

## Quaker Senior Services and Rock Creek Meeting Organization History



*[Initially we had two goals,] to get Heather Hills on solid footing and also begin to look at things that we could do outside of Heather Hills that would serve people who perhaps could not afford to come to Heather Hills ...By the time we engaged our resident population in the discussion about what we were attempting to do, a lot of people began to be fearful that our doing that would put the financial position of Heather Hills at risk and draw away the talent pool... And (we) decided in order to move forward we had to set up the corporate structure first and then go looking to do other things. That is when Quaker Senior Services was born. It is sort of an unusual thing that happened. Usually a parent creates some subsidiaries whereas as Heather Hills created a supporting entity sometimes referred to as a parent, although there is a technical difference. It is not really a parent organization. It is a supporting organization. Quaker Senior Services gets its 501C3 through the existence of Heather Hills and any other direct service entities because the supporting entity Quaker Senior Services doesn't really do anything. It creates entities that go out and do something.*

Quaker Senior Services came out of an effort to fulfill the initial mandate for Heather Hills retirement community. When Rock Creek Meeting created the CCRC, it anticipated that it would serve seniors with a range of incomes, and that it would also be involved in activities for elderly who wanted to remain living in the wider community or could not afford a retirement community. However, Heather Hills evolved into a CCRC serving well to do seniors, with limited ability to include people who could not meet its income requirements. In addition, like most Quaker organizations, residents served on the board, with equal voice to Quakers appointed by its founding Meeting. As the quote above describes, the agency met resistance from residents when it first tried to develop a project for lower income seniors several years after the CCRC had achieved firm financial footing. As a result, Heather Hills created a separate corporation, Quaker Senior Services, independent of Heather Hills, that served as a holding company for Heather Hills that would generate new programs for diverse seniors.

QSS's board would be appointed by Rock Creek Meeting, which would in turn appoint members to the Heather Hills board. The bylaws required that a majority of the board be Quakers appointed by the Meeting, with other board members coming through sources identified by QSS. This effectively limited the size of the board based on the number of Rock Creek Meeting appointees. It is unclear what, if any, input the Meeting had in the development of the organization outside of its board appointments and its annual reports, written and in person, submitted to Rock Creek Meeting for questions,

While QSS is technically separate from Heather Hills, it has always been supported by the retirement community. For its first few years, the staff were all full time staff at Heather Hills and it has always been located at the retirement community. The boards were also coterminous for the first few years. Its initial income came from a grant from the Heather Hills endowment funds and it regularly receives approximately \$15,000 in income from interest on priority entrance deposits from persons applying to become Heather Hills residents. Some of its staff work for both entities, with their salaries charged to the entity for which the work was done.

While QSS has always functioned as a Quaker organization, with board meetings run through consensus and decisions made through discernment among key participants, none of the key staff have been Quaker. Instead, both executive directors are people who share similar values to Friends and have earnestly tried to learn Quaker process. More importantly, they lack the strong ties among Quakers often necessary to move new ideas into formal, funded projects with broad support from the constituent meeting. QSS has regularly reported to the Meeting and considers them a key constituency, but struggles to connect to the Meeting as a whole. Besides annual reports and board appointments, the current executive director during the study period often talked of developing projects in the neighborhood surrounding the Meeting as a way to serve Rock Creek Meeting members.

QSS has always been an entity with a broad mission *to enhance the quality of life for a diverse population of older persons by supporting the development and management of a wide range of programs, services and facilities*. As such, its role remains to develop new programs, but it has struggled to clarify its vision and target population throughout its existence. Much of the problem revolves around the tension between two Quaker cultural values of providing for those most in need through innovative programming and creating organizations with firm, transparent

financing. While QSS has always sought to achieve both goals, the tension between them and lack of adequate funding has resulted in conflicts over direction throughout its existence.

For example, during the study period, we witnessed discussions on development of the RSA concept to serve seniors of different means. RSA's provide such services as housekeeping, bookkeeping, yard work and other non-medical supports that elderly may no longer be able to provide for themselves. An RSA with sufficient funding could provide these services for lower rates than individuals would pay on the private market, thus both generating income and serving people with moderate incomes. Through grant funding, QSS hoped to create a similar program for low income seniors as well. The program had started serving the well off seniors at Heather Hills, and had successfully developed modest positive cash flow. But faced with lack of capital from other sources, the agency wanted to rapidly expand the program to other retirement communities. Serving lower income seniors living in neighborhoods with many other seniors would come later. While the program idea moved forward, the board debated the timing of focusing on seniors who could afford to pay market rates - primarily upper income seniors - or it should pursue grants to reach those with lower incomes. These conversations often got stuck on a concern about bringing in income for the organization.

Its broad mission and concerns over funding have also shaped the organization throughout its history. As outlined on the timeline below, the organization has pursued a number of ventures, ranging from low-moderate income senior housing complexes to programs to provide services to seniors in their own homes. Almost all of these ventures involved working with either faith based senior services organizations from other religions, secular entities or government. While QSS joined the Quaker umbrella organization for senior services, it did not pursue initiatives among Friends regularly. As a result, its relationship to Quakers and its Meeting remained unclear. After a major venture to produce senior housing on a community college campus fell through, the Heather Hills executive director decided the organization needed its own full time staff. He remained on the QSS board. Hiring someone who had worked at Heather Hills previously as executive director in 2002, the organization continued to pursue various ventures.

Prior to hiring this executive director, the agency had been approached by a for-profit venture capital initiative to provide services paid for through long term care insurance. The head of this company had worked with Heather Hills successfully in the past, and was credited with facilitating stable funding for the retirement community. With its CEO trusted based on this

positive experience, QSS board agreed to sign an agreement to work with this company in 2002, creating a complicated financial arrangement whereby QSS would receive advanced payments on a regular basis to cover operating expenses until the company sold sufficient policies to fully staff its activities. QSS created to separately incorporated entities to carry out this contract, one in Maryland and another in New Jersey. Key staff for the Maryland organization were the same as QSS staff.

While the contract stated that QSS and its child companies, would not have to pay back this income unless sufficient policies were sold, it created a situation where QSS operated at a continuing deficit, drawing on these venture capital payments. The insurance venture has not yet succeeded in selling sufficient policies to generate significant work for QSS sponsored non-profits. Some members of the Meeting, some of which served on the QSS or Heather Hills board, became increasingly uneasy that this arrangement was not fiscally sound and that the for-profit firm was using Friends good name for an unethical venture. Over time, this situation significantly hurt QSS credibility with Rock Creek meeting.

Until starting the RSA, QSS ventures generally failed to materialize or did not develop sufficient income to support the organization. While the board engaged in several strategic planning initiatives, it still struggled to narrow its mission and define its target population. Further, the Meeting remained unclear as to the agency's purpose. As a result, it increasingly had trouble gaining board appointment from the Meeting. While a number of people who had served on Heather Hills board rotated onto QSS, many failed to stay more than a year or two. Newer board members had less general board experience, and their own agendas regarding appropriate services QSS could offer. Further, board members did not communicate regularly with the Meeting, leading to a situation where the majority of Meeting members did not understand its mission and goals. With few substantive projects to report to the Meeting, Meeting members became increasingly confused regarding the goals of the organization and worried about its viability.

QSS income sources generally included in-kind and financial supports from Heather Hills, the venture capital payments and occasional donations or loans from board members. By 2008, when payments from the insurance venture started to come irregularly, the agency faced a severe financial crisis. The RSA began generating income shortly after its establishment, producing positive income vs. expense reports, and began moving into other senior

communities and accelerating significantly beyond budget projections, but still not earning enough to support operations.

By 2006-2007, the relationship between the Meeting and QSS had deteriorated to the point where the Meeting developed an independent committee to explore the kinds of aging services it wanted provided independent of QSS. Several minor suggestions were made to QSS by Rock Creek Meeting, but the Meeting provided no funding for these initiatives. QSS implemented those suggestions as far as it was financially able.

Beginning in 2001, the Heather Hills board transformed itself from a managing board to a strategic board seeking to enable Heather Hills to meet the challenges some 15 years out related to retirement income and retirement communities that would potentially impact on the aging population that would potentially enter Heather Hills in the future. Since Heather Hills was in an exceptionally strong financial position, Heather Hills and QSS decided it was prudent to initiate open-ended collaborative talks with other Quaker retirement communities. Talks with the first community approached revealed a major obstacle: no other Quaker CCRC was under the control of a single Quaker Meeting. The approached Quaker CCRC through QSS was the most appropriate body to facilitate the collaborative talks but rejected proceeding further as long as a majority of the QSS board was appointed by Rock Creek Meeting.

As a result, QSS and Heather Hills requested that Rock Creek Meeting end its power to appoint members of the QSS board and allow QSS to become an independent corporation appointing its own board of directors. In exchange, Rock Creek would again appoint the majority of board members for Heather Hills.

The Meeting responded by forming a committee to explore its relationship to QSS and Heather Hills. This committee included several current board members for both QSS and Heather Hills, plus former board members, agency staff, Meeting staff and interested parties, but it did not include the current key staff at either QSS or Heather Hills or their board leaders. This committee deliberated for several months, developing a plan that called for QSS and Heather Hills to become independent organizations, for the Meeting to discontinue appointing QSS board members and for the Meeting to resume directly appointing Heather Hills board. Independently, QSS and Heather Hills key board and staff developed their own plan.

After several months of deliberations among themselves, the committee invited key staff and board leaders from QSS and Heather Hills to joint meetings, plus a legal representative, to discuss their proposed plans and come up with a joint decision. Several meetings took place to address these issues, resulting in several different versions of by law changes. Ultimately, this joint committee proposed that QSS become independent of the Meeting while continuing to appoint all Heather Hills board members. Rock Creek Meeting, however, would have the power to nominate a majority of Heather Hills board who would then be appointed by QSS as long as the nominees were qualified. QSS would have the power to remove any Heather Hills board member appointed after nomination by Rock Creek Meeting for cause, but only after consultation with the clerk of Rock Creek Meeting. This recommendation from the joint committee was then forwarded to the three organizations for approval and promptly approved by QSS and Heather Hills.

When the joint committee recommendation was considered by the Rock Creek Meeting Monthly Meeting for Business, an addendum was proposed to further restrict QSS's power to remove Heather Hills board members appointed after nomination by the Meeting. Suggestions that this addendum be discussed in the joint committee were rejected as not needed. Instead, Rock Creek Meeting referred the issue back to its representatives on the committee for consideration without involving the representatives from Heather Hills and QSS that had been involved in joint discussions. This Rock Creek Meeting only committee recommended inclusion of the addendum, which was approved at the next Rock Creek Meeting meeting for business the following month. When the point was raised that neither QSS nor Heather Hills would accept the addendum the response was that Rock Creek Meeting should do what it thought proper and QSS and Heather Hills could then decide whether they approved.

This addendum was then discussed at the next QSS board meeting and determined to be unacceptable. QSS further decided that having devoted an immense amount of time over an 18 month period, the time had come where it was imperative for QSS to devote all of its time to the challenging problems facing it and therefore QSS would continue to operate within the pre-existing organizational framework. Discussions of changes in the corporate relationships ended at this time.

Despite overlapping memberships between both boards and Meeting committees, communications beyond the members of the committee regarding these dual ventures remained

poor throughout the process. Occasionally, QSS and Heather Hills board members that were also Meeting members would report meeting informal discussions to key staff, but problem solving sessions among people involved in the various initiatives did not occur until key staff and board members were invited to joint discussions. Instead, small groups associated with either the boards or the Meeting would talk among themselves. Meeting proposals were not discussed at the QSS board, and QSS board initiatives regarding its relationship to the Meeting not discussed in detail.

Late in 2008, faced with major cash flow issues, QSS executive director was offered a full time position at Heather Hills by the Heather Hills executive director, with 20 percent of his time loaned back to QSS for one year to continue developing the RSA. This solution was developed among key board and staff as a staff decision at Heather Hills that did not require board approval, and announced to the board at the next meeting. The board chair had resigned at the end of his term several months earlier, and given difficulties finding a replacement, the current chair of the Heather Hills board agreed to take over chairing QSS too. The nominating chair for QSS was unaware of this offer until it was suggested at a QSS board meeting, and the appointment was approved by the QSS board with express recognition that the nomination had not gone through the normal nomination process. With the insurance venture still in an uncertain state, the future of the organization remained in doubt in early 2009. It appeared the RSA would continue, but possibly under auspices of Heather Hills.

## **QSS Timeline**

**1990s** Heather Hills unsuccessfully attempts to develop CCRC style program for low to moderate income seniors but encounters resistance from residents and the hosting community. The project is abandoned and Heather Hills forms QSS in order to develop projects for other constituencies.

**1997** QSS is founded. The Heather Hills ED is executive director of QSS and the two boards are co-terminus.

**1998-2000** QSS explores various projects with existing senior services organizations and the state. QSS eventually forms a separate board, appointed by Rock Creek Meeting which in turn appoints the Heather Hills board.

**2000-2001** QSS attempts to build campus view project in Dundalk, but that is squelched by community residents.

- 2002** Current executive director hired. Organization signs letter of intent to develop continuing care at home insurance program with for-profit entity run by individual associated with Heather Hills. QSS produces first strategic plan with for priority areas: 1) live at home program, 2) gap income housing, 3) senior wellness institute, 4) income and asset development
- 2003** QSS forms separate non-profit to conduct at home continuing care insurance program in Maryland and signs agreement to become lead provider for the insurance venture. For profit insurance entity starts providing capital that would be offset by policies when they are sold.
- 2004** QSS forms separate non-profit to conduct insurance program in New Jersey. Continues to explore other programs for the elderly, with none coming to fruition.
- 2005-2006** QSS explores various projects with other non-Quaker faith based organizations and government, none of which come to fruition. QSS begins to develop Residential Services Agency with Heather Hills to provide non-medical personal services to seniors. Insurance program does not meet sales expectations, but continues to provide prospective income to QSS.
- 2006-2007** Rock Creek creates visioning committee regarding programs for the elderly, partly in response to concerns with QSS but conducted independently of QSS. QSS/Heather Hills explores collaboration with another Quaker retirement community and is told that the potential partner is concerned that QSS board is appointed by Rock Creek. RSA starts successfully on a small scale, serving only Heather Hills residents.
- 2008** QSS proposes changing by-laws so that its board is self-appointing. Meeting responds by creating a committee on the relationship between Rock Creek, QSS and Heather Hills that concludes that QSS and Heather Hills should become independent organizations, with the Meeting only appointing board members to Heather Hills. The three organizations cannot agree and results in stalemate. RSA continues to grow slowly. Insurance company stops paying QSS, creating a financial crisis. Heather Hills hires QSS executive director to fill vacant staff position, donating 20 percent of his time to continued work with QSS.

