BOD Strategic Discussion

May 1, 2026

ProKids

first steps

Discussion Topics

- Governance
  - Term Limits
  - New Director Recruitment
- Separate Entity
- Healthcare Ad Hoc Committee

Governance – Term Limits

Most Common Nonprofit Model:

- 3-year term
- Renewable once
- Maximum of 2 consecutive terms
- Total consecutive service = 6 years
- Then mandatory 1- year break

This is the most frequently cited governance structure by organizations like BoardSource and nonprofit governance advisors.

Is this right for ProKids?

Pros:

- New skills
- Fresh thinking
- New relationships
- Evolving needs over time

Cons:

- Fatigued board members
- Low engagement
- Limited pool of director candidates
- Exists by state funding and defined need so limited ”scope”
- Our mission of EI is important but…

Term limits force boards to:

- Recruit continuously
- Mentor intentionally
- Avoid dependence on a few individuals

How it might look…

Directors

- 3-year staggered terms
- Maximum 2 consecutive terms
- Eligible again after 1-year break

Officers

- 1 or 2-year officer terms
- Chair max 2 consecutive officer terms

Additional Governance Considerations

- an advisory council
- emeritus board category

This allows long-serving supporters to remain connected without dominating governance

Board Recruitment

- How do we get this moving
- Skills gaps?
- Do we look like those we serve?
- Do we need a Governance Committee?

Thoughts and discussion

ProKids
Separate Entity

Exploring a Long-Term Sustainability Foundation for ProKids

Purpose of Discussion

- Introduce a potential affiliated “foundation” structure
- Explore long-term sustainability and reserve stewardship
- Consider future continuity planning for early intervention services in Central Indiana
- Begin governance-level dialogue regarding strategic financial preservation

Historical Operating Reality

Over multiple years, ProKids:

- Assumed significant financial risks
- Maintained critical eligibility and SPOE functions during financially challenging periods
- Experienced losses within “at-risk” ED service areas
- Relied on broader Cluster G performance to sustain operations
- Continued serving children and families despite reimbursement and operational pressures

Key Strategic Question

- How should ProKids responsibly preserve and steward organizational resources generated through prudent management and long-term mission commitment?

Long-Term Consideration

Should a portion of unrestricted reserves from ED revenue be preserved separately to help ensure:

- Mission continuity
- Financial stability
- Service sustainability
- EI Grants to others?

Separate but Affiliated Nonprofit Entity – The ProKids Foundation

- Independent 501(c)(3) foundation
- Separate governance and fiduciary oversight
- No direct employees
- Administrative support provided through agreement with ProKids
- Stewardship of designated reserves and long-term philanthropic assets
- Focused exclusively on sustaining early intervention services and related mission priorities

Potential Functions:

- Long-term reserve preservation
- Endowment development
- Planned and legacy giving
- Mission continuity support

Governance Framework Considerations

- Separate foundation board structure
- Select overlap with ProKids board representation
- Independent financial and community expertise
- Formal investment and reserve policies
- Transparent related-party governance
- Independent legal and accounting review

Any potential structure would operate with full regulatory, audit, and fiduciary compliance

Today’s Objective

Introduce the concept and begin a strategic dialogue regarding long-term sustainability and stewardship.

At a future date, the board may consider:

- Legal feasibility review
- Financial and accounting analysis
- Governance framework options
- Foundation structure alternatives
- Investment and reserve policy considerations
- Regulatory and contractual implications

Thoughts and discussion

Healthcare Ad Hoc Committee

Why now?

- 149 employees
- Significant expenditure on healthcare benefits

What the committee will focus on:

- Alternatives to traditional fully insured options (cost neutral)
- Ways to enhance benefits and lower annual out-of-pocket

Volunteers? ;-)