
Minutes of the Regular Session of the Board

March 1-2, 2017, Phoenix, AZ

Attendance

- **Board members attending:** Eric Denna, Diane Graves, Bill Hogue (Treasurer), Ron Kraemer, Edward Leach, Joseph Moreau, Michele Norin, John O'Brien (President and CEO), Kay Rhodes (Secretary), Tracy Schroeder (Chair), Jack Suess (Vice Chair)
- **Staff attending:** Joanne Dehoney, Susan Grajek, Thad Lurie, Stacy Ruwe.

Call to order

Board Chair Tracy Schroeder called the meeting to order at 1:30 p.m. MT, noting that a quorum of directors was present. Schroeder acknowledged and thanked Rufus Glasper, CEO of the League for Innovation, for facilitating a pre-meeting discussion about IT needs and challenges in the community college sector. Schroeder then provided a preview of the major order of business, operationalizing the strategic plan.

President's Report

CEO John O'Brien, with support from members of the executive team, provided an overview and status of operational activities and achievements for the trimester.

Financial Report

Chief Financial Officer Stacy Ruwe provided the trimester financial update, reporting that the unaudited 2016 budget results show a \$2.1M gain. Ruwe noted that the favorable variance was largely due to under-spending in travel and consulting across the majority of departments. She noted that membership dues revenue underperformed slightly against budget projections, citing as the potential cause two planned 2016 activities that did not occur: second .edu domain name offerings and strategic member recruitment. Ruwe stated that the CEO planned to use the 2016 surplus as one-time funds in 2017 to initiate work toward executing the strategic plan. Ruwe distributed a revised 2017 budget totaling \$32.5M with actual salaries reflected.

The \$2.8M 2016 capital budget was underspent by \$200K due to a lack of investments in the data center resulting from a planned move to cloud based systems and services. Ruwe mentioned that the balance sheet showed a \$3M drop in prepaid grant funds as part of a conscious draw down by the Gates Foundation of prepaid and unspent funds.

Ruwe thanked the board for calling members who will experience dues increases of over \$4K under the new membership model. She noted that the response to the initial member mailing explaining the dues changes has been largely neutral.

Ruwe updated the board on the EDUCAUSE membership profile as of the end of 2016, noting that while the mix of institutional types shifted, dues revenues remained consistent from 2015 to 2016.

Audit Committee

Ruwe reported the following items on behalf of the audit committee:

- The committee requested regular updates on membership renewals for the board beginning after the new integrated dues come into effect on July 1
- The committee supported the EDUCAUSE request to move budget approval to a special session in mid-December, thus enabling better alignment between priority setting at the October board meeting, the development of staff work plans in November, and budget planning for the following year. As a result of the revised timing, the budget presented to the board in mid-December will be more accurate and will not need to be revised at the March board meeting.

Investment Committee

On behalf of the investment committee, Ruwe reported the following items:

- The reserve investments are invested in accordance with board guidance
- The committee suggests no changes to the Investment Policy Statement (IPS) at this time.
- The annual investment results significantly exceeded relevant benchmarks in 2016. 2017 YTD returns are up significantly given the recent equity market surge.
- Operating reserves currently exceed the maximum of the target range of 9-months.
- Ruwe summarized the \$5M in board designated funds: \$1M for DGOIF, \$.875M for the 2017 capital budget, \$1M for dues transition, \$2.1M to implement the strategic plan.

The board recommended that the Audit and Finance committee reconsider and perhaps extend the reserves guidelines to up to 12-months to mitigate risk associated with the new

mix of allocated investments. The committee will bring forth a proposal on this matter in June.

The board encouraged EDUCAUSE to continue to invest in professional development and to support staff to avail themselves of this important benefit.

Staff Retirement Committee

On behalf of the staff retirement committee, Ruwe reported that the staff pension plan portfolio performed well. Since the last report, the committee replaced CREF offerings and closed the Valic pension plan, and directed the CFO to contact plan participants to alert them to review their legacy plans accordingly. She noted that our consultants, Well and Good, continue to provide regular monitoring of our plans.

Implementing the Strategic Plan

John O'Brien introduced the primary focus of the meeting, the roadmap for implementing the strategic plan. He provided context for the topics to be discussed: data governance and personalization, EDUCAUSE-as-a-platform, membership, partnerships and diversity, equity, and inclusion, and communities and content.

Data Governance and Personalization

Ruwe provided an update on the data governance and analytics project to bring all EDUCAUSE data assets into a common framework for management and quality assurance. Vice President for Operations Thad Lurie then presented three scenarios representing the personalization experience we are working towards. For the June board meeting, the board recommended additional scenarios to develop, suggested reviewing the privacy policy that will govern uses of member data, and recommended the development of an EDUCAUSE (not conference) app be included on the implementation roadmap for personalization.

Recess and Reconvene

At 5:00 p.m. Schroeder called the meeting in recess until the following day. She reconvened the meeting at 8:15 a.m. on March 2nd.

Board Findings: Governance/Member Advisory Working Group

Vice President for Planning and Partnerships Joanne Dehoney presented a number of findings related to board development and management produced by an internal staff

working group that examined our advisory structures. Additions to current practice will include a periodic board retreat and facilitated self-assessment, a charter and role descriptions for the executive committee, and stated guidelines for board participation on non-board advisory committees, as well as other operational improvements.

Implementing the Strategic Plan, Part II

The board returned to its consideration of how to operationalize the strategic plan.

EDUCAUSE-as-a-Platform

Vice President for Communities and Research Susan Grajek led the board through a discussion and activity related to future platform offerings for EDUCAUSE. The board recommended further exploration and design activities to be guided by appropriate consultants.

Membership

Ruwe updated the board on the status and plans for the new membership model. The board discussed how the new membership model improves access to resources for members and suggested guidelines or principles to apply to assure the appropriate balance of access for members and non-members to EDUCAUSE content and programming.

Diversity, Equity, and Inclusion and Partnerships

Dehoney reported on plans for the diversity, equity and inclusion (DEI) initiative and partnerships. The board suggested integrating programming plans for accessibility into the DEI roadmap to be sure it is interwoven through EDUCAUSE program channels. They recommended an initial priority focus on partnerships that promote DEI and the campus-based collaborations members must pursue today.

Communities

Grajek presented work that staff recently completed to reimagine the management and growth of EDUCAUSE communities, as well as more member-centric methods for determining content priorities. On communities, the board drew connections to the previous platform discussion, suggesting it as starting place for developing enhancements to the community experience. They further suggested prioritizing meta-data and search as next steps for this portion of the roadmap.

Wrap-Up

O'Brien concluded the discussion of implementing the strategic plan by briefly reviewing the changes members will see this year and next as foundational work proceeds, and thanking the board members for their guidance.

Adjournment

Schroeder adjourned the business meeting of the board at 2:45 p.m. MT.

Executive Session

Schroeder convened executive session at 3:00 p.m. PT. During executive session the board decided to appoint Barron Koralesky, CIO at Williams College, to the board seat vacated by Mark Askren. Executive session adjourned it at 3:45 p.m. MT.