

**AMERICAN ASSOCIATION OF UNIVERSITY OF WOMEN (AAUW)  
BOARD OF DIRECTORS  
OFFICIAL MINUTES  
October 11-12, 2019**

The AAUW Board of Directors met October 11-12, 2019 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  
Kimberly Churches, CEO (ex-officio)

\*\*by teleconference

Staff Present

Sheila Amo, Chief Administrative Officer  
Gloria Blackwell, Senior Vice President, Fellowships & Programs  
Tom Chappell, Vice President, Finance  
Kendra Davis, Senior Vice President, Advancement & Partnerships  
Laura Segal, Senior Vice President, Communications & External Relations  
Deborah Vagins, Senior Vice President, Public Policy & Research  
Shannon Wolfe, Managing Director and Chief of Staff

Call to Order

Noting the presence of a quorum, Julia Brown, chair, called the meeting to order. She reported that director Edwina Martin was campaigning for a judgeship and would likely not attend the meeting. She welcomed directors Mardy Stevens and Lee Roper-Batker who attended by video and teleconference.

The chair commented on the importance of directors communicating with and directly assisting members with concerns or questions in light of the changes AAUW is and will continue to undergo as a result of the current financial situation and the downsizing of staff available to deal directly with members.

The chair also noted the importance of reassuring and supporting staff. She proposed that board members contribute to a special fund to assist Ms. Churches' efforts to find small, but meaningful ways to show appreciation to staff. She noted her own plans to contribute \$500 to this fund.

#### Financial Performance and Sustainability Issues

Peggy Cabaniss, board finance vice chair, reviewed and responded to questions on AAUW's current finances, noting issues and decisions leading to the current imbalance between restricted and unrestricted assets and the lack of operating reserves at a level considered to be "best practice" for nonprofit organizations. Referring to documents distributed in advance of the meeting and to several charts distributed at the meeting, Ms. Cabaniss reviewed factors which currently made it difficult to rebuild reserves and to increase the amount of unrestricted assets available to support current programming.

Ms. Cabaniss noted that AAUW's FY 2020 \$16 million budget is a balanced budget that is in line with the organization's prospects and capabilities but, as previously approved by the board, had required cut-backs in staff and a reduction in services to members. She then reviewed and responded to questions on AAUW's sources of revenue and expectations for revenue for FY 2020. She noted that expense levels were below budget and that the budgeted level of revenue was dependent on the actual level of contributions, particularly unrestricted contributions, from members, corporations and foundations, which was difficult to predict. She also noted that it was important to build reserves and that the current budget does not contemplate a surplus to begin rebuilding reserves. She responded to director questions on the current monthly run rate of expenses, anticipated yearly increases in expenses due to inflation, how staff time is allocated to AAUW programs, and how the annual cost of the organization's lease affected cost of operations and planning for the future. The board discussed other factors that affect future strategy and prospects for AAUW as an organization, including aging and declining membership, competition in the gender equity space, opportunities to differentiate AAUW from other organizations, areas in which AAUW can make a difference and have an impact, and the need to build operating reserves.

Ms. Churches noted that in light of the budget situation and lack of reserves, it was critical to make adjustments in how the organization operates now and in the immediate future. She explained that the strategic plan, developed with the input of members, had been well-received by members and potential funders and there had been some increases in funding as a result. But she reiterated that competition had also increased and AAUW's membership degree requirement, as well as its largely older white women membership demographic, were impediments to many funders.

Ms. Churches then reviewed specific actions which had been taken to reduce expenses and to help increase revenue, as discussed with the board in prior meetings. She reviewed and responded to questions on the sublease of space on the 9<sup>th</sup> floor, noting that the landlord's official consent to the transaction was still needed before it could proceed. She responded to questions on the broker fee and build-out expense associated with the subleasing.

The board discussed possible collaboration or merger with other organizations on programming. Ms. Churches pointed out factors which complicated the ability to raise funds from, or to collaborate in programming with, corporations and foundations. It was noted that a recent study published by Indiana University had reported that only 1.6% of philanthropy was directed to women's organizations and 90% of that was directed to healthcare or reproductive rights organizations. Ms. Churches explained that many women's organizations were struggling to obtain funding or to operate at reduced budgetary

levels. She also noted that over 345 gender-equity related organizations compete with AAUW for corporate and foundation funding.

The board discussed the consequences of the recent budget reductions, which had resulted in a balanced budget, but had also negatively affected staff morale and the ability of the organization to deliver member services at the same level as in the past. Ms. Churches responded to questions on actions in progress to help achieve budgeted revenue and expense levels at calendar and fiscal year end.

The board then discussed three general scenarios for AAUW's long-term future operations, including continuing the organization's core work in fellowships and grants (which Ms. Churches noted was fully endowed) and various options for membership and programmatic elements as funding allows.

Board members provided their views on the scenarios and how each would affect AAUW's mission and impact. The board considered possible variables which could affect the viability and sustainability of the options presented. The board agreed it was important to communicate in a transparent manner with members on AAUW's current financial situation. It was the consensus of the board that more one-on-one messaging to state presidents and branch presidents was critical, including more direct communication with leaders and members by individual board members. The board discussed communications with members on AAUW's current financial situation. Ms. Churches noted that a webinar was scheduled for the week of the 20<sup>th</sup> of October. The board discussed the level of national support which had previously been provided to local branches and the need to change member service expectations in light of the reduction in staff.

The board discussed the difficulty of addressing the problems of declining membership, persistently low levels of unrestricted giving, the complexity of the affiliate system, and possible ways in which the branch system could be simplified. The board discussed the organization's strengths and how they fit with the options presented.

Ms. Cabaniss reviewed and responded to questions on AAUW's reliance on investment income.

Ms. Churches responded to questions on the feasibility of AAUW providing consulting services for a fee to organizations looking for assistance on research or gender equity programs. She responded to questions on outsourcing possibilities for certain organizational functions to reduce operational expenses, if possible.

The board discussed the relevancy of AAUW's mission and opportunities for AAUW to have impact in certain areas not yet being addressed by other organizations. Ms. Churches noted the importance of being flexible and able to adapt programming and staffing as circumstances change and opportunities become available or become less viable.

Following a break for small group discussions, the board discussed opportunities and ideas for reaching new audiences, increasing AAUW's impact in the core areas of leadership, economic security and education and training, and achieving sustainable unrestricted funding for operations. Discussion focused on the result to be achieved, what actions should be prioritized in order to achieve results, and what changes in tactics or new tactics might be employed to achieve desired results.

#### Presentation on Fellowships and Programs

Gloria Blackwell, senior vice president, fellowships and programs, distributed a document indicating actions taken to achieve the goals set forth in the one year \$500,000 grant from the Coca-Cola

Foundation which funded AAUW's development and roll out of the free Work Smart Online resource and other programs related to empowering economic equity for women. She reported on efforts to amplify the online program collaborations with other groups, including initiatives with Starbucks, the Association of Fundraising Professionals, several women's commissions, alumni associations and other organizations interested in collaborating with AAUW. She reported on initiatives recently launched in New York City, Wichita, Kansas, and in Pennsylvania.

Ms. Blackwell reviewed recent changes to pricing and licensing for Start Smart and Work Smart in person workshops as well as other changes in format, including efforts to make the workshop paperless and to tailor it for larger audiences such as major conferences. She also noted that the training program for facilitators had been revised substantially.

Ms. Blackwell reported on AAUW's initiative with women.nyc, noting that it would provide an opportunity for AAUW to reach many different populations in New York and to connect with new potential donor organizations as well as corporations that might be interested in offering or supporting AAUW mission-based programs. She noted that the public announcement of women.nyc had been well received.

Ms. Blackwell noted that Empower events conducted earlier in 2019, targeting audiences in the 21-40 age demographic, had been favorably received. She pointed out that additional funding was needed to support expansion given that these events had been supported by the Coca-Cola Foundation grant which ended in August. She responded to director questions on the cost and staff time needed for conducting Empower workshops. Ms. Blackwell reviewed the potential for future collaboration with several organizations that had worked with AAUW on Empower events.

Ms. Blackwell commented on the successful participation this year of more than 25 fellowship and grants alumnae and other alumnae of AAUW programs in Empower events and at NCCWSL, AAUW's leadership program for college women.

Ms. Blackwell reported on efforts to streamline internal management, budgeting and other processes for NCCWSL. She noted that staffing changes were in progress and there would likely be some delays in responding to member questions related to the 2020 NCCWSL.

Ms. Blackwell reported on AAUW's status with the UN and participation in UN initiatives, including the recently launched Generation Equality campaign focusing on equal pay, equal sharing of unpaid care and domestic work, an end to sexual harassment and violence against women, healthcare service that respond to the needs of women and girls and their equal participation in political life and in decision-making in all areas of life. She noted that AAUW also has two youth representatives from Lehigh University who work with youth at the UN. Ms. Blackwell noted that AAUW's work with the UN was being funded by the NY Metro Fund.

With respect to fellowships and grants, Ms. Blackwell noted that most of AAUW's efforts were funded by interest on endowed funds, although some limited corporate funding was available for fellow and alumni efforts around STEM. She responded to director questions on additional opportunities to engage fellowship and grants alumnae in working with AAUW programs. She also pointed out issues, including bias and prejudice, that fellows sometimes encountered in speaking to some affiliates. Directors noted the importance of making affiliates understand that bias, prejudice and disrespect are antithetical to AAUW's mission and stated principles.

### Website Update

Laura Segal, senior vice president, communications and external relations, provided the board with an advance look at the redesign for the AAUW website. She responded to director questions on the redesign process, noting the importance of the science of understanding how individuals access and read information in the current environment. She commented on the expected reduction in website pages for AAUW site and the anticipated changes in navigation.

All staff other than Ms. Churches left the meeting at this time. Further discussion ensued with Ms. Churches on AAUW's financial situation and the various options and ideas presented earlier in the meeting.

### Executive Session

Ms. Churches left the meeting at this time and the board met in executive session.

### Report from Executive Session

At the end of the executive session, the chair requested that minutes reflect that the board had expressed confidence in Ms. Churches' leadership and was prepared to renew her contract with AAUW.

The chair then recessed the meeting until the following morning at which time she again called the meeting to order, noting the presence of a quorum. She welcomed staff members Tom Chappell and Shannon Wolfe.

### Update on Operations

Referring to a previously distributed document titled AAUW Board of Directors Meeting Staff Updates, October 2019, Ms. Churches reviewed and responded to director questions on AAUW operations during the first quarter of the fiscal year.

Staffing. Ms. Churches commented on the effect of recent staff reductions, as well as the salary freeze, on staff morale. She noted that in addition to decreases in staff as a result of the reduction in force action 14 additional staff members had resigned, leaving, for the most part, for jobs with higher salaries. In response to questions, Ms. Churches reported that AAUW's mission resonated with job applicants, facilitating the organization's ability to hire new employees to fill vacancies as needed.

Ms. Churches reported on the creation of an internal staff-led values task force, noting that in light of current stress levels and staff turn-over, it was important to reinforce and make explicit to all employees AAUW's expectations for positive and value-driven behavior in the workplace. She reported that the task force was in the process of reviewing an initial draft of a values statement with all staff.

Speaking Engagements and Outreach. Ms. Churches review recent speaking engagements at a variety of non AAUW-related organizations, indicating their importance in helping build AAUW's reputation, expanding the organization's network, and increasing awareness of its mission. She noted the possibility of collaboration with several organizations interested in AAUW's mission and programs.

Legal Matters. Ms. Churches reviewed the status of several legal matters, including settlement of a lawsuit related to Tech Trek, and negotiations related to licensing of the AAUW name to an

existing but now unrelated business. Ms. Churches and Ms. Wolfe responded to director questions on recent actions taken to help minimize the risks associated with AAUW affiliate-run Tech Trek and Tech Savvy programs, including revamping and updating of training materials for volunteers. Ms. Wolfe pointed out that all organizations involved with programming run by volunteers for young girls and boys have similar or greater risk issues, despite the overall value of such programs. Ms. Churches noted that such programs all had the potential for substantial legal risk to national level organizations, regardless of the fact that a particular program may be directly run solely by an affiliate, not the national level organization.

Ms. Wolfe reviewed the status of negotiations with the trustee of the Gertrude and Henry Rothschild estates. She reviewed the essence of the claims and noted that arbitration was under consideration in order to avoid the expense of trial. She pointed out that AAUW was partially using operating funds to contest the lawsuit, since LAF funds are highly restricted, but that AAUW's insurance would cover some of the expenses.

Sublease. Ms. Churches reported that, as noted the prior day, a sublease for the entire 9<sup>th</sup> floor had recently been signed with the Center for Law and Policy, subject to final approval by the landlord. She reviewed the expense associated with obtaining the sublease, including broker fees and a build-out allowance. She noted that, as previously reported to the board, the funds received for the sublease would help offset AAUW's lease costs but would not fully cover those costs. She noted that the sublease would commence at the end of FY 2020 and that revenue would not be realized from the sublease until FY 2021.

Coca-Cola Grant. Ms. Churches reported that Coca-Cola had been pleased with the results of grant in support of Work Smart and had asked AAUW to submit a proposal for a second grant. She indicated that if approved the renewed grant would provide additional funding for development of a stronger college/university relations program. She noted that directors Joe Bertolino and Lynn Gangone and former director Peggy Williams were advising her on possible programming that would resonate with educational institutions and assisting with outreach to the college/university community.

Work Smart Online. Ms. Churches reported on Work Smart Online training collaborations with Starbucks' online Global Academy, and the Tory Burch Foundation, and receipt of a pledge of \$50,000 from the Honolulu branch to begin support for development of the Work Smart Online low wage program, pending other fundraising for the total cost of the project.

Office Systems Replacements and Updates. Ms. Wolfe reported on the status of efforts to replace AAUW's internal data bases and customer relationship management (CRM) systems and programs. She noted that staff had been involved in the review process which is currently in the due diligence phase. She indicated that the target date for implementation was the fall of 2020.

### Revenue and Sustainability Issues

Referring to the previously distributed financial statements for the period ending August 31, 2019 and to previously distributed charts (a) detailing contributions revenue for FY 2005 through FY 2019, (b) comparing annual budgets for FY 2017 through FY 2019, and (c) summarizing AAUW membership trends from June 2016 through September 2019, Ms. Cabaniss reviewed and responded to director questions on the importance of reversing AAUW's negative financial and membership trends and the implications for the organization if it fails to do so. Ms. Cabaniss responded to director questions on the status of

AAUW's investment portfolio. She reported that returns for the current year were strong and in-line with general market conditions.

Ms. Churches reviewed the services currently provided by AAUW at the national level to state and local affiliates, the level of staffing required to continue at the same level and the implications for local and state affiliates of the recent reduction in staffing at the national level. The board discussed the importance of continued and transparent communications with local and state affiliates on the reasons for staffing and other changes being implemented at the national level of AAUW. Ms. Churches reported that the planned October 22 webinar for member leaders was designed to communicate directly with members on AAUW's financial situation. She also noted that each director would receive talking points on the current financial situation for use in talking to state presidents and others. The board noted the importance of continuing to focus members on unrestricted donations as part of year-end giving.

The board reviewed the three potential scenarios for AAUW operations at the national level presented the previous day, noting the financial, operational, and mission-related implications of each scenario. Ms. Churches responded to director questions on her own views with respect to each scenario.

At the request of Ms. Cabaniss, directors offered their individual suggestions for increasing revenue, decreasing expenses and engaging the membership in helping to reverse the negative trends. Ms. Cabaniss, Ms. Churches and the board chair expressed their appreciation to directors for their ideas and suggestions.

The board discussed the possibility of a potential increase in dues for 2020-2021 and the possibility of a normalized approach for more regular dues increases over time. Following discussion of the benefits and drawbacks of a dues increase, it was the consensus of the board that consideration should be given to an increase at the February meeting of the board.

Ms. Churches distributed a document with a brief summary of key points for directors to use in their discussions with state presidents and others and indicated that a longer memorandum would be sent to each director within the next week for their use in discussions with AAUW members and leaders.

#### Minutes, Routine Resolutions and Information Items

On separate motions made, seconded and carried, the board approved the following resolutions:

##### Resolution re Minutes of AAUW Board of Directors' Meeting

The Board of Directors of AAUW approves the minutes of the August 21, 2019 board meeting.

Adopted October 12, 2019

##### Resolution Approving the Membership Consent Calendar

The Board of Directors of AAUW approves the Membership Consent Calendar dated October 4, 2019

Adopted October 12, 2019

The board acknowledge receipt of the following information items:

Memo dated October 4, 2019 from Tom Chappell, VP Finance, titled Basics of Internal Control

Memo dated September 27, 2019 from Dale Satake, Advancement Committee Chair, titled Advancement Committee Report to the Board

Memo dated September 16, 2019 from Janet Bunger, Audit Committee Chair, titled Audit Committee Report to Board

Memo dated October 8, 2019 from Peggy Cabaniss, Finance Committee Chair, titled Finance Committee Report to the Board

Memo dated September 27, 2019 from Myra Willis, Governance Committee Chair, titled Governance Committee Report to the Board

Memo dated September 19, 2019 from Lisette Garcia, Inclusion and Equity Committee Chair, titled Inclusion and Equity Committee Report to the Board

Memo dated October 8, 2019 from Peggy Cabaniss, Investment Committee Chair, titled Investment Committee Report to the Board

Memo dated September 26, 2019 from Linda Lehman, Legal Advocacy Fund Committee Chair, titled Legal Advocacy Fund Committee Report to the Board

Memo dated September 26, 2019 from Eileen Hartmann, Nominating Committee Chair, titled Nominating Committee Report to the Board

Memo dated September 27, 2019 from Karen Francis, Public Policy Committee Chair, titled Public Policy Committee Report to the Board

State President Call Summary, dated 10/6/2019, from Malinda Gaul, Board Vice Chair

All staff other than Ms. Churches left the meeting at this time. The board chair indicated the board's support for Ms. Churches and the actions she was taking to help AAUW remain viable and sustainable. She indicated the board's desire for Ms. Churches to continue as CEO and to renew her contract with AAUW. Ms. Churches thanked the board for the support.

#### Executive Session

Ms. Churches then left the meeting and the board met in Executive Session.

#### Adjournment

Following the Executive Session, there being no further business the meeting was adjourned.