

EXCELLENCE IN GOVERNANCE

Excellence in Governance is a NeighborWorks America program designed to help responsible boards create lasting adaptive change and become exceptional boards. The program provides a learning opportunity for organizations, as well as for NeighborWorks America, and is based on the Excellence in Governance principles. (See Attachment A)

With over fifty graduate organizations and The overwhelmingly positive participant feedback, assessment results, and on-going longitudinal analysis from the first four rounds have informed the next round, Excellence in Governance – Class of 2020. (See Attachment C for a full list of graduates.)

Ever-evolving, Excellence in Governance seeks to further build upon an established program foundation by deepening the content and engaging program graduates in on-going conversations and opportunities. NeighborWorks America, BoardSource and additional governance experts are uniquely positioned to help board members learn and apply concepts on:

- building meaningful partnership between the board and staff,
- nurturing an engaging board culture,
- fostering diversity, inclusion, and equity in the boardroom,
- sustaining organizational resources,
- becoming ambassadors beyond the board room, and
- creating lasting, adaptive change.

Using a performance-based framework paired with governance principles, each participating board will define their own success and measure effectiveness in the context of the organization and the community it serves. All participants – including NeighborWorks America – will increase knowledge and understanding of the characteristics of exceptional governing boards, as well as the ability to identify these characteristics, and methods for helping organizations to increase effectiveness in governance.

Why is NeighborWorks America pursuing Excellence in Governance?

Through regular affiliate assessments, NeighborWorks America has identified a strong correlation between weak board governance and organizational failure. In working with network affiliates, NeighborWorks staff observes network boards of vulnerable or failed organizations:

- Are lacking in general oversight responsibilities as well as the technical expertise needed to guide organizations involved in increasingly sophisticated work;
- Are unaware of and/or do not understand the current risks to their organization; and
- Are not asking pertinent questions of the Executive Director/ CEO in order to assess and address what matters most for the organization.

*This is **one of the more successful ways to build capacity that NeighborWorks America has.** If NeighborWorks is really about building and sustaining organizational capacity that does not revolve around an individual, but is about **organizational mission, vision, and stewardship, this is the way to go.** Excellence in Governance really has been a tremendous help to me personally and to our organization.*

Executive Director, Class of 2012 graduate via longitudinal evaluation, February 2014

Additionally, NeighborWorks staff observes network Executive Directors/CEOs of vulnerable or failed organizations:

- Are unable to properly convey organizational risks and/or its complexities; and
- Are under-utilizing board members as individuals and/or the board as a whole.

As a funder, it is critical to NeighborWorks America that consistent and strong board governance exists throughout the NeighborWorks network. As a provider of resources, NeighborWorks America seeks to identify and further invest in the

resources which help responsible boards become exceptional boards - technical assistance, training, coaching, peer learning opportunities and/or flexible grant.

Why should an organization consider participating?

- Governance excellence is essential to organizational health and success, and this program will provide a variety of resources to build upon basic governance standards and identify successful and replicable models;
- The program seeks to enhance what is already working within a board instead of prescribing and standardizing governance models/practices;
- The program will engage both Executive Director/CEO and board leadership and focus on creating a meaningful partnership between them;
- Teams will have the opportunity to interact with governance experts and peers in a supportive learning environment;
- Teams will interact with a coach providing individualized assistance via onsite visit, conference calls and email;
- The outcomes focus of the program will build skills and change behaviors resulting in improved and strengthened organizational governance; and
- Teams successfully completing the program will receive a \$10,000 grant to further support their governance efforts.

*Participating in the Excellence in Governance program has **exceeded all expectations** by confirming some of our processes and strengthening the areas that needed attention. Overall, we have a **new sense of purpose** and are **more committed than ever** to working as a team to assure our organization's success.*

Tony Moya, incoming Board President, Chicanos Por La Causa Class of 2018 graduate

Program Design & Components

The program will teach and reinforce new disciplines that will continue and sustain effective governance practices. The program will attempt to enhance governance through changing behaviors, strengthening ways of doing business for the long term, as well as changing the culture of the board in which these values and principles are engrained and so “survive” the transition to new board members.

- Each participating organization identifies a Leadership Team consisting of five members including the Executive Director/CEO, one board officer and three current or emerging board leaders, plus 1-2 alternates.
- At an on-site retreat, the full board and its coach will discuss the results of the board self-assessment, identify 2-3 governance principles (Attachment B) and formulate a board governance focus that will elevate their effectiveness in governing.
- The governance focus is an on-going process focused on real issues and real results for the board and organization. The governance focus should rely on *significant board leadership and engagement*. Examples include: service area expansion, mergers or significant collaborations, major changes in business model or strategies, succession of founder/executive. Each team will present their governance focus to the full program.
- Each Leadership Team will receive support from a trained coach. Coaching will include up to four on-site visits with Leadership Team and full board, monthly accountability conference calls, and regular email communication. The coach will ask probing questions, provide observations, and hold team members accountable. The coach will not “do” the work.
- Leadership Teams will attend three (3) two-day trainings. The trainings will be held on weekends prior to NeighborWorks Training Institutes. Each training will include content experts, peer learning, and time to meet with the coach. Each in-person training will require pre-work.
- Following the first two-day training, the full board will complete a customized online assessment. At the completion of the program, the team will complete the same assessment tool in order to capture “change.”
- Peer to peer conversations will be held between in-person trainings to maintain momentum, cover additional topics and share resources.

At the six-month mark, 95% of respondents said that the Excellence in Governance program was meeting or exceeding their expectations.

Source: Enquire Research survey, February 2014

Coaches

One coach will be assigned to each Leadership Team. All coaches must meet qualifications for skills and experience and must participate in a multi-day coach training, the regularly scheduled coaching of coaches sessions, the three in-person trainings and the four site visits including the full board retreat and closing graduation presentation.

Confidentiality between coach and Leadership Team is expected, but will exclude illegal activity. NeighborWorks America will use a confidentiality agreement that includes terms that require the board chair (not the coach) to notify appropriate NeighborWorks America staff should such illegal activity come to light.

Almost everything we do now is intentional.

Tony Piper, Board Chair, NeighborWorks Alaska
Class of 2016 graduate

Timeline (tentative)

- October 1, 2018 – application deadline
- February 15, 2019 – all applicants notified of their status. *All decisions are subject to Congressional appropriation funding.*
- March: coach identified for each team; start monthly coaching calls.
- March: Full board completes Excellence in Governance online assessment and online governance course
- April: first coach site visit involving Leadership Team and full board
- May: monthly coaching calls start
- **August 16-18: first in-person training weekend; New Orleans**
- September-November: full board retreat
- **December 6-8: second in-person training weekend; Portland, OR**
- January-February 2020: Virtual Governance Focus presentations
- March-May: Partner Dialogue calls
- **August 14-16: third in-person training weekend; Washington, DC [TENTATIVE DATES]**
- September-October: Final board assessment, program evaluation; graduation at board meeting, grant award

*Excellence in Governance has **brought great vitality to our Board interaction.** We spend more time in the heart of each meeting on the **strategic visioning that a Board member needs to give attention to as we look to becoming the best serving organization to all of the individuals we impact.** Our generative **discussions have been invigorating.** We are grateful for the encouragement we as an organization have received as a participating team in this outstanding program.*

Chant Thompson, Board Chair, Pathfinder Services
Class of 2014 graduate

Organization Costs

Anticipated costs to be paid by organization include:

- For each team of five participants – ground transportation related to the in-person trainings, meals outside of the four provided during the trainings, incidentals related to travel, and the board retreat to determine the governance principles and governance focus with the coach.
 - In-person trainings will take place on Saturday and Sunday to accommodate the volunteer nature of boards. Optional welcome reception takes place on Friday evening. Sessions start at 8:30a on Saturday resulting in travel on Friday. Sessions end by 4:00p on Sunday afternoon. Participants are strongly encouraged to not leave early.
 - NeighborWorks America provides travel and lodging for each in-person training for each participant.
 - Should participants wish to stay and attend NeighborWorks Training Institute courses, participants will assume a \$525* discounted registration fee per person. *Subject to change.
- Required texts & online course: 1-2 identified texts will be required reading for the Leadership Team. The organization will order and pay for these texts. The Leadership Team will take a complimentary online course prior to the first in-person training. The full board is strongly encouraged to take the course. A discount code will be provided for the non-Leadership Team members to access the course.
- **In a very real and explicit sense, the "price" of participation is the time, effort, work and commitment each Leadership Team brings to the governance focus the board defines.** NeighborWorks America will expect each Leadership Team to devote a substantial amount of energy and thought to really solving the governance focus and mining this opportunity. In exchange for the substantial real costs being subsidized, NeighborWorks America

demands that each Leadership Team perform against their governance focus and provide us with feedback on the experience.

Contribution of NeighborWorks America

Estimated Value per Organization including Training Slots/grants & Coach: \$67,000 per organization + \$10,000 grant

- In-person trainings – logistics, design, facilitation, and evaluation.
- Coordination of governance principles and governance focus presentations and peer-to-peer conversations.
- Course materials.
- Content experts for in-person trainings and webinars.
- Trained coach for each team – including cost of coach travel to board retreat and up to three additional site visits.
- Travel and lodging for the three in-person trainings.
- Four group meals and a reception for each in-person training.
- Registration discount to participants interested in attending NeighborWorks Training Institute courses following in-person trainings.
- Customized Excellence in Governance assessment and report for Leadership Teams.
- \$10,000 completion grant to support each team’s future governance efforts.

*This program has provided a wonderful opportunity for our Board to **work one-on-one with a dedicated coach, access hands-on training, and encounter multiple opportunities to interact with other high performing boards** sharing their experiences of working on issues of governance. The combination of all three of these factors has engaged our Board in actively working together to improve their governance and **ultimately improve our entire organization.***

Pilar Hogan, CEO, St. Joseph’s Carpenter Society
Class of 2018 graduate

Total Board Room Transformation!!! Like I have a whole new board!

Executive Director, Class of 2014 participant via mid-course feedback survey, February 2014

Attachment A

EXCELLENCE IN GOVERNANCE PRINCIPLES

From Responsible to Exceptional...

BoardSource has identified a series of governance principles that distinguish a Responsible Board from an Exceptional Board.* Learning thru the first three rounds of the program, we have adapted several of BoardSource's concepts so that they are more relevant and customized to the realities of Excellence in Governance participants. Leadership Teams are encouraged to select one to two (max) of the following eight principles as their primary focus for this program:

Principles of exceptional boards:

1. Constructive Partnership Between the Board and Executive Director

An exceptional board governs in constructive partnership with the chief executive, recognizing that the effectiveness of the Board and chief executive are interdependent. The board builds, sustains and nurtures this partnership through trust, candor, respect and honest communication.

2. Mission First

An exceptional board continually assesses their deliberations, decisions, priorities and actions in light of the mission of their organization. Board members are personally committed to the organization's mission and able to articulate a compelling vision of organizational values and impact.

3. Strategic Focus

An exceptional board allocates time to what matters most and continuously engages in strategic thinking to hone organizational direction. Agendas and goals are aligned with strategic priorities and used to assess the boards work, the work of the chief executive and to drive meeting agendas and shape board recruitment.

4. Practices of Inquiry and Active Listening

An exceptional board encourages the practice of inquiry in its work based on trust, mutual respect and constructive debate that leads to sound and shared decision-making. Board members seek important information, question assumptions and challenge conclusions to ensure that solutions are based on solid analysis.

5. Sustaining and Expanding Resources

An exceptional board uses their passion for the organization's mission to create bold plans that inspire commitments of financial support, expertise and engagement from donors, investors and their own networks of influence. Budget allocations clearly reflect strategic planning priorities; existing and new programs and activities are regularly evaluated based on available or attainable resources as well as impact and internal capacity.

6. Focus on Impact

An exceptional board focuses on results. The board regularly measures the organization's progress toward achieving its mission and evaluates the performance of programs and services against measurable goals and outcomes. The board gauges efficiency, effectiveness and impact while simultaneously assessing the quality of service delivery, integrating benchmarks against peers and calculating return on investment.

7. Board Learning and Development

An exceptional board commits itself to continuous learning, honestly evaluating their own performance and assessing the value they add to the organization. Board development opportunities are intentionally included in their governance work both inside and outside of the boardroom.

8. Commitment to Diversity, Inclusion and Revitalization

An exceptional board recognizes and prioritizes the value and importance of diversity and revitalization in the boardroom. The board sees the critical correlation among mission, strategy and board composition. Continuous, active recruitment, planned leadership turnover, and a meaningful approach to orientation and inclusion result in an informed and engaged board membership that consistently reflects this priority.

The following are the Foundational Principles of *all* good boards attentive to the fiduciary and legal responsibilities of a board of directors:

Independence

- An exceptional board applies rigorous conflict-of-interest procedures and puts the mission and interests of the organization above all else when making decisions. Board members do not allow their votes to be unduly influenced by loyalty to the chief executive or by seniority, position or reputation of fellow board members, staff or donors.

Transparency

- An exceptional board ensures that donors, stakeholders and interested members of the public have access to appropriate and accurate information regarding finances, operations and results. The board extends transparency internally, ensuring that every board member has equal access to relevant materials when making decisions.

Integrity

- An exceptional board subscribes to strong ethical values and disciplined compliance through active, responsible oversight. They ensure accountability and sufficient controls to deepen their understanding of the organization and to reduce the risk of waste and abuse.

Intentional Practices

- Exceptional Boards purposefully structure themselves to fulfill essential governance duties and to support organizational priorities. They make governance an intentional process, investing in structures and practices that can be thoughtfully adapted to changing circumstances.

*Based on “The Source: Twelve Principles that Power Exceptional Boards” – BoardSource, 2005

Attachment B
Excellence in Governance Current Class and Graduates

Class of 2018

Centro Campesino Farmworker Center	Florida City, FL
Chicanos Por La Causa	Phoenix, AZ
Codman Square Neighborhood Development Corp.	Dorchester, MA
Community Concepts, Inc.	Lewiston, ME
Dwelling Place	Grand Rapids, MI
Eden Housing	Hayward, CA
Massachusetts Association of Community Development Corporations	Boston, MA
NeighborImpact	Redmond, OR
New Directions	Louisville, KY
NW Northeastern Pennsylvania	Scranton, PA
ROC USA Network	Concord, NH
Rebuilding Together Arlington Fairfax Falls Church	Arlington, VA
Rebuilding Together North Jersey	Ridgewood, NJ
Southwest Economic Solutions	Detroit, MI
St. Joseph's Carpenter Society	Camden, NJ

Class of 2016

AHEAD	Littleton, NH
Chattanooga Neighborhood Enterprise	Chattanooga, TN
East Akron	Akron, OH
Fifth Ward	Houston, TX
GROW South Dakota	Sisseton, SD
HAPHousing	Springfield, MA
NW Alaska	Anchorage, AK
NHS Baltimore	Baltimore, MD
NW Columbus	Columbus, GA
NW Community Partners	Rochester, NY
NW Green Bay	Green Bay, WI
NW Umpqua	Roseburg, OR
Rebuilding Together Howard Co.*	Columbia, MD
Rebuilding Together Omaha*	Omaha, NE
RUPCO	Kingston, NY
United Housing	Memphis, TN

2014 Graduates

Knox Housing Partnership	Knoxville, TN
Midwest Minnesota CDC	Detroit Lakes, MN
Neighborhood Housing Services of South Florida	Miami, FL
NeighborWorks Southern Mass	Quincy, MA
NeighborWorks Great Falls	Great Falls, MT

NeighborWorks Montana	Great Falls, MT
NeighborWorks Waco	Waco, TX
NeighborWorks Western Pennsylvania	Pittsburgh, PA
Pathfinder Services	Huntington, IN
Rebuilding Together South Sound	Tacoma, WA
RuralEdge	Lyndonville, VT
Twin Cities CDC	Fitchburg, MA
Willamette Neighborhood Housing Services	Corvallis, OR

2012 Graduates

CASA of Oregon	Sherwood, OR
Homeport	Columbus, OH
HomeSight	Seattle, WA
Homewise	Santa Fe, NM
Housing Partnership, Inc.	Columbus, IN
NeighborImpact	Bend, OR
Neighborhood Housing Services of Greater Cleveland	Cleveland, OH
NeighborWorks Rochester	Rochester, NY
Nuestra Comunidad CDC	Roxbury, MA
Portland Housing Center	Portland, OR
Rebuilding Together Twin Cities	Minneapolis, MN
Select Milwaukee	Milwaukee, WI
The Primavera Foundation	Tucson, AZ