

C. Governance

Like all not-for-profit organizations, HCH projects need to have in place a vital and effective entity that plans, monitors and governs project activities. Numerous resources are available for developing boards of nonprofit organizations. Frequently, United Way or local community foundations have training programs for board members, and many national organizations are devoted to improving skills of nonprofit governing bodies (see Appendix C). Given these available resources, this chapter will not go into great detail on the subject of governing boards in general, but will rather look at issues specific to HCH projects, considering the following questions:

- What are the responsibilities of governing boards?
- What are the special challenges in setting up HCH governing bodies?
- How can people who are homeless be involved in HCH governance?

WHAT ARE THE RESPONSIBILITIES OF GOVERNING BOARDS?

In general, governing boards of not-for-profit organizations are responsible for:

- Hiring, evaluating (and, if necessary, terminating) the chief executive officer/executive director.
- Being legally accountable for all aspects of agency operation.
- Approving the annual budget and acting as trustees of the agency on behalf of donors and funders.
- Approving contracts, leases, mortgages or any other financial liability for the organization.
- Establishing policies, general guidelines and limits for agency operation.
- Determining long-term organizational goals and objectives through a strategic planning process.

- Authorizing programs and services to be offered by the agency.
- Assuring that adequate funding is available to implement programs and services.
- Assuring that the quality of services and effectiveness of the agency are evaluated on a regular basis.
- Evaluating the effectiveness of organizational structure for accomplishing the mission, goals or objectives.

Given the serious responsibilities with which boards are charged, it is important to recruit HCH board members who can bring certain expertise to the organization's policy-making efforts, especially in the following areas: health care (including medical, dental, mental health and substance abuse, as well as public health and hospital experience); human services (including social work and case management); an understanding of homelessness, either through direct experience or significant involvement working with people who are homeless; human resources/personnel; finances/accounting; legal issues; managed care; development/fundraising/marketing; evaluation and quality improvement; understanding of the political environment; and grassroots community perspective.

WHAT ARE THE SPECIAL CHALLENGES IN SETTING UP HCH GOVERNING BODIES?

Some HCH projects are housed within organizations, such as community health centers, that already have this governing body in place. Those that are housed in public health departments or hospitals will answer to a governing body that is often far-removed from the daily realities of the HCH project. Free-standing HCH organizations will have to develop their governing board from scratch. Each of these scenarios presents a different set of challenges.

Working with community health center boards, HCH projects may sometimes find that the board is – with good reason – quite preoccupied with developing paying revenue sources, especially managed care contracts. The reality in many community health centers is that their continued existence may depend on integrating into the managed care system. This understandably absorbs the attention of a board, and may leave little time or energy for dealing with issues specific to the HCH part of the organization, such as expanding mental health, substance abuse or

outreach services for homeless people who will not be able to contribute to bringing in revenue.

Some community health centers have found that it is helpful to set up a special HCH advisory committee within their board structure, so that issues specific to their homeless clients can receive the attention they deserve.

HCH projects housed within large institutions such as hospitals or public health departments will undoubtedly find that the governing bodies – hospital boards of trustees, city councils or county commissions – are even more preoccupied with larger institutional issues, with little attention left to focus on HCH needs. As mentioned earlier, HCH projects sponsored by larger organizations with governing bodies that are distant from HCH operations will want to set up an advisory committee specific to HCH that would make recommendations to the governing body, or would be empowered to make certain decisions on behalf of the governing body.

Free-standing HCH projects face other issues in forming an effective board of directors. Recruiting a board for a newly-forming organization is somewhat different than recruiting for an organization that already has its basic systems in place. New organizations in particular need the expertise of people who have experience with non-profit boards and who understand the kinds of financial, personnel and information systems necessary to get an organization operational. As the organization evolves, so will the board. As new program components or facilities are added, boards frequently look for new members with skills in those areas.

The approach to governance in HCH projects has changed over time, raising new issues.¹ Many early projects that were initiated by coalitions faced a major challenge when transforming from an informal mission-driven group to a more formalized structure with legal and fiscal accountability. Concerns about conflict of interest were raised often, due to the fact that many of the original members of HCH coalitions became subcontractors, sometimes remaining on the governing body.

Conflict of interest continues to be an issue for HCH boards of directors, given the heavy reliance on linkages with other organizations. The conflict is clear in the case of a subcontractor having a seat on the board. But representatives from other homeless services organizations or health care

organizations – even those without financial links to HCH – will commonly experience a “split loyalty,” especially in fundraising issues. With stiff competition for nonprofit funding in most communities, HCH board members who are on the staff of other nonprofit organizations may have a hard time determining how to use information and connections related to potential donations, grants or contracts.

It would be difficult to exclude these community members, since it is important to have the perspective of other community organizations and because the individuals may bring other skills that the board needs. Instead, the board should recognize and discuss the potential conflict and keep the dialogue open and honest, while requiring board members to declare any conflicts of interest and/or resign if necessary. Similarly, it is valuable to have public officials on the board of directors. However, if the HCH project begins to receive funding from that public body, the official will usually be required by his or her own agency to resign.

HOW CAN PEOPLE WHO ARE HOMELESS BE INVOLVED IN HCH GOVERNANCE?

In order to assure appropriateness of services and responsiveness to those being served, HCH projects need to find ways to involve the users of services in the initial development and ongoing governance of the project. However, in many cases it may be unrealistic to expect homeless people who are struggling to hold their lives together on a daily basis to make a long-term commitment to deal with policy and financial issues for which boards are responsible. In addition, the clients who use HCH services over longer periods of time tend to have more chronic problems (understandably making it more difficult to commit to the time required for serving on a board), while those who have fewer or less serious problems may only be seen once or twice. Still, users of HCH services are the most knowledgeable about what kinds of services are needed, the best schedules and locations, and other aspects of direct care. In order to incorporate this valuable feedback from homeless people, and/or involve them in project policy-making, several options may be considered:

- Invite current users of service to be members of the board, making accommodations for the limitations and difficulties mentioned above.
- Invite people who are former users of HCH services to be on the board (once they have their lives fairly stabilized).

- Use a formal advisory group, separate from the governing board, allowing the advisory group to provide input in areas related to services, without the legal responsibilities for policy or finances.
- Convene focus groups and/or use client satisfaction surveys on a regular basis, inviting users of HCH services to comment on general or specific needs and/or concerns.
- Invite other homeless service providers or advocates to participate in the governing board or advisory group.

Federally-funded projects are bound by Program Expectations that address the issue of consumer involvement in project governance.² However, whether a project is federally-funded or not, consumer input should be sought on a regular basis, no less than twice a year. In addition, projects should have written policy and procedures for selecting consumer participants and ensuring substantive input by means of the approaches listed above or others. This policy should be included in the corporate by-laws or other written policies/procedures. For projects using consumer advisory committees or focus groups, input received in the form of discussions or deliberations should always be well-documented and reported to the governing board.

NOTES

- 1 A.H. Levin, G.I. Blasi and R.W. Heim, et al. Governance, Program Control, and Authority. In P.W. Brickner (Ed.), et al., *Under the Safety Net: The Health and Social Welfare of the Homeless in the United States*. New York: W.W. Norton, 1990, pp. 263-274.
- 2 Bureau of Primary Health Care. Policy Information Notice (PIN) Number 98-23: "Health Center Program Expectations." Available at <http://bphc.hrsa.gov/pinspals/default.htm> (look in 1998 PINs).