

CONFIDENTIAL

Comparative Board Report

prepared for the

REACH Healthcare Foundation

May 2007

5/7/2007



THE CENTER FOR
EFFECTIVE PHILANTHROPY

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How to Use the CBR

- ♦ **The Comparative Board Report (CBR) shows an individual foundation its practices and structures as well as the perceptions of its trustees – relative to a set of data from other foundations whose trustees and CEOs were surveyed by CEP.**
 - It is important to note that, on most questions, trustee ratings cluster toward the high end of an absolute scale. The comparative data in this report allow for a greater understanding of perceptions and practices by placing trustees' responses in the context of other boards' perspectives.
 - This report is based largely on the *perceptions* of your board's members regarding elements of board effectiveness. Perceptions do not equate to proof of board effectiveness. For example, it is possible that a board whose members believe they are highly effective is, in fact, ineffective.
 - Results should be interpreted in light of your board's priorities. Do not necessarily consider ratings in all areas to be equally important. Depending on your board's priorities and structure, low ratings might be expected in some areas.
 - Across most dimensions, foundation structural characteristics – such as type, asset size, board size, average trustee tenure of the board – are not strong predictors of trustee perceptions of board effectiveness, suggesting that it is possible for any to attain high ratings from trustees.

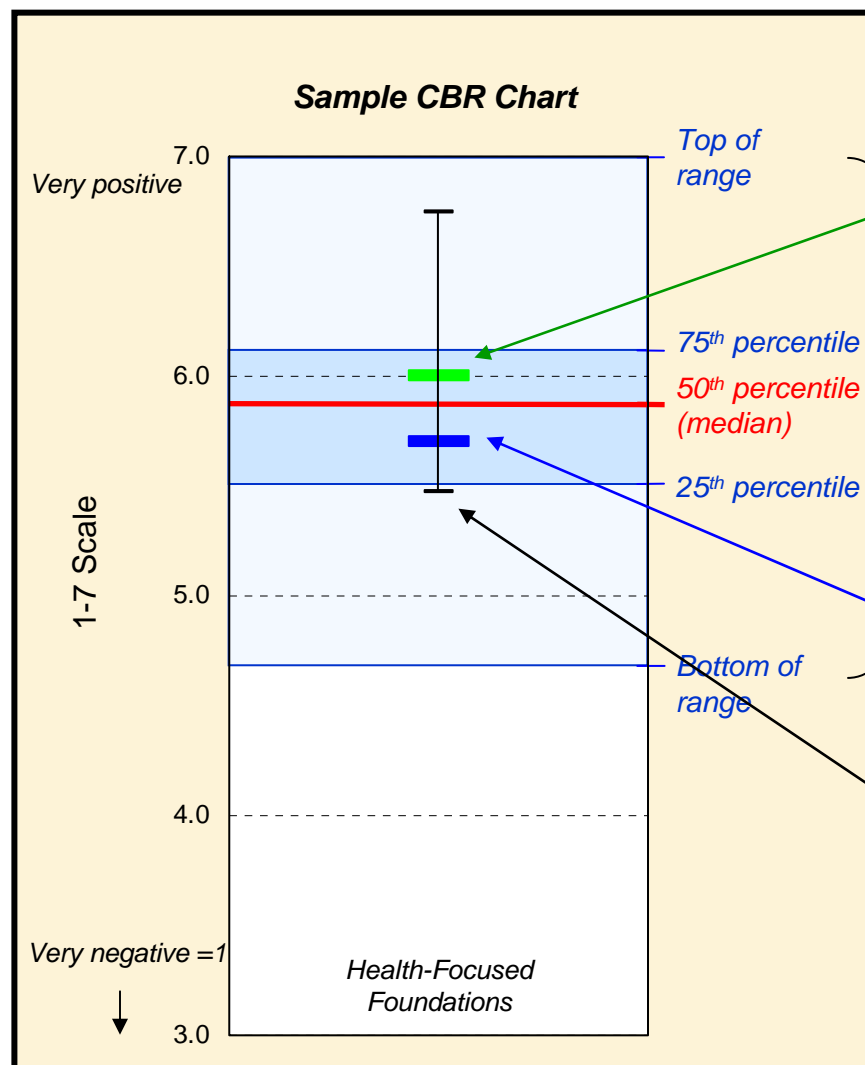
Methodology

- ◆ CEP has received completed surveys from over 600 trustees of 60 foundations.¹ The CEOs of these foundations have also completed surveys using a separate instrument that includes detailed questions on board structure and practice.
- ◆ Surveys were sent to 24 directors of the REACH Healthcare Foundation (“REACH”) in March 2007. CEP received 21 responses, representing an 88 percent response rate. The CEO of the Foundation also completed a separate survey about the structure and practices of REACH.
- ◆ Most questions on the survey were answered on a 1-7 scale in which 1 is the least positive response and 7 is the most positive.
- ◆ Directors were asked to comment in response to open-ended questions throughout the survey. Selected director comments are shown throughout this report. To ensure confidentiality, comments that might reveal the identity of the responder were excerpted, paraphrased or, when necessary, excluded.
- ◆ In addition to being compared to the full comparative set of 60 foundations, the REACH Healthcare Foundation is also compared to a smaller subset of health-focused foundations throughout the report. The eight foundations that make up this subset are listed below.
 - California HealthCare Foundation
 - The Colorado Trust
 - Flinn Foundation
 - Endowment for Health
 - Health Foundation of Greater Cincinnati
 - Maine Health Access Foundation
 - REACH Healthcare Foundation
 - The Robert Wood Johnson Foundation

How to Interpret CBR Graphs

Most of the data is presented in the following format. The graphs show the range of average board responses.

Throughout this report, the 1-7 scales are truncated but include the full range of average ratings. Most scales start at 3.0.



The green line represents the average of director responses for the REACH Healthcare Foundation.

The shaded portion of the chart represents the range of averages for all 60 foundations in the comparative set against which the REACH Healthcare Foundation is compared.

The blue line represents the median health-focused foundation response.

The vertical black line represents the range of all health-focused foundation responses.

Number of your foundation's board members included in the chart

Twenty-one directors responded to this question.

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Key Findings (1)

The Board of Directors of the REACH Healthcare Foundation (“REACH”) rate themselves favorably on many dimensions relative to the boards of other foundations. They view themselves as more effective than the typical foundation board, and more satisfied with their experience serving as directors. Structurally, the REACH Board is larger than many in our sample, and, given the youth of the organization, directors have served for a shorter time on average than at other foundations.

Directors view themselves similarly to the median foundation for having the right mix of skills and experiences on the Board. They also perceive themselves to be as well utilized as board members elsewhere. In particular, they give high ratings for the Board’s expertise in investment and accounting. When asked for skills lacking on the Board, directors most frequently mention specific knowledge of health/medical fields and knowledge of the community.

REACH Directors rate the clarity with which their board role was communicated below the rating of the median foundation. This is a finding consistent with newer foundations. REACH Directors primarily learn about their role through board meetings and retreats and a larger than typical proportion of directors also used a written job description to learn about their roles. Twice as many REACH Directors, 76 percent, report receiving additional training since joining the Board compared to the median foundation. When asked about their primary responsibilities as directors, most board members cite fulfilling the Foundation’s mission or specific fiduciary and oversight responsibilities.

REACH Board Members are more involved in approving grants, evaluating the CEO, assessing the Foundation’s overall performance and making operational policies and decisions compared to the median foundation board. Seventy-six percent of the Board want to be more involved in assessing the Foundation’s social impact, and over half the Board want more involvement in representing the Foundation to public constituents.

Board members perceive themselves more positively than typical for their success in shaping the Foundation’s long-term strategy and ensuring that processes are in place to select the most

Key Findings (2)

appropriate grantees. They are also more satisfied with the information they receive to assess progress against strategy.

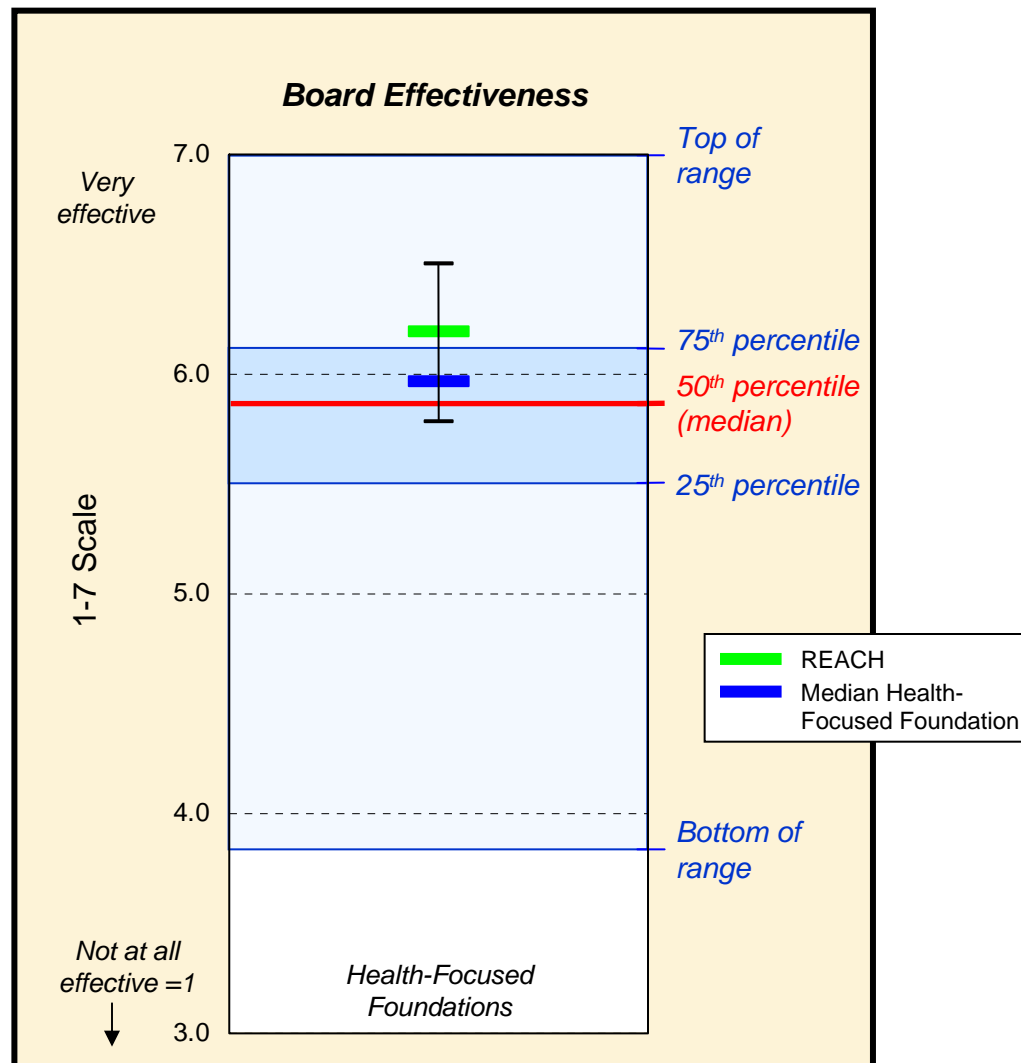
REACH Directors perceive their discussions to be less focused than the typical board on topics of greatest importance, though they rate their meeting materials to be more focused on such topics than at the median foundation. Directors perceive the quantity of materials they receive to be more appropriate than the typical foundation but they rate themselves as reading less of the material in advance of meetings. Directors rate the Board below typical on having equal opportunity to influence the board. They also rate lower for active participation in board meetings, a finding consistent with boards of similar size. When asked about ways to improve discussions, suggestions were concerned with areas such as better time-management, greater participation and changes to the meeting space. Directors generally describe the group dynamic positively, though some directors state that dynamics have improved with time.

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Board Effectiveness (1)

REACH Directors rate the Board's effectiveness above the median foundation board's rating.



Twenty-one directors responded to this question.

Board Effectiveness (2)

Directors were asked how the REACH Board could be more effective. The largest group of suggestions concern strategy and strategic planning, and further education of the Board.

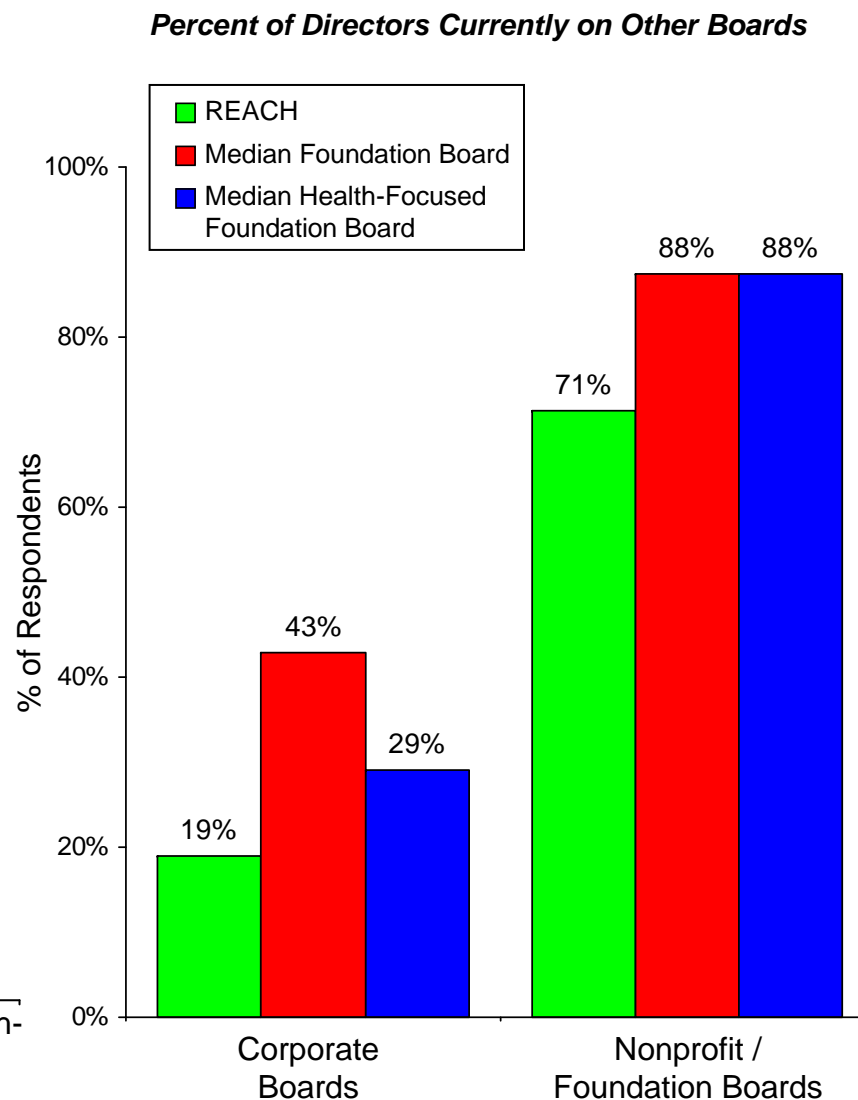
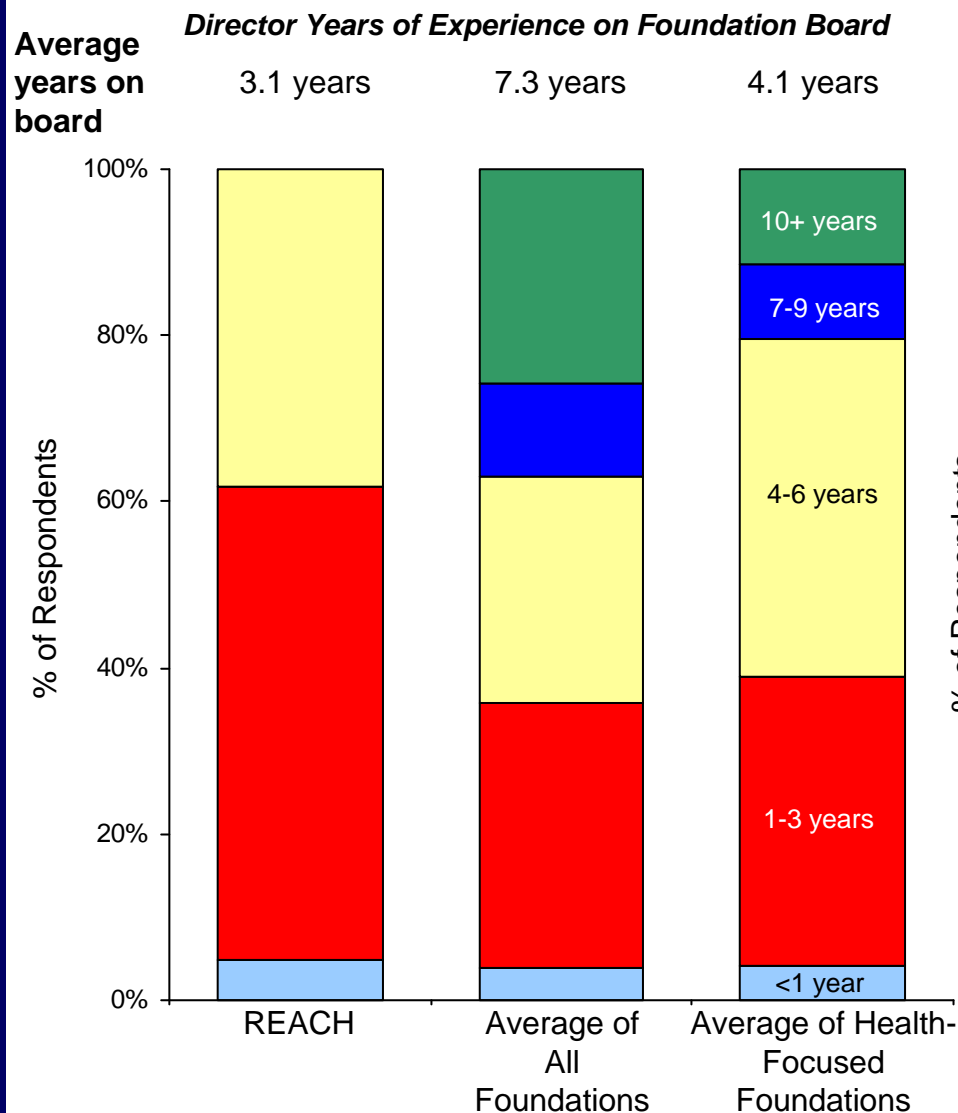
- **Strategy and Strategic Planning:** (4 mentions)
 - *“More familiarity with strategic plan.”*
 - *“Spend more time on policy and global direction.”*
 - *“Anticipate pitfalls and unavoidable problems with a well thought out plan to address these and similar issues.”*
 - *“More diverse thinking.”*
- **Board Education/Grantee Interaction:** (4 mentions)
 - *“Continued, or increased board education is very important.”*
 - *“I think we would be more effective and have a deeper understand of the programs we are funding if we are able to go on more field trips.”*
 - *“Increased awareness [of] and interaction with the community.”*
 - *“I would like more interaction with grantees.”*
- **Other Suggestions:** (1 mention each)
 - *“To not lose sight of the mission and vision.”*
 - *“[Be] accountable for expertise and best practice.”*
 - *“I personally think members should be able to devote more time to the Foundation.”*

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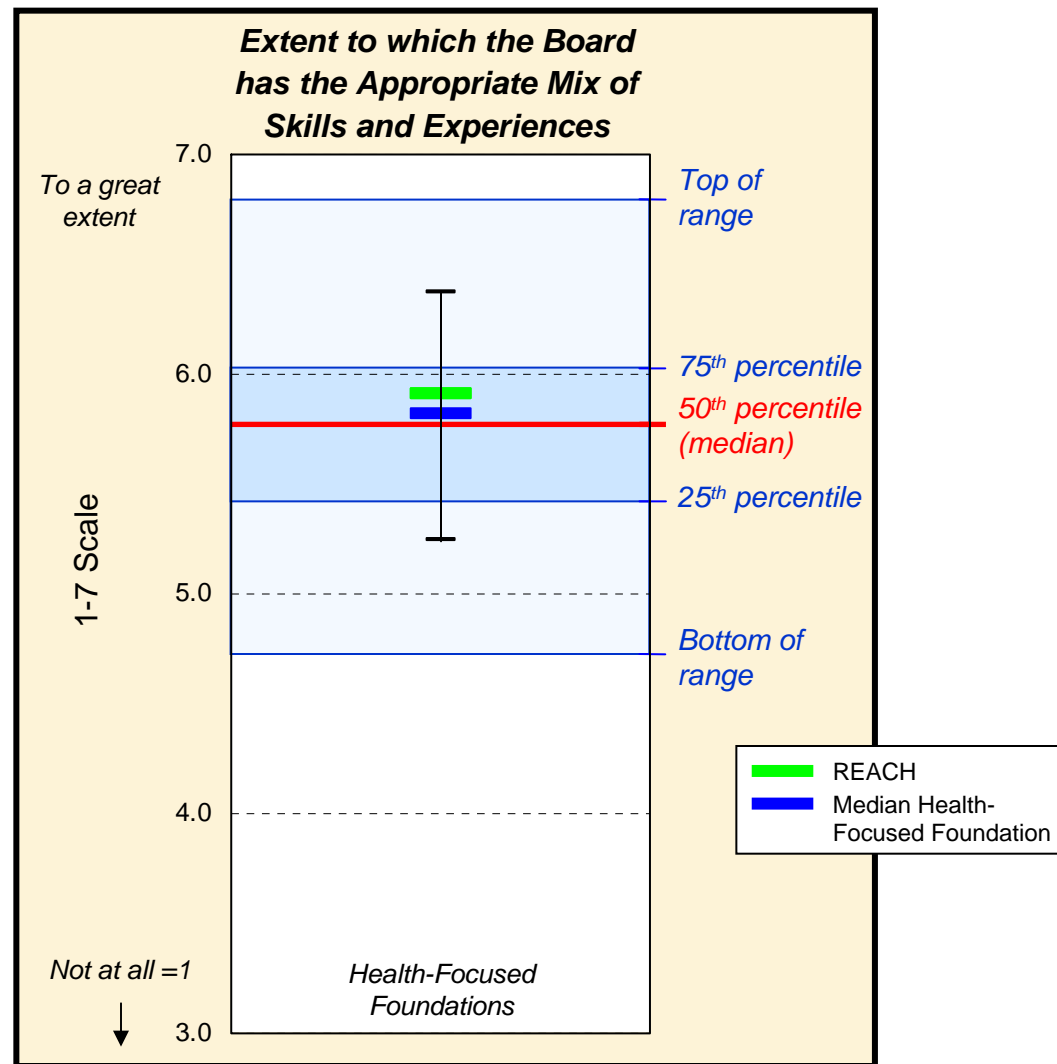
Director Tenure and Experience

Directors have served on the Board for a shorter period of time, on average, compared to board members at most other foundations. The proportion of board members serving on other corporate and nonprofit boards is smaller than at the median foundation.



Mix of Skills & Experiences (1)

Directors rate the mix of skills and experiences represented on the Board to be as appropriate as at the median foundation.



Twenty-one directors responded to this question.

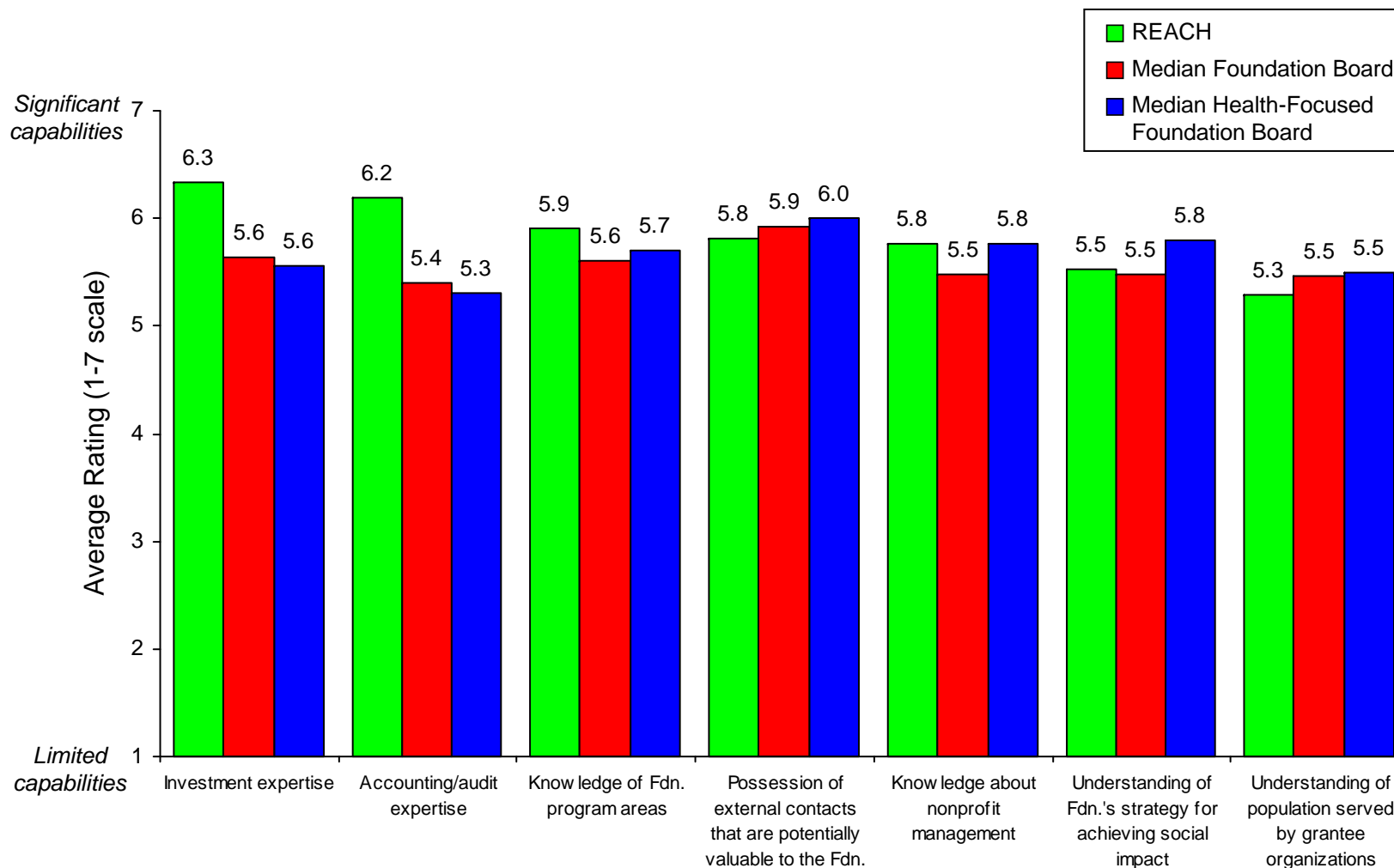
Mix of Skills & Experiences (2)

Directors were asked about specific skills that are not represented on the Board and indicate that the Board could benefit from additional knowledge of health and the community.

- **Medical/Health Knowledge:** (5 mentions)
 - *“Someone with an ... understanding of Oral Health issues.”*
 - *“Oral Health care.”*
 - *“Medical fields, including dental.”*
 - *“We are losing inner city doctors/nurses.”*
 - *“Public health.”*
- **Community Knowledge:** (3 mentions)
 - *“Knowledge of the community we need to serve.”*
 - *“Understanding the population served.”*
 - *“I believe that the Board would be well served with more minority members and some community people who are not at the professional level, [such as] consumers of our funded programs.”*
- **Social Services:** (2 mentions)
 - *“Those involved in social services.”*
 - *“Social service.”*
- **Other Specific Skills:** (1 mention each)
 - *“Marketing and communications.”*
 - *“Financial management.”*
 - *“Fund raising may be an area to address in the future if it becomes a priority of the organization.”*

Mix of Skills & Experiences (3)

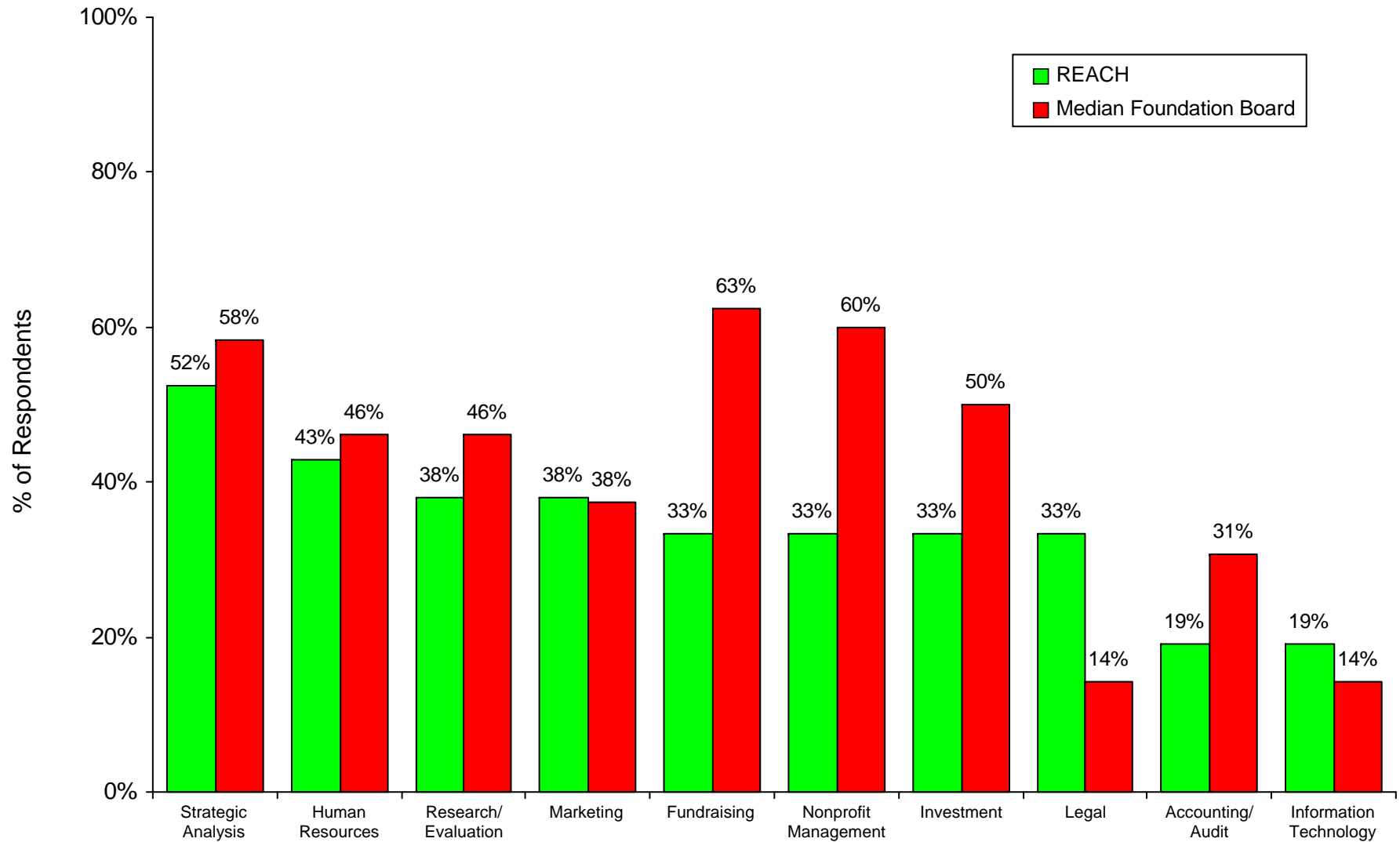
Directors rate the Board's investment and accounting/audit expertise above typical. Understanding of the Foundation's strategy for achieving social impact and understanding of the populations served by grantees are rated below other capabilities of the REACH Board.



Note: Twenty-one directors responded to this question.

Mix of Skills & Experiences (4)

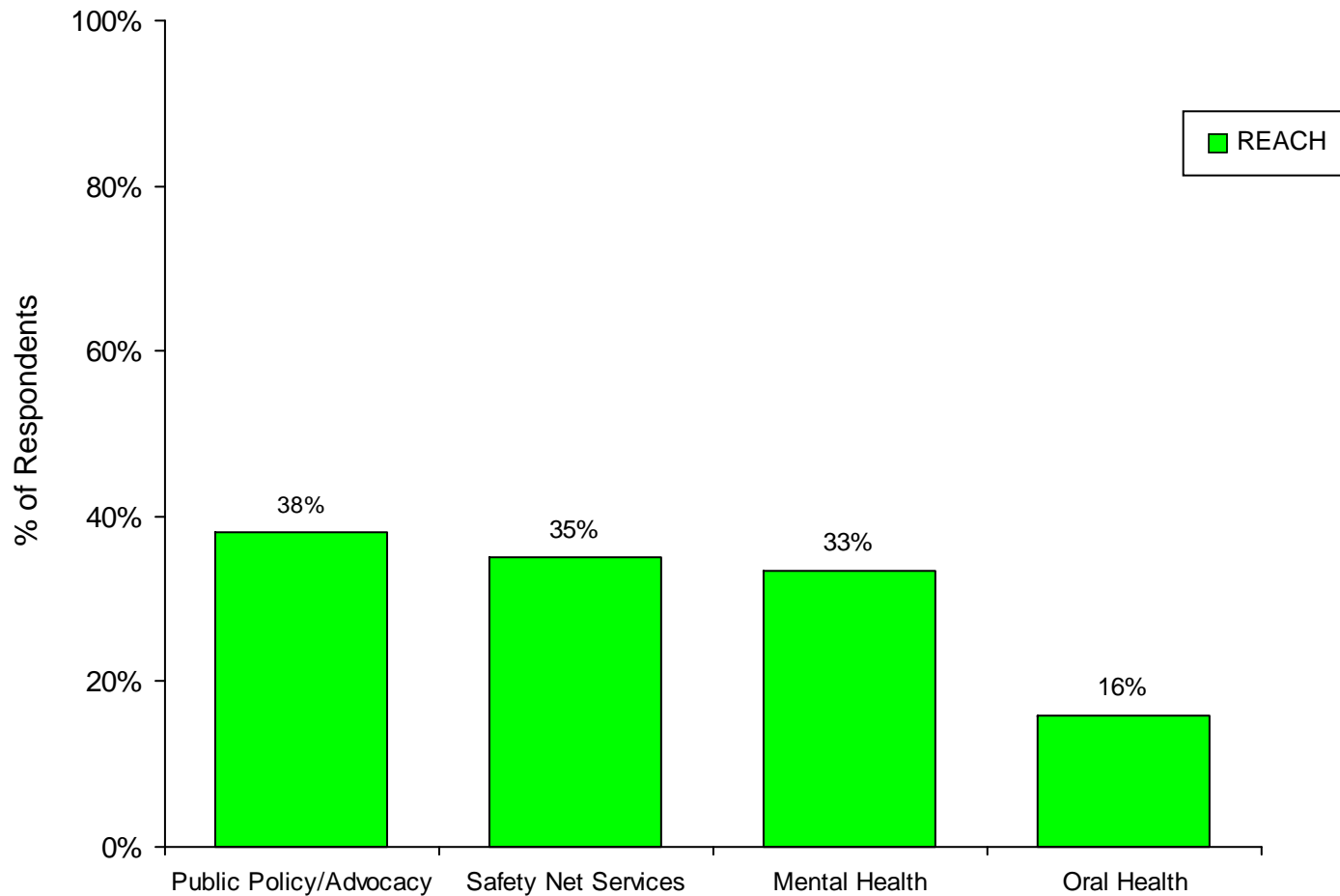
Over half of the REACH Board reports having strategic analysis expertise. A smaller proportion of directors than typical report having fundraising, nonprofit management and investment expertise.



Note: Twenty-one directors responded to this question.

Mix of Skills & Experiences (5)

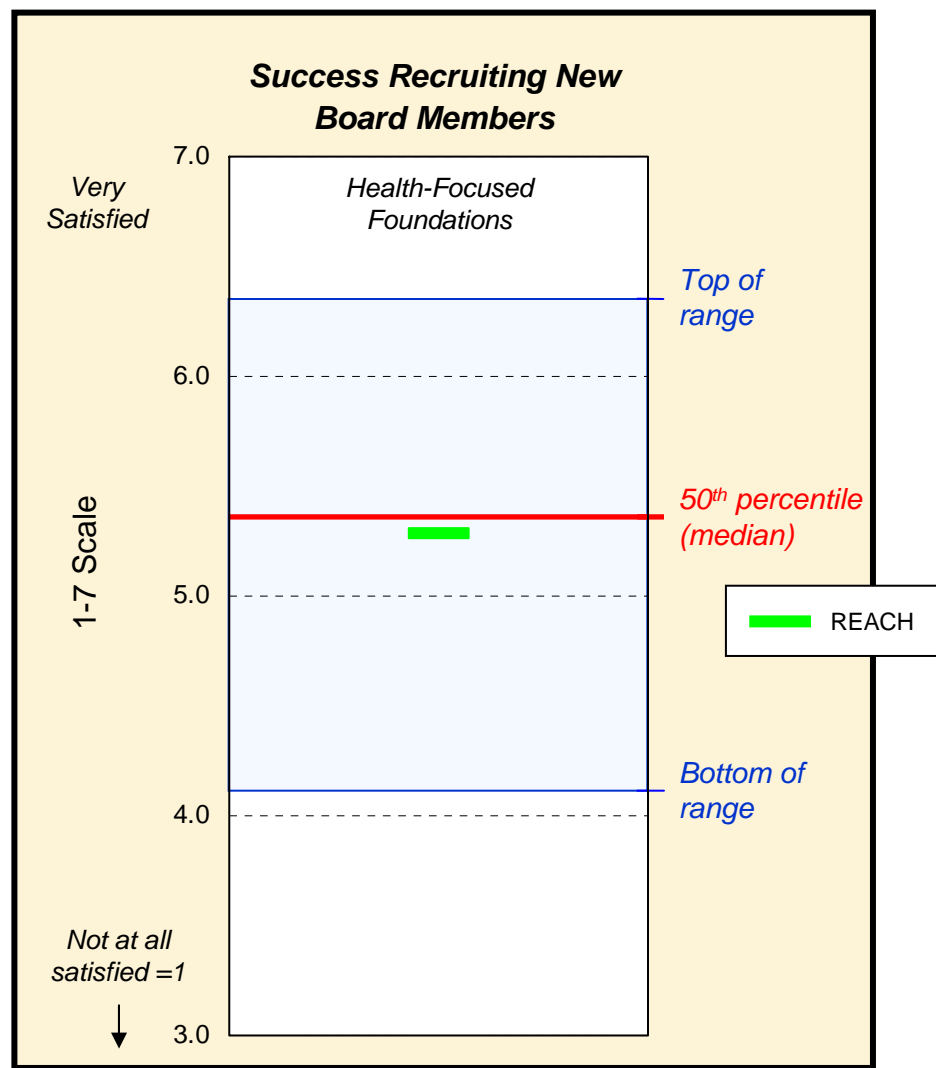
Over a third of REACH Directors indicate having expertise in Public Policy and Safety Net Services. A third of the Board also has expertise in mental health.



Note: Comparative data not available because categories are unique to REACH. Twenty-one directors responded to the question on public policy/advocacy and mental health. Twenty directors responded to the question on safety net services, and 19 directors responded to the question on oral health.

Success Recruiting New Members

REACH Directors are as satisfied with their success in recruiting new board members as the typical foundation board.

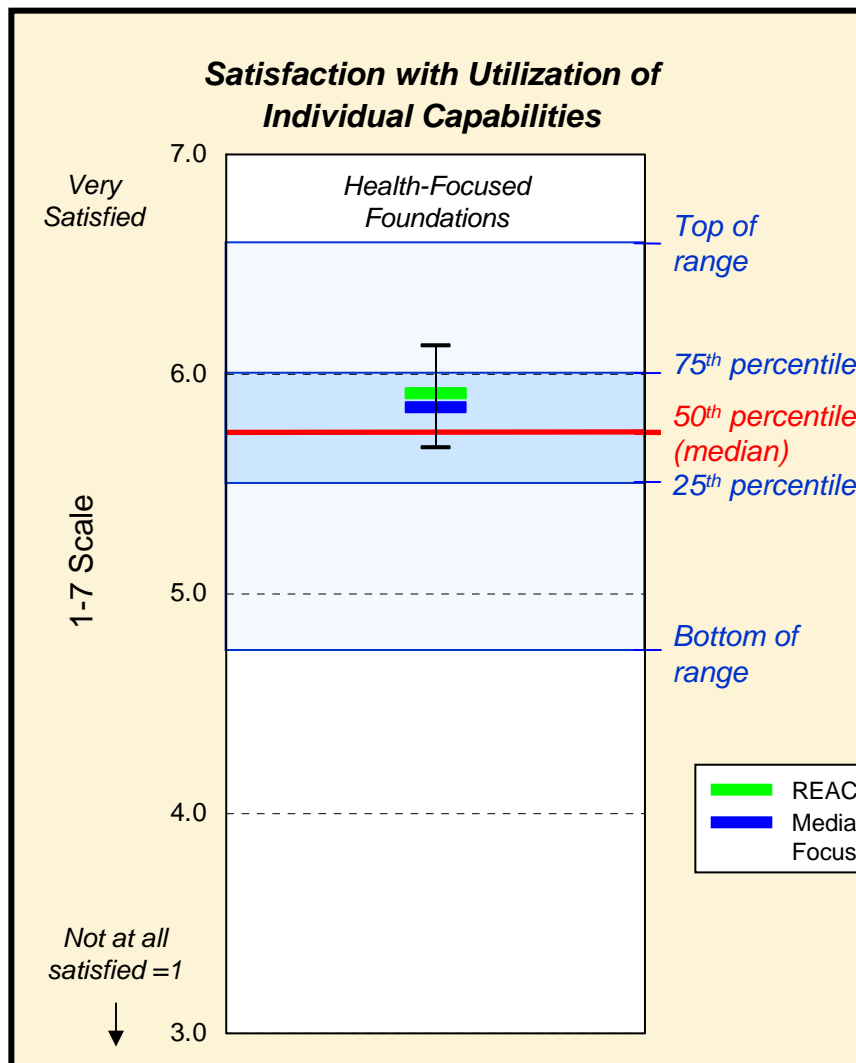


Twenty-one directors responded to this question.

Note: Comparative data only available for nine foundations. As such, only the median foundation and the range of ratings is shown.

Utilization

REACH Directors are more satisfied with the utilization of their skills than board members at the median foundation.



What (if any) are the capabilities you have to offer the Board that are not currently being used to your satisfaction?

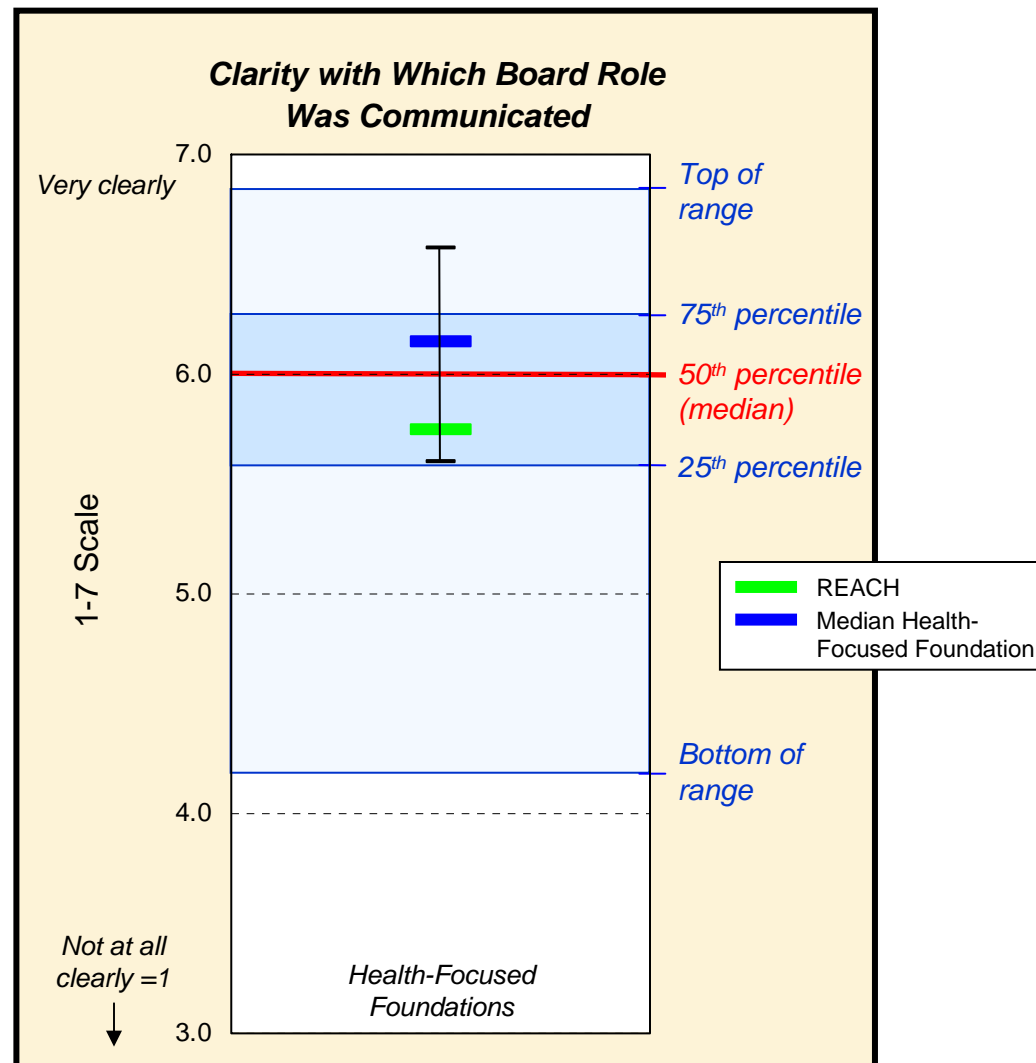
Representing the Foundation to the Public: (2 mentions)

- “More actively promoting the mission of the foundation to the public.”
- “Marketing the organization to the entire community.”

Twenty-one directors responded to this question.

Communication of Role (1)

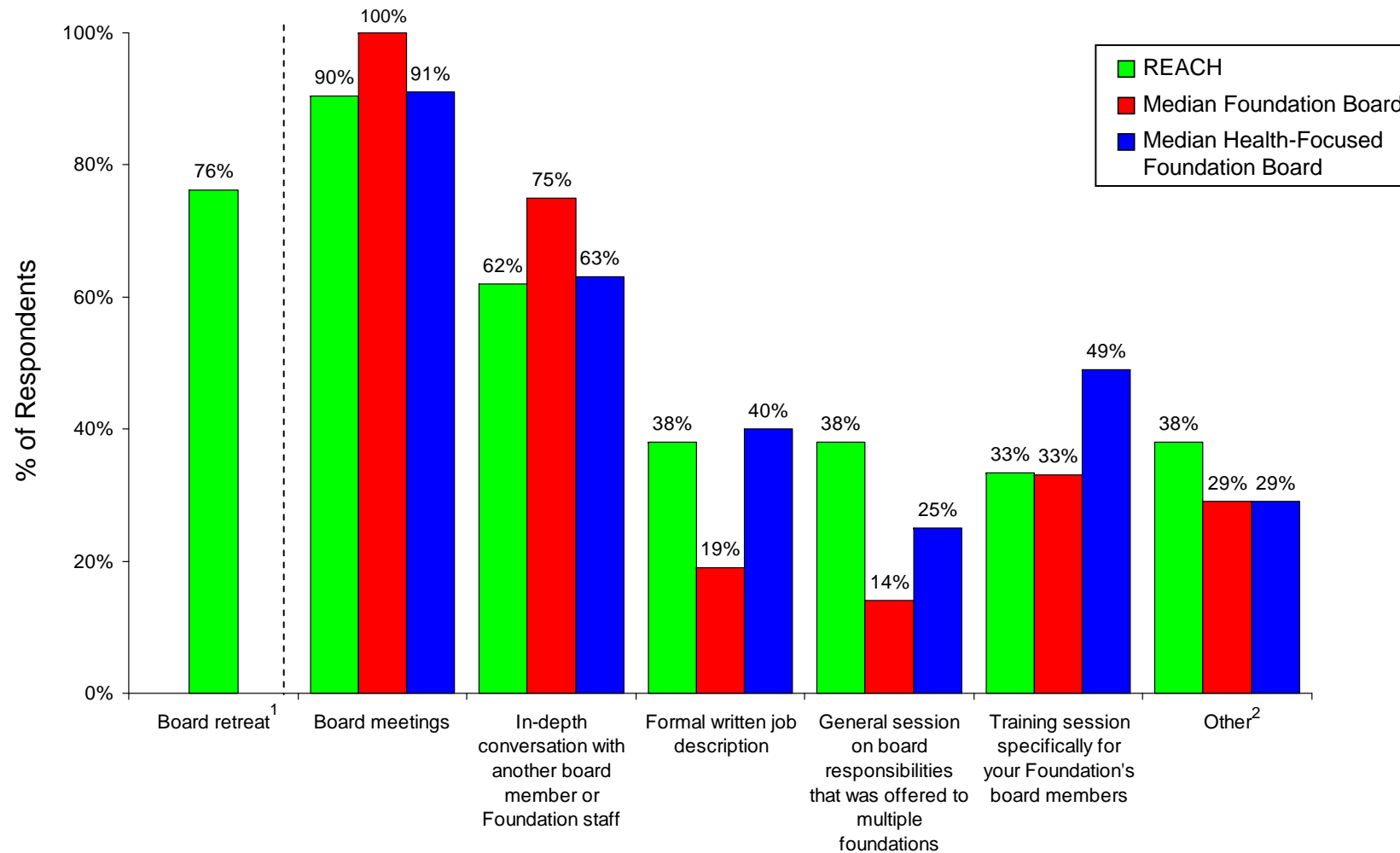
Directors perceive their roles to be less well communicated to them than at the median foundation.



Twenty directors responded to this question.

Communication of Role (2)

A larger than typical proportion of REACH Directors report learning about their roles through written job descriptions and general sessions on board responsibilities.



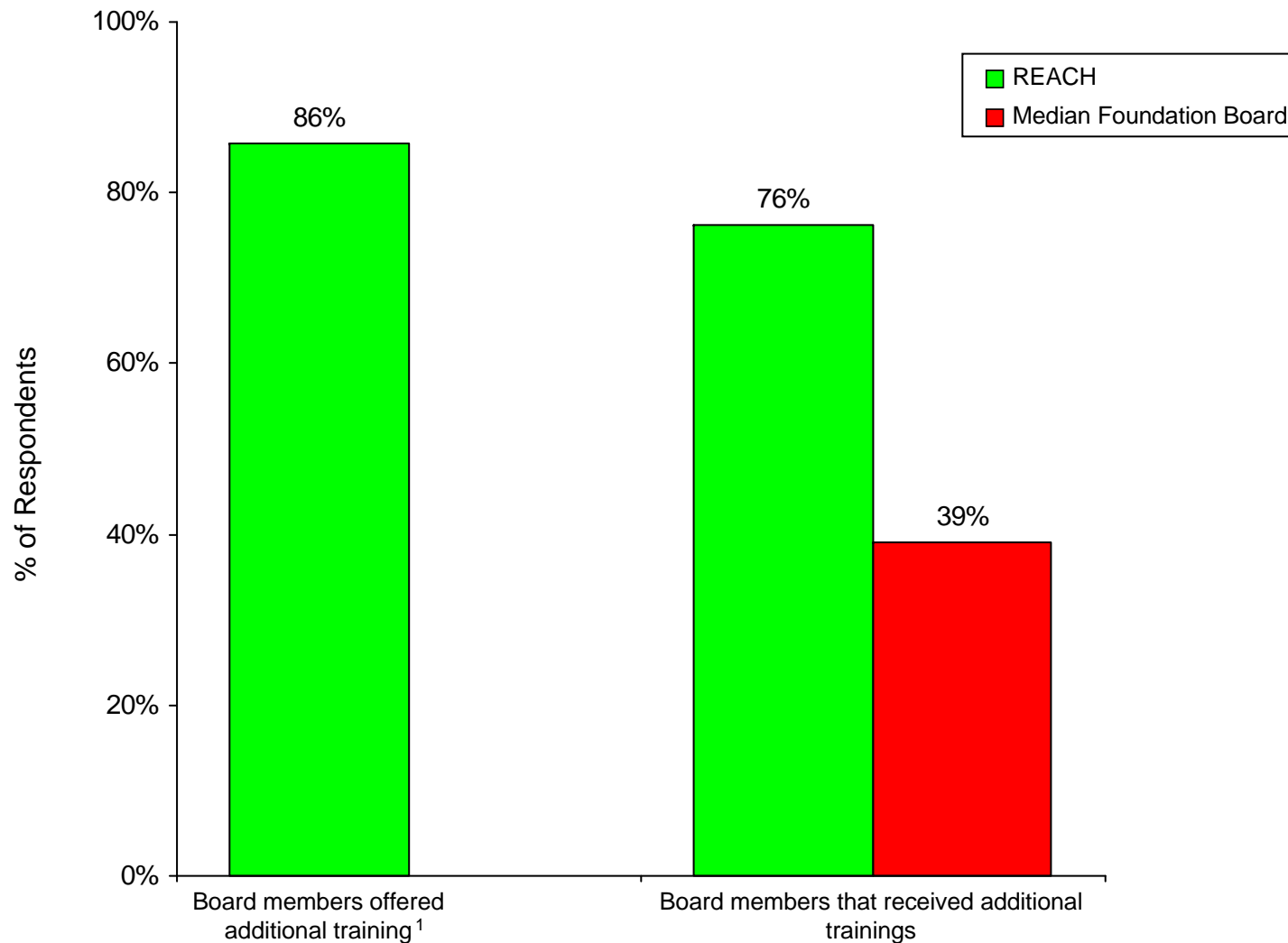
1: Comparative data not available as this questions asked only of REACH Directors.

2: Other ways that board members learn about their roles included personal experience, attending conferences and founding the organization.

Note: Twenty-one directors responded to this question.

Additional Training

Most REACH board members have been offered additional training since joining the Board. Seventy-six percent of the Board have received such training.



1: Comparative data not available as this questions asked only of REACH Directors.
Note: Twenty-one directors responded to this question.

Primary Responsibilities of the Board

Directors were asked to list the primary responsibilities of the Board. They highlighted their responsibility for assessing the CEO and the Foundation's oversight responsibilities:

- **Fulfilling Foundation's Mission:** (14 mentions)
 - *"Define the mission of the Foundation based on the founding principles of the organization."*
 - *"To make sure the Foundations stays on track with it's Mission and Purpose."*
 - *"To ... provide the best possible health and dental care for the underserved and indigent population of our state."*
 - *"Expand access to health care services to poor underserved populations within our service area."*
- **Fiduciary and Oversight Responsibilities:** (12 mentions)
 - *"To manage responsibly the assets of the Foundation."*
 - *"We must be diligent in seeing that our Foundation resources are used appropriately."*
 - *"Monitor financial and programmatic progress."*
- **Vision and Strategic Planning:** (6 mentions)
 - *"We must set priorities for utilizing our resources, define how we will carry out these priorities, and communicate with our communities to make sure that we are meeting needs specific to our communities."*
 - *"To set the appropriate priorities to fund, including the establishment of initiatives."*
- **Responsibilities over Staff:** (4 mentions)
 - *"Hire qualified staff and insure that they perform their duties competently and honestly."*
 - *"To hire the CEO, instruct her and staff as to our goals and to evaluate her."*
- **Grantmaking:** (3 mentions)
 - *"Find appropriate grantees."*
- **Policy:** (2 mentions)
 - *"Develop policy."*
- **Other:** (3 mentions)
 - *Learn about community needs; community and government relations*

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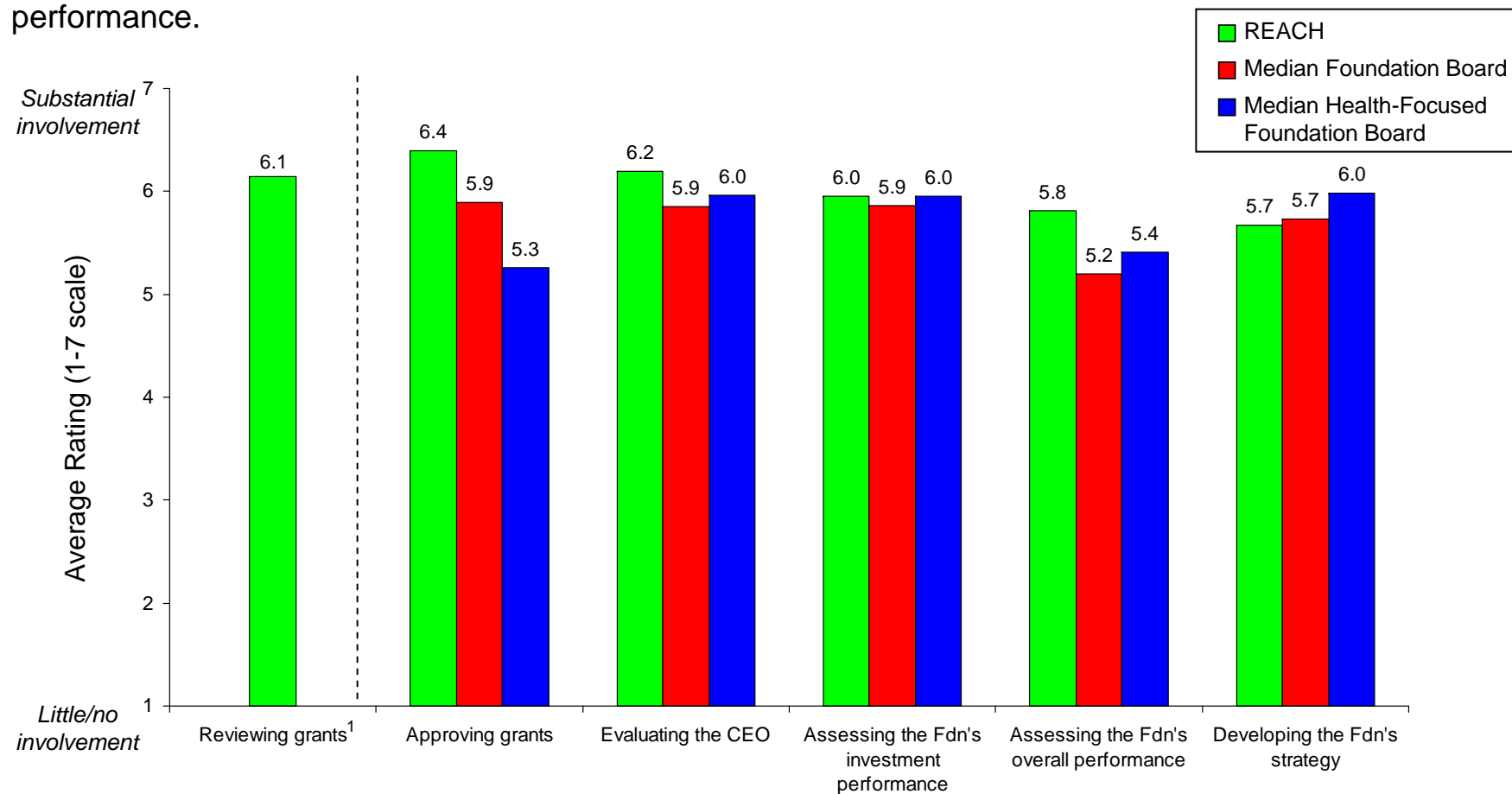
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Primary Activities of the Board (1)

REACH Directors perceive themselves to be more involved than board members of the median foundation in many activities including approving grants, evaluating the CEO and assessing the Foundation's overall performance.



% of REACH Directors that feel less involvement is ideal:

5% 0% 0% 5% 0% 0%

% of REACH Directors that feel more involvement is ideal:

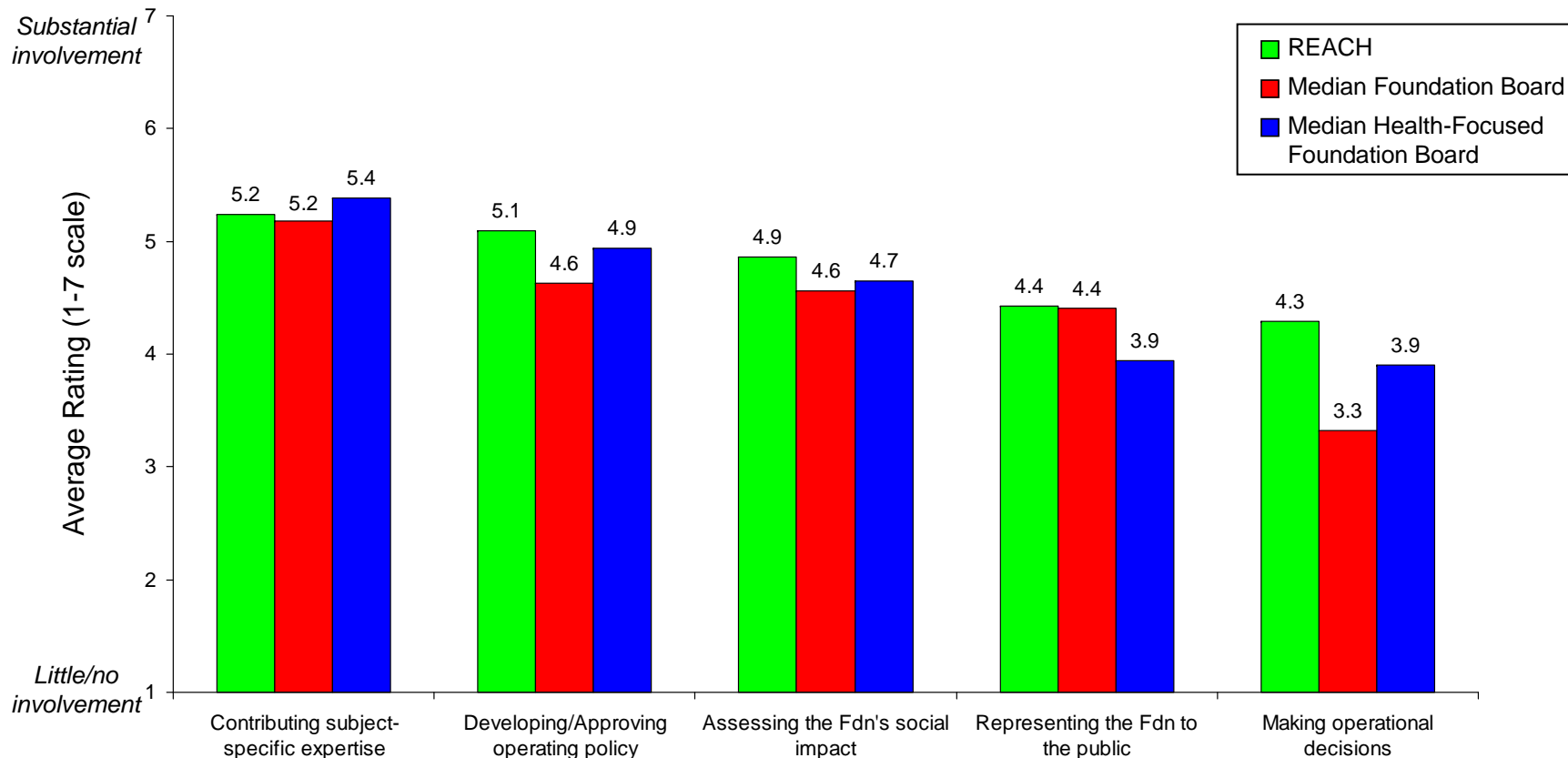
5% 20% 14% 5% **33%** **33%**

1: Comparative data not available as this questions asked only of REACH Directors.

Note: Twenty-one directors responded to this question.

Primary Activities of the Board (2)

Seventy-six percent of REACH Directors think the Board should be more involved in assessing the Foundation's social impact, and over half the Board thinks they should be more involved in representing the Foundation to the public.



% of REACH Directors that feel less involvement is ideal:

5%

5%

0%

5%

24%

% of REACH Directors that feel more involvement is ideal:

38%

5%

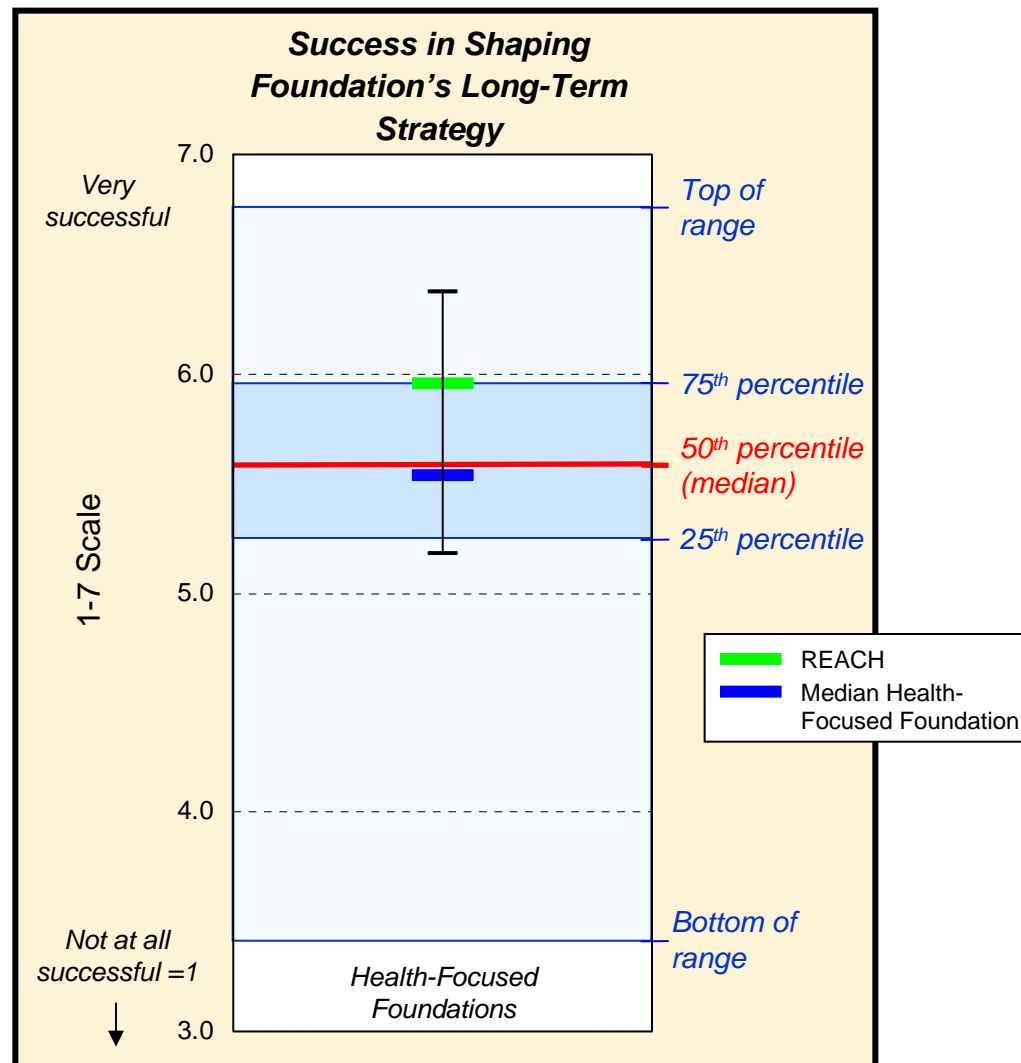
76%

52%

10%

Foundation Strategy (1)

REACH Directors rate their success in shaping the Foundation's long-term strategy above the rating of the median foundation.



Twenty-one directors responded to this question.

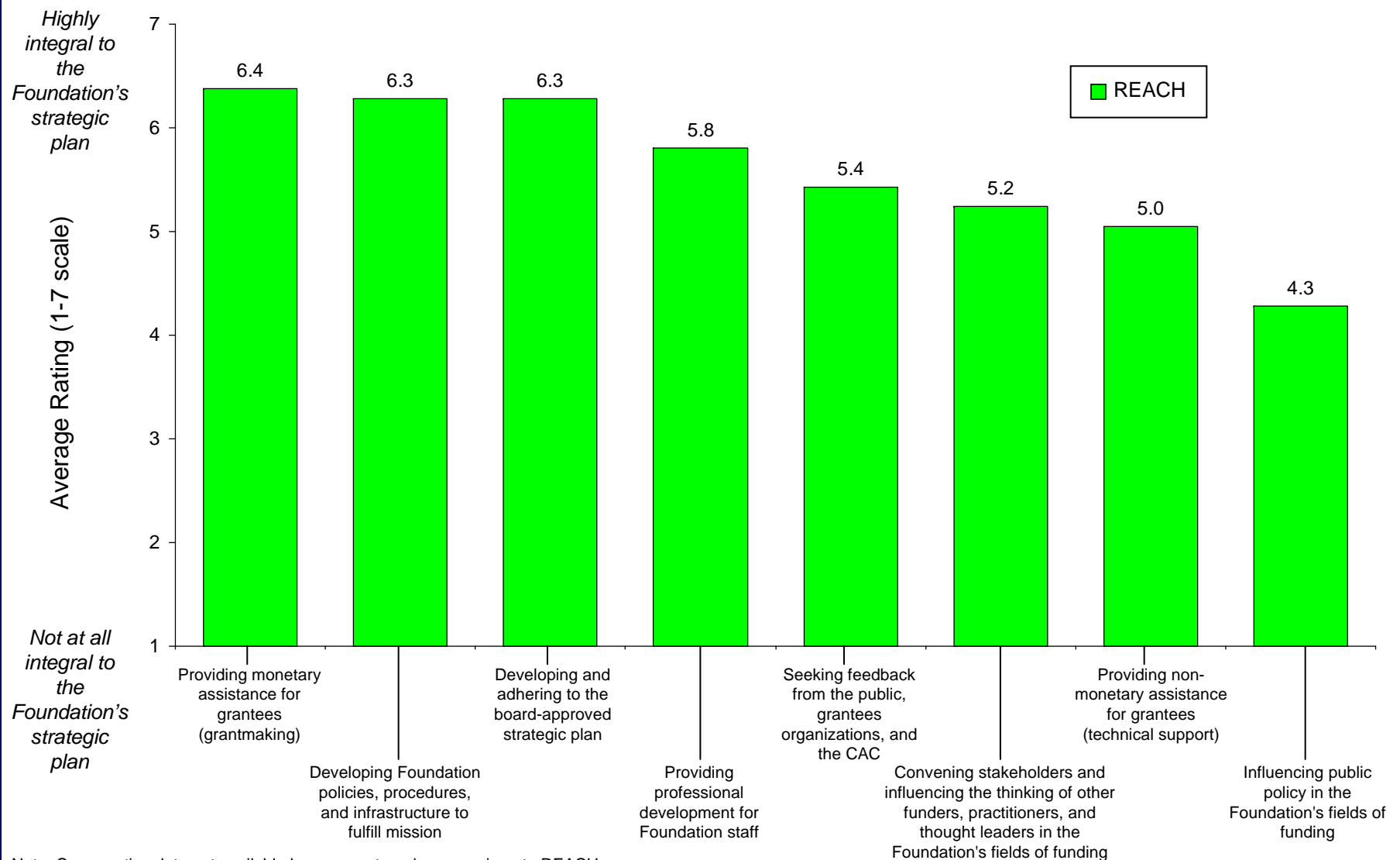
Foundation Strategy (2)

Directors were asked what changes would help to strengthen the process for developing foundation strategy. Six directors gave the following suggestions:

- ◆ **Information:** (3 mentions)
 - *“More information to the Board prior to strategies being chosen.”*
 - *“Present strategic options for discussion.”*
 - *“We will, with changing board members, need to have periodic retreats to ensure that everyone is knowledgeable about what we are trying to do and can have input into the modification of that process.”*
- ◆ **Long-term Planning:** (2 mentions)
 - *“Develop a strategic planning committee or task force to meet as needed to assist management in the development of the long range plan.”*
 - *“More focus on long term goals.”*
- ◆ **Other:** (1 mention)
 - *“A little more discussion.”*

Foundation Strategy (3)

Directors rate grantmaking, developing foundation policies, procedures and infrastructure, and developing and adhering to the strategic plan as the most important components of the Foundation's strategy.



Areas of Involvement

Highly integral to the Foundation's strategic plan

Not at all integral to the Foundation's strategic plan

Note: Comparative data not available because categories are unique to REACH. Twenty-one directors responded to this question.

Foundation Mission

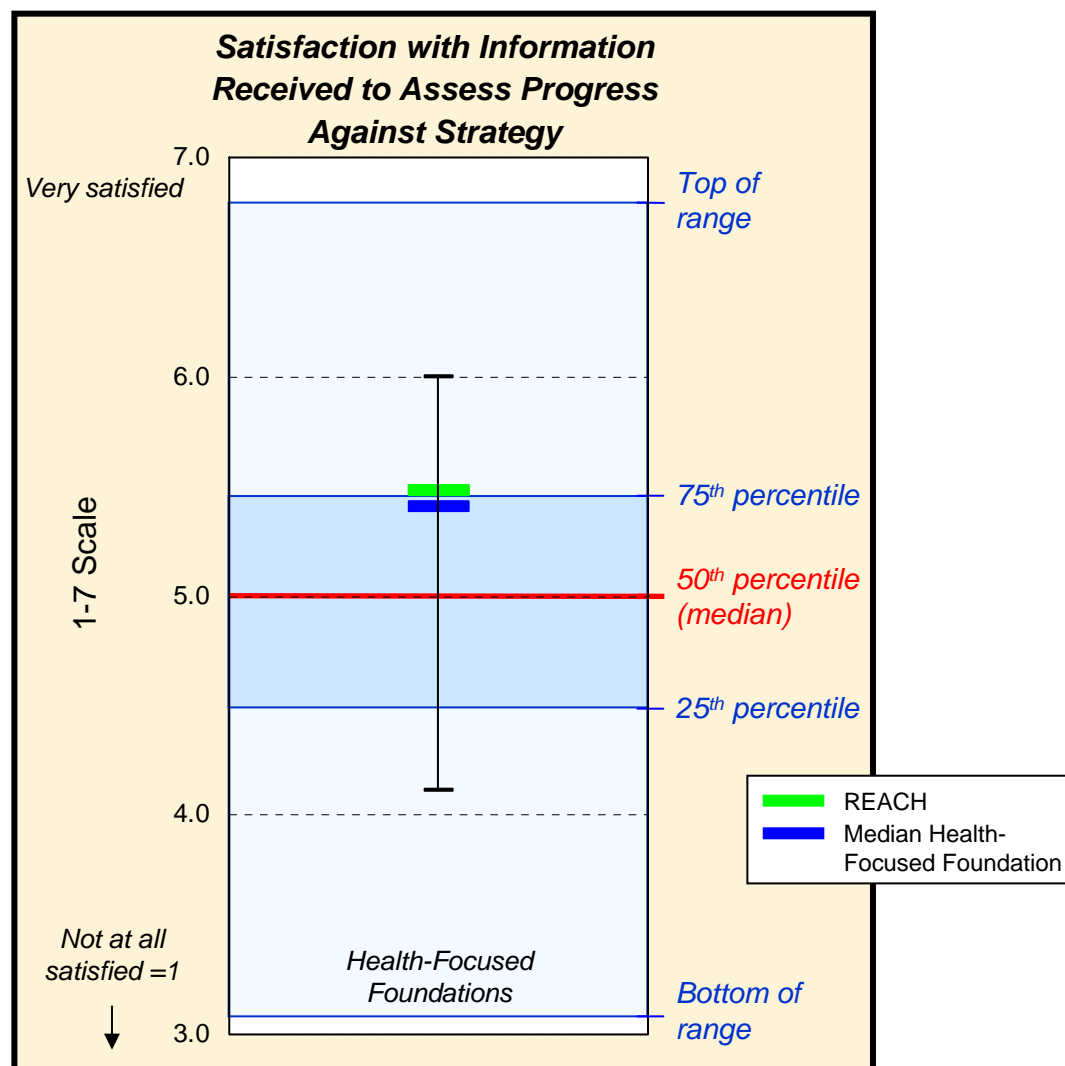
Board members were asked how the Foundation’s mission statement guides the work of the Board. Most directors spoke favorably of the mission’s role in broadly guiding the work of the Board and the Foundation.

REACH Foundation’s mission statement¹: *“Our mission is to inform and educate the public and facilitate access to healthcare for poor and underserved people.”*

- **Universal Guide:** (11 mentions)
 - *“I believe that in everything we undertake that mission statement guides us. It is what we use as a touchstone to decide what we should do as a board and as a Foundation.”*
 - *“This mission should guide the Board in all of our decisions.”*
 - *“[The mission] provides overarching structure for the Foundation [and] gives the Board a target.”*
 - *“It’s ever present as a guiding principle as we make decisions.”*
 - *“Primary guide in all aspects.”*
 - *“It should help us focus the work. It should be the backdrop, gut check and mirror that we use to evaluate the work of the Foundation.”*
- **Grantmaking:** (4 mentions)
 - *“We continue to refer to the mission statement as we evaluate the grant applications.”*
 - *“We follow this very closely and consider it often as we make grant decisions.”*
 - *“It determines priorities for grant funding and other support activities of the Foundation.”*
- **Relationship to Community:** (2 mentions)
 - *“With regards to facilitating access we are doing a great job and that has been the primary work of the Board. Informing and educating the public has been lacking but hopefully will increase over time.”*
 - *“We are always exploring how we can stimulate interest in our priorities to our communities so that we can be on the cutting edge of solving some of these issues.”*

Measurement of Progress

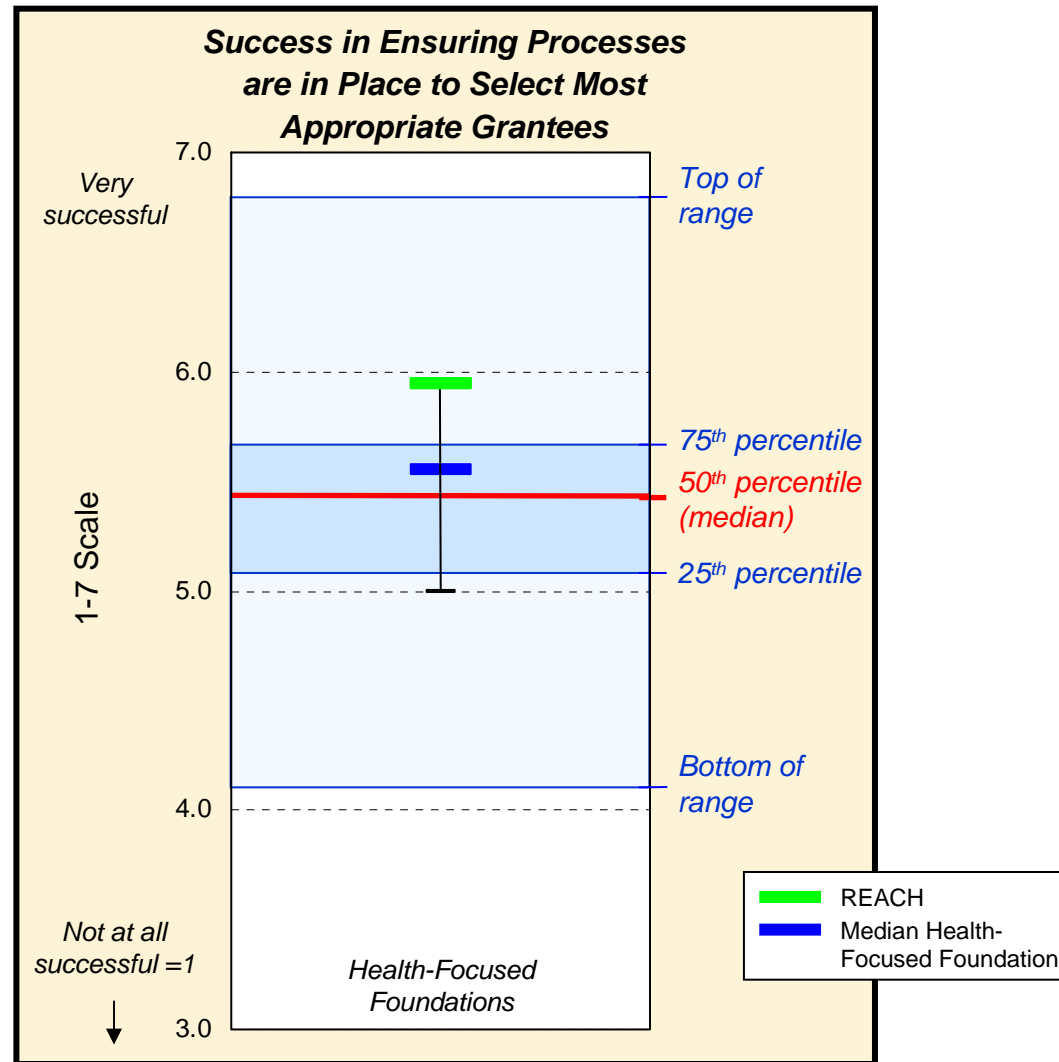
Directors are more satisfied with the information they receive to assess progress against the Foundation's strategy than most other boards in our sample.



Twenty-one directors responded to this question.

Grantee Selection

Directors perceive the Board to be more successful than other foundations in ensuring that processes are in place to select the most appropriate grantees.



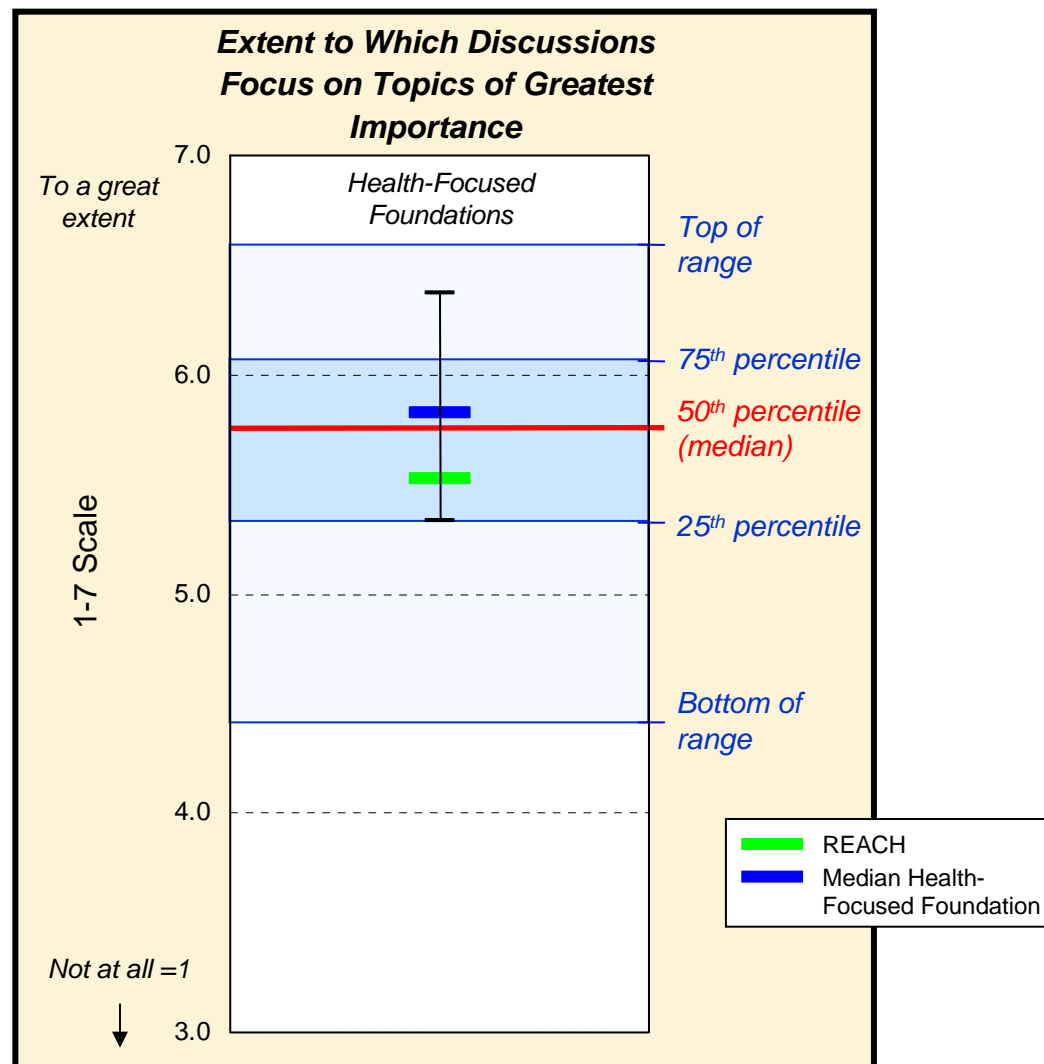
Nineteen directors responded to this question.

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Important Discussions (1)

REACH Directors rate the focus of discussions on topics of greatest importance below the ratings of board members of the median foundation.



Twenty-one directors responded to this question.

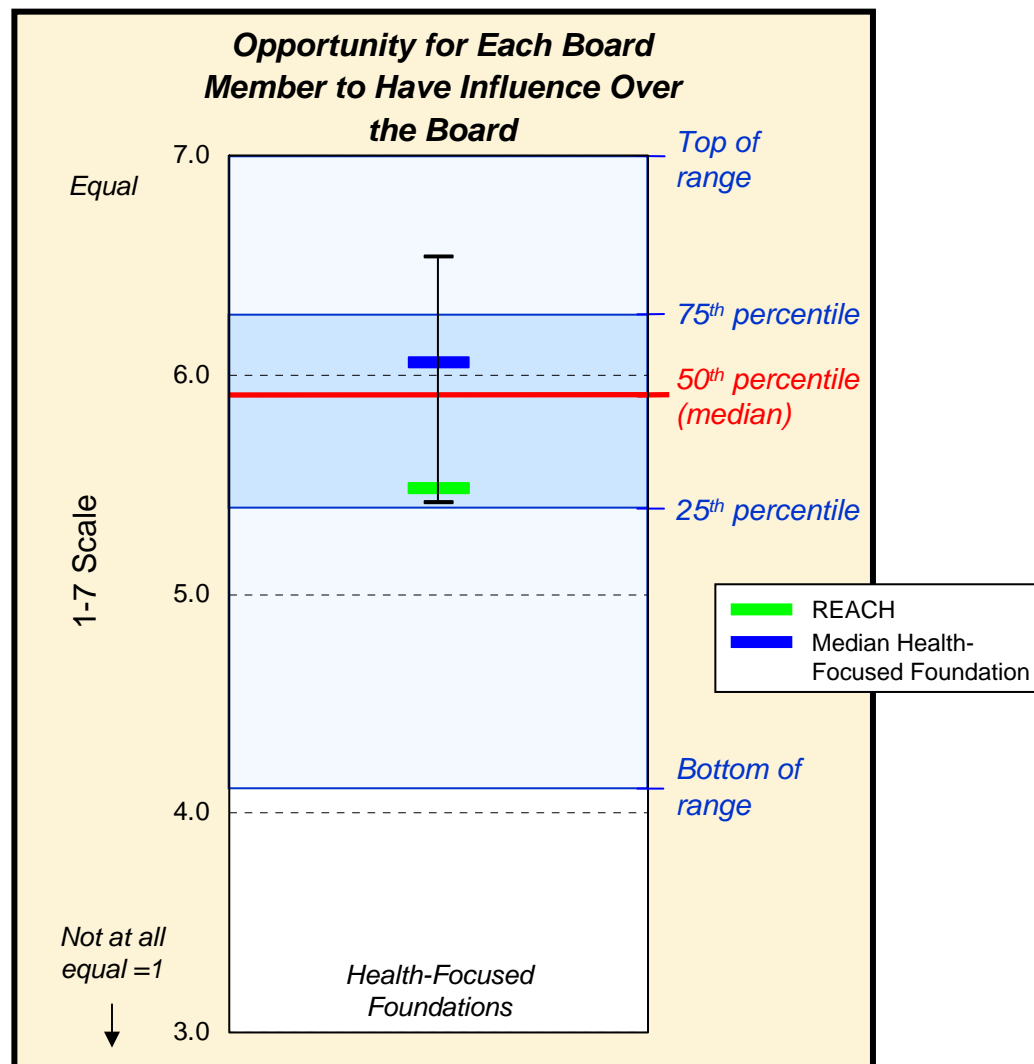
Important Discussions (2)

Directors were asked for suggestions on how to improve board meeting discussions. They most frequently mentioned areas concerning time management and ways to hear from other board members.

- **Time Management:** (5 mentions)
 - *“Eliminate the 'protocols' and allow more time for meaningful discussion.”*
 - *“Use [the] consent agenda more actively.”*
 - *“Maintain time limits.”*
 - *“A little more time [for discussions].”*
 - *“Shorter meetings.”*
- **Encouragement to Participate:** (4 mentions)
 - *“Give careful consideration to the views of others who have more experience and/or insight in a particular area while refraining from condescending remarks.”*
 - *“I think the smaller board we will have after May 1 will allow people to be more comfortable speaking than with the large board we had and have.”*
 - *“[Have] roundtable discussions that give opportunity for input to everyone.”*
 - *“More dialogue.”*
- **Meeting Space:** (3 mentions)
 - *“[The] board room and table [are] not conducive to good meetings and discussion.”*
 - *“I think that simply changing the way we are seated during meetings would help. It is often difficult to hear and/or see the person speaking.”*
 - *“[I suggest] a more desirable area for meetings. We cannot see each other and many times cannot hear each other.”*
- **Discussion Topics:** (2 mentions)
 - *“Focus on strategy and future programs. Discuss progress toward the goal and impediment to success.”*
 - *“There have been some topics that should be management decisions that the Board has micromanaged.”*

Group Dynamics (1)

REACH Directors rate the opportunity for each board member to have influence over the Board below the median foundation.

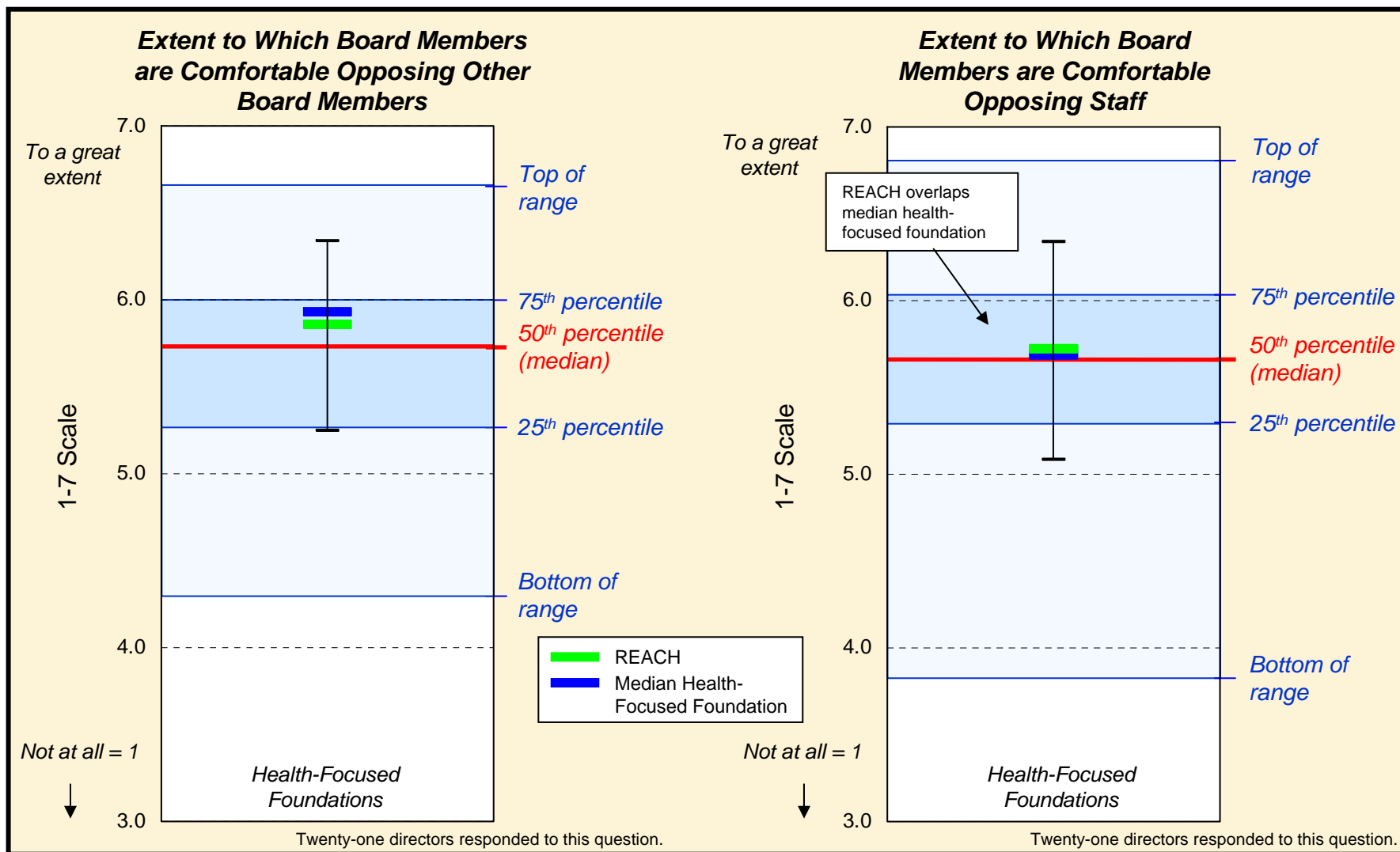


Twenty-one directors responded to this question.

Group Dynamics (2)

Directors are as comfortable as board members at the median foundation in opposing each other and opposing staff.

Group Dynamics



Group Dynamics (4)

Directors were asked to describe the Board's group dynamics/interaction style. Descriptions are generally positive though some board members indicate that dynamics have improved over time.

- **Generally Positive Perceptions:** (10 mentions)
 - *"It's a great Board, comprised of many different personalities and experiences making it a very balanced Board."*
 - *"I think the board functions well as a group with a healthy variety of opinions and ample opportunity for all opinions to be voiced."*
 - *"Very respectful of the abilities and integrity of other board members."*
 - *"Friendly, collaborative, and productive, despite fairly major political belief differences."*
 - *"Board members interact in a respectful manner."*
- **Dynamics Improve with Time:** (5 mentions)
 - *"This board interacts well at this point. It wasn't always so. The board is 'gelling' together and learning to rely on one another for expertise and recommendations. There is more trust now."*
 - *"On occasion cliques form but not as much now as before."*
 - *"Certain board members are the most outspoken and also have been on the Board since inception. So, it is natural that they tend to play a lead role in decisions."*
 - *"I think that with many of us being together for a number of years we feel comfortable speaking out and interacting with respect with each other. Obviously some members tend to speak up on every topic and some much less."*
- **Other:** (1 mention each)
 - *"[Dynamics] depend on what is being discussed. Faith based issues and illegal immigrants, with all the pertinent attachments, were primarily the source of heated discussion."*
 - *"Extremely diverse [board] creates interesting group dynamics."*
 - *"Most items are rushed a little too much to allow for much discussion."*
 - *"[Discussions are] cordial but lopsided."*

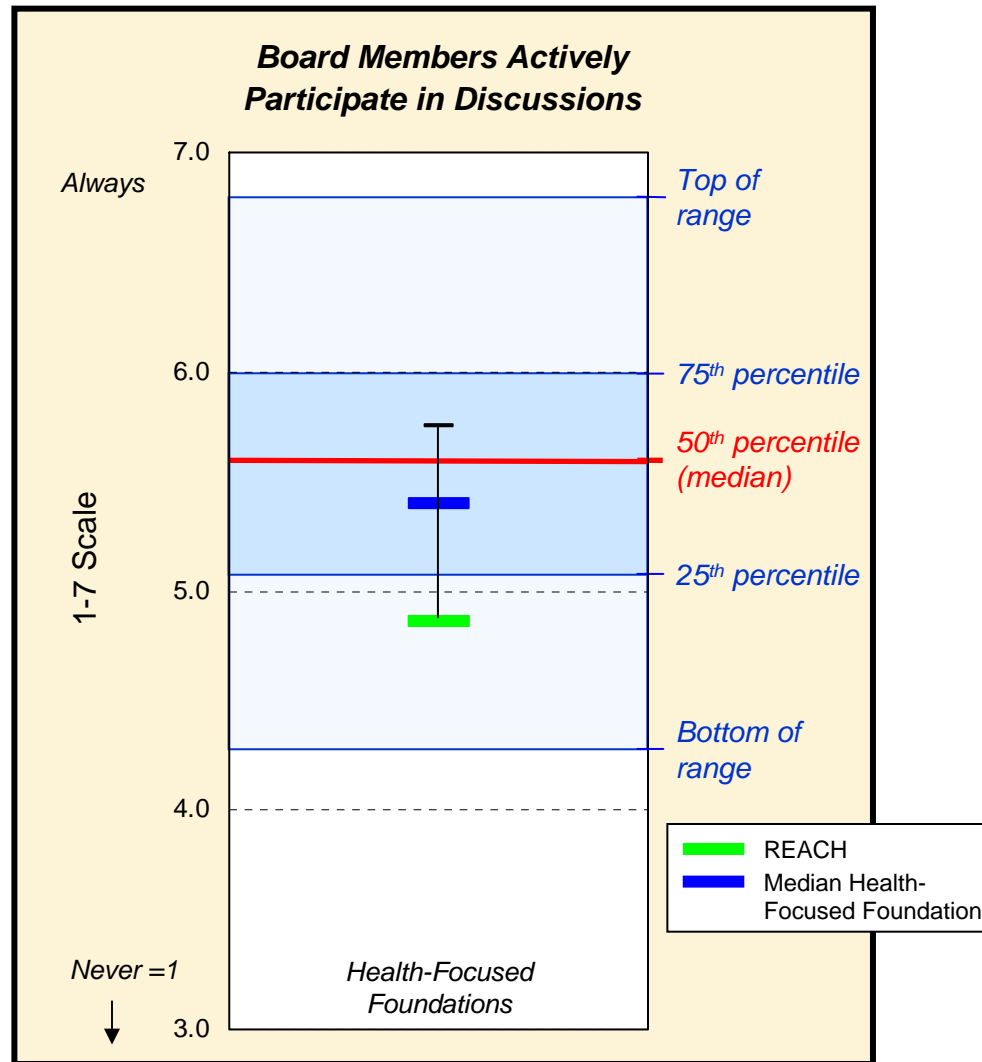
Group Dynamics (5)

Directors were also asked for suggestions about how to strengthen the relationship between the Board and the staff. Most directors did not have suggestions.

- **Decision-making:** (2 mentions)
 - *“Sometimes I feel like decisions about grantees have been made prior to the Board's input. Changing those decisions doesn't seem to happen often, if at all.”*
 - *“As the Foundation matures, hopefully more day-to-day operational decisions will be left to the CEO and management and not REACH the Board level.”*
- **Other:** (1 mention each)
 - *“Good strategic communication at board and committee meetings.”*
 - *“Increased awareness of staff relationship with potential grantees.”*

Participation

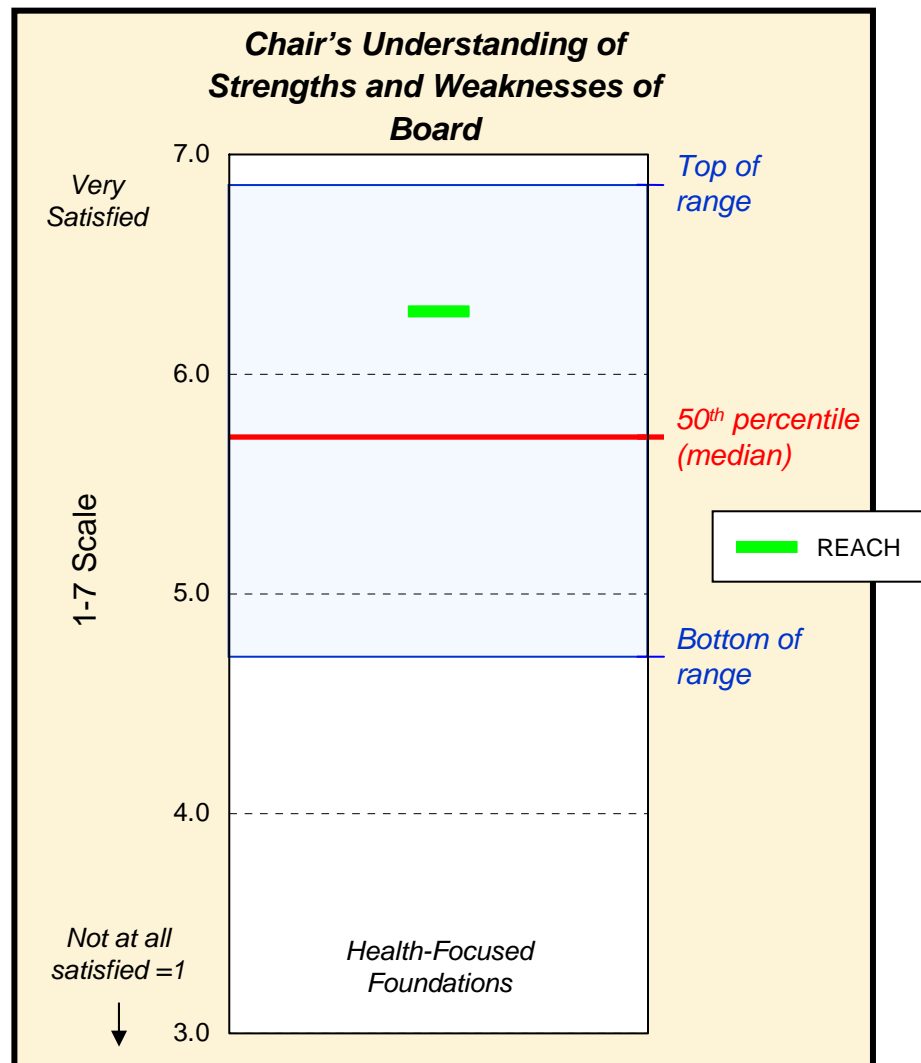
REACH Directors perceive themselves to be less active in discussions than the median foundation board member.



Twenty-one directors responded to this question.

Chair's Understanding of Board

REACH Directors are more satisfied with the Chair's understanding of the Board's strengths and weaknesses than the typical foundation board.



Note: Comparative data only available for nine foundations. As such, only the median foundation and the range of ratings is shown.

Twenty-one directors responded to this question.

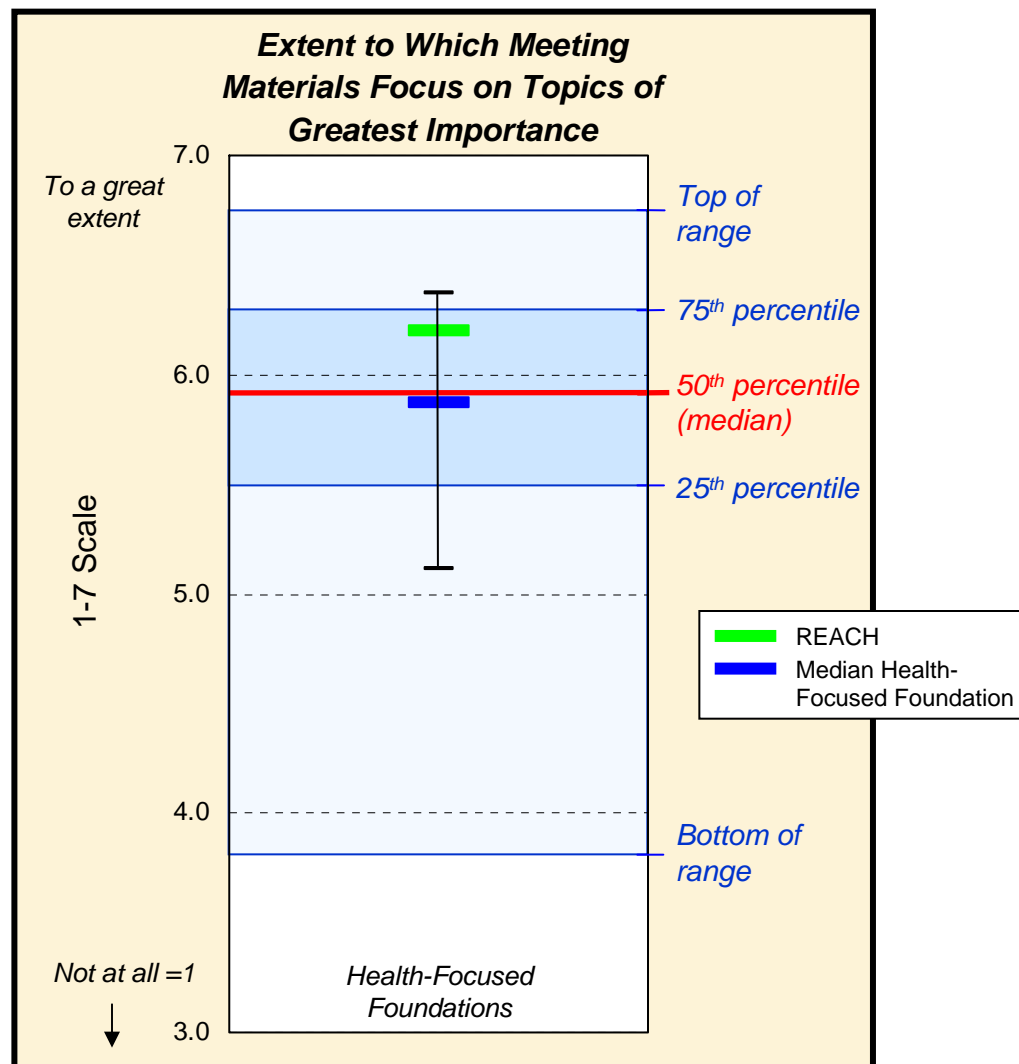
Role of the Chair (2)

Directors were asked about the most important skills for the Board Chair to have at this particular time in the Foundation's history:

- **Strategic and Visionary Leadership:** (8 mentions)
 - *"Vision and leadership. Someone that is willing to push for programs that meet the community's needs."*
 - *"He needs to have original ideas regarding areas in which the Foundation needs to focus efforts and lead the group to go into these areas."*
 - *"Vision [and] broad appreciation of the needs of the communities we serve."*
 - *"Global perspective."*
- **Meeting Management:** (7 mentions)
 - *"He must be patient, articulate, a good mediator, able to adequately summarize what has been said, and have a good understanding of the issues being presented. He must come well-prepared."*
 - *"Ability to facilitate discussion and focus on priorities."*
 - *"Focus, evaluate [and] keep meetings moving at an appropriate rate."*
 - *"[The Chair should be a] consensus builder."*
- **Broad Leadership Skills:** (5 mentions)
 - *"Leadership and integrity."*
 - *"Willingness to make changes when needed."*
 - *"Energy and capacity for hard work."*
- **Liaison to Staff:** (3 mentions)
 - *"Be the point of contact between board and staff."*
- **Understanding of Board Members:** (2 mentions)
 - *"[Have a] sense of [the] board's leanings and concerns."*
- **Representing the Foundation to the Public:** (2 mentions)
 - *"He/she needs to be known to the community and needs to be a leader."*

Meeting Materials (1)

REACH Directors rate their meeting materials above the median foundation board in focus on topics of greatest importance to the Board.

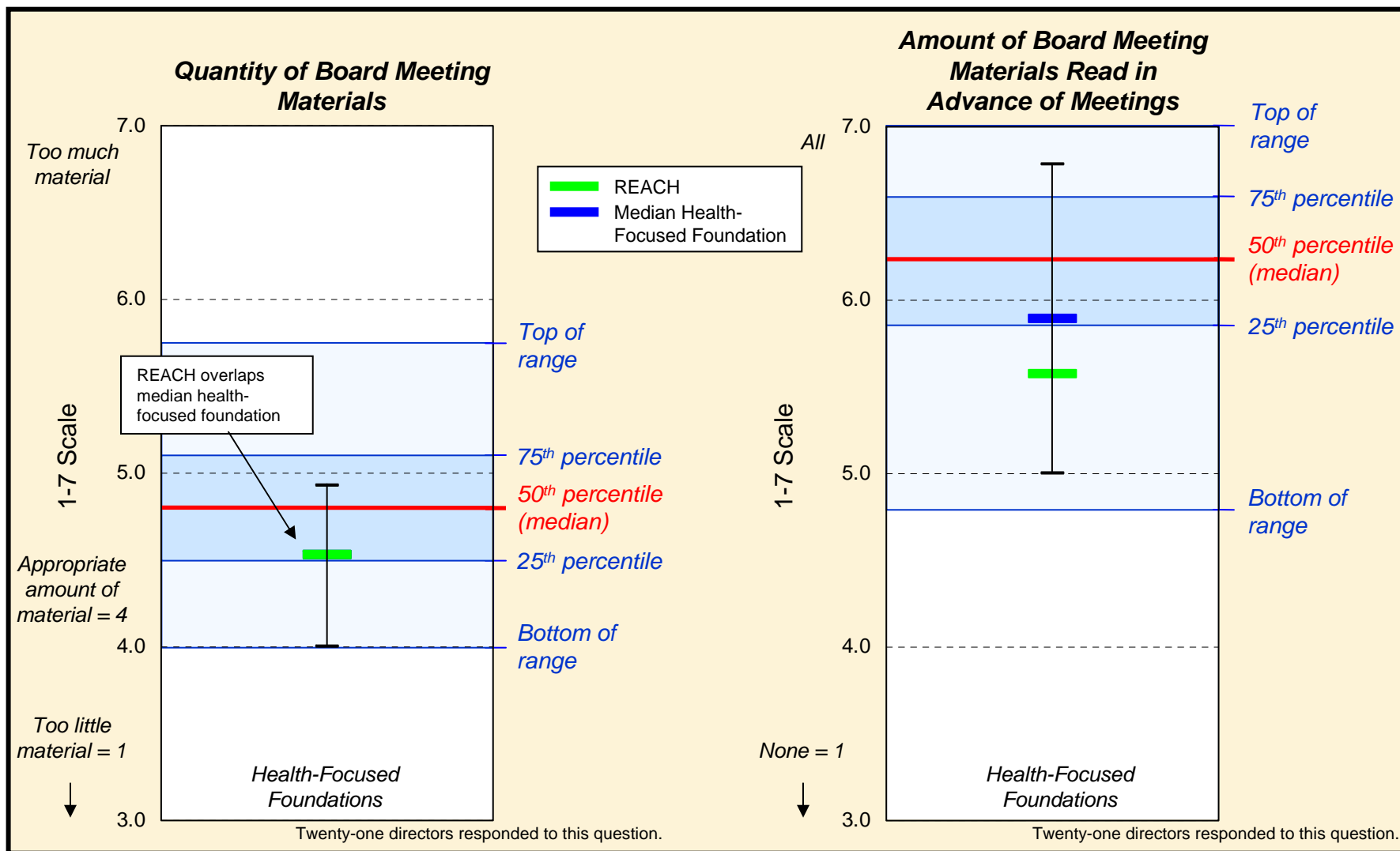


Twenty directors responded to this question.

Meeting Materials (2)

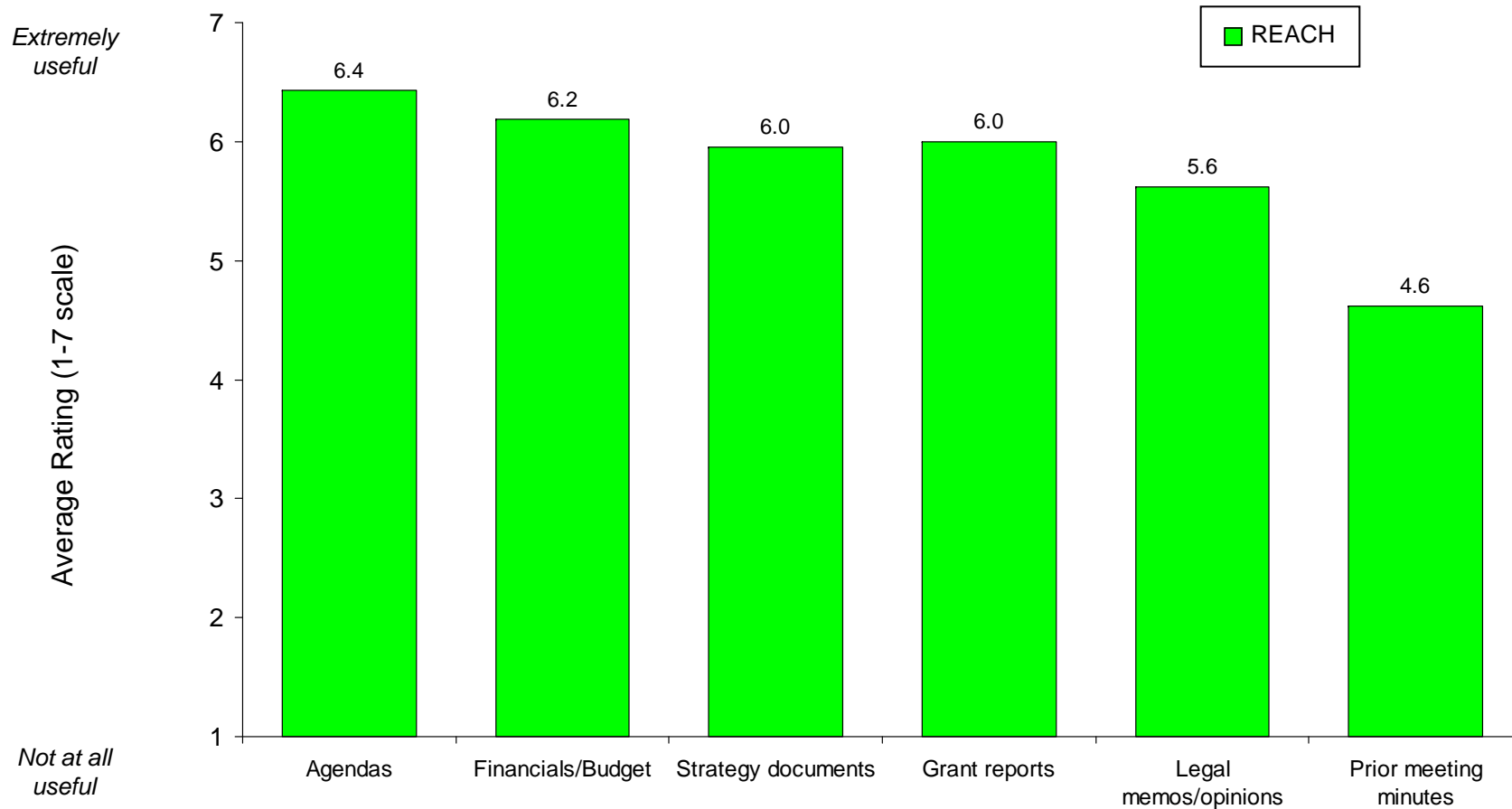
Directors perceive themselves to receive fewer board meeting materials than typical. They also report reading less in advance of meetings relative to all foundations in the comparative set.

Group Dynamics



Meeting Materials (3)

Directors view agendas as the most useful materials in supporting meeting discussions. Prior meeting minutes are viewed as the least helpful.

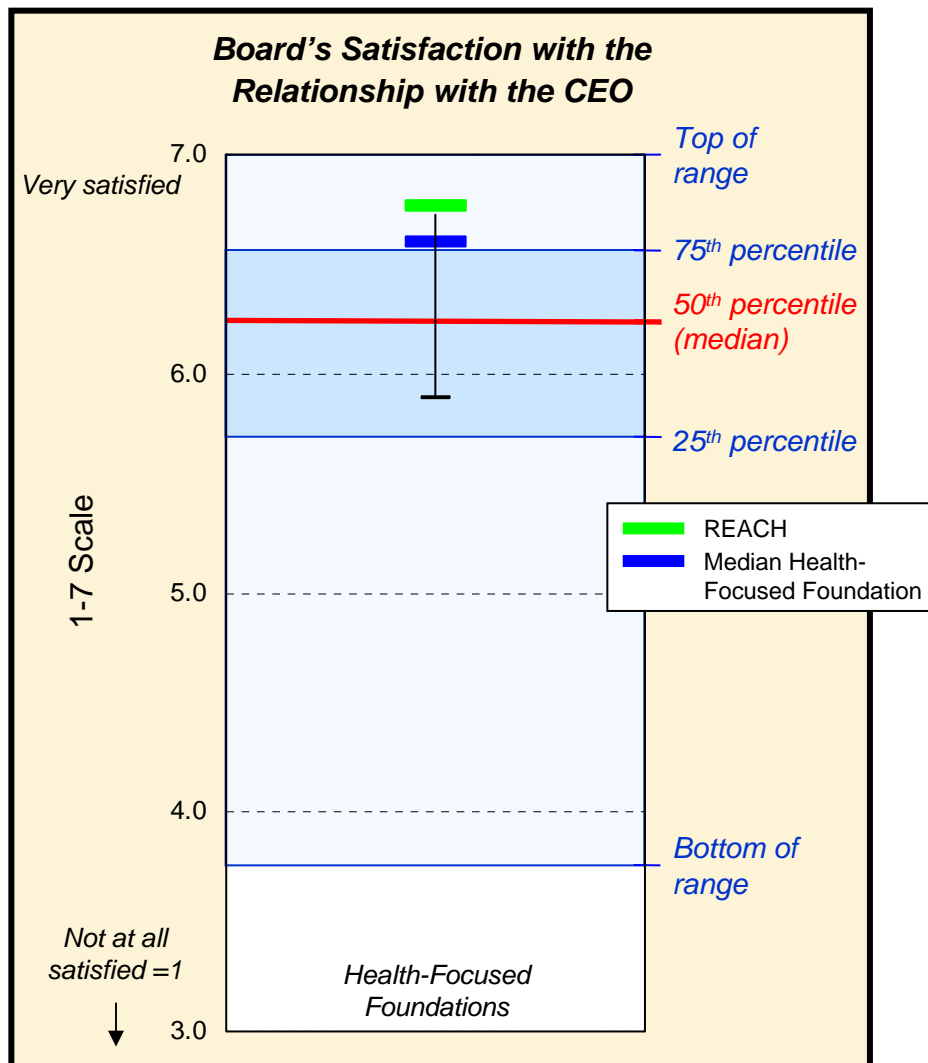


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Relationship with CEO (1)

REACH Directors are much more satisfied with their relationship with the CEO compared to the median foundation.



Twenty-one directors responded to this question.

Board members make very positive comments about their relationship with the CEO.

- “Lots of admiration for her leadership and expertise.”
- “She is very diligent in communicating with the board, keeping us well informed of all that is happening. She is a good listener and very proactive in carrying out the desires of the Board. Yet, she is not afraid to challenge us to achieve the next level of performance.”
- “I have such a deep appreciation of her knowledge and leadership and feel very fortunate to have her working for REACH.”
- “She is competent and does a good job of communication.”
- “We respect her, appreciate her guidance, and also give her input.”

Relationship with CEO (2)

Directors were asked what the CEO could do to help make the Board more effective. Most directors did not have any suggestions.

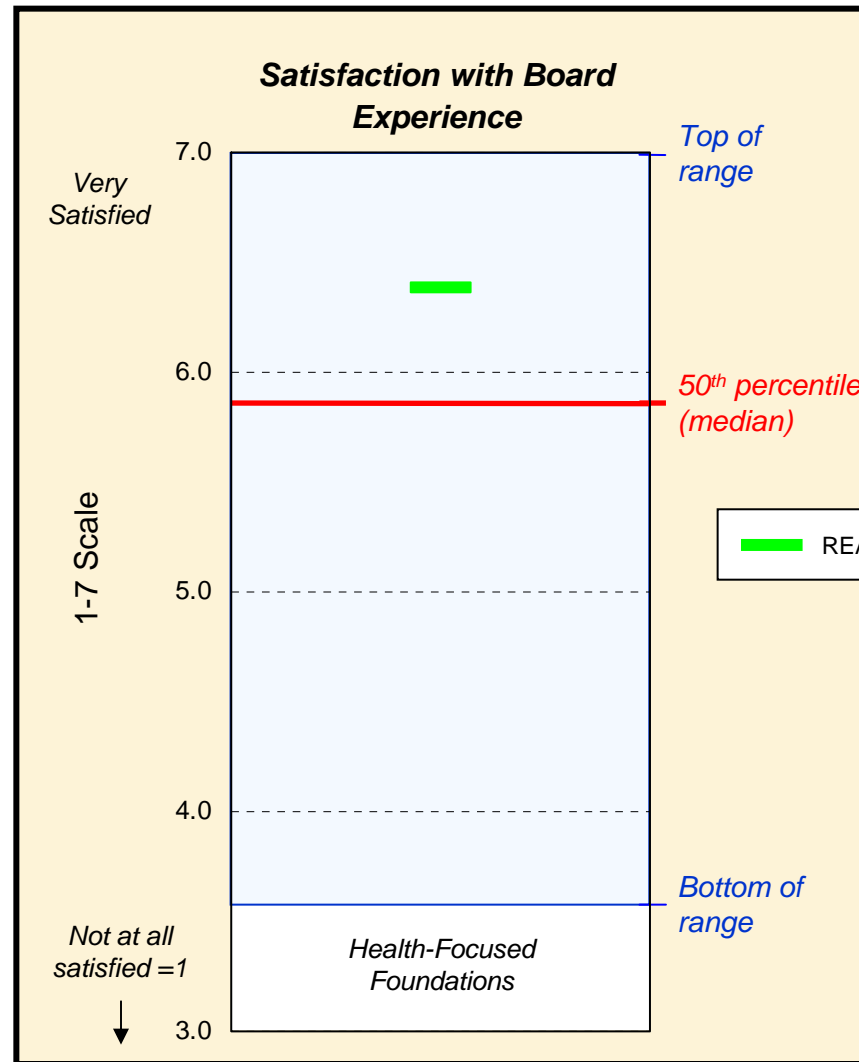
- **Communication:** (3 mentions)
 - *“More communication. Help us embrace the larger vision.”*
 - *“Perhaps [have] periodic one-on-one sessions with board members to obtain feedback.”*
 - *“Be a little more interactive.”*
- **Other:** (1 mention)
 - *“Initiate and support cohesive productive working relationships.”*

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Satisfaction With Board Experience

REACH Directors are more satisfied with the utilization of their skills than board members at the median foundation.

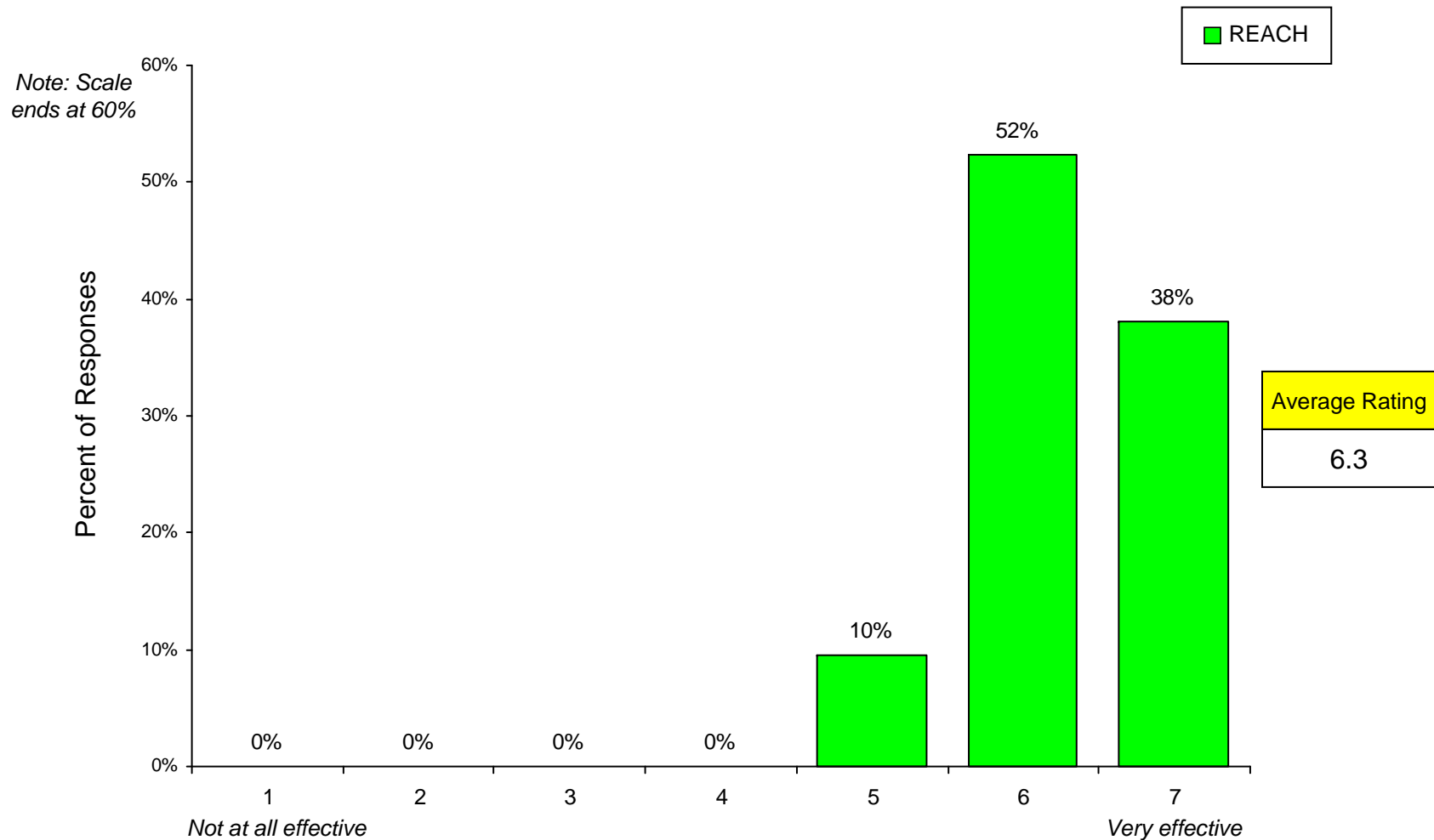


Note: Comparative data only available for nine foundations. As such, only the median foundation and the range of ratings is shown.

Twenty-one directors responded to this question.

Overall Foundation Effectiveness

REACH Directors rate the overall effectiveness of the Foundation a 6.3 on average, where a rating of 1 = not at all effective, and a rating of 7 = very effective.



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Areas for Discussion (1)

Positive Ratings on Many Dimensions: (pages 8, 18, 40, 46, 49)

- REACH Directors rate the effectiveness of the Board more positively than at the median foundation. Board members also perceive themselves to be more satisfied than the typical board member of the median foundation with their experience serving on the Board. Board members are also more satisfied than typical with the use of their individual capabilities by the Foundation.
- REACH Directors give high ratings for their relationship with the CEO – above the 75th percentile among foundations in the comparative set. They describe the relationship with the CEO very positively in open-ended comments. They also rate the Chair of the Board above typical for his understanding of their strengths and weaknesses.

Areas for Discussion (2)

Engagement in Strategy: (pages 9, 13-15, 26, 30)

- Board members rate their success in shaping the Foundation's strategy above the median foundation, and are also more satisfied with the information they receive to assess progress against strategy. However, some board members feel that greater engagement around strategy would help to make the board more effective.
- REACH Directors rate their understanding of the Foundation's strategy for achieving social impact and understanding of the populations served by their grantees the lowest among seven areas of board capabilities. At the same time, more REACH board members indicate having expertise in strategic analysis relative to other common skill sets for boards.
- Board members most frequently highlight specific medical/health knowledge and community knowledge as the skills most lacking from the board.
 - *How can the Board best continue to engage in strategic planning and utilize the expertise of board members in this process?*
 - *Can the Board find a way to involve individuals with the skills sets that are most lacking in conversations of strategy?*
 - » This could be accomplished by specifically recruiting individuals with these skills for the board, or by identifying members in the community with these areas of expertise and engaging them in conversations related to strategy.

Areas for Discussion (3)

Areas of Board Involvement: (pages 24-25, 41)

- Over seventy-five percent of REACH Directors desire the Board to be more involved in assessing the Foundation's social impact.
- Fifty-two percent of directors want the Board to be more involved in representing the Foundation to the public. Two trustees specifically comment that the Chair should be more public.
- REACH Directors indicate that they are more involved than the typical foundation board in several areas: grantmaking, evaluating the CEO, assessing the Foundation's overall performance, developing/approving operating policy, and making operational decisions.
 - *How can the Board be more involved in assessing social impact and representing the Foundation to the public?*
 - *Are there tasks, specifically around operations and/or grantmaking, that can be delegated to the CEO and other staff, especially as the Foundation emerges out of its inception phase?*

Areas for Discussion (4)

Improvement in Discussions: (pages 33-34, 39, 42-43)

- REACH Directors rate the focus of discussions on topics of greatest importance below the median foundation. When asked for ways to improve discussions, suggestions were more focused on structural changes as opposed to changes in meeting content. Directors suggested ways to improve time management during meetings, and encouraged greater participation by all board members. Several directors also suggested changes to the meeting space to make it more conducive to conversation.
- Directors rate their participation in meeting discussions below typical.
- Directors rate the focus of meeting materials on topics of greatest importance above the median foundation. They perceive the quantity of meeting materials they receive to be more appropriate than at the median foundation, but they indicate reading less material in advance of meetings.
 - *How can the meeting space and/or agenda be better organized to facilitate participation?*
 - *Are there ways that the CEO and/or Chair can further encourage participation from board members?*
 - » *Are there ways for other board members to also encourage participation from each other?*
 - *Are meeting materials being fully utilized in guiding discussions?*

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Board Structural Characteristics (1)

Measure		REACH	All Foundations		Health-Focused Foundations	
			Median	Range	Median	Range
Number of Board Members ¹		24	11	5-29	14	9-24
Number of Meetings Annually ¹		7	4	2-12	5	5-10
Length of Meetings (hours) ¹		3	4	2-20	3.5	2-8
Average percent of board meetings attended by trustees ²		65%	94%	65%-100%	85%	65%-95%
Median hours spent annually by trustees outside of board meetings ³		45	45	12-230	42.5	20-80
All/Some board members compensated		no	43%		50%	
Interactions with grantees	Average percent of trustees interacting with grantees in the last year ³	100%	90%	38%-100%	89%	69%=100%
	Average percent of trustees who participated in a site visit last year ³	25%	62%	0%-100%	25%	0%-79%

1: Data from CEO surveys.

2: Average percent of directors attending board meeting is calculated from the number of board meetings directors self-reported attending in the most recent year and the average number of board meetings the CEO reported occur in a year. Excludes board members who have been on the Board for less than 1 year.

3: Directors spending over 650 hours each year outside of meetings are excluded from these calculations. Excludes board members who have been on the Board for less than 1 year.

Board Structural Characteristics (2)

Measure		REACH	All Foundations		Health-Focused Foundations	
Executive Sessions	% of Boards that meet in executive sessions	yes	97%		100%	
	% of CEOs present during executive sessions ¹	yes	56%		75%	
Terms in office	% of Boards with standard terms of office for board members	yes	95%		100%	
	% of Boards in which terms apply to all members ²	yes	88%		100%	
	Length of term (years)	3	Median	Range	Median	Range
			3	1-20	3	1-5
	% of Boards with limits to the number of terms a board member can serve	yes	72%		88%	
	% of Boards where limits are always enforced ³	yes	80%		71%	
Written documents	Conflict of interest policy	yes	98%		100%	
	Diversity policy	yes	28%		25%	
	Formal job description	yes	52%		63%	
	Criteria for selection of new members	yes	52%		88%	

1: Excludes boards with no Executive Sessions.

2: Excludes boards with no standard terms of office.

3: Excludes boards with no term limits.

4: REACH CEO indicates being present during executive sessions at the end of board meetings but not during the executive sessions that take place at the beginning of most meetings.

Note: All data on this table from CEO surveys.

Committee Structure (1)

Many of the Foundation's committees are similar to those present on other foundation boards.

REACH Committees	Proportion of All Foundations with this Committee	Proportion of Health-Focused Foundations with this Committee
Executive Committee	51%	50%
Finance Committee	63%	63%
Grants Committee	41%	38%
Investment Committee ¹	88%	100%

Median number of committees:

All foundations: 5

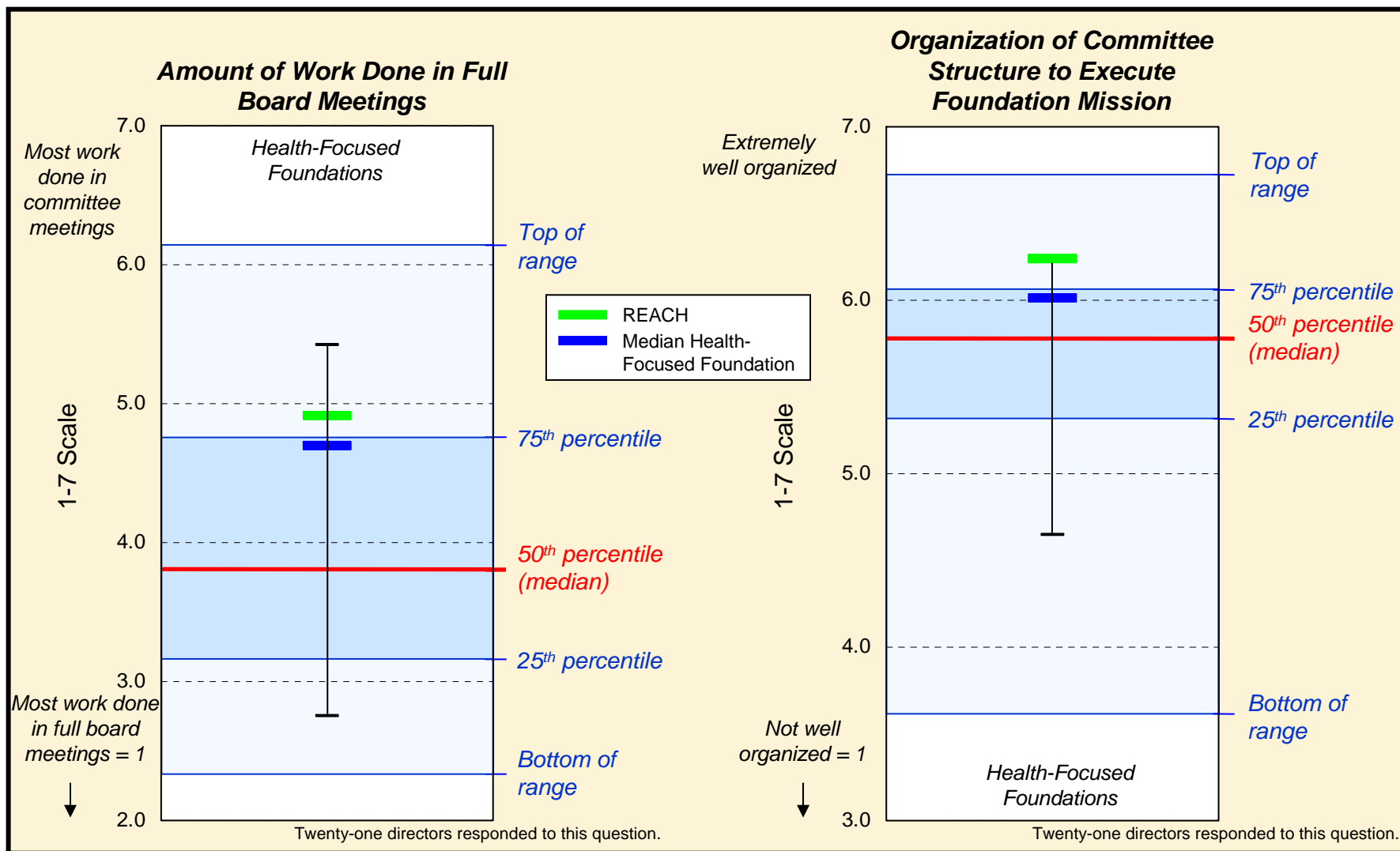
Health-Focused Foundations: 5

¹: Finance and Investment are not separate committees at REACH
Note: Data from CEO surveys. 2% of all foundations have no committees.

Committee Structure (2)

REACH Directors report a larger proportion of work done in committees. Directors rate the Board's committee structure to be more well organized than typical in order to execute the Foundation's mission.

Board and Committee Structure



Committee Structure (3)

The Committee Success Summary Rating describes directors' perceptions of the success of the Foundation's various committees. A score of 7 = very positive and a score of 1 = very negative. Ratings for each measure in the summary are shown for each committee on the following pages.

- ◆ *The Foundation's finance committee received the highest summary rating.*

Committee Name	Committee Success Summary Rating
Finance Committee	6.7
Grants Committee	6.1
Executive Committee	6.1

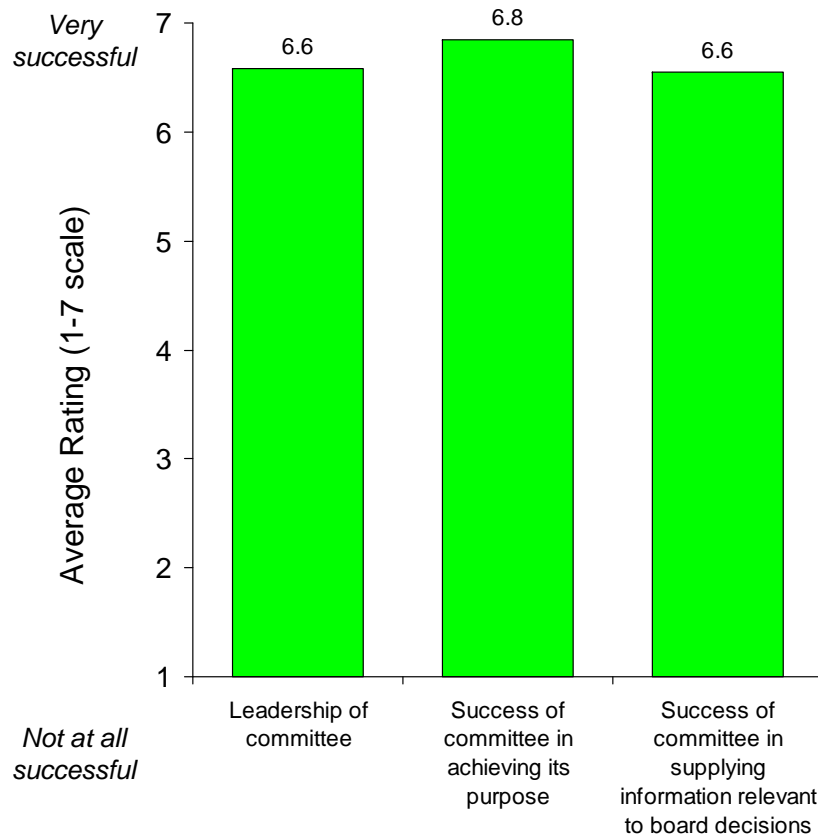
This composite measure includes:

- *Effectiveness of committee leadership*
- *Success of committee in achieving its purpose*
- *Success of committee in supplying information relevant to board decisions*

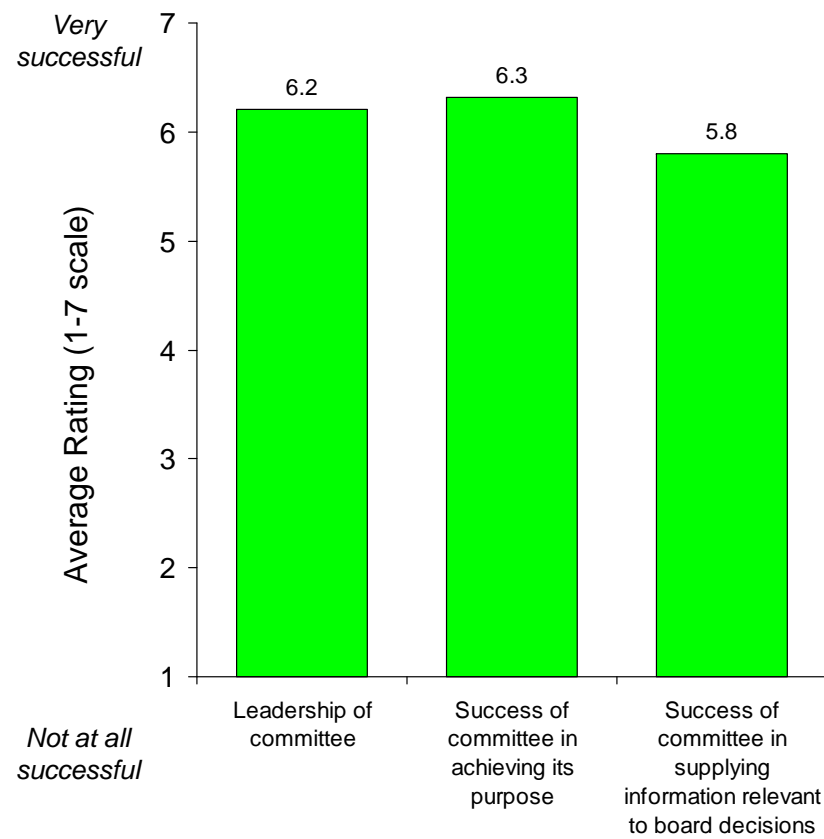
Note: Specific questions were only asked of the above committees. Summary created by averaging ratings of effectiveness of committee leadership, the success of the committee in achieving its purpose and success in supplying information relevant to board decisions.

Committee Structure (4)

Finance Committee



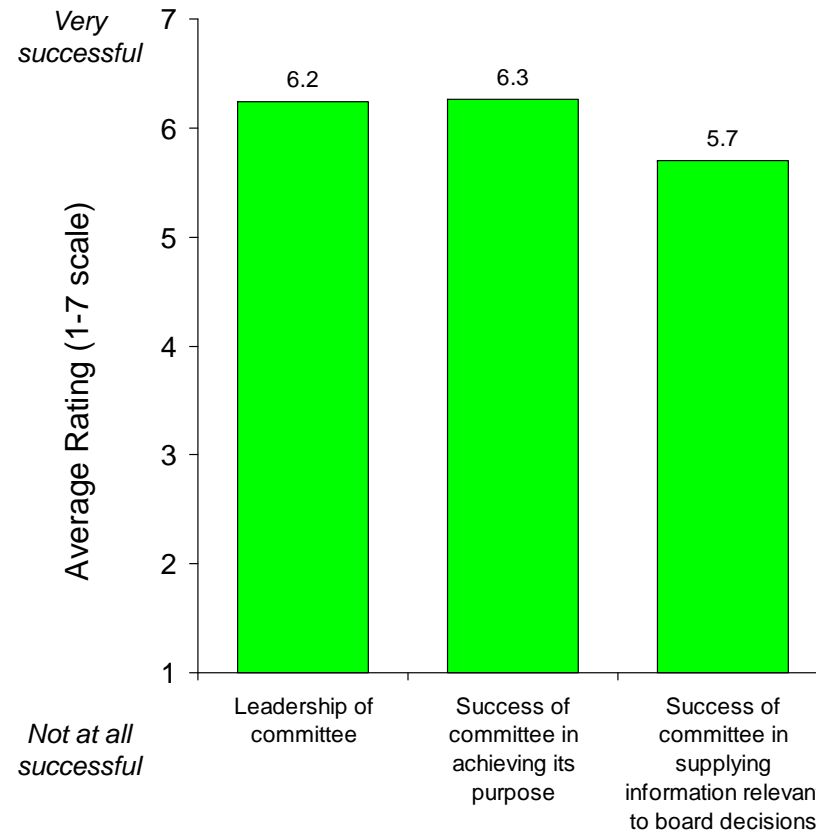
Grants Committee



Note: No comparative data available because categories are unique to REACH. Twenty directors rated the finance committee and the grants committees.

Committee Structure (5)

Executive Committee



Note: No comparative data available because categories are unique to REACH. Twenty directors rated the executive committee.

Committee Structure (6)

Committee Meeting Materials

Finance Committee	Meeting Material Rating
Agendas	6.5
Monthly financial statements	6.4
Quarterly investment performance reports	6.5
Budget documents	6.6

Grants Committee	Meeting Material Rating
Agendas	6.3
Grant applications	6.8
Funding recommendation summary	6.8
Grantee report summary	6.8

Executive Committee	Meeting Material Rating
Agendas	6.3
Monthly financial statements	6.1
Quarterly investment performance reports	5.6
Funding recommendation summary	5.7
Legal memos/opinions	6.7

Note: No comparative data available because categories are unique to REACH. Eight directors rated the finance committee meeting materials. Twelve directors rated the grants committee meeting materials. Seven directors rated the executive committee meeting materials.

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Background on the CBR

- ◆ The Comparative Board Report (CBR) was created as a part of The Center for Effective Philanthropy's Foundation Governance Project. The Project is a three-phase study focused on identifying and documenting practices and characteristics of effective foundation boards.
- ◆ **Phase I:** CEP launched the Project in fall 2003 with a survey of the CEOs of the 250 largest U.S. grantmaking foundations. The findings were published in *Foundation Governance: The CEO Viewpoint* in Winter 2004.
- ◆ **Phase II:** The second phase was launched in fall 2004 with a survey of 600 trustees of more than 50 foundations. The findings were published in *Beyond Compliance: The Trustee Viewpoint on Effective Foundation Governance* in the fall of 2005.
- ◆ **Phase III:** The third phase of the Project will involve thematic analysis of interviews of 25 trustees and 20 CEOs serving at foundations that were part of the second phase of the Project. Phase III results will be the basis of a forthcoming report.
- ◆ Free copies of the Phase I and Phase II reports are available for download from CEP's website at: www.effectivephilanthropy.org.

Foundation Participants

Results of the trustee survey for 60 foundations are included in the Comparative Board Report. This is the group against which the REACH Healthcare Foundation Board is compared throughout this report. Asset sizes of these foundations range from \$55M to \$8B.

- The Altman Foundation
- Blandin Foundation
- California HealthCare Foundation
- China Medical Board of New York
- Charles Stewart Mott Foundation
- The Christensen Fund
- The Claude Worthington Benedum Foundation
- The Colorado Trust
- The Community Foundation for Greater Atlanta
- Community Foundation for Greater Buffalo
- The Community Foundation of New Jersey
- Conrad N. Hilton Foundation
- The David and Lucile Packard Foundation
- The Duke Endowment
- East Bay Community Foundation
- Endowment for Health
- Flinn Foundation
- The Ford Family Foundation
- The Francis Families Foundation
- Grand Rapids Community Foundation
- Greater Cincinnati Foundation
- Harold K.L. Castle Foundation
- Health Foundation of Greater Cincinnati
- Houston Endowment
- Hyams Foundation
- The James Irvine Foundation
- Jessie Smith Noyes Foundation
- John R. Oishei Foundation
- John S. and James L. Knight Foundation
- John Templeton Foundation
- Kalamazoo Community Foundation
- The Kresge Foundation
- Lloyd A. Fry Foundation
- Lumina Foundation for Education
- Maine Community Foundation
- Maine Health Access Foundation
- Marguerite Casey Foundation
- Marin Community Foundation
- The Minneapolis Foundation
- New Hampshire Charitable Foundation
- Ontario Trillium Foundation
- Peninsula Community Foundation
- Polk Bros. Foundation
- Raskob Foundation of Catholic Activities, Inc.
- Rasmuson Foundation
- REACH Healthcare Foundation
- Richard M. Fairbanks Foundation
- The Robert Wood Johnson Foundation
- Rockefeller Brothers Fund
- The Rockefeller Foundation
- The San Diego Foundation
- The San Francisco Foundation
- Stark Community Foundation
- Surdna Foundation
- Theodore and Vivian Johnson Scholarship Foundation
- Virginia G. Piper Charitable Trust
- The Wallace Foundation
- Woods Fund of Chicago
- W.K. Kellogg Foundation
- Z. Smith Reynolds Foundation

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About the Center for Effective Philanthropy (CEP)

Mission

To provide management and governance tools to define, assess, and improve foundation performance.

Vision

A world in which pressing social needs are more effectively addressed. We believe improved performance of foundations can have a profoundly positive impact on non-profit organizations and the people and communities they serve.

CEP Funders

CEP is funded through a combination of foundation grants and revenue earned from management tools and seminars. Funders providing support for CEP's work include:

Bill & Melinda Gates
Foundation



Charles Stewart Mott Foundation

The David and Lucile Packard
Foundation



KAUFFMAN
Foundation



MACARTHUR



STUART FOUNDATION
INVESTING IN CHILDREN & YOUTH



THE WILLIAM
AND FLORA HEWLETT
FOUNDATION

CEP Research

CEP's research and creation of comparative data sets leads to the development of assessment tools, publications serving the foundation field, and programming. CEP's research initiatives focus on several subjects, including:

- **Overall Performance Assessment**
- **Foundation Program Strategy**
- **Foundation Governance**
- **Foundation-Grantee Relationships**
- **Operational Benchmarking**

CEP Assessment Tools

CEP provides foundation leaders with assessment tools – utilizing comparative data – that inform performance assessment:

- **Grantee Perception Report® (GPR):** an assessment tool that provides foundation CEOs, boards, and staff with comparative data on grantee perceptions of foundation performance on a variety of dimensions
- **Applicant Perception Report (APR):** a companion to the GPR that provides comparative data from surveys of declined grant applicants
- **Comparative Board Report (CBR):** a self-assessment tool for foundations that provides data on board structure and trustee perceptions of board effectiveness
- **Staff Perception Report (SPR):** explores foundation staff members' perceptions of foundation effectiveness and job satisfaction on a comparative basis
- **Operational Benchmarking Report (OBR):** provides comparative data, relative to a selected peer group of foundations, on aspects of foundation operations – including foundation staffing, program officer workload, grant processing times, and administrative costs
- **Multidimensional Assessment Process (MAP):** provides foundations with an integrated assessment of performance based on comparative data collected from a variety of different sources, including grantees, declined applicants, foundation staff, and foundation board members

Contact Information

- ◆ This report was produced for the REACH Healthcare Foundation by the Center for Effective Philanthropy in April, 2007.

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