

PUBLIC HOSPITAL DISTRICT NO. 2 OF SNOHOMISH COUNTY, WASHINGTON
VERDANT HEALTH COMMISSION

BOARD OF COMMISSIONERS

Special Meeting

Hybrid: In-Person at Verdant Community Wellness Center and via Zoom

April 10, 2024

4:00 p.m.-5:00 p.m.

Commissioners Present	Karianna Wilson, President Carolyn Brennan, Secretary Deana Knutsen, Commissioner Jim Distelhorst, MD, Commissioner
Commissioners Excused	Bob Knowles, Commissioner
Staff	Dr. Lisa Edwards, Superintendent Riene Simpson, Director of Finance Ceil Erickson, Director of Community Impact Chase Toscano, Contracts Manager Kaysi Caballero, Executive Assistant/Office Manager Kyla Morgan, Interim Executive Assistant/Office Manager Annika Sahota, Community Engagement Specialist Olia Josiah, Wellness Center Assistant
Guests	Leroy Eadie, Empire Health Foundation Christina Bernard, Pacific Hospital Preservation & Developmental Authority Jessica Case, Medina Foundation Margot Helphand Kumaran Koneswaran
Call to Order	The special meeting of the Board of Commissioners of Public Hospital District No. 2, Snohomish County, was called to order at 5:02 p.m. by President Wilson.
Land and Enslaved People's Acknowledgement	President Wilson read the acknowledgement.
Overview of Current and Emerging Priorities for Funders in Pacific Northwest	Ms. Erickson introduced our guest presenters. She asked the commissioners to frame the presentation around what is valuable to our work and how this information can help shape our planning. Ms. Erickson introduced the concept of "trust-based philanthropy" being centered in equity and an approach to promote collaboration and trust. She stated that we need to address the relationship and power dynamic between funders and

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nonprofits. Using her background at the Seattle Foundation, she hopes that Verdant will be able to shift strategy to make equitable relationships while supporting historically underserved and under resourced communities. She invited funder colleagues to share about the work they are doing and the strategies they use.

**Community
Presentation: Funder's
Panel with Q&A:**

Leroy Eadie, Vice President
of Programs, Empire Health
Foundation

Mr. Leroy Eadie, the Vice President of Programs at Empire Health Foundation, gave an overview of the work they do as a private nonprofit foundation and their current goals. They serve a 7-county area in Eastern Washington. In the Spring of 2022, they adopted a health equity framework to send resources into the community. As a foundation, they are reprioritizing to work strategically with fewer major organizations and walking with them in partnership for the next 5 years, rather than giving a little bit to everybody. They are a 401(c)3 and 401(c)4 nonprofit. Mr. Eadie talked about leveraging resources with connections in the community through a Community Advisory Committee (CAC). This is their 3rd year working with a CAC, which is composed of 12 community members that are paid a stipend for about 6 meetings/year. This group was able to highlight their need for education with cultural competency. Next, Mr. Eadie presented their methods of communication with their community partners. He stated they prioritize 1:1 conversations and dinners whenever possible.

Commissioner Questions

Ms. Erickson asked how they manage relationships with community partners that may no longer be funded.

- Mr. Eadie answered it is a tough question and they try to be clear at the start of the year to give the organizations a heads up. The honesty at the start of the year allows them to work with programs to start developing sustainability measures over the course of the year to adjust to the lack of funding. Additionally, they offer support through ways other than funding. He states a key thing is not to be scared to share in advance that the funding is going to end.

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Commissioner Wilson asked if Empire Health Foundation is funding 25-40 organizations this year, how many partners they had previously?

- Mr. Eadie answered last year they granted 78 organizations. He said they put aside smaller sponsorship funds to help supplement smaller programs that didn't get selected to be in the cohort.

Commissioner Knutsen asked how much money Empire Health Foundation puts out each year in funding?

- Mr. Eadie stated they are putting about \$4 million into the community next year. They are moving into impact investing and program related investments to work closely with organizations that will align with that tool. He shares Spokane communities are known for being able to do a lot with little.

Commissioner Knutsen stated we are a public hospital district and must work with the state auditor. She asked if Empire Health Foundation is private?

- Mr. Eadie clarified, yes, they are a private funder.

Christina Bernard, Finance
& Program Director, Pacific
Hospital Preservation &
Developmental Authority

Ms. Christina Bernard, Finance & Program Director from Pacific Hospital Preservation & Developmental Authority (PHPDA) states they are a public entity and are also subject to a state audit. Similar to Verdant, they own property and have lease income as a source of funds. Their focus is in King County and they offer a "health equity fund." Their funding is focused on a broad description of any health disparity and what the organization is doing to narrow that down. They have two kinds of grants – small and major. Small grants are offered as a one-time grant for a project that is being completed in the calendar year. The small grants are not renewable. The second type is the major grants, for ongoing work up to \$200,000/year and they are renewable for up to two more years, maxing at three. An organization can be granted one major grant per year. They look at focus areas for the major grants to establish areas they think need more funding based off community feedback. Some focus areas are immigrant communities, women's reproductive health, and substance use disorders. They have used an LOI process for the last 10 years, since 2014. They use LOIs to not

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use up staff and organization resources. In the 2024 funding cycle they received 88 LOIs and moved 19 forward for funding. They utilize a funding panel and invite the 19 selected LOIs to submit a full application. The 19 selected are met with directly to help prepare their application, they get feedback and can ask questions. Once full applications are submitted, they have another review panel. PHPDA put \$1.7 million in this year for major grants, in the end they narrowed from 19 who applied to 12 who were funded

Commissioners Questions

Commissioner Knutsen asked to clarify if the \$1.7 million amount went to new programs or renewed programs?

- Ms. Bernard answered \$2.3 million went to renewals and \$1.7 million went to new programs this year. They have separate budget lines for renewals versus first year major grants so they can keep track of what they have available for each renewal.

Commissioner Knutsen asked if they also have to set aside money to maintain their rental properties in addition to the money they use for funding community programs?

- Ms. Bernard answered, yes, they also set aside money for their properties for overall maintenance. Their tenants have a fully net lease meaning all operating costs gets paid for by the tenants. Since it is a historical building, they have a lot of money set aside in preparation for larger repairs and maintenance.

Commissioner Knutsen asked since they are subject to a state audit every other year, do they fund specific issues or use general operating?

- Ms. Bernard answered they tried to give general operating funds and the state auditor said no you cannot do that. They fund specific projects, but as a board they are moving as close to general operating as they can within the rules. They are flexible and not super strict.

Commissioner Brennan asked how PHPDA supports an applicant's program budgets; do they always fund what they ask for or make cuts?

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- Ms. Bernard answered they get a line-item budget from funding applicants. They sometimes give a partial grant, but they try not to be too restrictive in how they direct their funding. They only restrict it if there is something in the budget that doesn't align or they can't fund it as a public entity. Most of the time if they give partial, they give them time to adjust their budget. They trust the organizations are the experts in knowing how they spend their funding.

Commissioner Brennan asked what kind of installments they use for funds, monthly, biannually?

- Ms. Bernard answered they provide funding upfront in July for half of the award and then they fund the second half of the award in January. The funded organization submits a financial report at the end of the grant. PHPDA collects any unspent funds, but they do encourage the organization to revise their budget to use as much as possible.

Jessica Case, Program
Officer, Medina Foundation

Ms. Jessica Case, the Program Manager Officer from the Medina Foundation introduced their program by sharing they are furthest from the way Verdant operates. They are one of the oldest foundations in Washington state. They primarily fund direct service programs in a 14-county region along the I5 corridor. Since their coverage area is so broad, they don't use the same lens for rural vs metropolitan areas of King County. They have three issue areas: youth, stabilization for families and individuals, and economic opportunities. Their average grant size is \$20,000. They fund about \$4 million total per year across roughly 150 organizations. They employ four people on their staff. Ms. Case shared that trust-based philanthropy *term* is new, but the idea is not. She says trust goes both ways and we (funders) need to earn organizations trust as philanthropic organizations. They do this by sharing information and offering transparency. Additionally, they offer exit grants when they stop funding someone to help ease the process. They also utilize an LOI process, they don't want organizations to put in extra work completing a whole funding application. They encourage organizations to call prior to submitting an LOI so they can let them know upfront if they are not a fit and would not get funded. They receive about 250-300 LOIs each year. They

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review monthly on a monthly cycle with no deadline. They have an LOI review committee that will determine who is invited for a full application. A majority are past grantees as there is no limit to the number of times an organization can renew, and they can re-apply after every 12-month cycle. They focus on being aware of contribution versus attribution and not taking credit for the success of the grantees.

Commissioner Questions

Commissioner Knutsen asked if they fund \$20,000 for each grant?

- Ms. Case answered their grants average \$22,000, ranging from \$20,000-25,000. They have no limit for renewal.

Commissioner Knutsen clarified if that totals around \$4 million per year and that they do not have a set cycle for funding?

- Ms. Case answered they use a rolling plan and process. The trustees meet 6 times per year and the LOI committee meets monthly. LOIs are reviewed on a first come first serve basis and there are around 20 per docket.

Commissioner Brennan asked if they use a community health needs assessment (CHNA) and how they set their priorities?

- Ms. Case and the other funders on the panel do not pay for CHNAs. Ms. Case said they look at the grant application to make the case for the need and they use general operating grants. PHPDA added that they will look at King County's needs assessments results but mostly they will read the LOIs to determine the community need.

Commissioner Discussion

Ms. Helphand asked the Commissioners to think about how the presentations today could inform the conversations during the April 15th and 30th special board meetings. She asked Commissioners to decide on key high-level questions and how they want to set their priorities.

Commissioner Knutsen and Commissioner Brennan discussed how Verdant has different constraints than the presenters and that they need to set their own narrative.

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Commissioner Wilson shared that Empire Health Foundation has been around for a long time and they have a massive footprint in the Spokane community, even with the smaller amount of funds. She thinks the name and reputation they have is something Verdant can look towards.

Adjournment

The meeting was adjourned at 6:17 p.m. by President Wilson.

ATTEST BY:

DocuSigned by:
Karianna Wilson
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President

DocuSigned by:
Carolyn Brennan
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Secretary