

**United Way of Anchorage  
Board Meeting  
May 20, 2020, 4-5:30 p.m.  
Via Zoom**

**Members Present (23):** Belinda Breaux, Laurie Butcher, Mike Dunn, Charles Fedullo, Rick Fox, Darlene Gates, Michael Huston, Teresa LaPella, Dick Mandsager, Jordan Marshall, Alex McKay, Daniel Mitchell, Rachel Norman, Susan Parkes, Frank Paskvan, Natasha Pope, Veronica Reem, Jack Shepard, Beth Stuart, Ed Ulman, Janet Weiss, David Wight, Thomas Yetman

**RSVP Regrets (5):** Greg Deal, Bill Falsey, Sarah Gaines, Joe Marushack, Brad Spees

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

**CONSENT AGENDA**

Ed Ulman moved the resolution to accept the consent agenda (April 15, 2020 minutes and March financials) as presented, Belinda Breaux seconded, and the motion passed unanimously.

**AGENDA ITEMS**

**Executive Committee Report:**

Natasha Pope extended kudos to the Search Committee for its dedicated efforts and to Beth Stuart as Treasurer for her extraordinarily insightful expertise on all matters financial and for the level of tutelage and patience in helping UWA through these challenging financial times and analyses.

Normally, the Board doesn't meet in June and July but given the CEO search and the rapidly changing environment, there will be meetings scheduled for both months.

**Finance Committee Report:**

Beth Stuart introduced the revised proposed FY'21 budget. As suggested by the Board, this budget shows \$3,600,000 for workplace campaign, a 25% reduction, and an increased shrinkage rate for pledges made during the fall'19 campaign. Revenue also includes an anticipated \$3.6 million raised in restricted revenue: \$2,800,000 for Home for Good, \$300,000 for 90% by 2020, \$200,000 for 211, and \$300,000 for other programs. The FY'21 budget also includes funding sources of approximately \$1,900,000 raised in FY'20 and prior, which, when combined with the \$7,500,000 of FY'21 projected revenue, exceeds the budgeted expenses of \$9,000,000 planned for FY'21 by \$400,000.

The proposed budget reflects the steady movement to raise and expend more in generally restricted funding sources as the workplace campaign declines. In FY'21, UWA anticipates earning more revenue from restricted sources than unrestricted sources. The proposed budget continues the practice of using restricted dollars, whenever consistent with donor intent, prior to using unrestricted dollars. With this proposed budget, UWA would end FY'21 with approximately \$500,000 of unrestricted/undesignated cash remaining, over Board mandated \$1,200,000 reserve.

The proposed budget expenses show an increase in Management & General due to anticipated increases in CEO salary and training (\$61K), UWW dues increase (\$80K), and for the office move expenses (\$30K). Fundraising costs are down \$100,000, and consistent with FY'20 as a percent of funds raised (19%). There is an increase in Income & Health related to Home for Good (paid for with restricted revenue) and a decrease in budgeted Community Fund Awards expense at a rate consistent with the projected decrease in workplace campaign.

Natasha Pope moved to approve FY'21 budget as presented, Laurie Butcher seconded, and the motion passed unanimously.

### **Audit Committee Report:**

Frank Paskvan reported that UWA's audit is clean although issues were noted: some errors and some different classifications to be used in the future. It took longer than usual which will delay the 990 filing. Staff will send the audit findings to the full Board for review and the Board can accept it at the next meeting or refer it to the Audit Committee for more analysis.

### **Search Committee Report:**

Belinda Breaux reported that the Committee got a prospect list of about 10 potential candidates who submitted resumes, cover letters, and essay responses on leading complex changes. The Committee will meet 5/21 to decide who to interview.

### **Resource Development Report:**

Cassandra Stalzer reported that in the last campaign allocable dollars declined only 4% and allocable dollars from non-workplace donors grew by 1%. Millennials now make up 35% of UWA donors, up 5 points from last year. To hold steady, we need 1,000 new donors (average gift of \$600), a pool of 7,000 employees (average participation rate of 14%), and 7-15 new business partners. The strategy is to:

- reorient communications to link impact to company partners;
- assemble prominent campaign cabinet and raise the profile of campaign;
- increase Board involvement and leverage connections and information;
- increase agency involvement to include coordinated messaging;
- improve customer service to workplace accounts;
- improve user experience at all steps; and
- increase major gifts/step up to Tocqueville.

UWA is analyzing offering a charitable gift annuity program: an upfront payment by a donor yields a guaranteed income stream for one or two lives, and the charitable residuum is paid to the non-profit. The donor receives tax benefits for placing the annuity. Benefits to UWA include an irrevocable gift; immediate return of the charitable portion of the gift; additional engagement strategy for donors; and it is risk free. Benefits to donors include charitable tax deduction; guaranteed income for life; partially tax free income; seeing impact of their gift during their lifetime; partial bypass of capital gains tax; and it is simple to implement. These can be funded through cash, appreciated stock, IRA (but not rollover gifts), real estate, home (retained life estate), and tangible personal property.

We can offer this because UWW has a backroom to run the program so we don't have to develop one. Next step would be for the Finance Committee to do a thorough review with the UWW

Planned and Endowment Giving Officer and provide a recommendation at the June Board meeting. UWA will then develop donor recognition and engagement strategy and marketing plan.

Additional giving options under exploration include a Realty Gift Fund, a specialized 501(c)3 foundation that exclusively accepts gifts of real estate and grants the cash proceeds from sales to United Way, and an Anchorage Donor Advised Fund – United Ways around the country are offering DAFs to retain philanthropic assets at the community level.

### **COVID-19 Response Update:**

Michele Brown reported that 211 is continuing to see record call levels and working extended hours. AK Can Do has raised \$2.4M. 365 households (1,100 people) received assistance in Anchorage for rent and utilities. \$310K has been distributed, 95% to rent and 5% to utilities. UWA has turned the 211 and assistance distribution process into a “product” to offer other funders who want to help in this area. The MOA will invest \$1M; UWA is working on the grant agreement now. AHFC will be doing rent assistance statewide and working with 211 to be the front door for info and referral for its process.

### **Home for Good Update:**

Michele Brown described Home for Good, a public-private partnership to serve 190 individuals experiencing persistent homelessness who are the highest users of homeless services and the criminal justice and healthcare systems. It is the state’s first permanent supportive housing project of this scale involving a data driven approach to serving the highest service utilizers by detailing pre and post service utilization and client outcome data. The project is ramping up a level of care for supportive housing that has not been the norm in Anchorage and will be using an innovative PFS financing mechanism – the first in Alaska – to pay for the costs of supportive housing based upon the outcomes achieved.

Approximately 1,100 people experience homelessness in Anchorage, and about 373 of them are the most frequent users of public services, cycling in and out of jail, shelters, and sleep off centers emergency rooms, and social services.

Major and groundbreaking data work laid the foundation on how the target population is identified. HFG has forged for the first time data-sharing agreements among police and fire departments, the Homeless Management Information System, and the Department of Corrections to collate records for these individuals. Work is currently underway on additional data sharing agreements with hospitals and DHSS. This led to the 373 individuals identified as the most frequent users of public services. From that list, the eligibility is verified and a set of multiple indicators are applied to prioritize and select the clients to seek out for HFG based upon: housing medical needs; encounter rates with police, fire, the mobile intervention, or safety patrol; severity of mental illness; inability to connect him or herself to services; and if in substantial care and about to be released with nowhere to go.

The pilot launched last July with the clients vetted through the referral process. The pilot was done for many reasons, including: true up the costs model; afford providers time to train and get better practiced in providing permanent supportive housing and intensive case management best practices; gradually increase clients served; and find out and address project weak points before

major ramp up. Status of pilot to date: 36 referrals from Mobile Intervention Team; 20 in housing (18 in housing leases and 2 in bridge housing); 7 in outreach; and 9 ineligible, incarcerated, or left the area.

The people in this target population are Alaska Mental Health Trust Authority beneficiaries. A 25 person sample from the 33 referrals group indicate: 33 with mental illness; 21 with chronic alcoholism or other substance use disorder; 19 with both chronic use disorder and mental illness; 4 with traumatic brain injuries; and 4 with intellectual or developmental disabilities. In the pilot population, for the small sample of 19 participants, there is a 60% reduction in shelter stays and 78% reduction in arrests.

Ramp up schedule is 6 new clients per month as soon as full funding is secured for the first year. Second year will continue with 5-6 enrollments a month. The third year will slow new enrollments and replace any who have left with new participants.

The big question is how to pay for this. HFG is deploying a contracting and funding mechanism that links payment to performance on a set of key policy outcomes as measured by a third party evaluator. HFG has been seeking commitments from outcome payors so it would have the ability to raise investor dollars that would be paid back if the outcomes are achieved. Once the state withdrew as an outcome funder with the Administration change, it's been harder to get the outcome payor commitments. Plus, the major federal grant we were seeking has stalled, even though Anchorage is 1 of 8 recommended for funding. And, now COVID funding has changed everything.

So HFG is shifting the finance model a bit. It is still focused on outcome payments commitments from the MOA to pay for years 2 and 3. Year 1 will be paid from philanthropic dollars. This will speed up the project size, stay consistent with outcomes, and lower the projects costs. It allows HFG to basically ramp up now and do the capital raise for a larger project later, once the economic picture improves. We are close to securing the funding needed for this revised financial model.

### **Housing Anchorage Update:**

Michele Brown reported on an update of the extensive data from the Housing Anchorage data of several years ago. The Rasmuson Foundation paid for the updates. What has changed since 2014 includes:

- population forecasts for Anchorage reduced from 350,000 to 312,000 in ~2030;
- vacancy rates resemble a “healthy” market (right around 5% now with higher vacancy in certain neighborhoods and for larger units);
- rents and sale prices are no longer on the rise.

What has not changed since 2014 includes:

- 45% of households are cost-burdened in Anchorage (spending more than 30% of household income on housing costs);
- it still takes a least two minimum wage earners to afford a one-bedroom apartment;
- seniors are still expected to be a larger share of households and fixed incomes;
- no substantial change in household type (with kids, single, roommates, etc.);
- 39% of households still rent and 61% own;

- single family housing is still predominately owner occupied (85%) and multi-family housing tends to be rental;
- financial feasibility of new market rate rental housing is still challenged.

Motion to adjourn Board meeting was made by Belinda Breaux, Rick Fox seconded, and the motion passed unanimously.

Next Board meeting: June 17, 2020.