

# Minutes of the Regular Session of the Board

October 24, 2016, Anaheim, CA

## Attendance

- **Board members attending:** Eric Denna, Diane Graves, Joy Hatch, Bill Hogue (Treasurer), Ron Kraemer, Edward Leach, Bruce Maas (Chair), Joseph Moreau, Michele Norin, John O'Brien (President and CEO), Kay Rhodes, Tracy Schroeder (Vice Chair), Jack Suess, Justin Sipher (Secretary)
- **Board members absent:** Mark Askren, Reggie Henry
- **Staff attending:** Joanne Dehoney, Susan Grajek, Julie Little, Thad Lurie, Stacy Ruwe; Joanna Grama for accessibility and .edu discussions.

## Call to order

Board Chair Bruce Maas called the meeting to order at 8:30 a.m. PT and announced that a quorum of directors was present. Maas welcomed the new board members and commended the EDUCAUSE executive team and staff for the organization's evolution over the last year.

## Approval of the Consent Agenda

By unanimous consent, the board approved the consent agenda consisting of the minutes of the August special meeting.

## 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:

- Capital expenditures are projected to be within the 2016 capital budget of \$2.8M.

- We anticipate being close to breakeven on the budget before the 2016 budgeted loss of \$164K, meaning we do not expect to draw down reserves.
- All revenue categories will meet or exceed budget except membership dues, which are lagging 3% YTD behind last year at this time. The dues renewal cycle was delayed, so this may resolve itself by the end of the year.

Ruwe further reported that reserves allocated investments are in accordance with board guidance, with reserves anticipated to be at the maximum of the target range by the end of the year. She noted that even with potential investments over the next five years of up to \$6.5M in support of our new strategic priorities, we anticipate staying within our targeted range for reserves.

### **Audit Committee**

On behalf of the audit committee, Ruwe reported that in its meeting in advance of the board meeting the committee:

- Reviewed the 2017 operating and capital budgets
- Discussed salary recommendations and Quatt executive compensation report draft
- Authorized engagement of auditors.

### **Investment Committee**

On behalf of the investment committee, Ruwe reported that the committee:

- Reviewed investment results through Q3, determining that yield exceeded expectations
- Reviewed the impact of socially responsible investing and discussed a direction to pursue
- Reviewed the status of the reserves and compared them to Board designated targets.

### **Staff Retirement Committee**

On behalf of the staff retirement committee, Ruwe reported that the committee:

- Updated the record keeping agreement for staff pension offerings after TIAA increased fees, including addition of expanded 457b (like 403b) investment offerings
- Updated plan documents to reflect new offerings
- Established a revenue credit account (RCA) to offset plan operating costs

- Agreed to continue regular review of plan performance.

## **Strategic Plan Update**

John O'Brien presented a version of the strategic plan that incorporated the feedback provided by the board in October, as well as changes suggested during the process of introducing the plan to the community in Q3 through phone calls, meetings, and Town Halls.

## **Motion**

The following motion made by Graves and seconded by Rhodes was unanimously approved:

EDUCAUSE will adopt the following three strategic priorities over the next five years: personalization, reimagined professional learning, and enhanced partnerships and collaboration. The board calls on EDUCAUSE leadership to implement this plan and provide the board with regular updates on progress made in achieving the stated goals accompanying each strategic priority.

## **Membership Model**

Stacy Ruwe updated the board on progress redesigning the membership dues model. She reported that the version as presented for adoption meets the board parameters for the redesign, namely that it:

- Recovers current revenues, not raising new revenues
- Provides an equitable structure and inclusive structure, with large complex organizations paying most for value and under-resourced institutions paying less
- Provides a simplified, consistent, and modernized dues structure.

Ruwe reported that the updates to the model since the board last considered it in August minimize extreme dues shifts, especially for better-resourced private liberal arts institutions and large Master's granting public institutions. She also noted that the attrition estimates had been confirmed using multiple methodologies.

The board commended the leadership team for building an integrated membership model as indicated in the strategic plan. Board members requested EDUCAUSE staff provide the

board with talking points. The board further requested that they be kept apprised of communication plans and milestones for implementing the new model.

## **Motions**

The following motion made by Graves and seconded by Rhodes was unanimously approved:

The EDUCAUSE Board approves the creation of a new membership model that integrates subscriptions for the EDUCAUSE Learning Initiative and the EDUCAUSE Center for Analysis and Research into base membership. The board calls on EDUCAUSE leadership to implement the dues model presented on October 24, 2016, as its initial step toward achieving this comprehensive membership approach.

The following motion made by Hatch and seconded by Hogue was unanimously approved:

The EDUCAUSE board authorizes the CEO to make prudent draws on reserves of up to \$1,000,000 over three years (2017-2019) for the purpose of transitioning to the new membership model.

## **2017 Budget**

Ruwe presented a balanced 2017 budget to the board, noting that the 2017 budget would potentially be brought back for further board consideration at the March meeting pending the recommendations of several new strategic plan working groups currently formed or being formed.

## **Motion**

The following motion made by Kraemer and seconded by Suess was unanimously approved:

The board approves the 2017 budget as presented, with the understanding that EDUCAUSE leadership may bring modifications to the budget for board consideration in March.

## **Accessibility Discussion**

Directors Suess and Rhodes opened a general discussion of federal legislation on web accessibility that will likely affect all member institutions within the next two to three years. The board concurred that this important matter is within scope of the EDUCAUSE

mission, noting that while it is of direct interest to members, it rises to the institutional leadership level given the scope of its potential impact. On this latter point, board members suggested that EDUCAUSE leadership include accessibility as a potential area of development for partnership and collaboration as specified in the strategic plan.

## **.EDU**

Chief Operating Officer Thad Lurie updated the board on progress outsourcing the infrastructure that supports the .EDU service as well as recent work recalculating the total cost of ownership of the service. The CFO then explained the benefits of establishing an limited liability corporation to house the .EDU service.

## **Motion**

The following motion made by Graves and seconded by Rhodes was unanimously approved:

The board authorizes the creation of single member LLC called EDUCAUSE Services with EDUCAUSE as the sole member. The board further authorizes its secretary to execute the agreement and appoints the EDUCAUSE CFO and the EDUCAUSE CEO as the authorized signatory for the LLC

## **Board Officer Elections**

By unanimous consent, the board elected the following slate of 2017 board officers:

**Chair:** Tracy Schroeder  
**Vice-Chair:** Jack Suess  
**Treasurer:** Bill Hogue  
**Secretary:** Kay Rhodes

## **Adjournment**

Maas adjourned the business meeting of the board at 2:00 p.m. PT.

## **Executive Session**

Maas convened executive session at 2:15 p.m. PT and adjourned it at 3:35 p.m. PT.