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Office of the Minnesota Secretary of State
Minnesota Public Benefit Corporation / Annual Benefit Report
Minnesota Statutes, Chapter 304A



Read the instructions before completing this form
Must be filed by March 31
Filing Fee: \$55 for expedited service in-person, \$35 if submitted by mail

The Annual Benefit Report covers the 12 month period ending on December 31 of the previous year.
Notice: Failure to file this form by March 31 of this year will result in the revocation of the corporation's public benefit status without further notice from the Secretary of State, pursuant to Minnesota Statutes, Section 304A.301

- 1. Corporate Name: (Required) Catalyst Mental Health, SBC
- 2. The public benefit corporation's board of directors has reviewed and approved this report.
- 3. In the field below, enter the information required by section 304A.301 subd. 2 or 3 for the period covered by this report. (see instructions for further information); Note: Use additional sheets if needed. (Required)

See attached report

4. I, the undersigned, certify that I am the chief executive officer of this public benefit corporation. I further certify that I have signed this document no more than 30 days before the document is delivered to the secretary of state for filing, and that this document is current when signed. I further certify that I have completed all required fields, and that the information in this document is true and correct and in compliance with the applicable chapter of Minnesota Statutes. I understand that by signing this document I am subject to the penalties of perjury as set forth in Section 609.48 as if I had signed this document under oath.

[Signature]
Signature of Public Benefit Corporation's Chief Executive Officer
03/26/2021

Date (Must be dated within 30 days before the report is delivered to the Secretary of State for Filing)

Email Address for Official Notices

Enter an email address to which the Secretary of State can forward official notices required by law and other notices:
david@catalystmentalhealth.com

Check here to have your email address excluded from requests for bulk data, to the extent allowed by Minnesota law.

List a name and daytime phone number of a person who can be contacted about this form:

David Townes 800-336-5973, ext. 700
Contact Name Phone Number

Entities that own, lease, or have any financial interest in agricultural land or land capable of being farmed must register with the MN Dept. of Agriculture's Corporate Farm Program.

Does this entity own, lease, or have any financial interest in agricultural land or land capable of being farmed?
Yes No



Catalyst Mental Health

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Annual Benefit Report

Time Period: 01/01/2020 – 12/31/2020

Report Date: 03/26/2021

Overview:

Catalyst Mental Health was founded in 2011 as a regular limited liability company, but effective January 1st of 2019 we elected to convert to a special benefit corporation. As far as we have been able to determine, this established Catalyst Mental Health as the very first group of mental health providers organized as B-Corp in the state of Minnesota.

Our mission statement is:

“To develop, create, and maintain a work environment for mental health professionals that is healthy, sustainable, and professionally enriching, so that they are in turn empowered to provide the most compassionate, dynamic, and effective services possible to each of their clients.”

New Initiatives in 2020:

COVID-19 Pandemic Response

- When the COVID-19 pandemic began in March of 2020, we quickly transitioned all of our services to make them available via telehealth.
- We also implemented special COVID-related PTO and FMLA policies for all employees, which were ultimately used in some shape or form by about 10% of our employees by the end of 2020.
- To support changing life circumstances associated with the pandemic, we supported both therapists and administrative employees who wanted to continue working for us from different states. As a result, by the end of 2020 we had employees working for Catalyst Mental Health and serving clients in Minnesota from 4 different states.

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Response to the Death of George Floyd

- We provided 3 months of free office space at our Uptown facility to a Black therapist in private practice after her own office was burned down during the riots in the aftermath of George Floyd's death. We have continued providing this free office space in 2021 and plan to continue doing so until she moves into her own new space.
- We renewed our commitment to recruiting, hiring, and training staff that reflect the demographic makeup of the *entire* community that we operate in.
- We made Ibram Kendi's book How to Be an Antiracist the focus of our internal continuing education book club and discussion group for 2021.

New Paid Maternity / Paternity Leave and FMLA Policy

- At the end of 2020, we experimented with providing paid maternity / paternity leave to 3 separate employees in order to figure out some of the economics associated with paid FMLA leave. This was something we had been wanting to experiment with for quite a while, due to the fact that at least 2 employees per year had requested time off for maternity / paternity leave in each of the past several years. Previously, we offered up to 6 months of unpaid FMLA leave, but we wanted to do more.
- The experiment with paid FMLA leave was such a success that we have now made 6 weeks of paid maternity / paternity leave and general FMLA leave a permanent benefit for all employees of Catalyst Mental Health.

New Bring Your Own Device Policy

- In order to support the technological needs of therapists working remotely from home, and in to bolster our commitment to administrative policies that are lean, flexible, and responsive to the unique needs of each individual employee, we developed and implemented a Bring Your Own Device Policy at the end of 2020.

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- To make this work, we reallocated funds from our administrative budget that were going to be used to replace office computer hardware and instead added money directly into the pay packages of therapist employees so that they could decide how to spend those funds themselves on the work-related technological hardware of their choosing.
- We intentionally set up the policy to encourage an environmentally responsible and economically sustainable approach to hardware acquisition and use. Each therapist received \$1,000 in "technology expense funds" at the start of 2021, and they will receive \$200 each year afterwards so that they can replace hardware on a 5-year cycle. Future new therapist employees will also receive the same "technology expense fund" pay on the same multi-year cycle. Pay amounts will also be adjusted in future years to account for hardware cost inflation.

Continuing Education Book Club

- To meet a need identified in our Benefit Report from last year for more meaningful professional connections and a deeper sense of community at Catalyst Mental Health, we piloted a new continuing education book club in 2020. The syllabus for the group was approved for 20 continuing education credits by the Minnesota Board for Marriage and Family Therapy and the Behavioral Health and Therapy Board of Minnesota.
- The book club was such a tremendous success that we decided to continue it in 2021, and participation and attendance doubled for the second year.

New Internship and Training Program for Therapists

- To meet another need identified in our Benefit Report from last year, we piloted an internship and training program in 2020. We took on a single intern in order to explore the feasibility of the program, which was made more challenging by the pandemic, but ultimately the program was a success and when the intern completed her degree at the end of 2020 we hired her on as a full-time mental health practitioner.
- We also made a new commitment to begin hiring non-independently licensed therapists needing to practice under supervision.

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- Near the end of 2020 we began partnering with local universities to hire an expanded cohort of interns for the academic year beginning in 2021. We plan to take on 5-7 interns in 2021 and then possibly double the size of the training program again in 2022. We have also set aside dedicated office space at both of our sites to this new program.

Key Performance Metrics for 2020

We again conducted an anonymous survey of all Catalyst Mental Health employees in March of 2021 to assess their opinion of our performance on key metrics for 2020. Results are summarized below:

- **33 employees** completed the survey, representing 75% of the eligible sample who were sent a link to complete the anonymous survey.
- **97% of respondents** said they were satisfied or very satisfied with their overall experience at Catalyst Mental Health in 2020, with 64% of respondents saying that they were *very satisfied*.
- **94% of respondents** said that their overall satisfaction working at Catalyst Mental Health in 2020 was better or much better than other places they had worked in the past or were currently working, with 72% saying their overall satisfaction was *much better*. This relative comparison stood out because 64% of respondents stated they had been working in the field for more than 10 years, meaning they had a wide range of alternative employers to compare against.
- **97% of respondents** said that they were satisfied or very satisfied with their pay package at Catalyst in 2020, including salary, bonuses, and benefits, with 42% saying they were *very satisfied*.
- **94% of respondents** said that their workload felt sustainable or very sustainable at Catalyst Mental Health in 2020, with 50% saying their workload felt *very sustainable*.
- **94% of respondents** said that Catalyst Mental Health's overall performance regarding its stated business mission in 2020 was either good or very good, with 61% saying it was *very good*.

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Areas for Future Improvement

While overall ratings of how sustainable workloads felt for therapists in 2020 remained quite high, the number rating their workload as "very sustainable" decreased slightly. We suspect this may be a side-effect of therapists volunteering to work longer hours to meet the heightened needs of their clients associated with the pandemic and the aftermath of George Floyd's death.

Many therapists also faced heightened difficulties associated with providing services from home while simultaneously needing to manage children or family members in the same physical space due to school and childcare closures associated with the pandemic, although we managed to blunt this somewhat by implementing generous COVID-related PTO and FMLA policies.

We also saw a small increase in the number of employees reporting overall dissatisfaction with their sense of community at Catalyst Mental Health, although we simultaneously saw a separate and somewhat larger group of employees report increased satisfaction. Of those who reported dissatisfaction, most blamed the pandemic and loss of face-to-face interactions with professional peers, whereas those who reported increased satisfaction tended to attribute it to participation in our continuing education book club and online consultation groups.

Future Initiatives

Demand for mental health services is now surging as a result of both the pandemic and social unrest around the country, even though many people are currently delaying care due to a reluctance to initiate new therapeutic relationships via telehealth. As a result, most of our initiatives for 2021 and beyond are now focused on how to grow Catalyst Mental Health to help meet this need sustainably and responsibly.

As a first step, we have already set in motion plans to invest in adding new offices at both of our current facilities, which will increase our capacity to serve clients by 30% in Uptown and 100% in Bloomington. Some of these new offices will be dedicated to our new internship and training program, but others will provide workspace for new clinicians.

We also plan to implement a continuum of work options for therapists when the pandemic ends, ranging from remote-only work to in-person only work and hybrid arrangements in between. Toward this end, we have already figured out how to adjust our pay system to incorporate an upward adjustment for therapists who maintain a lighter office footprint so that therapists are paid proportional to actual resource use. We also hope that empowering flexible

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work arrangements will encourage better work-life balance and reduce environmental externalities associated with unnecessary commutes.

Finally, we have made a commitment to get more employees involved in ownership of the business. Catalyst Mental Health is a proudly boot-strapped business, and we are interested in sharing the rewards of our labor by extending sweat equity agreements to long-time employees who want to step up into leadership and entrepreneurial roles. Our vision is to grow as a decentralized but federated collection of business start-ups, rather than as a monolithic corporate empire. That means we want employees to view Catalyst Mental Health as potential angel investor and business partner that can provide seed financing to finance their future mental health startup. We've already expanded our ownership group from 1 person to 3 in the past two years via this approach, and we expect we'll be expanding it more in the years to come.

Certification

We again completed the B Impact Assessment to see how close we are to being eligible for certification as a B-Corp. Last year we were 7 points short, whereas this year we were only 2.5 points short. It looks like the key to making us eligible for certification in future years is going to be implementing our long-delayed plans to implement quality control and customer feedback measures.

That being said, we are still not sure whether we think it would be worthwhile to pursue certification. We just find that completing the B Impact Assessment is a useful metric for comparing our operations with that of other B-Corps across the country.

David Townes, LICSW, MBA
Executive Director

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Steve Simon

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Secretary of State