

Kentucky Equal Justice Center

Board Minutes

December 12, 2019

Board Members Present: Hailey O’Hair (Client Member); Bob Brown, Rick Clewett, Chris Frost, Lisa Gabbard, John Rosenberg (Community Members); Joshua Crabtree, Robert Johns, Neva Scott, Amanda Young (Program Directors).

KEJC Staff: Miranda Brown, McKenzie Cantrell, Ben Carter, Maddy Clark, Nathalie Dietrich, Leah Engle, Allison Hight, Adam Kuhn, Tyler Offerman, Betsy Stone, Rich Seckel.

Guests: Nan Hanley, Glenda Harrison (Access to Justice Commission).

Welcome and Introductions

A quorum being present, Chair Bob Brown called the meeting to order. Bob invited KEJC Director Rich Seckel to offer highlights of KEJC work since the last meeting. Rich mentioned several items, including:

- His vicarious participation in oral arguments before the DC Circuit Court on KEJC’s challenge to Medicaid work requirements, through Health Law Fellow Betsy Stone being in the courtroom and Senior Counsel Ben Carter following online
- Earlier-than-usual approval of KEJC’s Victim of Crime Act grant to serve immigrant victims of crime through Maxwell Street Legal Clinic
- Strong results in the holiday season Good Giving campaign, with donors both large and small pushing KEJC to first place among over 100 nonprofits in dollars raised

Rich said highlights of the 2020 included bringing Betsy on board as Health Law Fellow and Tyler Offerman as KEJC’s new Food Justice Fellow.

Approval of Minutes

Bob invited a motion on the minutes of the last meeting.

Motion: Joshua Crabtree moved to approve the minutes of the September 27, 2019 board meeting.
Second: John Rosenberg
Action: Approved unanimously

Administration and Development: Financial Report and Development Update

Rich reviewed the cover sheet for the financial report through November 30, 2019, as follows:

Profit and Loss Budget Overview FY 2019: anticipated a loss of \$59,389 offset by \$80,000 in advance Public Welfare grant funds received in 2018 for the workers' rights project.

Profit and Loss through November 30: showed a loss of \$21,995 compared to the expected loss of \$53,453—a positive variance of \$31,459.

Balance Sheet as of November 30: showed Total Current Assets of \$338,245, down from \$387,636 on August 31 but up 1.3% from \$333,914 on November 30, 2018.

Income and Expense charts: 82.31% of spending was payroll. 65.11% of income was from grants.

Rich said he had revised his end-of-year-carryover forecast to \$348,666 by taking November 30 as the base, subtracting average monthly spending for the year-to-date and adding projected grants and donations for December. Rich estimated unrestricted funds at \$51,960. He said that the calculation took into account a portion of Good Giving proceeds, even though the event was still in progress on November 30.

Turning to the budget vs. actual figures, Rich said that KEJC had brought in 96.74% of budgeted income in 2019, while spending 95.94% percent of budgeted expense. On the income side, he said, the main item “missing in action” was a potential grant renewal of \$40,000 for Medicaid defense through the National Health Law Program (NHeLP). Rich said that NHeLP had not yet made decisions on its next round of grants.

Turning to fundraising, Rich said that KEJC had raised 99% of the money it sought through grants and donations, including the following grants that were not expected as the year began:

- \$25,000 through Kentucky Center for Economic Policy for joint safety net defense
- \$64,712 from MAZON to launch the Food Justice Fellowship
- \$20,000 through Center for Law and Social Policy (CLASP) for outreach and advocacy around public charge

Rich said Miranda had crafted the public charge grant.

Administration and Development: IRS 990

Rich said that before the November 15, 2019, filing deadline he had circulated KEJC's Form 990 to the board. He said several board members had reviewed it before submission.

Administration and Development: Audit Committee Report

Chair Bob Brown reported for the KEJC Audit Committee. He said that he and Treasurer Hailey O'Hair had met by conference call with auditor Vickie Richardson, absent Rich as management, to review Vickie's audit report for FY 2018. He said it was a good meeting and a good report.

Joshua Crabtree asked whether Vickie had expressed any concerns. Bob said there were no concerns or issues. He said that Vickie had asked about the Client Trust portion of the balance sheet, which contained a small amount of wage claim funds for clients KEJC had never been able to locate and a small amount of attorneys fees earned but not yet distributed.

Motion: Hailey O'Hair moved to accept the audit report for FY 2018.
Second: Amanda Young
Action: Approved unanimously

Administration and Development: Proposed Budget for FY 2020

Bob next invited Rich to present the proposed KEJC budget for FY 2020. Rich displayed a detailed spreadsheet showing \$995,049 in proposed expenses and \$995,093 in anticipated income, with a small positive bottom line of \$44.30.

Rich said he had followed the guiding assumptions he had proposed at the previous meeting, including the goal of basing the budget on known or predictable income and maintaining unrestricted reserves at 8 percent of expenses.

Rich said that he had built modest equity increases into base pay for the Health Law Fellow, Outreach Coordinator and Employment Law attorney, reflecting new activities and supervisory responsibilities. For salaried staff, he proposed an annual increase of \$900 or 2 percent, whichever was higher.

Rich proposed increases of 50 cents an hour for hourly staff on their anniversary, in each case a little higher than a 3 percent raise. Turning to expenses, Rich said that he had based fringe benefit figures on known rates. For operational expenses, he said he had drawn on underlying grant budgets and otherwise had trended actuals over 2018 and 2019.

Motion: Robert Johns moved to approve the proposed budget for FY 2020.
Second: Hailey O'Hair
Action: Approved unanimously

Salary comparability Update

Bob Brown asked Rich to report on salary comparability. Rich said he had begun gathering figures for baseline comparisons. He said that KEJC's staff attorney scale was \$2,000 to \$3,000 below AppalRed's for attorneys in their first few years.

Josh Crabtree said that his program, Legal Aid of the Bluegrass, had fallen behind on salaries and in response had adopted a three to four-year salary comparability plan as an element of its overall strategic plan. Bob asked Josh his program's ratio of personnel to non-personnel expenses. Josh said his budget was about 65 percent personnel.

Amanda Young said there were two schools of thought about what to do with increased funding: increase services or increase support for staff. She said she liked to increase support for staff.

Josh noted that Victim of Crime Act grants had increased the last several years but might peak soon. He said VOCA grants came from fines and penalties placed in a trust fund rather than from appropriations. "They've been reducing the corpus," he said, and in three or four years might cut back on the size of grants or the number of grantees.

Governance: Staff Reps Election Results

Rich reported on the results of the nomination and election process for legal services program Staff Representatives to the KEJC board. He said that newly elected staff reps were:

- Attorney Staff Rep Colt Sells Legal Aid Society (Louisville)
- Paralegal Staff Rep Kristin Brooks AppalRed Legal Aid (Somerset)
- Support Staff Rep Jacob Taulbee Legal Aid of the Bluegrass (Morehead)

Rich said that 100 people voted in the Staff Reps election. Neva said that was half the staff in the legal services programs.

Governance: Strategic Planning Update

Rich said that KEJC's original prospect to conduct strategic planning had moved on to other projects. He admitted to some relief, given the \$10,000-plus price tag. He said that new prospects included Gordon Garner—the planner who had worked recently with Tom Fitzgerald and Kentucky Resources Council (KRC)—and Lexington-based Marian Guinn.

Rich said that Tom and Joe Childers of the KRC board had been highly complimentary of Gordon's work. He said he would proceed to elicit proposals from Gordon and Marian. He said review of proposals would be a good task for the potential new Executive Committee.

Governance: Consideration of Executive Committee

Chair Bob Brown said he had followed up on earlier board discussion by drafting a proposal to create an Executive Committee. His draft proposed that the Board create by motion an Executive Committee pursuant to Bylaw V as follows:

The Executive Committee (EC) shall consist of the officers and no more than three other Directors to be appointed by the Chairperson. Except for the power to amend the Articles of Incorporation and Bylaws, the EC shall have all the powers and authority of the Board of Directors in the intervals between meetings of the Board of Directors, subject to the

direction and control of the Board of Directors. The Chairperson of the Board of Directors shall act as Chairperson of the EC. Members of the EC may meet by telephone, videoconference or in person. The actions of the EC shall be taken by majority vote of those present. A meeting of the EC shall be convened upon reasonable notice to all committee members by the Chairperson or any two committee members.

Motion: Joshua Crabtree moved to approve formation of an Executive Committee as set out in the Chair's proposal.

Second: Neva Scott

Action: Approved unanimously

Bob said that he envisioned the EC meeting as needed. He invited board members present to indicate a willingness to serve. Rick Clewett and John Rosenberg expressed interest. Bob asked the legal services program directors present to consider recommending a representative to the committee.

Governance: Personnel Committee Update

Rich said that he had followed up on discussion at the last meeting by contacting the advisor who helped update Legal Aid of the Bluegrass' personnel policies, Kathleen Carnes of Dinsmore and Shohl and NKU. He suggested that he and Personnel Committee Chair Neva Scott have a conference call with Kathleen to talk about a scope of work for the project.

Governance: Report of the Legal Work Oversight Committee (LWOC)

Committee Chair Chris Frost recapped three areas of policy for LWOC discussion and oversight: case acceptance, case management and legal work supervision. He said the committee had reviewed sample policies from AppalRed on each subject.

Chris said that Senior Counsel Ben Carter had done a lot of work on updating KEJC's case acceptance policy. He suggested that the committee turn next to the other two, with the goal of having drafts by April and a completed set of policies by summer 2020. Chris said the work products should reflect KEJC's mission, not just the mechanics of legal work.

Governance: Conflict of Interest Form Updates

Rich said it seemed like just yesterday but in fact it had been a year since he sought updated Conflict of Interest forms from the board. He passed around copies of the form. A number of board members and staff turned in completed copies during and after the meeting.

Governance: Proposed Meeting Dates 2020

Rich shared the proposed board meeting schedule for the year, as follows:

- April 21 Tuesday Board Meeting
- July 16 Thursday Board Meeting

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

Big Picture: Access to Justice Commission

Glenda Harrison of the Kentucky Supreme Court’s Access to Justice Commission described activities and progress under AJC’s Justice for All grant, including stakeholder surveys with over 600 responses, meetings with circuit clerks and lots of visits around the state with a variety of people and organizations.

Glenda said project staff looked first at gaps in service and next at how to fill them. She said the group had generated a list of eight initiatives for consideration, including courthouse navigators; training for judges in how to handle self-represented litigants; partnership between courts and substance use recovery centers; and partnership with faith-based community resources.

Glenda said that AJC soon would pilot test a courthouse-based Legal Help Center in the Fayette Circuit Court basement, with in person assistance, computer legal research tools and court forms. Nathalie Dietrich asked about language access. Glenda said that legal aid programs had access to Language Line, which perhaps could be used for the project. She said, “We heard a lot about language access as we went around.”

Staff Reports

KEJC staff reported on activities, issues, projects, and successes. The reports followed the new format begun in 2018, featuring fewer but longer reports and allowing more time for board discussion. The topics at the current meeting including impact advocacy and outreach.

No board action was required in response to staff reports. For more detail on recent work, see written staff reports—including reports from other staff—on the KEJC Board we page under the December 12, 2019, heading at: <https://www.kyequaljustice.org/board-meetings>

Adjournment

The agenda having been completed, the meeting was adjourned.

Reported by:

Richard J. Seckel, Director
April 18, 2020