

Kentucky Equal Justice Center

Board Minutes

July 26, 2023

Board Members Present: Tiffany Pyette (Client Members); Bob Brown, Lisa Gabbard, Dawn Howard, John Rosenberg (Community Members); Amanda Young, Jefferson Coulter, Robert Johns, Evan Smith (Program Directors); Brandie Ingalls (Staff Rep).

KEJC Staff: Chloe Atwater, Miranda Brown, Ben Carter, Natalie Chambers, Gabriela Dawson, Stefanie Ebbens Kingsley, Laura Harper Knight, Allison Hight, Ebony Lee, Tyler Offerman, Paola Schwartz, Rich Seckel.

Guests: Pat Fisher, 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. A quorum being present, Bob called the meeting to order. He then congratulated staff members Ben Carter, Allison Hight, and Tyler Offerman on the birth of new children.

Highlights of Recent Activity

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

- **Health foundation investments:** Rich said that long time health advocacy funders Interact for Health and the Foundation for a Healthy Kentucky had increased their investment by focusing what had been 12-month grants on a nine-month period through the end of the year. He said IFH also had contributed extra funds for the Food Justice “food as medicine” initiative.
- **Hiring:** Rich said that hiring was underway for three projects: the Lexington Housing Stabilization grant, a coordinator based at KEJC for the Kentucky Food Action Network, and an attorney and paralegal to focus on discrimination against people struggling with substance use, with new hires scheduled to start beginning as early as the following week.
- **Budget:** Rich said that the revised budget prepared for consideration by the board was closer to balance than the original budget for the year. He said he would provide details on the budget dynamics later in the meeting.
- **MSLC Client Story:** Rich said he had been moved by the client story shared with Maxwell Street Legal Clinic’s report. Through diligent work over a long period of time, MSLC had helped a client win approval of a T visa and avoid deportation. The client was one of the “basketball” youths recruited to come to the U.S. on false pretenses.

- **Health and Housing Intake:** Rich said that Maxwell Street Legal Assistant Paola Schwartz had enhanced intake for health and housing projects by going full-time, with half her time spent as part of the intake team for KEJC.

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 December April 28, 2023, board meeting.

Second: Brandie Ingalls

Action: Approved unanimously

Administration: Financial Report through Q2

The Charity CFO team working with KEJC introduced themselves and their organization, which focuses on accounting for nonprofits. Pat Fisher said that he was the senior accountant guiding the account, while accountant Reid Lehew provided day-to-day services, including entries for payables, receivables, and payroll allocation, plus a monthly YTD report and account reconciliation.

Pat provided a walk through of the TCFO Management Report for June, starting with key elements of the Executive Summary. With respect to the Statement of Financial Position (balance sheet), Pat said that KEJC had large payables (\$449,818) and receivables (\$657,347), driven primarily by its role as a funding hub for the Kentucky Housing Corporation grant.

Pat said that cash on hand (\$227,534) had gone up due to recent collections of receivables from Kentucky Housing Corporation. All told, he said, KEJC had enough reserves sufficient to cover two to three months of expenditures. He said three to six months was considered good for nonprofit viability.

On the Statement of Activity (Profit and Loss), Pat said that YTD net income of positive \$205,024 also was a good sign, with the program having received 45% of projected income during the first half of the year. In other comments, Pat noted that:

- The Vanguard investment account was up 33 percent for the year
- Due to the large KHC grant, the 2023 audit might see a footnote on concentration of revenue

Board member Dawn Howard asked whether KEJC's budget varied by season. Pat said that TCFO had spread budget figures evenly across the year. Dawn added that she would find it useful to see the income and spending through June compared with the budget through June, rather than with the full year budget.

Director Rich Seckel asked whether he should be concerned about the negative figure for unrestricted funds in the balance sheet. Pat said no, the figure tended to fluctuate as grants were released from temporary restrictions. He said it made more sense to track temporarily restricted

funds. Pat added that TCFO would help compile the documents needed for KEJC's annual audit.

Administration: Recent Fundraising

Rich said that, to go along with the TCFO report, he had prepared a summary of recent fundraising efforts in the usual format. The 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: \$1,913,929 sought and \$1,636,103, or 85 percent, with one key grant still pending: the VOCA grant proposal (\$179,628 requested).

Rich said there were several good news items in the table for 2023, highlighted in green, including the large new grant for housing stability services from Lexington-Fayette Urban County Government (\$980,380), a grant from Kentucky Civic Engagement Table to promote language access (\$17,927), and a duo of grants for food justice advocacy, as follows:

- A subgrant through Kentucky Youth Advocates of a grant of federal funds through the Food Research and Action Council (FRAC) to advocate for improved access to the WIC program (\$70,677 for 2023).
- Renewal of the MAZON grant for a fifth year at a new, higher amount (\$110,000), with a goal of helping staff the Kentucky Food Action Network, which had grown from previous project work.

Rich thanked Raaziq for helping manage the high volume of grant writing and reporting. Bob commented that the 85% success rate was to be commended.

Administration: Audit Prep FY 2022

Rich said that he would soon begin to compile materials and respond to questions from auditor Vickie Richardson, with help from the Charity CFO. Rich noted that federal funds in FY 2022 appeared to be close to the \$750,000 threshold that would require a federally defined "Single Audit" with more questions on internal controls, policies, and procedures.

Administration: Budget Revision

Bob next recognized Rich to present the mid-year budget revision. Rich began by describing three factors that put pressure on the 2023 budget: the end in mid-2022 of the long-running Public Welfare Foundation grant for workers' rights advocacy; the ongoing cutbacks in VOCA funding; and the scheduled end of the MAZON food justice grant in mid-year 2023.

Rich said that the original budget had a significant negative bottom line (\$176,041) but had been adopted provisionally because there was a good chance that KEJC would receive grants from Vital Strategies and Lexington-Fayette Urban County Government. Not only had those grants come about, he said, but good news on other grants described earlier helped with the bottom line.

Rich said that the staff discussion and workplace survey had put a high priority on a full-time Operations Manager position and salary improvements. He said that he had constructed and reviewed with staff management team and the executive committee a revised budget that incorporated the new grants, a full-time Operations Manager position and a “first step” toward salary improvements that included two elements:

- a \$40 salary add-on for all staff to support remote work
- a tied cost-of living increase of
 - \$120 a month for salaries below \$40,000
 - \$90 a month for salaries between \$40,000 and \$60,000
 - \$60 a month for salaries \$60,000 and above

Rich emphasized that the mid-year COLA was not intended to supplant a potential larger update to KEJC salary scales through Personnel Committee study and recommendations. He said its annual cost with fringes was just under \$60,000 (\$58,774). He said that the COLA, combined with already scheduled step increases, equaled average salary increases of 7.18 percent. Combined with the other budget changes, it led to a smaller negative bottom line (-\$2,312) than the original budget, essentially equal to a balanced budget.

In discussion, Bob noted that both salaries and Operations Manager had emerged as high priorities in the recent KEJC Workplace Survey. Housing Justice Attorney Stefanie Ebbens Kingsley said that the proposed COLA “does not reflect current frustration of staff.” John Rosenberg observed that fundraising is a challenge but that KEJC had managed to win approval of a long list of grants. He also took note of the high percentage of salary paid in benefits including retirement

John said that legal aid program contributions to KEJC had not increased in many years. Legal Aid Society director Jefferson Coulter said the programs were expecting a decrease in restricted funding from the Legal Services Corporation based on likely Congressional cuts. He said unrestricted funding sources had remained “relatively flat.”

Dawn Howard suggested formation of a development committee to set goals and help raise funds. (The idea is included in KEJC’s Strategic Plan.)

- Motion:** Dawn Howard moved to approve the budget revision as recommended by the Executive Committee and presented by Rich, including the remote work subsidy and tiered COLA.
- Second:** John Rosenberg
- Action:** Approved unanimously

Governance: Workplace Survey

Results of the KEJC Workplace Culture Survey had been included in the board package. The survey was based on a survey sent by Kentucky Legal Aid to its staff. In this case, KEJC had invited responses from both staff and board members.

Bob noted that several high priorities emerging from the survey had begun to be addressed, through the creation of the Operations Manager position and the willingness of the Personnel

Committee to study and update KEJC salary scales. He said he looked forward to also to getting recommendations from the RJDEI discussions to inform next steps (see below).

Governance and Strategic Plan: Language Access

Bob recognized Outreach Coordinator Miranda Brown to brief the board on revisions to KEJC's Language Access Plan. A draft of the plan had been included in the board package. Miranda said that she had worked with VOCA Legal Assistant Gaby Dawson and former Outreach Worker Lizz Perkins on the plan and had surveyed staff about needs and priorities. She said the revised plan drew on a theme not just of language access but language justice, a theme suggested by Raaziq and reflected in the use of "first language not English" to replace proficiency-based descriptions.

Among other things, Miranda said, the plan incorporated more detail and envisioned more resources to serve deaf and hard of hearing Kentuckians. Bob Brown said that he liked the universality envisioned by the plan. Interim AppelRed Director Evan Smith said the plan was a valuable example for all the legal aid programs. He thanked Miranda for her work on it.

Legal Aid Society Director Jefferson Coulter asked whether the plan envisioned advocacy to address access to other programs and services. Miranda said that long term, it did, but that the first step was to take KEJC's in-house practices to the next level. Jefferson said that he saw particular pain points for clients in family court and the eviction process.

Governance and Strategic Plan: RJDEI

Bob next invited board member Tiffany Pyette to describe work on the Racial Justice, Diversity, Equity, and Inclusion element of the strategic plan. Tiffany and co-facilitator Mizari Suarez had hosted a board and staff retreat in April.

Tiffany said that, as a next step, she would offer a workshop on disability justice on August 11, at Lexington's Northside Library, from 1:30 to 4:30 with breaks and snacks. She said the session would give staff a chance to sign up for BIPOC and white affinity groups for ongoing guided discussion.

Tiffany said she would round out her activity as a consultant by offering a second three hour workshop, this time on the intersectionality of race, class and gender and on racial justice in the workplace. She said the Mizari Suarez, her co-facilitator would develop recommendations based on challenging conversations held at the retreat in April.

John asked whether there was a final report with recommendations. Tyler said there was a writeup of discussions at the retreat but not yet a final project report. Later during the meeting, he emailed the write-up on the retreat to Rich for circulation to the board.

Governance and Strategic Plan: Personnel Committee

Bob said the Personnel Committee had been constituted, with board members Amanda Young and Lisa Gabbard to co-chair and with board members Dawn Howard and Robert Johns and staff members Chloe Atwater, Natalie Chambers and Raaziq El-Amin as additional members. Lisa said the first meeting of the committee was scheduled for August 22 at 10:00am ET.

Governance and Strategic Plan: Succession

Bob reported on discussions of the Executive Committee. He said the members recommended engaging a consultant to guide the search for a successor to Rich. Evan Smith said that AppalRed had engaged former Legal Aid Society director Neva Polley Scott for their search. Brandie Ingalls said that Legal Aid of the Bluegrass had done the same. Dawn Howard said she would check with her organization, St. John’s Center, to see who they had used for a recent search for a new director.

Governance Tasks 2023

Rich recapped the status of expiring and vacant board terms. He said that there was only one board vacancy, the Community Member slot previously held by Rick Clewett, who stepped back further into retirement earlier in the year. Otherwise, he said, the Community Member terms of Bob Brown and Dawn Howard were set to expire in 2023. (Dawn earlier had been elected to fill out the unexpired term of Chris Frost, who had passed away in early 2022.)

Bob said that there were several worthy nominations on file from past board recruitment. Rich said he also could send out a call for nominations prior to the next board meeting. Bob said he would convene the Nominating Committee to consider nominations.

Governance: Meeting Dates 2023

Bob briefly recapped the remaining board meeting dates for 2023.

- September 21
- December 14

Big Picture: Legal Services Funding

Rob Johns reported on legal aid funding. He said that the Senate had adopted a proposed funding level of \$560M for the Legal Services Corporation, level funding in line with the debt ceiling agreement. Rob said the House had adopted a figure of \$489M, a 13 percent cut. He said it appeared that “the days of LSC increases are over for now.”

Announcements

John Rosenberg asked that the minutes reflect the sense of the Executive Committee that the legal aid programs should increase their contribution to KEJC from the current level \$180,000—where it had stood for many years—to \$300,000. He said the Executive Committee had asked committee member Amanda Young to convey the request to her fellow directors. He noted that Rich had developed figures to share with the directors on funding trends for the programs since the last increase for KEJC.

Staff Reports: Highlights and Discussion

The board next heard 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 July 26, 2023, heading at <https://www.kyequaljustice.org/board-meetings>.

Adjournment

Motion: John Rosenberg moved to adjourn the meeting.
Second: Lisa Gabbard
Action: Approved unanimously

Reported by:

Richard J. Seckel, Director
September 18, 2023