

Boards in Action Case Studies – LBLA

Pre-work: Please read all four case studies. Write down some notes of your initial reactions and thoughts to share in your breakout group.

Rapid Case Study Instructions for breakouts during the session.

1. Take 1 minute to review the case study.
2. Go around and everyone gets **1 minute or less** to make an opening comment or reaction (please take turns keeping time)
3. Open discussion – make sure you make space for each other.
4. Decide on one burning question your group has OR the most important point you want to share with the larger group and post it on the google doc last couple minutes of your group.
<https://shorturl.at/JXuqX>

Case Study #1 - People for Public Health

Budget = \$3.2million – 25% from individual donors and the remainder via private foundations and corporatesponsorship.

Mission: To influence public health policies impacting the people of color in California.

Board: 9 members (the Executive Director serves *ex officio*). Meets every other month.

Staff: 15 full time. Management Team = Executive Director and Program Director

One of the agenda items on the August board meeting was “Update on September Annual Event”. The annual event netted approximately \$100k every year for the organization through individual and corporate sponsors. As in the previous years, an event committee was formed and consisted of the Executive Director, Program Director, a program manager, 2 board members and a few long-time volunteers. They direct and manage the event.

At the August board meeting, the entire board was updated on the event. In the update, the Executive Director announced that in June, when the event committee met, they had decided that the event this year was going to be more a “friendraiser” vs. the traditional “fundraiser”. With that in mind they revised the event budget to show a target net revenue of about \$40k vs. what was originally planned for \$100k. The ED and the board members on the committee were happy to announce that they surpassed \$40k already (about 3 weeks from the day of the event).

Shocked by this news, the rest of the board was not so happy. The Board Chair responded that a decision to basically “cut” \$60k of net revenue out of the budget was NOT within the event’s committee’s authority. The ED and the board members on the event committee argued that when the board agreed to form the event committee it delegated that responsibility. The ED also argued that this is a management issue not a governance issue so there was not even any authority to delegate. Because

the event was only a few weeks away, there was nothing else for the board to do but accept this decision.

What's your reaction? What does the three duties have to do with the case? What does the concept of governance vs. management support have to do with this? What could have prevented this conflict?

Case Study #2 - Friends of Alor County

Mission: Protecting the open space of Alor County to create a fair, healthy, and equitable community.

Board: 18 members. Meets every other month. CEO member ex officio. (ex officio means "by position or office" i.e. CEO of the organization by position is a voting member of the board)

Staff: 12 full time. 5 part time.

Annual budget \$3.5 million

The board recently voted to publicly voice their support for a local ballot measure that would change some zoning regulations in Alor County to keep certain green spaces protected from development. There was one board member voting against (so the vote was 17-1). The staff wrote up the organization's position and put it on the website. Now the board member is making statements on his Facebook page and twitter making his personal stance against the measure known. In some of those posts he is identifying himself as a board member of the organization. Recently this same board member emailed the CEO and Board President telling them that he heard from a friend who works at another nonprofit that taking a position on a local ballot measure is illegal for a nonprofit and they need to take down the website content immediately. He demanded that they call a special board meeting to revoke the vote.

A couple additional notes:

1. A few weeks prior to the board meeting, the board was sent some resources from a trusted legal expert regarding nonprofit advocacy and lobbying to review so they understood that supporting this measure was well within their legal ability to lobby (there was some confusion about this point).
2. The board member in question owns a business that would be hurt by the new zoning regulation.
3. The Board President would potentially personally gain (by potentially protecting his personal property's value) by the new zoning regulation.

How are the board duties relevant here? What do you think the CEO should do? What should the board president do?

Case Study #3 – The Kids Klub

Mission: Provide a safe and enriching afterschool environment for the kids of the Benson neighborhood.

Board: 14 members. Meets quarterly. Standing committees include: Finance; Fundraising; Program; and Governance.

Staff: 7 full time, 10 part time paid at 3 sites with few dozen regular volunteers. Management Team = Executive Director and Program Director.

Annual budget: \$2 million

During the annual budget there was a discussion regarding \$60,000 to repair instead of replace playground structures at 3 sites. Replacing the 3 structures would cost \$450,000. These two options were detailed out in a report that was sent to the board two weeks before the board meeting so they board members can review it. In the report, the staff recommended the repair option which was based on a contractor's inspection. The board eventually approved the budget unanimously which included the funds for the repair (thus voting to repair the playground structures rather than replace them.) A few days later, one of the board members walked by one of the playgrounds and upon seeing the structure, felt that repairs will not be enough, and it should be completely replaced.

What should that board member do? What should the board do? What duties are relevant here?

Case Study #4 - Case Community Dental Clinic

Mission: To provide free and affordable dental care to underserved communities in Jackson County (a county that is 70% people of color).

Board: 11 members. Meets every other month.

Staff: 16 full time. 15-25 pro bono dental professionals annually.

Annual budget \$6.5 million

You just joined the board of this very popular and growing organization. You're glad that you found a board where nearly half of the board members are people of color (including yourself) since diversity is something you were considering as a factor on which board to join. On the board there are 4 board members that have been introduced to you as "community board members" (though they are full members of the board). Those board members are current and past clients of the organization and are all people of color as well. The rest of the board are made up of dentists and local business owners. After a few board meetings you have noticed a trend: the 4 "community board members" never really say anything during the meeting. What you do notice is the

conversation is often dominated by 3 board members who all seem to know each other very well through their professional relationships.

What is your analysis of the situation? What do you think you should do? How does this apply to how you think about the board you want to join?

Put it All Together!

Governance



- Act as a body (whole board)
- Representing interests of community and the public
- Outside looking in
- Board has authority

Legally Mandated

GOVERNANCE	MANAGEMENT SUPPORT
Purpose: The board acts to <i>govern</i> the organization	Purpose: The board acts to provide <i>management support</i> to the organization
Process for action: The board acts as a <i>collective</i> body	Process for action: Board members provide support to staff as <i>individual volunteers</i>
Type of Responsibility: Governance fulfills a legal responsibility to the community therefore is a mandated function.	Type of Responsibility: The level and type of support expected from individual board members is at the discretion of the CEO, not legally mandated, and dependant on specific organizational needs.
Role: Exercise duties of care, loyalty and obedience	Role: At the CEO's invitation, provide expertise, thought-partnership, access to resources, ambassadorship
Example Activities <ul style="list-style-type: none"> • Hire, evaluate, terminate (as appropriate) CEO • Monitor finances, approve budget, ensure financial and programmatic sustainability • Board development, management and governance effectiveness 	Example Activities <ul style="list-style-type: none"> • Fundraising activities • Speaking engagements • Attending events • Consultation/advising staff on technical issues • Participate on organizational committees

Support



- Act as individual volunteers
- Representing interests of organization to the public
- Inside looking out
- CEO/staff have authority

Value Add