

Kentucky Equal Justice Center

Board Minutes

September 21, 2023

Board Members Present: Bonifacio “Flaco” Aleman, Tiffany Pyette (Client Members); Bob Brown, Dawn Howard, John Rosenberg (Community Members); Angeleigh Dorsey, Jefferson Coulter (Program Directors); Brandie Ingalls (Staff Rep).

KEJC Staff: Chloe Atwater, Phoenix Berry, Miranda Brown, Ben Carter, Natalie Chambers, Jackson Cooper, Lakin Dillingham, Yoko Dionisio, Stefanie Ebbens Kingsley, Raaziq El-Amin, Laura Harper Knight, Allison Hight, Robin Kunkel, Tyler Offerman, Bill Pauley, Abigail Rundell, Paola Schwartz, Rich Seckel, Carmen Solis, Jane Connell Young, Andrea Zang.

Guests: Glenda Harrison and Nan Hanley (Access to Justice Commission) and Mizari Suarez (RJDEI consultant).

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. 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 focused first on new employees, noting said that KEJC had grown fast since the last board meeting, with new staff joining three projects, as follows:

- An attorney for the Kentucky Housing Corporation grant (Jackson Cooper)
- An attorney and outreach workers for the Lexington eviction program (Bill Pauley, Phoenix Berry, Jess Bowman, Lakin Dillingham, Andrea Zang)
- A coordinator based at KEJC for the Kentucky Food Action Network (Robin Kunkel)
- An attorney and paralegal to focus on discrimination against people struggling with substance use (Jane Connell Young and Carmen Solis)

Rich added that KEJC’s new Operations Manager, Heather Darby, would soon begin work. He thanked everyone who participated in the hiring processes for the new positions. Also on highlights, Rich mentioned that:

- Health advocacy team members had consulted with Jane Perkins at the National Health Law Project on potential challenges to unlawful Medicaid terminations during the post-pandemic “unwinding” of guaranteed coverage.
- Initial results of the Lexington Housing project showed it was having an impact, with cases dismissed and continued that otherwise might have seen evictions.

Rich said that initial meetings with Lexington city staff suggested they were energetically committed to the housing stabilization project.

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: Dawn Howard
Action: Approved unanimously

Staff Reports

In a new format for the meeting. Staff Reports came at the beginning. Chair Bob Brown said that staff reports really were the highlights of the meeting, but too often had been squeezed in at the end.

The board heard and discussed 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 September 26, 2023, heading at <https://www.kyequaljustice.org/board-meetings>.

Special Guests: Access to Justice Commission

Glenda Harrison of the Kentucky Supreme Court's Access to Justice Commission (AJC) highlighted three commission projects:

- **The Legal Assistance in Treatment** project funded through the Justice Cabinet supported multiple Community Legal Resource Coordinators to reach people in substance use treatment facilities and connect them with legal help. While initially the project focused on civil legal needs, it later expanded to do things like clear up criminal warrants, fines, and fees so that people would have an easier time getting back into the community upon release.
- **Legal Help Centers** in courthouses across the state have helped about 1,700 people so far. The centerpiece of the project was an online interview process created and hosted online by the Administrative Office of the Courts to generate forms ready for filing. Glenda said that she and Nan were speaking from the help center in Fayette County.
- **Free Legal Answers** offers online legal advice from attorney volunteers to people below 200 percent of the federal poverty level. A project that originated within the American Bar Association, it now had branches in 38 states, with the Kentucky version to launch in a few days, on October 2, 2023.

Nan Hanley said the AJC still coordinated training for legal aid programs. She described the Substantive Law Overview scheduled for the following week, designed mainly for new attorneys and intake staff, with 99 attendees already signed up.

John Rosenberg said it was exciting to see the ABA Free Legal Answers model launching in Kentucky. He said that across the country it had engaged volunteer attorneys in answering thousands of legal questions.

Special Guest: RJDEI Consultant Mizari Suarez

RJDEI Consultant Mizari Suarez gave an update on the RJDEI learning and discussion process. She said that the retreat in April became an occasion to pivot from a sole focus on racial justice focus to organizational communications challenges including:

- Building relationships between board and staff
- Working through how staff communicate with each other

Mizari said she had talked with Rich about next steps in which she would focus on a board self-assessment and Tiffany would host workshops on disability and racial justice. She said that her own contract would end soon but Tiffany would stay on in her capacity as a board member.

Mizari said the board self-assessment would take the form of a questionnaire followed by a Zoom discussion.

John Rosenberg asked whether the team's recommendations would address board composition, including the idea of having fewer legal aid directors and more community members. Mizari said that, with Rich leaving in the coming year, succession would be a good time to reimagine board membership

Jefferson Coulter said that during the April retreat there seemed to be lack of consensus on "who we served." He said, "I'm all in for fighting poverty." Food Justice Organizer Tyler Offerman observed that the disagreement might not have been so much about who KEJC served as how, including how we engaged and included community members in the work.

Communications Director Natalie Chambers observed that "we're also made up of members of the community," so that the work KEJC was doing with Mizari and Tiffany was some of the most important work KEJC was doing as an organization.

Administration: Financial Report for First Quarter

At Bob's invitation, Rich next did a walkthrough of the August 31, 2023, financial Management Report provided by Charity CFO. Key figures on the balance sheet included:

- An ending cash balance of \$241,513
- Accounts receivable of \$231,028
- Accounts payable of \$96,761

The Statement of Activity through August showed:

- YTD operating revenue of \$1,420,947 representing 57% of the annual budget
- Total operating expense of \$1,521,262 representing 61% of the annual budget
- A YTD net loss of \$58,509 compared to the budgeted figure of positive \$19,041

Rich said that the months through August represented 66% percent of the year, so both that spending at 61% and revenue at 57% each were running slightly below budget.

Rich said he had included in the board package a budget vs. actual report that compared income and spending with the year-to-date budget rather than the full year. The figures showed income through August at 85% of budget and spending at 91%.

Rich noted 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. He said the new dynamic required ongoing attention to cash balances.

Rich said that The Charity CFO had recommended having three to six months' worth of cash available as a yard stick for financial health.

Administration: Recent Fundraising

Rich said that he had prepared a summary of recent fundraising efforts. By way of a baseline, the first table showed that in 2022 KEJC had sought \$1,361,812 through grant writing and donations and received 87 percent of what it sought (\$1,181,305).

Rich said the table for 2023 showed higher dollar levels and a similar rate of return: \$2,037,861 sought and \$1,841,938, or 90%, awarded—now including the VOCA grant for Maxwell Street services to immigrant victims of crime. Among “good news” items for the year, Rich highlighted

- the large grant for housing stability services in Fayette County (\$980,380)
- a subgrant through Kentucky Youth Advocates for advocacy around WIC (\$70,677)
- a just-approved new grant from the Foundation for a Healthy Kentucky (\$85,000) for KEJC to add a full-time “kynector” to its health team

Rich said recent approval of the VOCA grant was good news, but it continued a downward trend in VOCA funding that affected not just KEJC but grantees across the board.

Rich said that end-of-year fundraising was coming up, with both a holiday letter mailing and the online Good Giving campaign on tap. He said he appreciated Resource Organizer Raaziq El-Amin and Communications Director Natalie Chambers doing advance marketing for each.

Administration: Audit and 990 Update

Rich said that the audit for the year ending December 31, 2022, was underway. With help from KEJC's accounting firm, The Charity CFO, he had responded to multiple requests for documents and information from auditor Vickie Richardson and her team.

Rich said that federal funds in FY 2022 had exceeded the \$750,000 threshold that requires a federally defined “Single Audit” with more questions on internal controls, policies, and procedures. As a result, the price of the audit would increase. He said Vickie had assigned a new member of her staff to cover the Single Audit requirements.

Rich said the 990 nonprofit “tax return” would be based on the audit figures and would be ready for circulation to the board and submission by the November 15 deadline.

Administration: Budget Assumptions for FY 2024

Rich gave a brief overview of the assumptions he had set out to guide preparation of the budget for FY 2024. He said most were commonsense touchstones, like making a budget that could be paid for with known or predictable income while maintaining a healthy cash balance and unrestricted reserves.

Rich said one new item focused on building indirect cost allocation into grants wherever possible, to help pay for “back office” operations. He said he would schedule a meeting with Charity CFO to explore how best to manage, aggregate, and allocate them.

Administration: Procurement Policy

The board next turned its attention to the proposed KEJC Procurement Policy, which had been circulated with the board package. The policy had been reviewed and approved by the Executive Committee, with the proviso that the “trigger” for requiring multiple bids be raised from \$3,000 to \$5,000 if law and best practice permitted.

Rich said that a procurement policy was required by the Kentucky Public Protection Cabinet, the source of the VOCA grant for Maxwell Street. He said he had filled out a detailed “financial risk” questionnaire from the Cabinet which set out the requirement.

Rich said the proposed policy had been adapted from a policy from Vermont legal aid that had been archived in the national Management Information Exchange online library. He said he had researched the trigger question and found that the trigger could be raised to \$5,000 or even \$10,000.

- Motion:** John Rosenberg moved to adopt the proposed KEJC Procurement Policy with a revised trigger of \$5,000 for purchases that required bids.
- Second:** Jefferson Coulter
- Action:** Approved unanimously

Administration: Capitalization Threshold

Bob recognized Rich to bring another policy matter to the board’s attention. Rich said that for many years, KEJC had a capitalization threshold of \$500. The threshold was used to identify items that should be tracked over time as their value depreciated.

Rich said The Charity CFO had commented that the threshold was outdated and recommended increasing it. They had advised that \$1500 was now a common threshold for nonprofits.

Dawn Howard said her organization operated with a higher budget than KEJC and a \$5,000 capitalization threshold. She suggested adopting something now but running a potential higher figure past KEJC’s auditor later.

- Motion:** Dawn Howard moved to raise the threshold for depreciable property from \$500 to \$1,500.

Second: John Rosenberg
Action: Approved unanimously

Governance and Strategic Planning: Report of the Nominating Committee

The KEJC Nominating Committee had met on September 20 to consider nominations of:

- Current Community Members of the Board willing to continue
- A New Community Member to fill an expired vacant term
- Officers for the coming year

Nominating Committee members present on September 20 were Chair Bob Brown, Client Member Bonifacio Aleman, Attorney Staff Rep Brandie Ingalls, Program Director Evan Smith (interim acting director of AppalRed Legal Aid), and Community Member John Rosenberg.

The report of the Nominating Committee was circulated to the board before the meeting, including background materials for the potential new member. The committee had nominated:

- Community Members Bob Brown and Dawn Howard to serve new 2-year terms
- Michelle “Shelly Henry” to a 2-year term to fill the vacant Community Member position
- Chair Bob Brown and Treasurer Lisa Gabbard to serve new one-year terms as officers

Bob Brown noted that he was a nominee. He asked John Rosenberg to step in as chair during consideration of the nominations. John did so, presented the committee recommendations, and invited a motion.

Motion: Bonifacio Aleman moved to approve all the nominees put forward by the Nominating Committee.
Second: Jefferson Coulter
Action: Approved unanimously (Bob Brown recused)

John Rosenberg noted that Community Member Rick Clewett had retired from the board early in the year after several years of helpful service and guidance. John proposed that the board develop a resolution recognizing Rick’s service.

Motion: John Rosenberg moved that the board adopt a resolution recognizing former Community Member Rick Clewett and honoring his service.
Second: Dawn Howard
Action: Approved unanimously

Chair Bob Brown volunteered to craft the resolution recognizing Rick.

Governance: Next Meeting Date

Chair Bob Brown said that the final board meeting of the year was scheduled for December 14, 2023.

Announcements and Adjournment

Rich Seckel thanked Stefanie Ebbens Kingsley for her vigorous work to launch the housing stability project. John noted that Stefanie was moving to Milwaukee in her home state for a new job. The agenda having been completed, the chair entertained a motion to adjourn.

Motion: Dawn Howard moved to adjourn the meeting
Second: John Rosenberg
Action: Approved unanimously

Reported by:

Richard J. Seckel, Director
December 12, 2023