



**Minutes of February 16, 2022  
Full Board Meeting**

**Present:** Rima Alaily, Beth Bloom, Bruce Brooks, Ele Hamburger, Kay Frank, John Hoerster, Mark Hutcheson, Nancy Isserlis, Ron Knox, Dick Manning, Gail Mautner, Michelle Moersfelder, Salvador Mungia, Margaret Niles, Gerald Schley, Michael Schwab, Mark Griffin

**Staff:** Melinda Mann, Caitlin Davis, Nancy Smith

Meeting start at 12:03 PM.

**Welcome** Michelle welcomed the group and asked for any proposed changes to the 12-15-22 Meeting minutes. The minutes were unanimously approved without edits.

Melinda gave the Goldmark Luncheon Fundraising Report and thanked the board for their outreach which resulted in a record breaking revenue for LFW and the Endowment and noted as well that more donors than ever before split their gifts between the Campaign and the Endowment, solidifying the Goldmark as an important revenue source for the Endowment and supported by more legal aid donors each year.

Fundraising GRAND TOTAL: **\$435,201.33**

Split between the Campaign and Endowment:

Campaign - **\$351,036 including \$240,000 in sponsorships**

Endowment Fundraising- **\$84,146.25**

- 145 people gave to both C4EJ and EEJ and split their gifts
- 38 gave outright to Endowment
- 183 total givers out of 400+ or 45%

Report on the EEJ OIC meeting with the LFW Executive Committee to discuss the new spending policy proposal: The meeting took place on February 4. One of the ongoing questions was whether the EEJ was taking into considerations of the need when making this proposal.

It was pointed out that there is a relief valve built in that the EEJ can disburse more than the spending policy dictates in a certain year if there is an emergency need.

The LFW executive committee members said they understood the reasons EEJ was making this change but were hoping for more input from the LFW Board which had the following concerns:

1. Was race equity taken into account
2. is this a ceiling
3. Is this the right time to change
4. Concern about lack of engagement with LFW

People seemed persuaded that eating into the corpus was a real concern but lingering issues exist today with the approach.

Report on the Advisory Council Meeting: Meeting was very well attended and there was consensus that it was good to acknowledge that we are trying to balance the need for current spending and building a long-term account. There was an emphasis that it is important to not rely only on advice from our investment advisors but that we need to take into account information from the community and the board and advisory council.

No one advocated a specific spending policy of 5% or 4.5%. Ada provided a historical perspective about why the Endowment was created which was primarily to protect programs that do not accept government funding thereby protecting the programs that can engage in restricted legal aid services and advocacy for BIPOC communities. She emphasized how important it is to protect corpus so that these programs that don't accept government funding have continued access to funds.

It was suggested that the spending policy should explicitly say that if there is a need, there can be a larger distribution and it was noted that it does take that into account now and the annual letter that goes with the distribution to LFW also emphasizes this.

Suggestions about a closer relationship between EEJ and LFW were made including the following:

1. LFW board member will attend our operations meetings (not the same person necessarily could be rotating member)
2. Mike Pontarolo and Caitlin will participate in retreat planning committee
3. LFW is considering request to have EEJ board member on grants committee

The Joint Board Retreat will be opportunity to build relationships and also run through possible emergency funding scenarios to educate both boards about what would trigger the need to access emergency funds to stabilize programs.

Open Discussion on Spending Policy:

- Board members provided information about the historical relationship between LFW and LAW Fund: LFW started in 1984 to raise unrestricted funds to add to IOLTA and State and Federal funds. LAW Fund was created in 1992 to supplement those funds and at that time LAW Fund made its own grant decisions and distributed directly to grantees.
- EEJ's relationship with LFW has continued to grow over the years but has grown exponentially in the last five. In the old days, EEJ had to ask to put out flyers at the Goldmark event so we have come a long way. Let's all remember that we have the same goal.
- We have seen these times before and we will see them in the future.
- Monte Carlo simulations show the change to the spending policy will not result in an enormous difference in the disbursement.
- Concern that we don't have buy in from sole grantee and key partner.
- It is a time of extraordinary need and unique times. This is not the time to move to a more restrictive policy at this time.
- Concern that if we put in place 4.5% this will become the new floor and ceiling.
- The corpus would not be where it is today if we didn't have the provision of not distributing funds until we hit \$10M back in the early days. We must remember Dave Andrews and his goal of not falling prey to urgency that will put the fund in peril.
- We need to raise more funds as a way to ensure a growing distribution and not endanger the fund with a higher spending rate.

- There is a need to build stronger relationship with LFW and increased trust. This includes making sure LFW has been heard as part of this process.
- There is effort now in non-profits to consider race/equity/justice when making decisions.
- Need clarification on the roles of the two boards – LFW’s role in this process is consultation whereas the Endowment owns the decision on the Spending Policy.
- We need to make a decision and move on. The relationship building should take place outside of this discussion.
- We have a duty to our donors to steward their investment and ensure the fund is available in perpetuity.
- Concern that LFW feels that a decision has been made already.
- Would be helpful to clarify that the 4.5% does not mean that it is a ceiling. OIC should add a sentence to the policy clarifying this. This will help respond to the concerns of the LFW board.
- Optics are challenging because there is never enough money to meet the need and EEJ is sitting on this growing corpus.

JEDI Work: It was noted that the race equity task force is recommending Caprice Hollins to work with the board and will be meeting with Caprice to refine our goals and calendar. Please send feedback on the questions.

Michelle adjourned the meeting at 1:20