# 2018 Diversity, Equity and Inclusion Audit Report

developed for the Chesapeake Bay Trust
by Skeo Solutions

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## Introduction
Skeo conducted an audit of the Chesapeake Bay Trust's (CBT, the Trust) diversity, equity and inclusion (DEI) practices in spring 2018. The goals of the independent third-party audit were:

- Develop a baseline assessment of the Trust's performance in DEI, and
- Identify areas for growth as well as outstanding practices that could become models for other foundations and environmental organizations.

This report provides a summary of the process, outcomes and recommendations.

## DEI Audit Scorecard
To conduct the audit, Skeo developed a DEI Audit Scorecard for environmental grant-makers. The scorecard was adapted from several models that have been used to evaluate DEI for foundations, environmental organizations and organizations from other sectors. The scorecard includes 31 actions divided across the following eight objectives: (1) Authorizing Environment, (2) Hiring, Promotion and Tenure, (3) Contracting and Investing, (4) Training and Internal Culture, (5) Grant-making Program Design, (6) Funding Outcomes, (7) Philanthropic Leadership, and (8) Data Tracking, Analysis and Reporting. The template includes two scoring mechanisms to track: A) whether the organization has implemented the action, and B) how well the organization is performing the action.

## CBT DEI Audit Process and Outcomes
To conduct the CBT DEI Audit, Skeo performed the following activities:

- benchmarked the Trust on standard DEI indicators within the environmental field;
- evaluated the Trust's performance relative to its own Diversity & Inclusion (D&I) Work plan;
- reviewed an extensive set of documents to evaluate performance relative to the DEI Audit Scorecard indicators; and
- conducted interviews and discussions with board and staff.

This detailed evaluation is summarized in the DEI Audit Scorecard on the following page. Based on this evaluation, Skeo noted the following general conclusions:

- Overall, the Trust is performing well with DEI practices.
- The Trust has implemented or partially-implemented every action on the scorecard.
- The Trust received a score of "achieving" or "exceeding" for 81% (25 out of 31) of the actions on the scorecard.
- The Trust received a score of "not yet achieving" for 19% (6 out of 31) of the actions on the scorecard.
- The audit identified nine actions where the Trust has innovative practices that should be promoted as models in the field.
- The Trust currently includes a higher percentage of persons of color on staff and on the board than other environmental funders.
- The Trust currently includes a higher percentage of women on staff, but a lower percentage of women on the board than other environmental funders.
- Given that there is generally a low level of diversity in the field, the Trust could seek to increase gender and racial/ethnic diversity percentages at the board level and racial/ethnic diversity percentages at the staff level to (at a minimum) mirror the percentages of these groups in the regional population.

## DEI Scorecard

| Objectives and Actions | Status | | | Assessment | | |
|---|---|---|---|---|---|---|
| | N | P | Y | 1 | 2 | 3 |
| **Objective 1. Authorizing Environment** | | | | | | |
| *1.1 Adopt and disseminate a clear DEI statement or policy.* | | | ✓ | | ◆ | |
| *1.2 Adopt an organizational DEI Plan and assess progress on the plan.* | | | ✓ | | ◆ | |
| *1.3 Include DEI measures in the performance goals for the CEO and other senior and mid-level managers.* | | | ✓ | | ◆ | |
| *1.4 Create a Board-level Diversity or DEI Committee or equivalent* | | | ✓ | | | ◆ |
| **Objective 2. Hiring, Promotion and Tenure** | | | | | | |
| *2.1 Adopt personnel policies and procedures to promote DEI in hiring, promotion and tenure.* | | ✓ | | | ◆ | |
| *2.2 Conduct proactive outreach and recruitment to increase representation of people of color and other underrepresented groups across board, management, staff and intern positions.* | | | ✓ | | ◆ | |
| *2.3 Include people of color and other underrepresented groups in hiring and promotion committees.* | | | ✓ | | ◆ | |
| *2.4 Seek opportunities to provide professional development, promote and retain people of color and other underrepresented groups across board, management, staff and intern positions.* | | | ✓ | | ◆ | |
| **Objective 3. Contracting and Investing** | | | | | | |
| *3.1 Adopt policies and practices that promote DEI in contracting and consulting.* | | | ✓ | | ◆ | |
| *3.2 Adopt practices to ensure socially responsible investments and DEI best practices among investment managers.* | | ✓ | | ◆ | | |
| **Objective 4. Training and Internal Culture** | | | | | | |
| *4.1 Conduct staff and board training on DEI and racial equity issues.* | | ✓ | | ◆ | | |
| *4.2 Ensure staff and board support the DEI policy as integral to achieving the mission of the organization.* | | | ✓ | | | ◆ |
| *4.3 Regularly include DEI considerations in daily operations and decision-making at the staff and board levels.* | | | ✓ | | | ◆ |
| *4.4 Ensure board, management and staff have the skills and tools needed to advance DEI.* | | | ✓ | | ◆ | |
| **Objective 5. Grantmaking Program Design** | | | | | | |
| *5.1 Seek input from external audiences on the value and implementation of DEI in grant-making.* | | | ✓ | | | ◆ |
| *5.2 Develop DEI criteria to be used in grant evaluation and targets.* | | | ✓ | ◆ | | |
| *5.3 Explicitly include DEI criteria in grant evaluation and targets.* | | | ✓ | | ◆ | |
| *5.4 Provide outreach and grant-management training to organizations run by and primarily serving communities of color and/or other underrepresented communities.* | | | ✓ | | | ◆ |
| *5.5 Ensure grant review committees include people of color and other underrepresented groups.* | | ✓ | | ◆ | | |
| **Objective 6. Funding Priorities** | | | | | | |
| *6.1 Promote non-discriminatory policies among applicant/grantee organizations* | | | ✓ | | | ◆ |
| *6.2 Fund organizations that engage people of color or other underrepresented groups.* | | | ✓ | | ◆ | |
| *6.3 Fund organizations led or staffed by people of color or other underrepresented groups.* | | ✓ | | | ◆ | |
| *6.4 Incentivize and/or require organizations to increase DEI in their organizational practices.* | | | ✓ | | ◆ | |
| *6.5 Incentivize projects that align environmental investments with community needs.* | | | ✓ | | ◆ | |
| **Objective 7. Philanthropic Leadership** | | | | | | |
| *7.1 Ensure communication materials are culturally accessible, promote DEI goals and reflect people of color and other underrepresented groups.* | | | ✓ | | | ◆ |
| *7.2 Collaborate with philanthropy peers to develop and implement standardized DEI indicators for applicant/grantee organizations.* | | ✓ | | | ◆ | |

| Objectives and Actions | Status | | | Assessment | | |
|---|---|---|---|---|---|---|
| | N | P | Y | 1 | 2 | 3 |
| *7.3 Evaluate and disseminate best practices regarding increasing DEI in environmental philanthropy, and support adoption of best practices by peer foundations.* | | | ✓ | | | ◆ |
| Objective 8. Data Tracking, Analysis and Reporting | | | | | | |
| *8.1 Track, analyze and report on the diversity of the board (and other appointed advisory groups as relevant), management, staff and interns.* | | | ✓ | | ◆ | |
| *8.2 Track, analyze and report on the diversity of contractors and consultants.* | ✓ | | | ◆ | | |
| *8.3 Track, analyze and report on engagement of people of color or other underrepresented groups through funded projects.* | | | ✓ | | | ◆ |
| *8.4 Track, analyze and report on investments in organizations led or staffed by people of color or other underrepresented groups through funded projects.* | ✓ | | | ◆ | | |

## Recommendations for Moving Forward

Based on the results of the DEI audit, Skeo identified the following four recommendations for continuing to advance DEI at the Trust and amplify the Trust's impact on other foundations and environmental organizations in the field. These recommendations capture the full scope of potential actions the Trust could pursue that were identified through this audit, however the Trust will need to determine how to prioritize and phase recommendations in alignment with other strategic planning.

A.  Complete current initiatives to improve DEI.
    1.  Update the Diversity and Inclusion Statement into a Diversity, Equity, and Inclusion Statement by carefully considering what "equity" means in terms of Trust grant-making.
    2.  Increase diversity of the board and Technical Review Committees.
    3.  Continue to support DEI Plan partnerships in the Chesapeake Community, and develop a formal set of recommendations that can be shared with peer foundations and grantees.
    4.  Determine a process to regularly evaluate the priority "under-engaged recipients" as part of the 2015-2020 Strategic Plan. When should other new audiences be added?

B.  Invest in new areas for major impact.
    1.  Investigate feasibility of 100% mission-aligned investing and develop specific investment recommendations for the Trust.
    2.  Invest in growing staff DEI skills, tools and ideas, including a staff-wide DEI training and allocated staff time for working on DEI development ideas.
    3.  Review and refine grant-making criteria to drive DEI advancements among grantees.
    4.  Consider how to improve outreach to, and engage with, populations whose primary language is not English.

C.  Formalize and refine DEI goals, metrics and tracking.
    1.  Update performance measures in the Diversity & Inclusion Workplan.
    2.  Incorporate DEI performance goals into evaluations for finance and administration staff.
    3.  Refine goals and metrics for tracking staff and board diversity. (For example, track promotion and retention figures for staff and retention figures for board members to get a clearer picture of outcomes. As needed, create more specific goals and metrics for staff diversity, including goals and metrics related to promotion and tenure of staff of color.)
    4.  Track and evaluate contractor diversity.
    5.  Track and evaluate success for the Connector Group and Mentor programs.
    6.  Ensure that the non-discrimination statement is included consistently in grant application and evaluation materials.
    7.  Formalize DEI review and audit cycles, including alignment with annual reviews and the Trust's Strategic Planning process.

D.  Embrace the Trust's new role as a DEI thought-leader in the Chesapeake Bay region.
    1.  Share organizational challenges as well as model practices (e.g., D & I Committee, External Review, Connector Group and Mentor Programs and Expanding the Circle) with philanthropic peers and the Chesapeake Bay community.
    2.  Share forthcoming models (e.g., DEI Statement, Technical Review Committee diversity metrics and outcomes, and Chesapeake Community DEI Plan), when available.

The 2018 DEI Audit confirmed that the Trust has made a very strong and sustained effort to move DEI practices forward both internally with day-to-day operations and externally with grant-making practices and philanthropic leadership. The Trust's DEI accomplishments have set a standard for the Chesapeake Bay Watershed community that can serve as a sign of encouragement and motivation to other environmental organizations and funders seeking to invest in DEI. The Trust can leverage these investments in DEI by promoting DEI in the public eye, telling the Trust's DEI story, highlighting areas of success and challenges, and rallying others to do the same.