby Dawson, Yoko Dionisio, Raaziq El-Amin, Allison Hight, Tyler Offerman, Bill Pauley, Rich Seckel, Jane Connell Young, Andrea Zang.

Guests: Mizari Suarez (RJDEI Consultant); Glenda Harrison (Access to Justice Commission); Pat Fisher and Reid Lehew (The Charity CFO).

Welcome and Introductions

As the group gathered on Zoom, members greeted each other. Chair Bob Brown invited Director Rich Seckel to conduct a roll call, starting with the introduction of new staff members. Rich recognized the following new staff to introduce themselves:

- New Health Coverage Specialist Suraya Shalash
- Housing Justice Attorney Jackson Cooper
- Operations Manager Heather Darby
- Health Justice Attorney Jane Connell Young (specializing in SUD discrimination issues)

New board member Shelly Henry said she was an employment law attorney with the firm Craig Henry. Shelly said she had worked with and advised KEJC over the years. Introductions continued from top left to bottom right of the Zoom screen. A quorum being present, Bob called the meeting to order.

Highlights of Recent Activity

Turning to the agenda, Bob invited Rich to present highlights of recent activity. Rich offered the following:

- With support from the Foundation for a Healthy Kentucky, KEJC had hired Suraya Shalash as a full-time kynector focused on health coverage.
- The housing team funded by the city of Lexington was digging into its new role helping people facing eviction, including a presence at court and outreach to renters facing eviction.
- Jane's project to fight discrimination in health care against people grappling with substance use was beginning to take off as she made contacts around the state.

- KEJC had at last received attorneys’ fees—about \$38,000—for its work in the case challenging federal approval of Gov. Matt Bevin’s plan for Medicaid work requirements.
- Board member John Rosenberg would be recognized with an honorary doctorate the day after the board meeting at the UK commencement ceremony.

Bruce Simpson commented that John was a role model for attorneys throughout the state.

Approval of Minutes

Bob Brown invited a motion to approve the minutes of the last board meeting.

- Motion:** John Rosenberg moved to approve the minutes of the September 21, 2023, board meeting.
- Second:** Bruce Simpson
- Action:** Approved unanimously

Bob recalled that the board had authorized him to draft a resolution honoring former board member Rick Clewett for his many years of community service. Bob said the resolution had been included in the board package and would be forwarded to Rick.

Staff Reports

Continuing a new format first tried in September, the board heard and discussed staff reports on multiple issues and projects early in the meeting. No board action was required in response to the reports. For details, see the Staff Reports on the KEJC Board web page under the December 14, 2023, heading at <https://www.kyequaljustice.org/board-meetings>.

Special Guest: RJDEI Consultant Tiffany Pyette

Board member and Racial Justice Diversity Equity and Inclusion (RJDEI) co-consultant Tiffany Pyette presented her [Final Recommendations](#), which had been circulated before the meeting. She said the recommendations came from a place of having worked with the board and staff for over a year. The recommendations addressed four areas:

- Resources
- Personnel/Board
- Accessibility
- Gender and Sexuality

Among the twenty recommendations were suggestions to continue the BIPOC Affinity Space and White Learning Caucus; to enable pursuit of information about staff unionization, including seminars with union facilitators; to hire a Human Resources specialist with duties different from the Operations Manager; to limit board seats devoted to legal aid representatives in order to make room for other community voices; to install a wheel chair ramp at the Short Street office; to adopt a separate, program-wide language access budget; to provide trauma-informed training for staff; and to include use of pronouns as part of introductions at all meetings.

In discussion, board member Shelly Henry asked for clarification about whether members of management would facilitate discussions about unionization. She said the National Labor Relations Act contained provisions protecting employees from what might amount to “company unions.” Tiffany said the idea was simply to create space for employees to learn about unionization as an option.

Special Guest: RJDEI Consultant Mizari Suarez

RJDEI co-consultant Mizari Suarez presented her [Racial Justice Recommendations](#), which also had been included in the board materials for the day. Mizari said her recommendations came from a year-long contract and, as with Tiffany, time spent working with staff and the board. Her recommendations addressed Staff and Board, with separate subsections under Staff for Maxwell Street Legal Clinic and the rest of KEJC.

Themes of Mizari’s report included promoting and supporting racial diversity, better connecting Maxwell Street and KEJC, better connecting board and staff, building an inclusive and welcoming organizational culture, and celebrating successes. Mizari’s Recommendations and action items included improving the salary structure, creating a clear organizational chart, hiring a Human Resources person with special responsibility for onboarding new staff, and having a yearly board retreat and evaluation.

Mizari expressed concern that staff who left the housing project recently were predominantly BIPOC and suggested that the population of people served should be better represented within both staff and board. Her recommendations included creating hiring committees for Maxwell Street positions that included board, staff, and community members served.

Board member Bruce Simpson said he appreciated the recommendations and suggested that a board committee take on the task of further review and follow up. Chair Bob Brown thanked Mizari and Tiffany and also suggested further study of the recommendations.

Special Guest: Access to Justice Commission

Kentucky Access to Justice Commission (AJC) director Glenda Harrison said she would report briefly on two Commission Projects. She reported that:

- **Kentucky Free Legal Answers** was a free online legal clinic launched in November and based on a model pioneered by the American Bar Association. Glenda said the Commission was ramping the clinic up slowly but already had received sixty questions and recruited a panel of thirty-one volunteer attorneys.
- **The Fayette County Courthouse Help Center** had served over 2,000 people since its inception two years earlier. Glenda said AJC would next launch a center in Jefferson County, with Northern and Western Kentucky to follow. Glenda said people using the help desk appeared to appreciate the legal system better when they had help navigating it.

Board member Brandie Ingalls asked whether Free Legal Answers had eligibility guidelines. Glenda said the program set an income limit at 250% of the federal poverty level and an asset

limit of \$10,000. She said the ABA system walked users through eligibility screens before they got to a practitioner.

Administration: Financial Report through November 31, 2023

Pat Fisher, CFO of KEJC's accounting firm, the Charity CFO, introduced himself and his colleague Reid Lehew, who was assigned to work with KEJC day to day. Pat said that he and Reid had just compiled the monthly Management Report for KEJC, with figures through November 30. Reid shared the report via Zoom while Pat presented it.

Pat started with the Statement of Financial Position (balance sheet), which showed cash on hand of \$260,500. Pat said he liked to focus on cash as a touchstone for financial health. He said the \$260,500 represented about 1.5 months of operating cost.

Ideally, Pat said, nonprofits should have cash in hand of three to six months of operating cost. He said the apparent shortage for KEJC was offset in part by the Vanguard investment account, worth about \$140,000, and in part by accounts receivable awaiting payment. On that theme, Pat said that:

- KEJC was due a significant amount from Lexington Fayette Urban County Government (LFUCG) for housing stability activities.
- KEJC might be able to submit the next "draw" of funds from Kentucky Housing Corporation (KHC) in December

Rich said he did plan to submit the next draw to KHC in December. Reid added that KEJC had a number of payables, mostly to legal aid partners in the KHC grant.

Turning to the Statement of Activity (profit vs. loss), Pat noted that, in November, KEJC had received about \$136,000 in income from diverse sources. He said the budget for the year called for about \$2.5 million in income by December 31—a figure that would require KEJC to pull in about \$390,000 in December, a challenging amount. He said the KHC draw would likely be the biggest element of December income.

Pat noted that expenses for the year were running close to budget, or a little under, with salaries making up about 52% of all expenses. Overall, he recommended that KEJC should focus on diversifying funding toward unrestricted grants and contributions. He said that the operating loss so far for the year was about \$125,000, an amount that could be made up in large part by the next KHC draw.

Rich said that he had prepared several supplementary financial reports, including an assessment of unrestricted reserves on hand. Rich said unrestricted reserves appeared to total about \$51,000. He said that KEJC's budget dynamics had changed, with large grants for housing stability services that required costs to be reimbursed after the fact. Along the way, cash balances were drawn down and receivables went up. Pat said that this was why he recommended diversifying funding sources.

Bob asked Rich for a development update. Rich said that he had included in the board package the usual table showing funds sought and funds awarded. He said that for the year-to-date KEJC had sought about \$2.1 million and had been awarded about 89% of it.

Administration: IRS 990

Chair Bob Brown asked for a report on the status on KEJC’s 990 tax return to the IRS. Rich said that it had been prepared by auditor Vickie Richardson, circulated to the board, and submitted by the November 15 deadline.

Administration: Audit Committee Report

Chair Bob Brown invited Treasury and Audit Committee member Lisa Gabbard to describe the Audit Committee’s deliberations. Lisa said that members reviewed the audit report prepared by Auditor Vickie Richardson in detail and met with her to discuss it.

Lisa said that Vickie had made observations and recommendations similar to those just presented by Pat Fisher from the Charity CFO about over reliance on reimbursable federal funds. Lisa said the committee accepted the report as presented. Bob invited a motion on the audit.

- Motion:** John Rosenberg moved to accept the FY 2022 Audit Report as prepared by auditor Vickie Richardson.
- Second:** Lisa Gabbard
- Action:** Approved unanimously

Administration: Budget for FY 2024

Bob invited Rich to present to the proposed budget for FY 2024, which had been circulated with the board package. Rich began by saying that he had been well aware while preparing it of the new dynamic of reimbursable grants.

Rich said that he had begun by preparing two budgets: a baseline budget using the current salary scale and an alternative which fully implemented the new salary scale spreadsheet prepared by Chloe as part of Personnel Committee discussions.

Rich said he had conducted multiple budget briefings and discussions. He said that he met first with KEJC’s management team for a budget briefing, then with staff of multiple projects and Charity CFO. He then circled back to the management team before presenting the resulting proposed budget to the KEJC Executive Committee.

Rich said that the baseline budget using the current salary scale had a deficit of about 8%, while the budget with full implementation of the new scale had a deficit about double that, at \$420,000. During the various meetings, he had posed the question “if we can’t do the whole thing now, what are the priorities?”

Rich said the resulting budget had a deficit slightly smaller than the original baseline budget, of just under 8%, offset almost completely by projected carryover from 2023 grants. He walked through the different elements of the budget: salary, fringe, operating cost, and income. He said the proposed budget continued all current staff and anticipated filling two additional positions:

- A Housing Justice Attorney position in the LFUCG housing stability project
- A vacant Immigration Attorney position at Maxwell Street

In addition, he said, the Executive Committee recommended restoring a part-time intake position for the LFUCG project.

Rich said that the Personnel Committee had put forward several guiding principles, including comparability with similar organizations and a bottom-line idea of a living wage. He said that the proposed budget reflected two additional elements of the committee’s discussion: more flexible and larger increments for supervisory and management responsibilities and compensation for use of language skills.

Finally, Rich said, the budget included a tiered approach to improving the salary scale, with 5% enhancements for salaries below \$40,000, 4% from \$40,000 to \$50,000, and so on. Rich said that Chloe had found hard evidence that our starting attorney salaries were too low, so that he had applied a 10% increment to catch them up. All told, the increments and related fringes added about \$51,000 to the budget.

Rich said he had budgeted for a new director at a slightly higher salary than his, just over \$100,000, with a one month overlap with his tenure, which would end June 30.

Bob asked whether the income side of the budget would dip into investment returns in the Vanguard brokerage account. Rich said that it would, for the first time, to the tune of \$36,000 for Maxwell Street Legal Clinic.

Bob said that the Executive Committee had recommended approval of the budget as presented.

- Motion:** Jefferson Coulter moved to approve the FY 2024 budget as presented.
- Second:** Shelly Henry
- Action:** Approved unanimously

Allison Hight commented that the salary improvements took KEJC in the right direction but still might mean a pay cut for a candidate that Maxwell Street was trying to recruit.

Quick Items

The hour being late, the Chair entertained several agenda items quickly:

Strategic Plan: Rich said that RJDEI recommendations had been highlighted during the current meeting. He said that succession planning would see activity next, with proposals from search firms already under review. He thanked Heather for her work on the RFP.

Board dates for 2024: Bob said proposed dates were circulated in the board package. He invited comments. No suggestions were made for changes.

Conflict of Interest forms: Rich said forms are gathered each year from board and staff. He said he would circulate them in a separate email.

Adjournment

The agenda having been completed, the chair entertained a motion to adjourn.

Motion: Bruce Simpson moved to adjourn the meeting

Second: John Rosenberg

Action: Approved unanimously

Reported by:

Richard J. Seckel, Director

April 22, 2024