

MINUTES
BOARD OF DIRECTORS
SOCIETY OF PROFESSIONAL JOURNALISTS FOUNDATION
SATURDAY, NOVEMBER 21, 2020
ZOOM CALL

DRAFT

Call to Order

The Zoom meeting was called to order at 12:02pm EST by President Irwin Gratz.

Roll Call

Members present: Gratz; Vice President Hagit Limor; Secretary Sonny Albarado; Treasurer Howard Dubin; board members Battinto Batts, April Bethea, Michael Bolden, Fred Brown, David Carlson, David Cuillier, Jay Evensen, Paul Fletcher, Todd Gillman, Matthew Hall, Kelly Hawes, Evelyn Hsu, Alex Jones, Bill Ketter, Jane Kirtley, Sally Lehrman, Frank LoMonte, Patricia Gallagher Newberry, Sonya Ross, Andy Schotz, J. Alex Tarquinio. Members absent: board members Rebecca Aguilar, Russell Pulliam.

Also present: SPJ Executive Director John Shertzer, Development Director Larry Messing, Journalist-on-Call Rod Hicks, Director of Education Karyn Nishimura Sneath and Controller Jake Koenig.

Approval of Minutes

Albarado moved to approve the minutes from September 14, 2020 meeting, with the changes noted below. Bolden seconded.

Changes noted include:

- “Knew” is misspelled on page 5.
- Porter needs to be added to board members in attendance.

Motion passed.

Finance Committee’s Report

Dubin noted that the Foundation’s assets currently sit at \$14,155,000. This is up from \$13,155,000 this time last year. Overall, the Foundation is in good shape financially, much of which is due to the Atkin’s bequest the Foundation received over the last couple of years.

The Finance Committee met earlier and approved a budget for 2021, which will keep the draw down at 4.5 percent. Dubin noted that it is the job of the board to protect the Foundation’s assets. \$100,000 of the Atkins gift is being added to the Foundation’s corpus.

Approval of 2021 SPJ Foundation Budget

Koenig reviewed the 2021 budget and introduced Nate Rushton as the staff accountant. Koenig explained the 4.5 percent draw-down was determined looking at the average of the previous 4 quarters. Many costs are split with SPJ, including building expenses. \$150K grant is for SPJ for education initiative. Paul Atkins estate provided \$212K bequest, part of which was used for the implementation of the new database and to shore up the 2021 budget. \$100K was left for the board's consideration. Journalist on Call position was funded for 6 months per the initial grant award from three years ago. The current budget is at break even and does not allow for outside grant giving.

Dubin made a motion to approve. Gallagher Newberry seconded. Discussion follows:

Tarquino asked for verification that we will not be giving grants to outside organizations in this budget. Gratz responded that, while that is the current status, there are options for the board to consider. Tarquino stressed the importance of supporting outside organizations through grants.

Hall asked what the logic was to keep the draw-down at 4.5 percent. Dubin responded that the Foundation is following best practices and other organizations are actually cutting back their draw-downs. Current interest rates are low, which does not allow for as much growth. Hall asked if the Foundation intended to cover the Journalist on Call's salary for the full year. Gratz responded that the board will discuss options. Shertzer said there was no intention to eliminate the Journalist on Call but because the current contract expires in July, the budget needs to reflect that unless the board desires otherwise.

Hall asked if a \$20K travel budget was realistic. Shertzer responded that this budget will include fundraising travel, but will likely be far less. Koenig said the budgeting was done with the thought that things would be returning to normal. Overall, the budget includes fundraising travel and board travel. Hsu asked if fundraising travel was included in fundraising or Staff Travel. Koenig responded that it was in Staff Travel.

Gallagher Newberry asked if there was any intent in selling SPJ's headquarters building. Shertzer responded that the SPJ board has asked him to evaluate moving, but staff will remain in the building for at least one more year. There are many options to look at.

Ketter asked if there was an intent to reinstate what was formerly called Scripps Leadership Institute. Koenig responded that it was included in the SPJ budget through the grant approved by the Foundation earlier this year.

Gratz noted that there is no funding in the 2021 budget for grants. He asked if the board was interested in funding grants for 2021 and to fund a full year of the Journalist on Call. Gallagher

Newberry asked if using a portion of the \$100K remaining from the Atkins bequest was an option and Gratz responded in the affirmative. Gratz noted that the Finance Committee recommended putting the remainder of the Atkins bequest into the corpus.

Kirtley asked if this was more of an existential question. Should the Foundation be giving grants to outside organizations. Tarquinio responded that she had issue with the Foundation no longer providing outside grants.

Bethea asked if the Foundation should consider at least giving out one cycle versus two.

Shertzer noted that this budget does not mean the Foundation is making a permanent stop to outside grant funding. This is only for 2021.

Albarado asked if the Foundation had decided to do with the \$40K anonymous gift we received. Gratz responded that it had been used to shore up the budget.

Hall asked if the board could delay a decision on the granting cycles until April. Gratz responded that a decision needs to be made now if the board is to consider a spring giving cycle. A contingency could be added to any approved budget.

Gallagher Newberry asked what we provided in grants last year. Koenig said we gave \$72k in outside grants and \$40K in individual grants for the Journalists Emergency Fund for a grand total of \$112K.

Gallagher Newberry moved to table the budget discussion until later in the meeting. Bethea seconded. Motion passed.

Discussion continued: Gallagher Newberry asked what funds were available for grants. Gratz responded that \$100K was remaining from Atkins gift. Another \$40K was used to shore up the Foundation's budget.

Jones said he would not recommend deficit budget or raising the Foundation's drawdown percentage. The Foundation could budget \$40K for grants, but dependent on market performance.

LoMonte suggested the possibility of using the proceeds of the future sale of the building for grantmaking.

LoMonte made a motion to allocate \$20K toward grantmaking in 2021. Jones seconded. Discussion on the motion:

Shertzer noted that if Craig Newmark approved SPJ's proposal, we would use the six months of salary for the Journalist on Call to cover the full year.

Gallagher Newberry asked if current budget allows for continued funding if Craig Newmark says no. Gratz responded that the board could decide in the April board meeting.

Shertzer said that we will have a full evaluation of the Journalist on Call program in the spring. Our discussions with Craig are positive and Messing noted that signs seem to be pointing toward a positive response.

LoMonte asked if anticipated income was included in the budget. Shertzer responded no. LoMonte said we could build an aspirational budget which could incorporate funding from Craig Newmark.

Schotz asked if the Ethics Director position noted in the proposal was in addition to the Journalist on Call. Shertzer noted that it is the same position, but SPJ would modify the role a bit.

Ketter moved to defer the decision on funding the Journalist on Call for the 2nd six-months to the April meeting. Tarquinio seconded.

Hall responded that we owed it to Hicks to make a decision now on the future of the Journalist on Call position

Motion failed.

Albarado moved to go into executive session. Hsu seconded. Motion passed.

The board returned from executive session.

Albarado moved to approve the proposed 2021 Foundation Budget with an increase of \$70,000 in revenue under Contributions and Grant and an additional \$70,000 in expenses under Salaries. Hall seconded the motion. Motion passed.

The board reviewed the 2021 Foundation goals presented by staff. The board had reviewed these at a prior meeting and there was no further discussion.

Fletcher moved to approve the 2021 Foundation goals. Brown seconded. Motion passed.

Proposal to Craig Newmark Philanthropies

Schotz noted that the Foundation needs to explain how we use the Code of Ethics language in proposal. In the past, SPJ has released statement regarding ethics issues and we can continue doing so.

Brown said that the Code of Ethics is not to be used as an enforcement mechanism, but SPJ can call out ethical lapses. Ketter said SPJ should avoid serving as the “industry watchdog” for ethics. SPJ does not want to create another News Council.

Tarquinio noted that SPJ needs to value the role of volunteers on the Ethics Committee when providing guidance as they have significant experience. Serving as a watchdog is concerning.

Bethea suggested that the Ethics Director could work with both the Ethics and Diversity Committees.

Kirtley was concerned that this proposal was put together without the knowledge of the board as they were the ones that initially funded the Journalist on Call program.

Announcements

Schotz announced that the awards programs were expanding to COVID coverage and more volunteer judges would be needed.

Gratz encouraged the board to make a pledge for the year-end challenge campaign for the foundation.

Adjournment

Gallagher Newberry moved to adjourn the meeting. Fletcher seconded. Motion passed.

Meeting was adjourned at 3:04pm EST.