

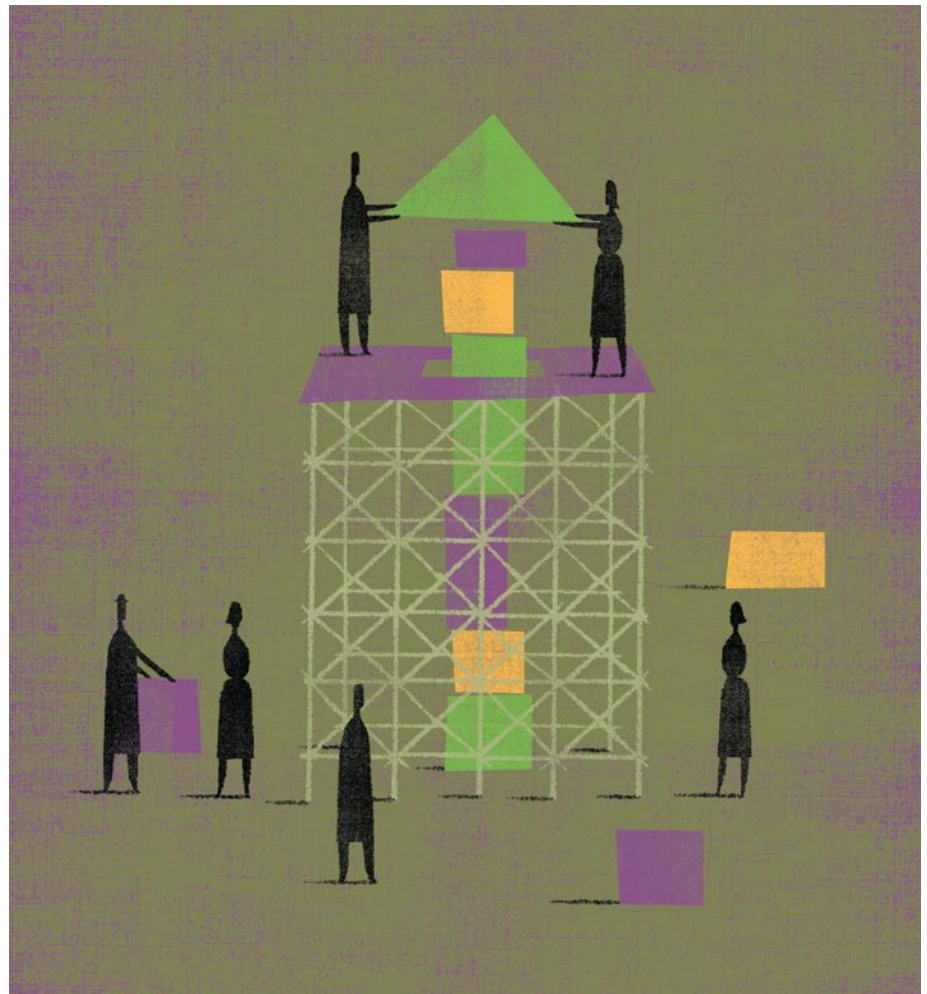
# GIH INSIDE *stories*

## Making the Most Out of Community Advisory Committees

*Lessons from conversion foundation CACs can inform other foundations' efforts to elicit community input.*

“Kind of a struggle.” That is how Brenda Battle describes the process of deciding the best way to bring community voices to bear on the work of the Missouri Foundation for Health (MFH). “It’s a fluid process,” says Battle, a member of that foundation’s community advisory committee (CAC). “You’re always trying to make sure that you’re tapping into every avenue to do that.”

Drawing meaningful input from the populations they serve and using it to help guide funding strategies and programs is a goal of many foundations working at the state and local levels. Health funders increasingly rely on public forums and local leaders to learn about community need and to help shape programs. The rewards for both sides of incorporating constituent views into foundation operations and goals can be enormous: increased transparency and accessibility, better targeted programs. But as Battle attests, even for a CAC member, finding the optimal method of linking to the community can be challenging. From the foundation perspective,



having the right community members serve on such panels, keeping them engaged, and ensuring that they are able to pave useful inroads into the relevant communities are not always easy. The experiences of a specific kind of CAC—those, like the MFH’s, born from health care conversion transactions—provide a useful prism through which to explore some of the challenges that many funders encounter in creating ways to learn from the communities they serve.



## Original Intent, Ensuing Variety

Conversion CACs are a work in progress, an experiment that began mostly on paper about a decade ago. A means of ensuring responsiveness to community needs on the part of foundations created from health care conversions, CACs were designed to ensure dialogue between the board and the populations these foundations were formed to assist.

The idea of eliciting community input into philanthropy was not new in the late 1990s. Some foundations were already relying on various forms of ad hoc CACs. At that time many nonprofit health organizations were

converting to for-profit entities through complicated legal processes. Most state laws require that assets transferred in this way be used for the same charitable purposes of the former nonprofit, and some state regulators created foundations to channel the assets. To help state consumer coalitions protect these public assets and institutionalize a community check on foundation operations, two national consumer advocacy organizations, Consumers Union and Community Catalyst, stepped into a number of the larger transactions. One result was these groups’ promotion of formal, permanent CACs woven into the fabric of the new foundations. CACs thus became part of the model foundation bylaws

groups to serve as positive examples of community responsiveness for health conversions around the country. With assets of \$1.2 billion, the MFH falls within this group of seven. (These funders are a subset of some 20 conversion foundations that report using CACs, based on a fall 2006 GIH survey.)

Under these suggested bylaws, CACs have two roles: nominating foundation board members (to prevent boards from becoming self-perpetuating old boys’ clubs isolated from the community); and overseeing and assessing the effectiveness of the board’s community outreach activities. Most foundation boards have felt all along that the second role is more

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that the two organizations jointly drafted. (Their learning on CACs and community-responsive philanthropy more broadly can be found in the 2004 handbook, *Building and Maintaining Strong Foundations*, at [www.consumersunion.org/conv/pub/publicationfoundationstates/002252.html](http://www.consumersunion.org/conv/pub/publicationfoundationstates/002252.html).)

These model bylaws, with variations, were adopted by some state regulators. Other regulators, hewing to the spirit of the bylaws, endorsed different models for community input. Oregon’s attorney general, for instance, approved a “community affairs committee” that was proposed by the Northwest Health Foundation and comprises the funder’s own board members. The state officials who embraced the model bylaws were those overseeing the birth of seven foundations that, because of their large assets, were targeted by these consumer

important. In the MFH’s bylaws it appears first and is defined as two roles in one: advising the board annually on the efficacy of MFH programs “from the communities’ perspectives” and advising on “communities’ priorities” for future foundation efforts.

Historically, these last functions have not been clearly spelled out in most bylaws. And in practice, these community-bridge functions, however defined, often have been overshadowed by the contention that has arisen over the board nominations process. This process became front and center because of the politics surrounding health conversion transactions. The spotlight at the time was on issues of power, says Phillip Gonzalez, philanthropy project director at Community Catalyst until 2005. “More often than not, it was, who runs the board, who runs the foundation?” Only sometimes

was there traction to talk about how the CAC would carry out its community needs assessment role.

Struggles over governance issues were tied, in turn, to a lack of clarity about specific CAC responsibilities. Were CACs to govern or merely advise? Boards were anxious in part because they, not CACs, are legally responsible for a foundation's actions. Several years were to pass before boards and CACs like those at the MFH were able to come to a clear understanding about respective roles, and to arrive at a happier marriage. Only then did CACs begin to focus on their community input and performance monitoring functions. Now that most CACs are turning to these roles in a more concerted way, other challenges remain. How does a CAC work closely with a board to know enough about the latter's work to assess it without being co-opted and losing the objectivity needed to do that part of a CAC's job? How can a board rely on a CAC to be its eyes and ears when CAC members may be several degrees removed from the funder's target populations? How do a board and CAC cultivate personal relationships and mutual respect? How can a CAC (and foundation) maintain independence in cases where politicians appoint its members? Over the roughly six years that "conversion" CACs have been up and running, the answers have emerged through an evolutionary and sometimes sticky process.

Before probing how the MFH is meeting these challenges, it is important to understand that CACs vary dramatically in the nature of their board relations, assertiveness with which they carry out their duties, and capacity to elicit grassroots needs and input for the foundation's use in strategic and program planning. These variations are colored by local context. Factors include the politics surrounding the conversion, which usually dictated the foundation's appointment process; the bylaws' clarity on the delineation

of CAC and board roles and how the CAC is to carry out its advisory duties (most bylaws devote little space or specificity to the CAC); the size and culture of a state, which at times have helped set the tone for parties' willingness to work together; and invariably, observes MFH's CEO and president James Kimmey, the players' personalities.

The MFH's experience with its CAC falls somewhere on the middle of the continuum that marks how CACs function today. On one end are unbashful, highly engaged CACs. These groups have their own subcommittees, initiate activities such as grantee site visits, and enjoy high attendance rates at meetings that sometimes occur more

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often than those of the foundation boards. On the other end are what one foundation CEO calls "committees in search of a function." These CACs take their action cues from foundation staff, have few agendas of their own, and suffer weak meeting turnout. Most of the eight CACs examined for this story fall somewhere between the two extremes, but that location is not static; CACs can inch toward one pole or the other as they work out relationships with their boards and fine-tune their roles. Notably, being at the overdrive extreme does not guarantee a CAC's effectiveness in carrying out its community voice function.

### Early Tensions

"They saw themselves more as the board and us as some sort of appendage to it," recalls MFH board member Alberta Slavin. CAC members were

only exercising the rights they felt were theirs. The MFH bylaws granted no formal governance or fiduciary responsibilities to the CAC; those belonged to the board. But the advisory body commented on all foundation business, including how the board was investing its assets. The result, says James Kimmey, was immediate conflict between the two entities.

Some of what sparked the CAC's sense of ownership over the MFH, created in 2000 as part of a conversion agreement involving Blue Cross/Blue Shield of Missouri, was due to circumstance. The nominating committee appointed by the state attorney general and governor to select the foundation's initial board was slated to dissolve once

the MFH board held its first meeting. The governor and attorney general were then to appoint the foundation's first CAC. The nominating committee submitted names of 35 board candidates to the appointing authorities. But in late 2000 Governor Mel Carnahan died in a plane crash. The attorney general ended up appointing 15 of the 35 nominees to be the foundation's first board. And in the ensuing turmoil effected by the governor's death, the attorney general appointed the same 13 people on the nominating committee to become the CAC. Those individuals predated the board, established in December 2002, and felt that the foundation was their baby.

The resulting tension over governance responsibilities came to a head over the board election process in 2003. With relations already dicey, the CAC further alienated the board by submit-

ting names for new board members in a way that tied the nominees to specific seats rather than to a pool from which the board could select names for any vacancy. The board rejected the nomination method. Exerting its only real authority, the next year the CAC did not renominate the board members who had made the motion to reject the advisory body's nomination approach. The board did not want to lose these two members and refused to vote on new directors. After the attorney general stepped in and threatened legal action, the election took place, two months late, in February 2004.

After the election brouhaha, the MFH's board and CAC created an ad hoc joint committee to figure out a way to avoid such impasses in the future. That group arrived at a nominations

ship between the two entities works pretty well."

One change that has aided the process: The board now alerts the CAC to skill areas needed in filling upcoming board vacancies. The CAC, says chair Corinne Walentik, makes a conscious effort to solicit people with these skills as board nominees.

Ironing out the mechanics of the CAC's board nominations process, together with natural board and CAC turnover, helped steady board-CAC relations. But Kimmey credits the end of that unpleasant first phase to agreement between the two bodies to appoint CAC members to board committees as "participant observers." Once that accord was reached, ill feelings let up a bit, he says. But when the foundation clarified that the board, not

tured once they realize they cannot play a governance role in the foundation. Getting involved in the meat of the board's work can make CAC members feel better about the board and more engaged and better equipped to assess foundation efficacy in carrying out its work. Says Maine Health Access Foundation president and CEO Wendy Wolf, "When people drive five hours by car to come here to a CAC meeting, I want to make sure they're dealing with substantive issues and not just being a rubber stamp for what the board is doing." Over the years Wolf has found that CAC members "engaged in the foundation's committee work have a far better grasp and a level of commitment to what the foundation is doing than those who merely serve on the CAC without the additional committee work."

In the Missouri case, all board committees have at least one CAC representative. CAC members have no voting rights except for the two members who serve on the program and grants committee. By law that committee, explains Kimmey, can have two nonboard members, and the board invited CAC representatives as a diplomatic gesture. Pediatrician Corinne Walentik, CAC chair until late 2006, relished her assignment on that committee, the "one place where if I ask the right questions and help get some good grants for the right people, we can really make a positive impact."

Another way of fueling CAC involvement? By virtue of general practice or bylaws, many foundations see their CACs as a training ground for potential board members. "It sometimes is hard to recruit people for the CAC because it doesn't have the same amount of powers as the board and certainly not as much prestige," says the MFH's Walentik. Formalizing the notion of the CAC as a source of potential board members would likely motivate more people to join the CAC, she says. No such provision appears in

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process that Kimmey describes as convoluted but effective in preempting conflict. More importantly, other things have changed. "We are now four years into this," he says. Only a handful of the original 13 CAC members are still serving. A majority of the board has been elected by the second generation of CAC members. Prickly feelings born of old differences still exist, says Kimmey, and "we still have people on the board who would like to eliminate the CAC." But the board nominations process has vastly improved and produced, in his view, excellent nominees. Brenda Battle, a CAC member who came on at the tail end of the board-CAC clash, agrees that the nominations process has improved. "I think the newer board members see the value of the CAC, and the relation-

the CAC, was the governance body, the interest of some of the original CAC members "waned real fast," he says. The foundation then went through a second phase when CAC members were resigning. The attorney general was having trouble identifying people to appoint and the CAC was drawing only four or five members to a meeting. Says Kimmey, "It just went flat for a while."

### Improving a Delicate Relationship

Despite that temporary lull, having CAC members participate in board committees has been a useful move that many other foundations also have taken. The arrangement, which exists in some funders' bylaws, can help buoy CAC members whose sails are punc-

the MFH's current bylaws, but two of the MFH's three CAC members who nominated themselves to the board over the last few years were elected.

None of these steps to enhance board-CAC harmony and CAC engagement can occur without the backdrop of leaders who are willing to work together. "I think you need to be very cautious about the kind of chairperson you have for the CAC and their mindset as to whether they view this as a collaboration as opposed to a confrontation," says MFH board member Brewster. Crucial, too, is a positive relationship between the board and CAC chairs. When she was the MFH board chair, Brewster says that she and the CAC chair lunched informally "just to be in touch about concerns with the foundation, the

member called "an uber-board"—was more aligned with that of the board. Attendance has reached almost 100 percent at bimonthly CAC meetings (which take place at MFH offices), he says. The CAC has beefed up the way it goes after board candidates, and in this respect the group "is doing its job," or at least a key part of it.

### Sacrificing Objectivity for Knowledge?

More closely involving CAC members on board committees runs the risk of weakening their ability to carry out another important function—assessing the efficacy of foundation programs. Kimmey sees the MFH's CAC as "an external observer that is up close to the foundation rather than an external

the most. She expresses concern that "if CAC members have the power to make grants, they're no longer independent," and that this kind of involvement could undermine the "honest broker voice" for the community that CACs were meant to play for foundations. After all, by law some CACs conduct performance assessments of their boards and need some distance to do this well.

Most CACs, however, do not seem to share that concern. Lisa Polhmann, a past CAC chair at the Maine Health Access Foundation, is aware that too much closeness to a board could potentially compromise




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community, and the needs." Kimmey traces many of the problems in board-CAC relations to personality. It's no secret, he says, that the person who chaired the CAC the longest emerged from "the sixties confrontational politics." That chair's successor, Corinne Walentik, says Kimmey, "comes out of a different culture." She has been close to the board chair, and their collegiality has hugely benefited the foundation. "It's much better when we're nonconfrontational," says Walentik.

The arrival of new CAC members like Brenda Battle, observes Kimmey, marked the third, currently well-functioning phase of board-CAC relations. "Brenda and some of the other newer members had a much clearer vision of what their role was," he notes. That vision—not to be what one CAC

observer at a distance." Sometimes it is difficult for a group to criticize its own decisions, he says, so having a CAC that serves as a kind of external voice has value. (The CAC's last few annual performance reviews of the MFH—see [www.mffh.org/community\\_advisory\\_committee.html](http://www.mffh.org/community_advisory_committee.html)—are frank, substantive, and on the whole positive about the foundation's work.)

Can up close be too close to retain an external voice? Debbie Greiff is a California-based community development consultant who assisted Consumers Union's philanthropy workgroup and surveyed seven CACs in 2003. She noticed that a number of CAC members (like Walentik, above) were starting to serve on their boards' grantmaking committees, because that's where they felt they could contribute

the accountability function that consumer groups originally envisioned for CACs. Nonetheless, she says, "It would be very difficult for an outside group of community people to have enough information to comment on how the foundation is doing, where it's putting its money, if it weren't integrally involved in some way. Otherwise, what would be your point of information? You'd get reports from the staff about how the organization is running. But it just doesn't feel like you'd end up with as much influence as you would if you were more involved. Now whether

that means you end up being co-opted, I guess that's always a tension." In Polhmann's view, such involvement has been "the thing that's made the CAC most viable and most relevant."

### Providing Real, If Unintended, Assists

Foundations appreciate the value of a viable and relevant CAC in improving their capacity to serve constituent populations. When it's working right, says Kimmey, the CAC has the opportunity to be "a little broader" than the board by looking out to the community and getting information that can be helpful to the board. Indeed, agrees Phillip Gonzalez, formerly at Community Catalyst, these ideals are at the heart of the CAC concept. Gonzalez says that the intended role of a CAC was to be a third party within the foundation (after the board and staff) whose lack of governing and fiduciary responsibilities allows its members to be more creative in thinking about the foundation's work vis-à-vis the community. When at their best, notes Gonzalez, now with the Blue Cross Blue Shield of Massachusetts Foundation, CACs also ensure direct dialogue between the board and the community.

The CACs that do well at this tend to have members who are familiar with state populations in need and who feel valued, respected, and fully utilized by the foundation. They may also be given additional responsibilities by their boards. The CAC of New Mexico's Con Alma Foundation has a solid knowledge of the state's diverse populations. Addressing needs across the state requires a drive of five or six hours from the foundation office, says executive director Robert Desiderio. "We cannot possibly do that from Santa Fe, so we need the CAC members to tell us what the issues are in these communities."

Con Alma's mandated CAC is "organically" part of the foundation,

ingrained in its culture from inception in 2001, says Desiderio. The funder's CAC is unusual in that it does not nominate the board. This fact, together with what program director Dolores Roybal calls the larger, "collaboration-focused" culture of New Mexico, have helped preempt the conflicts that have afflicted other foundations and their CACs over governance. These same factors helped Con Alma's CAC focus on its community input role from the get-go. The CAC has three subcommittees (nominations, which searches for new CAC members; outreach, which assesses if foundation grants are meeting the goals of representing the whole state; and evaluation, which looks at how board grantmaking and

in other foundations and beyond the intent of the consumer groups that shaped the CAC idea. Take site visits. Desiderio says the foundation likes CAC members to participate because "we believe the CAC has a better background with respect to our grantees than any of us has." That body's members conducted 60 percent of on-site applicant interviews in the 2006 grant cycle without staff, forwarding their recommendations to the foundation. Roybal, who replaced Desiderio as executive director in January 2007, praises the CAC for taking "quite a load off of staff." The CAC is so crucial to the foundation's work, Desiderio says, that without it Con Alma "would either have to put our staff throughout the

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other activities are reaching target service populations). The group also has ample opportunity to express thoughts about all foundation work: CAC members sit with full voting rights on every board committee. A strong push from the CAC helped direct "substantial dollars" into advocacy grants related to universal health care, says Desiderio. And the findings of a health disparities report initiated by the CAC, says Roybal, are helping to shape the funder's grantmaking in this area. CAC chair Alice Salcido accurately observes, "We really do have a greater impact on what is going on with formulating policy and direction than a lot of the other advisory committees around the nation."

The CAC has extended roles that go beyond those of its counterparts

state, which would be a bureaucratic nightmare, or they would be operating [only] from Santa Fe, where we would lose the impact of the local communities." In turn, says Salcido, the site visits boost the CAC's knowledge base about the community.

### Seeking Community Say

The MFH's CAC does not go beyond its originally conceived roles by conducting site visits. What the CAC provides, says Corinne Walentik, is "a little bit more feedback into what's going on, and a little bit more ability to let the community know what the foundation is doing." One way it does this is by taking the lead in holding annual statewide listening sessions to solicit public input on unmet

health care needs. In 2006 the MFH organized nine such forums, which were chaired by a CAC member and attended by at least one board member and several staff. Based on the proceedings, staff then compiled a report on community concerns. The annual document, says Kimmey, is a source of input for strategic planning (see [www.mffh.org/forum\\_reports.html](http://www.mffh.org/forum_reports.html)). Board member Mikki Brewster traces the creation of specific programs to feedback from these forums.

Kimmey praises the CAC for trying hard to get the most out of these community gatherings. An example of the CAC's challenge, he says, is "how to get the people who are most affected by the [recent cuts in government] programs to actually come and talk about it." It's easy to get the mental health association folks and the federally qualified health center folks, he says. And in the forums' first two years, "it was almost all corporate interests" who attended or, according to board member Alberta Slavin, people looking for funding support or grantees there to thank the MFH. In 2005 the CAC changed the gathering format. Rather than having an open mike and free flow of ideas, organizers decided to concentrate on the effects of that year's Medicaid cuts and the growing numbers of uninsured. They worked hard to get people who had been kicked off Medicaid due to program cuts to attend. The stories these people told "would curl your hair," says Kimmey, and the input was incorporated into strategic planning and grantmaking. The CAC's community-input function "is not all it could be," he notes. But the CAC is "halfway there"—further than it was only a few years ago.

### The Peril of Politics

A CAC with broad community representation can sometimes be a political asset, says Community Catalyst president Kate Villers. It can

protect a foundation against external threats from policymakers wanting to change its nature and structure. It can legitimize a foundation agenda. On balance, however, foundations find the political baggage that usually came with CACs to be a liability.

Some of the politicians who stepped into the conversion transaction fray of the late 1990s gained more power than others over the resulting foundations, says Betsy Imholz, special projects director for Consumers Union. The politicization of the CAC appointing process "is not a great



thing," she says, but is "the reality we deal with." The main sticking point? A CAC's links to its appointing authority. "The discussions leading to the adoption of many CACs were not focused just on creating an independent foundation," says Phillip Gonzalez. "All too often CACs or their foundations were conceived in relationship with the governor's or attorney general's office, which became a distraction from the original concept."

One contribution to this distraction is the connection between politics and CAC composition. Despite their

name, with some exceptions CACs don't look much different from their foundations' boards. Racial, gender, and geographic diversity infuses boards and CACs to a similar extent. Having "community" in the name doesn't guarantee a thing, notes consultant Debbie Greiff. CACs typically have a mix of health care service providers, lawyers, retired professionals in and outside of the health field, and former state senators or other friends of the body's appointing authority. Few are dominated by representatives of consumer or disadvantaged groups. According to Kimmey, the Missouri attorney general "finds it easier to appoint people who are involved in organizations he knows about than it is to go out and really try to find some of the stronger advocates to sit on that body." It's been a constant discussion both at the board and the CAC, says Kimmey, but neither group "has really been able to get that kind of representation. We're even thin on advocates for the under- and uninsured and the poor."

But there is another, greater hazard to a CAC-political office tie, particularly if only one official nominates the CAC, as is the case in Missouri. Missouri Attorney General Jay Nixon, a Democrat in a mostly Republican state, is proud of his role in forming the MFH and highly supportive of its charge to address the unmet health care needs of the underserved. His term will end in January 2009, however, and an attorney general less sympathetic to the MFH's work could replace him. Undoing a foundation's conversion transaction agreement would be difficult but not impossible. In 2004 a state legislator sponsored a bill that would have abolished the MFH's CAC and had the governor appoint all board members, thereby opening the possibility of "some redirection toward programs and priorities aligned with the governor's political philosophy," says Kimmey. The proposal died as the result of an intensive effort by

the MFH to acquaint legislators with how the foundation was created and functions. (State action to change the agreement's substance would result in the assets reverting back to the converting organization.) But the threat of such initiatives remains.

To be truly effective, the foundation will have to be a "stand-alone, independent" foundation, argues board member Slavin. The attorney general, says Kimmey, agrees, and is likely to approve an MFH proposal for a self-perpetuating CAC that would sever

might "refocus on its responsibilities... and provide the board with meaningful input concerning community perspectives and perceptions."

The jury is still out on whether CACs can live up to their designers' ideal. In coming up with the CAC concept, Consumers Union expected the need for some "organic experimentation" with the model, says Betsy Imholz. Guided only by a general outline of a CAC's functions and purpose, foundations and CACs have been cleverly if not painlessly working

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the CAC's connection to his office. The proposal suggests that the CAC be selected by a committee equally comprising board and CAC members that would nominate members to the CAC, which would then elect its own members from those candidates. The CAC would continue to nominate the board as it does now. This new arrangement would force consensus between the two bodies over CAC nominees, says Kimmey. Importantly, a self-perpetuating CAC, he adds,

out the specifics, often making them up as they go along. Perhaps the main lesson from "conversion" CACs is that charging formal, standing bodies with speaking for a foundation's targeted populations is no panacea. Funders must continue to rely on other conduits—public forums, Web sites, open board meetings, and informal advisory panels—for public interaction.



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*GIH Inside Stories is published several times a year as an educational and information service for health grantmakers. We welcome your feedback. Please send comments to [info@gih.org](mailto:info@gih.org).*

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*Thanks to the individuals interviewed for this story. Special thanks to James Kimmey.*

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