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# Minutes of the Regular Session of the EDUCAUSE Board

Monday, December 20, 2021 | Virtual

*Note: All times listed are Eastern time (ET)*

## Attendance

**Board members:** Allan Chen, Elias Eldayrie (Treasurer), Keith (Mac) McIntosh (Vice Chair), Tony Moore, Helen Norris, John O'Brien (President and CEO, ex officio), Amelia Parnell, Sharon Pitt, Celeste Schwartz, Carol Smith, Cheryl Washington, Sue Workman (Chair), Sherri Yerk-Zwickl

**Staff:** Alex Alavi, Eden Dahlstrom, Mairéad Martin, Nicole McWhirter, Catherine Yang, Karen Mateer

**Unable to attend:** Susan Grajek

## Monday, December 20, 2021

### Call to Order

Board chair Sue Workman called the meeting to order at 4:01 p.m., reviewing the agenda and acknowledging that a quorum was present. President John O'Brien provided a brief recap of the Annual Business meeting held earlier in the day, with about 60 participants in attendance. A recording is provided on the website for anyone who was unable to attend.

### Approval of 6-Month Budget

Workman transitioned to the main order of business for the meeting: to approve the 6-month budget for January through June, before EDUCAUSE transitions to its new fiscal year beginning on July 1. Alex Alavi, Interim Director of Finance, reported that he met last week with the Finance/Investment Committee to review the 6-month budget. He noted that since this is only a portion of a year's budget, he analyzed data from the previous three years to arrive at his assumptions and forecasting of the budget presented today.

Alavi reviewed the assumptions and called out several line items in the budget for further explanation. On the revenue side, he noted that projections for membership dues revenue and subscription (.edu) are an estimate of a 6-month projection based on actuals. For registration and corporate sales revenue, his team worked closely with the conference and events and corporate sales teams, respectively, to develop realistic projections based on their expertise and knowledge of industry trends. For investment income, the budgeted line is based on a 5% return of the portfolio balance. For other income, the projection is based on existing indirect

grants (ASN, CourseGateway) plus 15%. In response to a question posed by Amelia Parnell about whether or not we reinvest our dividends, Alavi responded that we do, and it is handled by our investment portfolio managers.

On the expense side, Alavi shared that salary expenses are based on anticipated hiring changes and a planned market review, but the amount does not include salaries that will be covered under grants. Benefits and tax-related increases will occur in the FY23 budget. Professional development is based on a per staff member number while the increase in technology spending reflects, among other things, the need for additional hosting for online events, penetration testing, the community platform (EDUCAUSE Connect) contract, and staff connectivity allowance. Under the category of vendor services, Alavi noted that there are a number of projects budgeted that support our conference and events, continuation of the Showcase series, and investments in *EDUCAUSE Review*. We also have an amount reserved as a contingency to support approved projects that may go forward later in the transition period but are not yet approved.

In response to Cheryl Washington's question about the reliability of our cyber providers, Martin noted that over the last 18 months we have directed attention to this assessment. She added that our cyber budget will increase in 2022, and O'Brien added that we have increased our cybersecurity coverage significantly. Martin commented on scheduled testing and remediation with our vendors and stressed that we carefully consider (and try to meet or exceed) the standards set by our community.

Regarding the capital budget, Alavi provided context on some of the expenses related to some ongoing project work. These are amortized over a 3-year period.

*Sharon Pitt moved to approve the 6-month budget. Allan Chen seconded. The motion was unanimously approved.*

### **3-Year Draft Budget Assumptions**

Following the approval of the 6-month budget, Alavi went on to address the new budget cycle resulting from the forthcoming change in fiscal year. At the June 2022 board meeting, we will present a 3-year budget that covers FY 2023–2025. O'Brien added, while we have done a lot to diversify our revenue streams, given the continuing uncertainty, we want to be sure we have the right assumptions when building out the budget. The working assumptions for the three-year budget were shared. The board discussed and agreed with the proposed budget assumptions for the three-year budget.

- **Dues:** Focus is on recovery back to pre-Covid levels. Note that the board voted in October to not increase dues until 2024 as well as table the Carnegie Classification update until

there is ample time to study and make a recommendation on how best to proceed given the complexity of the issue as it relates to the dues structure. Dues assumptions:

- 3% inflation increase in FY2024
- 3% inflation increase in FY2025
- **Registrations:** John shared the results of a survey he conducted with CHEMA institutions about anticipated event registration levels in 2022, 2023, and 2024. The CHEMA survey revealed that 23 of our partners were consistent with our projections, though our number for FY2025 was a little more conservative than that of the CHEMA group. Event registration assumptions:
  - 70% of 2019 levels for FY23
  - 85% of 2019 levels for FY24
  - 100% of 2019 levels for FY25
- **Sales/Sponsorships:**
  - No increase in FY2023, followed by 3% growth for 2024 and 2025
- **Investment Income:**
  - 5% compounding return; however, we have consistently exceeded this
- **Salaries:** The 3-year budget will not plan for a larger staff. Any new staff would be offset by grants or other planned income. Salaries assumption is consistent with our historical norm.
  - 3.5% inflation increase
- **Benefits:**
  - 28% of salaries
- **Travel:**
  - Incremental increases to reach 2019 levels by FY2025
- **Expenses:**
  - FY2023 6-month budget X2
  - FY2024 4% inflation increase
  - FY2025 3% inflation increase
- **Conference Expenses:**
  - To be determined based on anticipated conference revenue

## **Board Officer Elections**

Finally, the board took up officer elections for the 2022 board year. Workman expressed her gratitude and enthusiasm that we had multiple people running for each office. She announced that votes would be taken in this order: President, Vice President, Treasurer, Secretary. She noted that if a person was nominated for multiple offices and elected for a position, they will be removed as a nominee for any other offices. The Board proceeded with voting.

*The following slate of board officers was put forth to the board for approval: Helen Norris (chair), Sharon Pitt (vice chair), Celeste Schwartz (treasurer), Amelia Parnell (secretary). The motion was approved.*

McWhirter noted that she and O'Brien will be meeting to finalize board subcommittees with input from Helen Norris as new board chair. O'Brien asked for anyone who has an interest in serving as board liaison to the Corporate Member Advisory Committee (CMAC) to contact either him or Helen. McWhirter noted that Allan Chen will serve as board liaison to the DEI Advisory Committee.

## **Adjourn Meeting**

The meeting was adjourned at 5:07 p.m.