

**MINUTES OF MEETING OF BOARD OF DIRECTORS  
OF THE REACH FOUNDATION  
September 15, 2011**

Attendees:

|                           |                 |
|---------------------------|-----------------|
| Brenda Bohaty             | Bill Bruning    |
| Tom Carrico               | Heidi Cashman   |
| Ken Davis                 | Karen Gilpin    |
| Scott Glasrud (by phone)  | Harold Johnson  |
| Randy Lopez               | Eve McGee       |
| Tim Michel                | Chad Moore      |
| George Pierson            | Janie Schumaker |
| Brenda Sharpe, ex-officio | Brad Stratton   |
| Judy Works                |                 |

Not in Attendance:

Kumar Ethirajan

Guests:

|                            |                           |
|----------------------------|---------------------------|
| Mike Engle, BKD            | Becky Benak, REACH Staff  |
| Dawn Downes, REACH Staff   | Carla Gibson, REACH Staff |
| Pattie Mansur, REACH Staff | Bill Moore, REACH Staff   |
| Karen Moore, REACH Staff   | Jo Yun, REACH Staff       |

---

The meeting was called to order by Vice Chair Bill Bruning at 4:05 p.m. Board Chair Scott Glasrud joined the meeting via conference call. The minutes of the June 16, 2011 meeting were reviewed. Upon a motion by Ken Davis and a second by Janie Schumaker, the minutes were approved.

Bill Moore, VP of Program, Policy & Evaluation, presented the REACH Theory of Change, which was developed as a way to visualize the strategic plan. The Theory of Change will be used to evaluate progress toward the two impacts REACH identified as goals in the strategic plan: increased access for poor and uninsured people to quality, affordable health care services and coverage, and improved quality of health care services for poor and underserved people. In their grant applications, grantees were asked to identify which of these outcomes their organization is working toward. Bill noted that the proposed assumptions and strategies will be tested with the data reported, this document is a theory and not prescriptive, and will be revised regularly to incorporate new knowledge. Discussion ensued.

Brenda Sharpe reported Randy Lopez, Eve McGee and Brad Stratton had met to begin developing a diversity and inclusion plan for the Board, CAC and staff, as a way to further incorporate cultural competency into REACH. This plan will be presented for Board approval at the November Board meeting. The Board members participated in an activity focused on diversity.

Mike Engle presented the 2010 990 and 990T tax filings. He noted the supporting organization tax status change, which allowed REACH to maintain its public charity status, and gave a brief overview of the 990. Both the 990 and 990T were presented in detail to the Finance Committee earlier in the week. The 990T filing is required because of REACH's alternative investments, which also required state tax filings in both Kansas and Missouri. Tom Carrico motioned the Board approve the 2010 990 and 990T tax returns as presented. Harold Johnson seconded the motion, and the tax returns were approved.

Brenda Sharpe reported the CAC had begun recruiting applicants for the 2012 Board nominations process. Eight current Board members' terms will expire, with six members eligible to seek a second term: Bill Bruning, Ken Davis, Karen Gilpin, Tim Michel, Chad Moore and Janie Schumaker. Heidi Cashman and Scott Glasrud will have each served two Board terms. Incumbents are asked to notify Brenda if seeking a second term, and will have to submit a Board application as well. Board members will complete peer reviews on incumbents seeking a second term, which will be forwarded to the CAC to use in the Board nominations process, as well as Board and Committee meeting attendance records. Brenda reported that she continues to participate in steering committee meetings regarding the Kansas Health Insurance Exchange. Despite the administration's decision to return the early innovator grant, a number of key decisions will still need to be made at the state level. The ACA Opportunity Fund has funded two proposals to date, the details of which are in the President's report included in packets. Brenda reported she has been invited to attend a convening on September 20 by the Department of Health and Human Services at the White House on Improving Health Outcomes through Faith-Based and Community Partnerships. This invitation was extended by Shawnee Mission Medical Center in part due to REACH's support of the Health Partnership Clinic of Johnson County. Brenda also noted Eve McGee and Carla Gibson will be attending the Communities Joined in Action Conference in Washington, DC to present the Cultural Competency Initiative as part of a plenary on philanthropy and cultural competency.

Heidi Cashman moved to approve the consent agenda. Janie Schumaker seconded the motion, and the following consent agenda items were approved:

- the May, June and July 2011 Financial Statements approved as presented;
- the 2012 Cambridge Associates contract renewal approved as presented;
- approval of funding in the amount of \$150,000 to the Regional Health Care Initiative to support the continuation of afterhours sessions in five clinics.

Scott Glasrud reported Governor Brownback has appointed Debra Mollohan to the CAC. The Unified Government of Wyandotte County will be considering an appointment to the CAC at their meeting in October. Scott reported the Executive Committee has retained Lasnik-Broida Consultants to complete a President & CEO and staff compensation and benefits review and make recommendations regarding the contract terms for the President & CEO to be considered at the November Board meeting. The REACH holiday party will be held on Friday, December 9, 2011 at 6:30 p.m. at Scott and Sara Glasrud's home. Invitations will be mailed in November.

Tim Michel gave the Treasurer's report. He reviewed the July Financial Dashboard as well as the August investment returns. Tim noted that the Foundation's investments as of August 31 were \$122.8 million. Tim also reviewed the Foundation's comparative asset allocation relative to other endowments, which was provided by Cambridge Associates as part of their 2<sup>nd</sup> Quarter Investment report. Tim reported insurance policies were reviewed by Linda Clarkson, a former Board member with risk management expertise, and are set to renew in early November, 2011 with no changes to current limits, deductibles or terms. Jo Yun presented the 2012 budget assumptions. The Finance Committee recommends developing the 2012 budget at 5.0% spending levels, targeting \$1.5 million for operating expenses and \$4.1 million for grants and programmatic expenditures. Jo presented a simulation of cumulative programmatic spending comparing the current budget methodology (based on the previous 12 quarter average) to the former budget methodology (based on the previous 12 month average). This simulation showed the current method has kept the Foundation's annual funding more consistent and has resulted in a higher level of investment into the community as compared to the former method. Discussion ensued. Tom Carrico motioned to direct Jo Yun to continue planning the 2012 budget based on 5% spending levels. Janie Schumaker seconded the

motion, and it was approved. The next Finance Committee meeting will be Tuesday, November 8, 2011 at 7:30 a.m.

Janie Schumaker gave the Program and Policy Committee report. Janie reported 79 letters of intent were received, with 78 requests totaling \$7,128,436 and one ineligible request. The average request amount was \$91,390. This grant cycle has \$1.7 million available. Janie reviewed three options proposed by Bill Moore to the Program & Policy Committee regarding how to meet such unanticipated need: 1) fund both core operating and programmatic proposals at very top levels of alignment and quality; 2) fund only the core operating proposals that meet the current threshold for alignment and quality; or 3) fund both core operating and programmatic proposals at the current threshold for alignment and quality but utilize the available 2011 funds to fund the majority of well aligned core operating proposals and access 2012 funds in January 2012 to fund 2011 programmatic proposals. Discussion ensued. The Board agreed the third option was preferable, and reviewed a draft letter explaining this decision that will be sent to grantee organizations invited to submit a full proposal. Bill Moore reported 58 letters of intent, totaling \$5,328,943 from 50 distinct organizations, will be invited to submit a full proposal. Janie thanked the program staff for their work. Janie noted that the staff discretionary grant summary was included in the packets for review. An open house will be held Thursday, October 27 from 4:00-6:00 p.m. at the REACH offices for grantee organizations and their board members. All Board members are encouraged to attend. The next Cultural Competency Steering Committee meeting will be Wednesday, October 26, 2011 at 11:00 a.m. The next Program and Policy Committee meeting will be Tuesday, November 8, 2011 at 5:00 p.m.

There being no further business, the meeting was adjourned at 6:20 p.m.

The next Board meeting will be held November 17, 2011 at 4:00 p.m.

Respectfully submitted,

Karen Moore  
Administrative Assistant