

**AMERICAN ASSOCIATION OF UNIVERSITY OF WOMEN (AAUW)
BOARD OF DIRECTORS
OFFICIAL MINUTES
February 7, 2020**

The AAUW Board of Directors met February 7, 2020 at the AAUW Headquarters in the District of Columbia. AAUW Chair Julia Brown presided.

Directors Present/Absent*

Julia Brown, Board Chair
Malinda Gaul, Vice Chair
Peggy Cabaniss, Finance Vice Chair
Cheryl Sorokin, Secretary
Joseph Bertolino
Dia Cirillo
Lynn Gangone
Elizabeth Haynes
Jenna Kirkpatrick Howard
Karen Kirkwood
Edwina Frances Martin
Eileen Menton
Lee Roper-Batker
Mardy Stevens
Mary Zupanc*
Kim Churches, CEO (ex-officio)

Staff Present

Tom Chappell, Vice President, Finance
Kendra Davis, Senior Vice President, Advancement & Partnerships
Laura Segal, Senior Vice President, Communications & External Relations
Shannon Wolfe, Managing Director and Chief of Staff

Call to Order and Comments from the Chair and CEO

Noting the presence of a quorum, Chair Julia Brown called the meeting to order.

The Chair and Chief Executive Officer Kim Churches commented on difficulties some branches were continuing to experience in of sourcing leaders at the local branch level, as surfaced in recent conversations with members and as reported in some board members' state president reports. Ms. Churches noted opportunities for branches to streamline their governance and leadership structures under state law, and she encouraged board members to again remind state presidents of the availability of such options. She commented on and encouraged board members to communicate to state presidents and members on, the importance of strategic planning for all AAUW affiliates, noting that rethinking structure, focus and impact were as important at the local level as at the national level.

Investment Update

Peggy Cabaniss, Board Finance Vice Chair, introduced Chris Grimm and Michelle Beckenbaugh of Pavilion, a Mercer practice (Pavilion), to present AAUW's portfolio investment results for the calendar year 2019.

Referring to a previously distributed report from Pavilion titled “American Association of University Women Board Meeting February 2020,” Mr. Grimm noted that the Investment Committee had met four times in 2019 and he stated that AAUW’s oversight of the portfolio remained robust. He reviewed the membership of the Investment Committee and summarized Pavilion’s work with the committee during the year, including the decision to change two portfolio managers.

Ms. Beckenbaugh reported that there was market to market gains of \$21 million for the portfolio in 2019, and that total assets increased from \$107.6 million to \$128.8 million. Mr. Grimm noted the effect of stock market performance overall during the year.

Ms. Beckenbaugh noted that the portfolio asset allocation targets of 60% equity, 35% fixed income and 5% real estate had not changed in 2019 and the portfolio investments and returns were in line with the target allocations.

Mr. Grimm commented on the portfolio’s strong performance in 2019 and then he and Ms. Beckenbaugh reviewed a performance summary for the portfolio over a ten-year period, noting that performance had consistently exceeded the CPI +4% over this period, but slightly trailed the policy index. Mr. Grimm commented on the importance of taking a long-term view in managing an investment portfolio, noting that AAUW’s consistent approach to investing had resulted in the portfolio nearly doubling in value since the market decline in 2008. He noted that the asset allocation and the composition of the portfolio were based on investing for the long term.

Ms. Cabaniss expressed appreciation to Mr. Grimm and Ms. Beckenbaugh for their work. Mr. Grimm and Ms. Beckenbaugh left the meeting at this time.

Financial Update

Ms. Cabaniss noted that the board had received the Audit Report for FY 2019 and well as the IRS Form 990 in advance of the meeting, and she encouraged directors to contact her or Thomas Chappell, Vice President of Finance, with any questions.

Referring to the previously distributed Finance Memo dated December 31, 2020, Ms. Churches then reviewed results of operations for the first 6 months of the fiscal year. She noted that she was cautiously optimistic with respect to revenue, in light of the year-to-date increase in unrestricted assets, but she explained that revenues were still \$223,000 under budget at this point in the year and estimated to be approximately \$570,000 under budget by FY end. She emphasized the importance of continuing to focus the membership and other donors on unrestricted contributions to AAUW, noting that a significant number of contributions were still coming in as restricted. The board discussed the importance of consistent and repeated messaging on the need for unrestricted donations given the membership’s long history and tradition of donating to particular projects or restricted endowments.

Ms. Churches responded to questions on the success of the year-end board match for unrestricted donations to AAUW, noting that the match had been fully utilized and approximately \$242,000 had been received in unrestricted year-end giving. She expressed appreciation to staff and board members who assisted in calling donors for year-end unrestricted contributions and agreed with board suggestions to continue such calls throughout the year, not just at fiscal and calendar-year-ends. She noted that a process was being developed to help provide more structure to board members.

Ms. Churches noted that expenses were continuing to track within budget and noted that staff was working to control expenses. Ms. Churches reminded the board that accounting rules would require recording a loss in FY 2019 in connection with the subletting of the 9th floor, though over time the subletting of space would help reduce the expense to the organization of the original lease. She commented on the effect of this accounting rule on AAUW's financial reporting, as unrestricted funds would show as reduced to approximately \$1,000,000, although unrestricted cash would not be affected. Ms. Churches pointed out the importance of transparency in messaging to members and others about the changes being implemented as well as needed in the future to enable AAUW's future sustainability. The board discussed the importance of building AAUW's financial strength in order for the organization to compete in the increasingly crowded field of competitors focusing on gender equity issues. Board members commented on the steps the organization had already taken to reduce deficits and increase operating funds, noting, as pointed out by Ms. Churches earlier, that changes for long-term sustainability would continue to require concerted effort over several years.

Budget Process

Shannon Wolfe, Managing Director and Chief of Staff, reported that staff work was commencing on preparation of the FY 2021 budget, and that a draft would be submitted to the board for discussion in May, with final approval of the budget scheduled for June 2020. She responded to questions on revenue issues and the process for determining revenue estimates for budgeting purposes.

Dues Increase Discussion

Referring to a previously distributed memorandum titled "Dues Increase Options," Ms. Wolfe pointed out that AAUW had not in recent years had a practice of regularly scheduled dues increases. She reviewed the dues levels of other organizations but pointed out differences that made comparisons difficult. She responded to board member questions on those differences, including whether certain organizations on the chart were competitors of AAUW. In response to further questions, she noted that there was not yet enough data from the last AAUW dues increase to indicate whether it alone had significantly affected membership levels, but as previously reported to the board, membership levels had been declining at AAUW for a number of years, as had membership levels at other membership organizations. The board discussed differences between organizations that are essentially only mission-based, without voting memberships, and those that are values-based membership organizations. Several directors noted the importance of communicating clearly with members on the value they receive as a member of AAUW. The board discussed AAUW's organizational structure and the dues that members also pay to AAUW state and local affiliates. Directors commented on AAUW's practice of requiring members to pay dues in order to join, and optional contributions solicited from members to more directly support the mission.

Ms. Churches and Ms. Wolfe noted the importance of regular dues increases to help cover inflation and regular increased cost of operations. Ms. Churches said that the most recent increase in AAUW dues essentially only covered prior increases in inflation in years in which there had been no dues increase. Several potential scenarios for increased dues were discussed. Ms. Wolfe reviewed and responded to questions on the timing required for implementing a dues increase, and Ms. Churches shared her thoughts related to incremental increases over time and regularly.

Following further discussion, it was the general consensus of the board that consideration be given to establishing a process for regular incremental increases in dues. Several directors encouraged staff to also consider other options that might be transformational, in light of the fact that only 1.6% of the USA's total philanthropic donations currently are directed to gender equity issues, suggesting that dues

be considered in the context of AAUW's long-term strategy for advancing equity for women and girls, not just a fee to be compared to membership fees of other organizations. Ms. Wolfe noted that a recommendation would be presented to the board in the spring, so that appropriate notice could be given to the members in advance of a board vote in the fall.

Update on Operations

Equity Network

Ms. Churches reported on planned testing of a non-membership, donation-based program for engaging new audiences of individuals (men, women, non-binary persons) ages 21 to 40 in networking, professional development and advocacy projects related to gender equity. The cost to become a part of the network would be a \$50 donation to AAUW, but individuals in the network would not be, nor be targeted to become, members of AAUW or an AAUW affiliate, in keeping with findings from the focus groups conducted nationwide. She explained that gatherings of the network would include light refreshments, time for networking, and gender lens focused discussion on a particular topic or area. She noted that effective advocacy in 2020 would be the topic of discussion in these first network events in New York and DC in March and April, with a third equity network event also planned for New York City in June. Ms. Churches reported that an effort was being made to engage current and former AAUW fellows in the initial testing of the equity network, noting that AAUW had not previously had much engagement with this group of individuals once their fellowships ended. She also noted plans for outreach to those individuals who had completed Work Smart, Start Smart and Empower workshops and their individual networks. She responded to board member questions on the process for tracking success, effectiveness, growth planning and impact of the network. She noted that development of the network concept would be an iterative process, and that testing and refining the concept would be a critical component for the staff in achieving success.

Update on Strategic Plan Implementation

Referring to the previously distributed "Strategic Plan Implementation Tracker" through 2nd Quarter 2020, Ms. Churches reviewed progress in implementation, noting that, as previously discussed with the board, some projects and actions identified under the plan would require modification in order to be aligned with funding and staffing resources. She explained that the three core areas of focus in the plan, Education, Economic Security and Leadership were still relevant, so any needed modifications would be at the project/action level.

Ms. Churches noted, as an example, that the recently received grant from the Coca Cola Foundation still focuses on economic security issues but emphasizes collaboration between AAUW and historically black colleges and universities on programs and training in the areas of pay inequity, salary negotiation, and economic security.

Ms. Churches reported that staff had been surveying existing STEM programs and working with stakeholders in the STEM field to help determine ways in which AAUW could best utilize funds from the \$7 million bequest received at the end of FY 2019 related to STEM. She said the goal was to develop new, non-duplicative programs and collaborative efforts in STEM that will allow AAUW to make a difference and have significant impact as it fulfills the terms of the bequest. It was suggested that information being acquired in the course of this effort might be utilized in additional ways, including possible publication of a reference guide on programs currently addressing gender equity issues in STEM fields.

Ms. Churches reported and responded to questions on a new research grant from the Arconic Foundation focusing on women in manufacturing, with completion of the project scheduled for year-end 2020.

In response to questions, Ms. Churches reported that most AAUW fundraising efforts are focused on economic security. She reported on a major donation from AAUW Honolulu directed to AAUW's economic security programs as well as its leadership programs directed at college women leaders (NCCWSL). She also noted possible opportunities to increase AAUW's ability to offer fee for service and consulting services. Board members offered suggestions for possible ways to collaborate with other organizations, to share information and to serve as a focal point and a leader in coordinating efforts among other gender equity organizations or other groups.

Ms. Churches noted that AAUW's relationships with colleges and universities needed to be deepened, and she had asked several board members and the head of the Advancement Committee to work with her on how to deepen those relationships with a view to possibly expanding programming to address gender equity issues in education and at faculty and alumni levels.

Ms. Churches expressed that the aging of the membership in AAUW and the complexity of AAUW's affiliate structure were also issues which needed to be addressed under the strategic plan governance & sustainability area of focus. Several board members reported on their discussions with members on these issues. Ms. Churches noted the importance of board members relaying to state presidents and members alike that there are opportunities under state law for simplification of the affiliate structure to better reflect current reality of affiliate operations.

State and Regional Affiliate Conventions and Other Convenings

Ms. Churches reported that the national office will be providing speakers at 12 state or regional affiliate conventions, and 5 other state affiliates will have virtual convenings involving national staff.

Ms. Churches reported on the most recent webinar she and Kate Nielson, Director of Public Policy and Advocacy, had conducted, as part of the series of online webinars to be offered as part of the Convening Series in lieu of a national convention. She noted that members watching had asked excellent questions both during the webinar and afterwards. She encouraged all board members to watch the video if they had not already. She also noted that many members had responded to the request for stories of how they have related to the organization and what it has meant to them. She noted that these stories would be showcased during the year and she noted that they uniformly reflected considerable pride in the organization. She noted that collection of these stories was also tied to the AAUW archive project and efforts to show how much AAUW women have accomplished, how much AAUW has meant to them, and the connections and friendships that AAUW has helped forge among its members.

Legal Update

Ms. Churches noted that AAUW has filed a motion seeking sanctions against the plaintiff in the Rothchild case. She commented on the expense of the continuing litigation in this case seeking to overturn a bequest to AAUW.

Ms. Churches commented on the importance of considering risk and risk mitigation in all AAUW programs and outreach programs, particularly those that involve working with minors. She noted that she and Ms. Wolfe were working with counsel on improving AAUW's risk mitigation efforts.

Staffing Issues and Staff Reports

Ms. Churches reintroduced Ms. Nielson who leads AAUW's policy and government relations work at the federal, state and local levels, devises AAUW's grassroots field strategy, oversees the organization's national voter education and Get Out the Vote campaigns, and manages the AAUW's Legal Advocacy Fund. Ms. Nielson reported on the status of hiring efforts and efforts in support of the Paycheck Fairness Act. She noted that AAUW has recently convened the coalition working on this legislation and it was clear that AAUW's grassroots advocacy capabilities were an important differentiator from other organizations engaged in supporting this legislation.

Ms. Churches reported that five new staff members had joined the organization since October. She reported on the work of the values taskforce which was addressing workplace issues that had arisen during this period of restructuring. She noted that she had hired an executive coach.

Ms. Churches responded to questions on the previously distributed staff reports, the process by which AAUW coordinates with members who are also involved with the United Nations on gender equity issues, speaking engagements for her and other staff, opportunities for collaboration with campus organizations at historically black colleges, including sororities and other organizations that board members continued to have contacts with. Ms. Blackwell and Ms. Brown commented on connections they were already working with at historically black colleges and universities.

Nominating Committee Report and Recommendation

Eileen Hartmann, Chair of the AAUW Nominating Committee, joined the meeting at this time. Ms. Hartmann reviewed the work of the Nominating Committee to find candidates for election to the board by the membership, as well as to maintain an up-to-date list of potential candidates for continued or future cultivation. She reported that the committee was recommending the following 4 candidates for the 4 open board member positions to be elected by the membership, each to be elected for a three-year term:

Dia Cirillo
Jenna Howard
Jeanie Latz
Shaila Rao Mistry

She reviewed and responded to question on the process by which the committee had selected the candidates. The board chair thanked Ms. Hartmann and the committee for their work.

On motion made seconded and carried, the board then adopted the following resolution:

Resolution Approving AAUW Board of Director Candidates for Membership Vote

The Board of Directors of AAUW approves the following candidates for membership vote for the position of director:

Dia Cirillo
Jenna Howard
Jeanie Latz
Shaila Rao Mistry

Ms. Hartmann left the meeting at this time.

Ms. Wolfe reviewed and responded to board member questions on the timing of the notification to members of the annual meeting and the election process, noting planned communications efforts to assure a quorum in order for the meeting and election to proceed as planned.

Approval of Minutes

Referring to previously distributed copies of the minutes of the December 11, 2019 board minutes, Cheryl Sorokin, Board Secretary, requested a motion to approve the minutes and membership consent calendar. On motion made, seconded and carried the board approved the minutes of the December 11, 2019 meeting as submitted.

Acknowledgement of Receipt of Membership Consent Calendar; Committee Reports and Memorandum re Risk

Ms. Sorokin then called the board's attention to the previously distributed Membership Consent Calendar, committee reports from the Advancement Committee, the Audit Committee, the Finance Committee, the Governance Committee, the Inclusion and Equity Committee, the Investment Committee, the Legal Advocacy Fund Committee, and the Public Policy Committee; and a memorandum from Ms. Wolfe titled AAUW Risk Review. On motion made, seconded and carried, the board acknowledged receipt of the Membership Consent Calendar, the committee reports and the memorandum from Ms. Wolfe on risk.

Other Business

Referring to a memorandum submitted by Myra Willis, Chair of the Governance Committee, Ms. Wolfe noted that Ms. Willis was requesting board input on a number of questions related to the Governance Committee's work. She said that while some of the questions could be handled by staff, she recommended an ad hoc committee of board members be appointed to review and discuss the questions presented with respect to committee purpose and structure. Following discussion, on motion made, seconded and carried, the board appointed Dia Cirillo, Elizabeth Haynes, Eileen Menton, and Cheryl Sorokin to a subcommittee to review the purpose and structure of AAUW's committees.

Ms. Churches reminded board members of the new one-page document highlighting AAUW accomplishments in 2019 and she encouraged members to download copies from the website and hand it out to members and others who would be interested in knowing about AAUW's efforts in support of women and girls.

All members of staff left the meeting at this time.

Executive Session

The board then met in executive session.

Approval of CEO Contract Renewal

Following the executive session, Ms. Sorokin, as board secretary and under direction of the board chair, reported for the record that during the executive session the board had accepted the recommendation of the Executive Committee to continue Ms. Churches employment as CEO and on motion made, seconded and carried had approved the basic terms of a three-year renewal contract as recommended by the Executive Committee and delegated authority to the board chair to finalize terms still in negotiation in an exhibit covering protection of intellectual property, non-solicitation, non-disclosure, and confidentiality and to make administrative changes to wording in the contract as needed to finalize the agreement.

Adjournment

There being no further business, the meeting was adjourned.

Cheryl Sorokin
Board Secretary