



Our Vision

Central Texas is a model healthy community.

Our Mission

By caring for those who need it most, Central Health improves the health of our community.

Our Values

Central Health will achieve excellence through:

Stewardship - We maintain public trust through fiscal discipline and open and transparent communication.

Innovation - We create solutions to improve healthcare access.

Right by All - By being open, anti-racist, equity-minded, and respectful in discourse, we honor those around us and do right by all people.

Collaboration - We partner with others to improve the health of our community.

AD HOC PHILANTHROPY COMMITTEE MEETING

Wednesday, April 23, 2025, 2:30 p.m.

Videoconference meeting¹

A quorum of the Committee and the presiding officer will be present at:

Central Health Administrative Offices
1111 E. Cesar Chavez St.
Austin, Texas 78702
Board Room

Members of the public may attend the meeting at the address above, or observe and participate in the meeting by connecting to the Zoom meeting link listed below (copy and paste into your web browser):

<https://us06web.zoom.us/j/82592512334?pwd=hOPWIBHiYIX8NHEBwcP6Qy4OkrLuvM.1>

Meeting ID: 825 9251 2334

Passcode: 832817

Links to livestream video are available at the URL below (copy and paste into your web browser):

<https://www.youtube.com/@tchealthdistrict/streams>

Or to participate by telephone only:

Dial: (346) 248 7799

Meeting ID: 825 9251 2334

Passcode: 832817

The Committee may meet via videoconference with a quorum present in person and will allow public participation via videoconference and telephone as allowed under the Open Meetings Act. Although a quorum of the Committee will be physically present at the location posted in the meeting notice, we strongly encourage all members of the public to observe the meeting virtually and participate in public comment, if desired, through the virtual meeting link or telephone number listed on each meeting notice.

A member of the public who wishes to make comments virtually during the Public Communication portion of the meeting must properly register with Central Health **no later than 1:00 p.m. on April 23, 2025**. Registration can be completed in one of three ways:

- Complete the virtual sign-in form at <https://www.centralhealth.net/meeting-sign-up/>;
- Call 512-978-9190. Please leave a voice message with your full name and your request to comment via telephone at the meeting; with the name of the meeting at which you wish to speak; or
- Sign-in at the front desk on the day of the meeting, prior to the start of the meeting.

Individuals who register to speak on the website or by telephone will receive a confirmation email and/or phone call by staff with instructions on how to join the meeting and participate in public communication.

PUBLIC COMMUNICATION

Public Communication rules for Central Health Board and Committee meetings include setting a fixed amount of time per person to speak and limiting Committee responses to public inquiries, if any, to statements of specific factual information or existing policy. The Public Communication portion of the meeting will begin at 2:30 p.m.

REGULAR AGENDA²

1. Discuss and take appropriate action on the scope of the committee deliverables, including a philanthropy development plan, an implementation workplan, procedures, and other activities.
(*Action Item*)
2. Confirm the next regular Ad Hoc Philanthropy Committee meeting date, time, and location.
(*Informational Item*)

Notes:

¹ This meeting may include one member of the Ad Hoc Philanthropy Committee participating by videoconference. It is the intent of the presiding officer to be physically present and preside over the meeting at Central Health Administrative Offices, 1111 E. Cesar Chavez St., Austin, TX 78702, Board Room. This meeting location will be open to the public during the open portions of the meeting, and any member participating by videoconference shall be both visible and audible to the public whenever the member is speaking. **Members of the public are strongly encouraged to participate remotely through the toll-free videoconference link or telephone number provided.**

² The Ad Hoc Philanthropy Committee may take items in an order that differs from the posted order and may consider any item posted on the agenda in a closed session if the item involves issues that require consideration in a closed session and the Committee announces that the item will be considered during a closed session. A quorum of Central Health's Board of Managers may convene or participate via videoconference to discuss matters on the Committee agenda. However, Board members who are not Committee members will not vote on any Committee agenda items, nor will any full Board action be taken.

Any individual with a disability who plans to attend this meeting and requires auxiliary aids or services should notify Central Health at least two days in advance, so that appropriate arrangements can be made. Notice should be given to the Board Governance Manager by telephone at (512) 978-8049.

Cualquier persona con una discapacidad que planea asistir o ver esta reunión y requiera ayudas o servicios auxiliares debe notificar a Central Health con la mayor anticipación posible de la reunión, pero no menos de dos días de anticipación, para que se puedan hacer los arreglos apropiados. Se debe notificar al Gerente de Gobierno de la Junta por teléfono al (512) 978-8049.

Consecutive interpretation services from Spanish to English are available during Public Communication or when public comment is invited. Please notify the Board Governance Manager by telephone at (512) 978-8049 if services are needed.

Servicios de interpretación consecutiva del español al inglés están disponibles durante la Comunicación Pública o cuando se le invita al público a comentar. Notifique al Gerente de Gobierno de la Junta por teléfono al (512) 978-8049 si necesita servicios.

AD HOC PHILANTHROPY COMMITTEE

April 23, 2025

AGENDA ITEM 1

Discuss and take appropriate action on the scope of the committee deliverables, including a philanthropy development plan, an implementation workplan, procedures, and other activities. (*Action Item*)

AGENDA ITEM SUBMISSION FORM

This form is to provide a general overview of the agenda item in advance of posting for the Board meeting. Proposed motion language is a recommendation only and not final until the meeting and may be changed by the Board Manager making the motion. All information in this form is subject to the Public Information Act.

Agenda Item Meeting Date April 23, 2025

Who will present the
agenda item? (Name, Title) Manager Eliza May
Ted Burton, Chief Communications Officer
Monica Crowley, Chief Strategy/Planning Officer & Senior Counsel
Virginia Potter, Development Director

General Item Description Discuss and take appropriate action on the scope of the committee deliverables, including a philanthropy development plan, an implementation workplan, procedures, and other activities.

Is this an informational or
action item? Action

Fiscal Impact _____

Recommended Motion (if
needed – action item) _____

Key takeaways about agenda item, and/or feedback sought from the Board of Managers:

- 1) An understanding of the committee's purpose from Manager May
- 2) A clear understanding of the problem we're aiming to solve
- 3) A timeline that illustrates how we determined to explore solutions for the problem
- 4) Contents of the due diligence that will allow us to assess which revenue stream option to pursue
- 5) An outline of the proposed business plan for our development work

What backup will be
provided, or will this be a
verbal update? (Backup is
due one week before the
meeting.) No

Estimated time needed for
presentation & questions? 60 minutes

Is closed session
recommended? (Consult
with attorneys.) No

Form Prepared By/Date
Submitted:

Virginia Potter 4/18/2025

Development Update

Dr. Pat Lee, President & CEO

Ted Burton, Chief Communications Officer

JP Eichmiller, Vice President of Strategy

Virginia Potter, Development Director

Central Health Board of Managers Meeting

4/23/2025



Agenda

- Factors Driving the Need for a Development Program
- Our Development Evolution
- Current State, including a Timely Opportunity
- Future Possibilities
- Timeline for Deliverables

Why Explore a Development Program Now?

1

Increasing Demand for Services

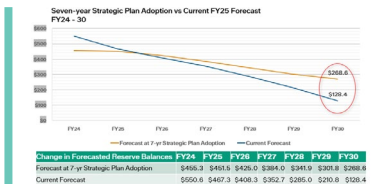
- 10.1% increase in people served (since FY23)
- 20.3% increase in uninsured Travis County residents covered by MAP Basic (since FY23)
- 12.3% increase in uninsured Travis County residents covered through MAP (since FY23)



2

Declining Reserve Funds

Contingency funds phasing out, reducing financial flexibility each year



3

Scaling up: Capital Projects

\$292.5M in capital projects for FY2025 alone, with immense opportunity to invite funders to partner with us

| Description | FY 2025 Budget |
|--|----------------|
| Del Valle Health and Wellness Center | \$15.1 |
| Hancock Clinical Services and Admin* | \$150.7 |
| Rosewood Zangosa Specialty Clinic | \$9.0 |
| Cameron Center | \$90.6 |
| Colony Park Health and Wellness Center | \$16.1 |
| CEC** | \$11.0 |
| Total (in Millions) | \$292.5 |
| Added \$8.8M to budget for FY 2025 | |
| *New center in FY 2025 | |

4

Decreasing Federal Funds

Between 60% and 80% of nonprofits that previously received government grants are now at risk of financial shortfalls

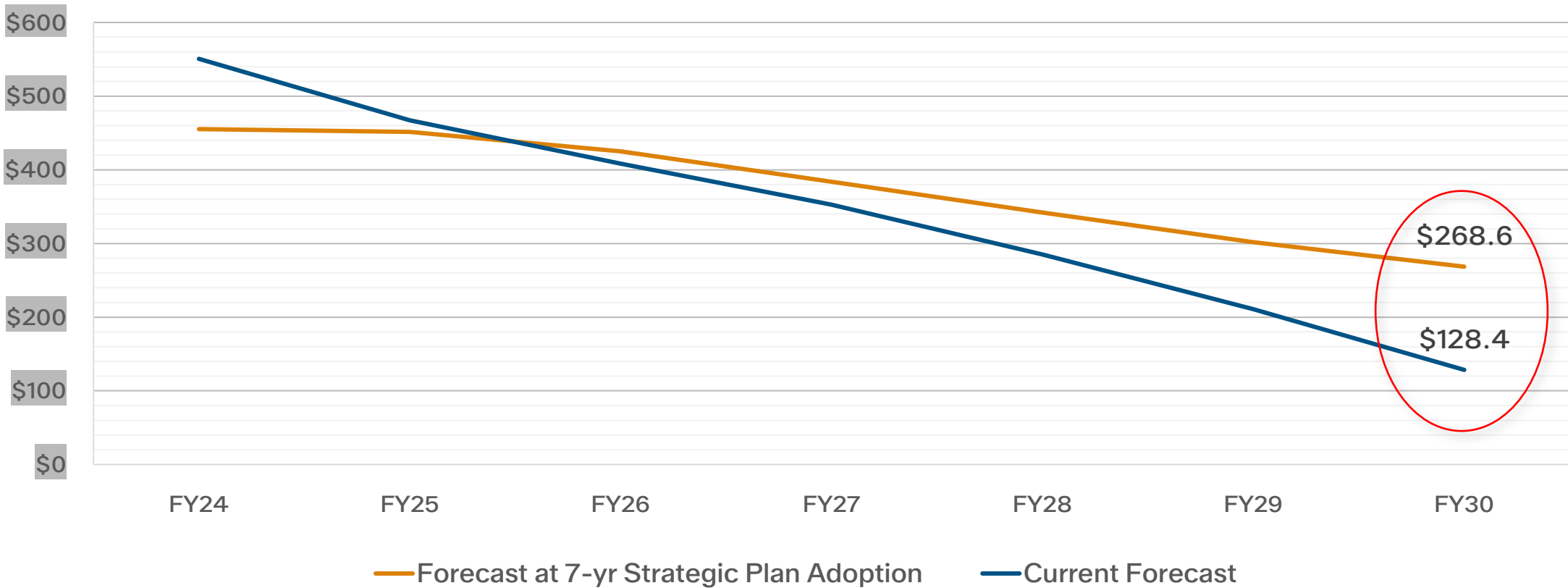
1. INCREASING DEMAND FOR CENTRAL HEALTH'S SERVICES

Creating Greater Access to Care



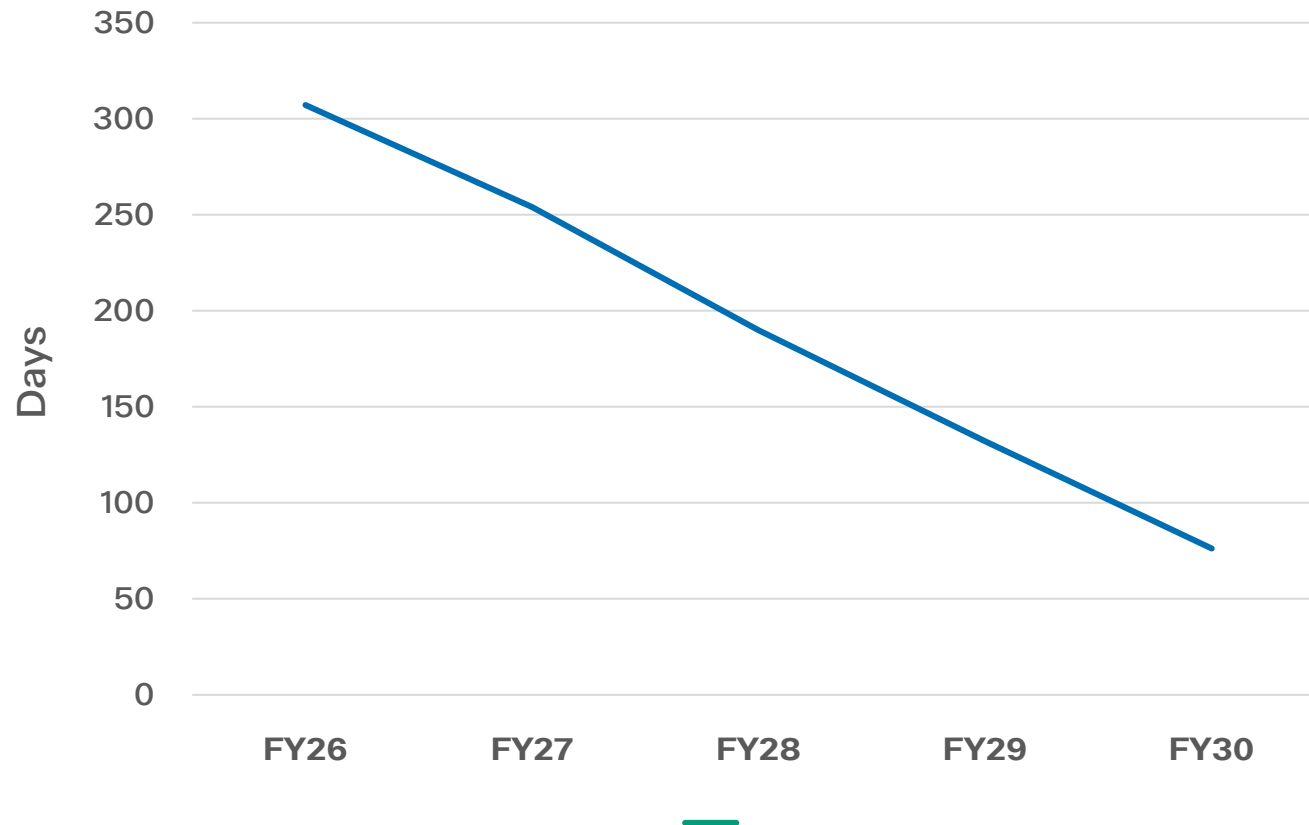
2. Declining Reserve Balances

Seven-year Strategic Plan Adoption vs Current FY25 Forecast
FY24 - 30



| Change in Forecasted Reserve Balances | FY24 | FY25 | FY26 | FY27 | FY28 | FY29 | FY30 |
|--|---------|---------|---------|---------|---------|---------|---------|
| Forecast at 7-yr Strategic Plan Adoption | \$455.3 | \$451.5 | \$425.0 | \$384.0 | \$341.9 | \$301.8 | \$268.6 |
| Current Forecast | \$550.6 | \$467.3 | \$408.3 | \$352.7 | \$285.0 | \$210.8 | \$128.4 |

2. Declining Reserve Balances



Key takeaways:

- Contingency funds are phasing out, reducing financial flexibility each year
- Central Health usually aims to have cash reserves to cover 120 to 150 days of operation

The opportunity:

We have the opportunity to adapt revenue strategies before 2030

3. Scaling Up: Capital Projects Underway

| Description | FY 2025 Budget |
|--|----------------|
| Del Valle Health and Wellness Center | \$15.1 |
| Hancock Clinical Services and Admin* | \$150.7 |
| Rosewood Zaragosa Specialty Clinic | \$9.0 |
| Cameron Center | \$90.6 |
| Colony Park Health and Wellness Center | \$16.1 |
| CEC** | \$11.0 |
| Total (in Millions) | \$292.5 |
| Added 88.1M to budget for FY 2025 | |
| *New project in FY 2025 | |

Source: FY25 Approved Budget Book

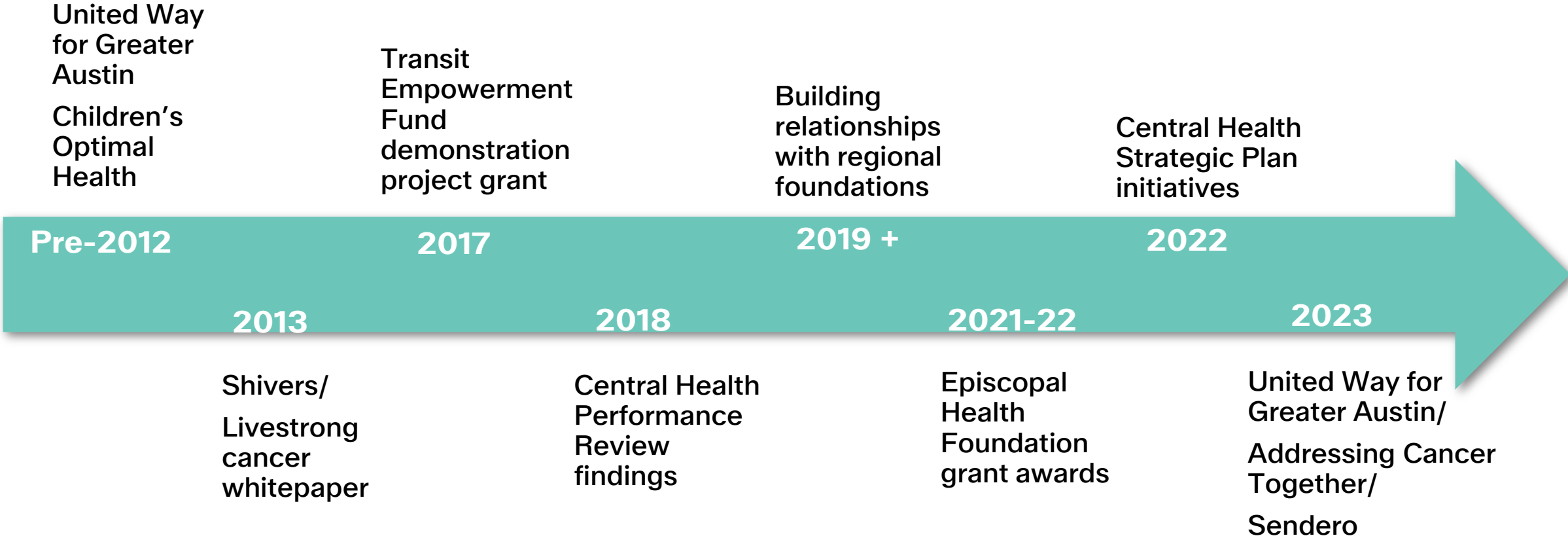


4. Decreasing Federal Funding

Nonprofit Financial Risk: Urban Institute warns federal grant cuts could push nonprofits into 25–30% deficits, risking long-term viability.

- **Austin Public Health:** Lost nearly \$15M in federal grants, affecting core services like immunizations, refugee health, and LGBTQ+ tobacco cessation; 20+ positions impacted.
- **Foundation Communities:** Health navigator funding cut by \$2.16M, jeopardizing insurance enrollment support for local residents.
- **Central Texas Food Bank:** Lost \$5.5M in USDA funding—761,000 meals canceled; now spending \$1M/month to meet demand.

Our Development Evolution



Where we are now

- Hiring of Grants Manager/establish grants program framework
- Management and distribution of opioid settlement funds
- Administration of Permanent Supportive Housing Health Care Collaborative
- Re-engagement with Shivers
- Central Health/CommUnityCare collaboration for grants – current St. David's healthcare workforce opportunity
- Exploratory conversations with Texas hospital districts on revenue streams and foundations
- Hiring of Development Director

Limitations of a Health Care District

And how more flexible structures could help



Limitations of our Structure Today

- Restricted use of public funds
- Lengthy procurement and appraisal processes
- Limited fundraising authority
- Strict budgeting and spending rules



How Other Structures Could Help

- Expanded revenue sources
- Pilot and scale innovations
- Speed and flexibility
- Cross-sectorial partnerships
- Advocacy and Storytelling
- Long-term funding strategy

Structural Comparative Analysis

| Options | Pros | Cons |
|--|--|--|
| 1. Connecting Partner (Support through relationships and shared funding) | <ul style="list-style-type: none"> • Low cost, low risk – and already happening • Builds trust with nonprofits • Neutral convener role • Leverages others' dollars | <ul style="list-style-type: none"> • Limited flexibility • Can't accept private funds directly • Dependent on external funders • Hard to scale innovation |
| 2. Donor-Advised Fund (DAF) (Hosted by community foundation or partner) | <ul style="list-style-type: none"> • Easy entry into philanthropy • Can accept private donations • Operationally/administratively light • Signals collaboration | <ul style="list-style-type: none"> • Less control over structure • Limited branding • May feel temporary • Harder to own long-term impact |
| 3. Standalone Foundation (New 501(c)(3) affiliated with Central Health) | <ul style="list-style-type: none"> • Full control and flexibility • Scalable and sustainable • Stronger positioning with funders • Drives bold innovation • Visionary with ability to dismantle status quo • Existing models in San Antonio, Houston, Dallas | <ul style="list-style-type: none"> • High setup and admin cost • Risk of perceived competition • Requires governance & staffing • Must stay aligned with mission |

Considerations for the right structure

- Staying a connecting partner keeps relationships strong but may limit Central Health's ability to truly lead or innovate in response to long-term demand.
- A Donor Advised Fund (DAF) could serve as a "phase 1" to test appetite and build proof points.
- A foundation can be pitched as a community investment tool, not an investor in competition — especially if framed as a vehicle to **co-fund initiatives *with* nonprofits, not instead of them.**
- No matter the structure, our decision will be **guided by input from community members, community-based organizations, business groups, and funders.**

Developing a New Structure: Business Plan Overview

The plan would be divided into *three key phases: Planning, Development/Initial Implementation, and Full Implementation/Ongoing Operations*, each encompassing critical activities to ensure the new structure's success.

| Phase 1: Planning | Phase 2: Development/ Initial Implementation | Phase 3: Full Implementation/ Ongoing Operations |
|---|---|---|
| <ul style="list-style-type: none">• Engagement with Key Stakeholders across the Community• Research & Feasibility Study• Alignment with Budget & Finance as well as Infrastructure Committees in planning for FY26• Explore legal requirements for different structures, compliance, and reporting• Initial plans for fundraising, staffing, and board membership | <ul style="list-style-type: none">• Branding & Identity• Budgeting• Program Development & Implementation• Fundraising & Financial Planning• Sustainable Funding Strategies• Communications & Engagement Strategy• Initiate legal requirements | <ul style="list-style-type: none">• Operations & Management• Staffing & Volunteers• Marketing & Outreach• Community Engagement• Evaluation & Impact Assessment• Monitoring & Evaluation <p><i>Determined structure could be operational as early as FY 26</i></p> |

Developing a New Structure: Deep Dive on Planning

The Planning Phase will determine **which structure is appropriate** given the learnings from stakeholder engagement and our research

Planning (now to November)

- Engagement with Key Stakeholders across the Community (community members, community-based organizations, business groups (e.g. Chambers of Commerce), and funders)
- Research & Feasibility Study
 - Gather data on key focus areas for funding based on demand or need in the community and funder interest
 - Assess which messages resonate with and motivate stakeholder groups
- Align planning with the budget process, including the Budget & Finance Committee and Infrastructure Committee
- Evaluate the advantages and limitations of various organizational models, while incorporating insights and lessons learned from peer institutions
- Synthesize the above considerations into a business plan and recommendation for approval

Timeline for Approval & Initial Implementation



Planning Milestone 1: Committee Approval of Plan

November

- Present draft business plan to designated committee
- Secure feedback and preliminary approval



Planning Milestone 2: Board of Managers Approval

December

- Incorporate committee feedback
- Finalize plan and secure formal approval from Central Health Board



Milestone 3: Initial Implementation Begins

In Q1, FY 2026

- Stand up appropriate infrastructure
- Begin recruitment, legal filings, and fundraising preparations



Thank You

AD HOC PHILANTHROPY COMMITTEE

April 23, 2025

AGENDA ITEM 2

Confirm the next regular Ad Hoc Philanthropy Committee meeting date, time, and location.
(Informational Item)