

**United Way of Anchorage
Board Meeting
April 17, 2019, 4-5:30 p.m.
Rasmuson Foundation Conference Room**

Members Present (18): Laurie Butcher, Greg Deal, Sarah Gaines, Darlene Gates, Michael Huston, Teresa LaPella, Geoff Lundfelt, Jordan Marshall, Joe Marushack, Daniel Mitchell, Teri Nienhaus Susan Parkes, Frank Paskvan, Natasha Pope, Jack Sheppard, Beth Stuart, Ed Ulman, David Wight

RSVP Regrets (10): Belinda Breaux, Mike Dunn, Bill Falsey, Charles Fedullo, Rick Fox, Dick Mandsager, Alexandra McKay, Brad Spees, Janet Weiss, Tom Yetman

Call to Order: Natasha Pope called the meeting to order at 4:05 p.m.

CONSENT AGENDA

Geoff Lundfelt moved the resolution to accept the consent agenda (March 20 meeting minutes, February and March financials) as presented, Beth Stuart seconded, and the motion passed unanimously.

AGENDA ITEMS

Community Partner Awards:

Michele Brown summarized the history and current status of UWA's community partner investment levels. UWA's most enduring and recognizable role is to provide yearly investments to a cadre of vetted health and social services organizations.

For first 50 years of its history, UW relied solely on the workplace (WP) campaign to raise funds. Those revenues were given to historical partners based on what they had received in prior years. When UW honed its focus to mobilizing change and achieving goals, UW began seeking revenue in addition to the WP campaign. Simultaneously, UWA evolved the criteria and process, and set out to integrate all revenue streams to a more strategically impactful investment portfolio.

The goals set for new investment process are: First, UWA worked, over a number of years, with our partners to improve the partners' capacity to do outcomes work through:

- Sound finance and operations floor
- Program outcome capability
- Begin to align outcomes
- Participate in goal-based partnerships

Second, seek revenue from investments into the impact work, and combine that with revenue from WP, to invest in partners working with UWA on the goals. Third, UWA become far more efficient in the investment process for staff and partners. And fourth, encourage other funders to do collective funding – instead of project funding – for broad, collaborative community outcome-based work.

UWA made steady progress on strengthening the goals, but as UWA neared that step in the evolution to better link investments and goals, environmental changes led to a course adaption. Most significant is the substantial and steady drop in revenue, both campaign dollars and in what UWA has been raising for the goal-centered work. The recession and enhanced competition pressures took their toll. Also,

WP donors retained an expectation that campaign revenues would go to community partners as they had before, particularly in tough economic times. Community partners preferred pro rata distributions and for them to support the campaign, they needed to reap the benefits of it.

Two years ago, the UWA Board reset the community partner investment objectives and determined that undesignated WP campaign revenues would support historic community partners, as long as they maintain financial and operational excellence and produce program outcomes. These “foundational investments” in partners help keep them stable. Revenue raised for goal-based work is also invested in the foundational partners, and in other partners, participating in the community plans.

For FY ‘20, 57 programs in 35 agencies met the threshold operations criteria for streamlined applications. There were no red flags from financial reviews. All agencies are eligible for continuation funding, subject to revenue raised. The total applications for continuation funding are \$1,503,000. The FY’ 19 budget proposed \$1,503,000 for community partner investments, based up on a level in order to be equal to the prior year investments.

Campaign revenue decreased \$170,000 from last year. Donor designations increased, which means less unrestricted revenue is available for partner investments (\$224,000). Overall, \$394,000 less is available than the prior year campaign. That equates to an 8% decrease in available unrestricted funds from WP campaign when compared to prior year.

Natasha Pope presented the Executive Committee analysis. Each spring, the Board reviews the budgeted proposed partner investment figure in light of actual/forecasted results and confirms or amends the budget. The Board set the principle that the investments should generally follow the campaign trends, so when campaign increased in 2017, investments increased; and when campaign decreased in 2016, investments decreased.

The Finance Committee confirmed the decreased unrestricted campaign proceeds available for partner investments. An 8% unrestricted campaign decrease would yield a \$120,000 reduction from the budgeted \$1,503,000 for partner investments. Based on the financial forecast, the Finance Committee indicated a 3% to 8% decrease in partner investments was acceptable.

The Executive Committee recommends partner investments be decreased to follow the campaign trend. However, other factors to consider are that staff tightened the belt considerably during the year, absorbing some of the revenue reductions; some other unrestricted revenues are available; and this is a tough year for non-profit finances.

After considering multiple options and scenarios, the Executive Committee recommends:

- 4% decrease (\$60,000) in partner investments from the prior year community partner investments.
- \$1,443,000 be awarded in partner investments.
- The reduction should to be applied pro rata.

It is important to note that the Community Fund investments are not the only investments made by UWA. Additional investments through UWA initiatives may be applicable for some partners. Agencies (partners and other nonprofits) will also receive ~\$1.1M in donor designations (restricted dollars) from the private sector campaign and \$400, 000 from the public sector campaign. The total amount of funds coming from/through UWA from these various sources will be communicated in our award letters.

Motion to invest \$1,443,000 in the community partner investments, and to amend the FY '19 budget to a 4% decrease from the budget in community partner investments was made by Ed Ulman, Daniel Mitchell seconded, and the motion passed unanimously.

Finance Committee Report:

Beth Stuart reported that the Finance Committee spent considerable time reviewing the forecast to see how to meet, or amend, the budget for community partner awards since campaign is down.

The Committee paused the FY '20 budget process to look at new approaches to organize and display the budget and set a series of principles to guide budget development. The Committee will propose the UWA '20 budget at the May Board meeting. The Committee proposes to do the same for financial reporting to hone in on what is needed for supervision and due diligence. The goal is for the reports to come directly from the system software eliminating the need for manual manipulation of the reports which is labor intensive and subject to human error.

90% by 2020:

Sonya Hunte described the work of the 90% Graduation by 2020 initiative, broken down into developmental learning stages matched with appropriate intervention strategies – birth to five; pre-k to 8th grades; and 9th through 12th grades. Along with the work of Anchorage School District, 90% by 2020 has been a driving force in raising the graduation rate from 59% in 2005 to 80.7% in 2018.

Current services levels are:

- Birth to Five, serving about 40% of the need in the targeted zip codes.
- Community PLUS (pre-kindergarten to 8th grade): serving about 35% of those eligible in the 12 schools served.
- Back on Track (9th to 12th grade); there have been 168 graduates since 2016-2017 including 15 graduates so far this school year. There have been 658 students who received credit recovery and social supports to fully participate in school in 2016-17 and 2017-2018 combined; serving about 22% of those eligible.

Recent community engagements include:

- A new 90% by 2020 marketing campaign titled No Labels was launched. Results are:
 - Total Impressions: 7.2 million
 - Total Social Post Engagements: 114K
 - Total Clicks: 4073
 - Streaming Radio Impressions: 354K
 - Anchorage Radio Impressions: 468K
 - Website Traffic Increase: 693.53%
- Graduation Station events increased by 55% and Grad Blitz participation increased by 14%.
- Campaign to draw community donations including a text campaign, media tool kit and a newly designed website.

- Awareness efforts to increase community urgency to meet the graduation goal as well as increase the number of people who believe reaching a graduation goal is the responsibility of “the whole community”.

Sponsors of the marketing campaign include First National Bank Alaska, Alaska Public Media, Anchorage Daily News, Spawn Ideas, KTVA, and KTUU.

Motion to adjourn was made by Michael Huston, Geoff Lundfelt seconded, and the motion passed unanimously.

Next Board meeting: May 15, 2019.