

**AMERICAN ASSOCIATION OF UNIVERSITY OF WOMEN (AAUW)
BOARD OF DIRECTORS
MEETING MINUTES
February 19, 2021**

Meeting held by Video Conference

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
Jeanie Latz
Edwina Frances Martin
Eileen Menton
Shaila Rao Mistry
Mary Zupanc
Kimberly Churches, CEO (ex-officio)

Staff Present

Sheila Amo, Chief Administrative Officer
Gloria Blackwell, Executive Vice President and Chief Program Officer
Tom Chappell, Vice President, Finance
Kate Nielson, Senior Director of Public Policy, Legal Advocacy and Research
Mary Hickey, Senior Director of Communications and External Relations
Shannon Wolfe, Managing Director and Chief of Staff

Guests

Michelle Beckenbaugh, Mercer/Pavilion
Christian Grimm, Mercer/Pavilion

Call to Order and Opening Remarks of the Chair

Noting the presence of a quorum, Julia Brown, Chair, called the meeting to order. She reported that director Bertolino was unable to attend the meeting because of a family health crisis. She asked board members to keep him and his family in their thoughts.

Ms. Brown expressed appreciation to Peggy Cabaniss, Finance Vice Chair and Chair of the Investment Committee, for the work the committee had been doing throughout the past year, and for the committee's recent explorations with the Mercer/Pavilion, AAUW's Investment Advisor, on reviewing AAUW's investments from an ESG, diversity and inclusion perspective.

Annual Investment Report

Ms. Cabaniss introduced advisors Christian Grimm and Michelle Beckenbaugh of Mercer Pavilion for Pavilion's annual update on the AAUW investment portfolio. Mr. Grimm commented on the AAUW Investment Committee's knowledge and expressed the view that the committee was handling AAUW's investments with expertise, working collaboratively with Pavilion. He noted that Pavilion had met with the committee four times to review results and to make sure that the portfolio was structured appropriately in view of market conditions and AAUW's structure and operations. He reported that equity investments made up 60% of the portfolio and fixed income investments constituted 30% of the portfolio. He noted that managers were monitored on an ongoing basis throughout each year and no managers had been replaced during 2020.

Referring to the previously distributed "Pavilion Flash Report as of December 31, 2020," Mr. Grimm noted that the markets had recovered well after the initial downturn related to the pandemic, and AAUW's portfolio had a gain for the year of approximately \$17 million, a 14% return. He pointed out that total assets were now approximately \$140 million, up from \$130 million in the prior year. He reviewed and responded to questions on the performance of various categories of investments. He noted that over all the various categories of investments continued to be within policy limits or outperformed policy limits. He also noted that AAUW maintained a small reserve fund made up of cash equivalents and bonds which had been beneficial to AAUW's fund management needs.

With respect to the outlook for 2021 Mr. Grimm cautioned that an overall return of 14% was not likely to be repeated. He pointed out that AAUW had maintained its investment policy and did not react precipitously or out of policy when the market's declined abruptly at the beginning of the year, and benefited from taking that conservative, longer view. In response to questions, Mr. Grimm noted that AAUW's investment portfolio had doubled in the past 10 years.

Mr. Grimm pointed out, as mentioned earlier in the meeting, that at the direction of the Investment Committee, Pavilion would be conducting a review of all AAUW investments with a gender lens, focusing on portfolio managers' commitment to increasing diversity in their firms and in their portfolios, and noting that any manager not supportive of AAUW's commitment to gender equity, diversity and ESG principles would be considered for replacement. Kim Churches, CEO, provided her perspective on the importance of this review and aligning investments to the organization's values and mission while at the same time focusing on investment returns. She also noted that the investment portfolio gains were largely related to AAUW's restricted funding (endowments) for fellowships and grants and could not be used to significantly increase other programming or activities or operating expense.

Mr. Grimm and Ms. Beckenbaugh left the meeting at this time.

Financial Performance

Referring to the previously distributed "Finance Memo for the period ending December 31, 2020," and the "Membership Trends Chart through year end 2020," Ms. Churches reviewed financial performance through the calendar year end, noting the impact of the pandemic on contributions and membership dues as well as on organizational expenses and unrestricted funds. She pointed out that AAUW's efforts to reduce expenses, adjust staffing levels, and focus both staff and programming in areas where funding was available had made it easier for the organization to adapt to the economic downturn and uncertainties cause by the pandemic. She expressed appreciation to board members for their 100% participation in the board match in the calendar year-end fundraising campaign, noting the importance

of the board's participation to members. She responded to questions on the impact of the pandemic on branch fundraising, noting that many branch fundraisers, such as book sales, were difficult to move to an online format, which had contributed to a significant decline in affiliate giving to-date. She noted that individual giving had increased approximately 9%, in contrast to reports of declines in individual giving being experienced at other nonprofit organizations, but membership dues had declined largely as a result of disruptions to college/university operations. She commented on the pandemic-related disruptions in higher education and the potential effect on AAUW fellows as well as on AAUW's efforts to partner with colleges and universities on programming. In response to questions, she noted that efforts to work with historically black colleges and universities on AAUW's salary negotiation programs were still continuing.

Referring to the previously distributed chart titled "Advancement Goals FY 21/Budget and Stretch Goals 2-9-21," Ms. Churches reviewed and responded to question on the fundraising forecast for the remainder of the year. She noted that it was now possible to request forgiveness of the approximately \$700,000 PPP loan that AAUW had received at the start of the pandemic, and that an application for a second PPP loan of approximately \$800,000 was in progress. Following discussion of the fundraising forecast and other revenue-related issues, Ms. Churches expressed what she characterized as "cautious optimism" that AAUW would end the fiscal year with \$1.6 million in unrestricted reserves.

Referring again to the previously distributed Finance Memo and Membership Trends Chart, Ms. Churches responded to questions on the impact of the pandemic on membership numbers and dues as well as affiliate giving during 2020.

Board members commented with appreciation on the efforts of staff in light of the difficulties created by the pandemic.

Shannon Wolfe, Managing Director and Chief of Staff, noted that budget planning for the next fiscal year would begin in March and that internal meetings with staff on program and funding initiatives were in process. Ms. Wolfe noted that travel expenses that had been largely eliminated in FY 2021 because of the pandemic would likely increase somewhat in FY 2022, but increased use of online programming and outreach could help hold travel expenses down. Discussion ensued on opportunities through digital platforms to expand AAUW programming and to reach larger audiences. Ms. Wolfe outlined the timing and review process for the budget, noting that board approval would be requested at the June board meeting.

Approval of Endowment Withdrawal (Spending) Policy.

Referring to the previously distributed February 10, 2021 memo titled "Finance Committee Report to Board, July 2021 – February 10, 2021," Ms. Cabaniss reported that the Finance Committee recommended that the board adopt a 5% spending policy for FY 2022, noting that the policy was in line with current best practices. Following discussion, on motion made, seconded and carried, the board approved the following resolution:

Resolution re Withdrawal Policy

The AAUW Board of Directors approves a withdrawal policy of 5% for FY 2022.

Organizational Focus

Referring to a slide which she shared with the board titled AAUW By the Numbers, Ms. Churches reviewed AAUW accomplishments in 2020, commenting on changes as a result of the pandemic including: development of online programming and revisions to processes related to issuance of fellowships and grants in light of the disruptions in institutions of higher education. She also noted progress in the work to engage historically black colleges and universities in offering AAUW Start Smart salary negotiation programming; expanded outreach to and programming for the demographic targeted by AAUW Equity Network pilot program; and four AAUW research reports which had been published or undertaken during the year. She reminded the board that the By the Numbers document had previously been sent to all members and was posted on the website.

Referring to organizational chart slides as well as a PowerPoint presentation titled "Organizational Focus" which she shared with the board at the meeting, and to the previously distributed "Staff Reports for February 2021," Ms. Churches reviewed recent changes to internal staffing and reporting to help align with the organization's current needs and to facilitate more cross-functional work. She reminded the board of the previous reduction and realignment of staff from over 100 to a staff of 50, concurrent and continuing changes in senior leaders and reductions in annual budgets. Ms Churches responded to questions on the current configuration of staff and Gloria Blackwell, Executive Vice President, reviewed how the new structure would enhance cooperative efforts and well as communication across the organization. Ms. Blackwell provided highlights of programming and initiatives currently in progress, including more intentional focus on women of color as well as opportunities for programming related to how women's lives have been affected by the pandemic. She commented on opportunities for additional STEM programming, noting that a new hire, whose credentials she reviewed, had been recruited to focus on building AAUW's STEM-related initiatives. In response to questions, Ms. Blackwell reported on programming being undertaken in the NY metropolitan area and how the impact of such programming, as well as programming in other areas, will be measured. Ms. Churches noted that a diversity, equity, and inclusion would be a central focus of AAUW's STEM programming and programming in the NY Metro area.

Ms. Churches commented on Work Smart programming being undertaken with the City of Pittsburgh. She also noted that NCCWSL, AAUW's student leadership program, would be fully virtual this spring, and that staff is also exploring ways to create a structure that blends of digital and in person programming that would enable NCCWSL to reach more women student leaders in the future than would be possible with an all in-person format. Ms. Churches then reported on the upcoming launch of AAUW's new research on the power and pay gap at major universities, as well as other upcoming research reports being finalized or in progress.

Ms. Blackwell and Kate Nielson, Senior Director of Public Policy, Legal Advocacy and Research, commented on additional collaboration opportunities with respect to policy and advocacy, both internally and with other organizations. Ms. Churches reported that she was part of a coalition of CEOs of nonprofits focused on gender-related issues that was meeting regularly with White House staff to advise them of major policy and legislative issues which the coalition would be expecting to work on with the Executive and Legislative branches of government, including childcare, minimum wage increases, and equal pay for women.

Ms. Churches pointed out that continual examination of AAUW's value proposition was integral to all discussions on programming and initiatives, noting the importance of being able to change to meet changing times, as well as the continued need to focus in areas in which funding was available.

Ms. Churches reported that MindSpring, the DEI consulting firm recently engaged to work with staff and the board, had already begun work with staff and would be meeting three times with the board beginning in March. She commented on both the importance and the complexity of making progress on issues related to diversity, equity and inclusion. She encouraged all board members to set aside the time for the board's meetings with MindSpring, given the importance to AAUW of re-examining issues of implicit bias and racial inequity, including potential unintended consequences of some existing AAUW programming. She noted potential opportunities for AAUW to have a broader impact in addressing both gender and racial inequity.

Sheila Amo, Chief Administrative Officer, reported that the Equity and Inclusion Committee and staff were working with branches to stress individual learning, learning as a branch, and then recruiting, as part of the rollout of the new DEI toolkit.

Referring to slides shared with the board titled "AAUW Policy and Handbook Updates," Ms. Amo reviewed the process for development and rollout of AAUW's new employee handbook. She noted that the new policies, which had been developed in consultation with staff, not only reflected AAUW's values but took into account workplace and life realities faced by employees as well as changes brought about by the pandemic. She noted, in particular, changes in the areas of parental leave, the holiday schedule, bereavement leave, annual leave, telework, dress code, pay transparency, workplace and employee safety. Ms. Churches responded to questions on the value to employees of the changes and how that value has been communicated to employees. Ms. Amo reviewed the timing and process for implementation of the changes, noting that all employees were being asked to review and acknowledge receipt of the new handbook.

Ms. Churches responded to questions on the performance evaluation process for staff, noting the continuing focus on output and productivity. Discussion ensued on the importance of the senior team modeling the behavior and values expected of all, including the need to recognize and appreciate the stress that employees face in balancing work and family life, especially given the continued sense of cultural pressure for long hours and intense commitment to work.

Referring to the previously distributed Strategic Plan Implementation Tracker document, Ms. Churches reviewed progress in programming and other activities under the main plan objectives, noting continued focus on relevancy, impact, funding availability and improved financial management in all plan objectives.

Ms. Churches responded to questions on the status of the search for a new head of Advancement.

Election Update

Referring to the previously distributed report of the Nominating Committee, Ms. Wolfe reviewed the process for vetting and recommending candidates for election to the AAUW board. She reported that the committee was recommending that Julia Brown be nominated for another term as board chair, Malinda Gaul for another term as board vice chair and that Joe Bertolino and Elizabeth Haynes, individually, be nominated for another term as board members. She responded to questions on the number of applications received and reviewed by the committee, the process for recruitment of directors, and opportunities to better align the nominating process with current best practices for nonprofit membership organizations and general governance practices. The board discussed the importance of all board members engaging in the process of recruiting qualified candidates for future

consideration, rather than leaving the process of building a “pipeline” solely to the Nominating Committee.

Following further discussion, on motion made, seconded and carried, the board accepted the report of the Nominating Committee and adopted the following resolutions:

Resolution Approving AAUW Board of Director Candidates for Membership Vote

The Board of Directors of AAUW approves the following candidate for membership vote for the position of board chair: Julia Brown.

The Board of Directors of AAUW approves the following candidate for membership vote for the position of board vice chair: Malinda Gaul.

The Board of Directors of AAUW approves the following individual candidates for membership vote for the position of director: Joseph Bertolino; Elizabeth Haynes.

Ms. Brown reported on a recent discussion at the Executive Committee in which the committee identified the need for:

- additional expertise on the board in national or international nonprofit leadership, and particularly for such a leader skilled in financial and governance sustainability;
- improved identification and recruitment of candidates meeting these criteria;
- streamlined online posting for the appointed position;
- a streamlined application form placing heavier reliance on resumes rather than individual responses to a large number of questions on an application (the process used in the fall for candidates to be elected);
- increased individual identification and recruitment of candidates by board members, especially for the appointed director position;
- reduced reliance on self-identification by potential candidates for the appointed position.

Ms. Brown reported that at the request of the Executive Committee she had communicated the Executive Committee’s concerns and direction for changes to Nominating Committee processes related to the appointed director position to Eileen Hartmann, chair of the Nominating Committee.

Ms. Brown and Cherie Sorokin, Board Secretary, noted that the Executive Committee had also determined there was a need to re-review at the application and review process for existing board members seeking another term, including creating a process for the committee to be informed about sitting board members contributions to the work of the board. Ms. Brown noted that follow up on this issue, as well as other possible improvements to the current nominating process, would be part of the directives to the Nominating Committee for FY 2022.

Referring to the previously distributed report of the Governance Committee, Ms. Wolfe provided an overview of and responded to director questions on the number and nature of member comments received with respect to the proposed elimination of the degree requirement for membership. She noted that the Governance Committee Chair had reviewed all comments and discussed them with the committee and the committee had not recommended any changes to the proposal to be placed before the membership for a vote.

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

Resolution re AAUW's Membership Requirement

The AAUW Board of Directors approves submitting the proposed bylaws changes identified in Exhibit A to the Governance Committee Report dated February 10, 2021 to the membership for vote in spring 2021.

Referring to the previously distributed report of the Racial and Social Justice Working group, Mses. Churches, Brown and Wolfe commented on plans developed by the Open Membership subcommittee of the Working Group for a campaign in support of the proposed bylaw amendment to eliminate the degree requirement for membership. Ms. Wolfe reviewed the resources to help members understand and promote the proposed change which were posted on the AAUW website. The board discussed concerns of some members about the proposed change and ways to address those concerns.

Referring to the previously distributed Public Policy Committee Report, Ms. Nielson reviewed additional changes to the proposed Public Policy Priorities based on comments received from members, noting that the originally proposed and newly proposed changes were marked in the attachment to the committee report. She reviewed and responded to director questions on the nature of comments received from members. Following discussion, on motion made, seconded and carried, the board adopted the following resolution:

Resolution re AAUW's Public Policy Priorities

The AAUW Board of Directors approves submitting the proposed Public Policy Priorities changes identified in Exhibit A to the Public Policy Committee Report dated February 10, 2021 to the membership for a vote in the spring of 2021.

Operations Updates

Competition. Ms. Churches shared PowerPoint slides titled "CEO Update," which identified changes to the SWOT analysis shared with the board at prior meetings, highlighting the impact of the continued and increased competition from a proliferation of nonprofits focusing on gender equity issues. She reported that AAUW had increased efforts to work in coalition with other gender equity organizations, noting that coalition work enabled AAUW to be actively engaged in, but not necessarily leading, work on a range of important issues. She pointed out that the ability to work coalition facilitated AAUW's ability to concentrate its own efforts as an organization in areas where others were not as directly competing, where funding was available to AAUW, and in areas in which AAUW had particular strength and capacity for significant impact. She responded to questions on the growth of competition, noting the importance of differentiating AAUW from other organizations and continuing to add value in the gender equity space in new ways. She noted that AAUW's organizational complexity provided additional challenges given the need to coordinate and align AAUW's national and affiliate/membership structures to increase AAUW's impact. She commented on efforts to improve coordination between the national organization and affiliates, such as the Five Star program, and the DEI toolkit to assist members and affiliates with diversity and inclusion efforts, noting that further work was necessary to ensure alignment and to improve the engagement of the affiliate network as AAUW's work in support of the mission evolves.

CEO Goals and Challenges.

Ms. Churches commented on the level of cultural, political and economic change in the prior year, in addition to the direct effects of the pandemic on daily life and emotional well-being. She noted that in communication with the board chair and executive committee she was focusing her leadership efforts primarily on matters related to organizational resilience, financial management and strategic planning. She reviewed new initiatives to build the Equity Network as well as a new fee-based Social Change Ambassador certificate program to help those in the workforce address social change issues. She commented on opportunities to seek funding for additional new projects related to the disproportionate economic impact of the pandemic on women, issues related to work-life balance and career/homelife stress for women, and other issues that have heightened current relevance, but may not have been built into specific objectives in the current strategic plan. She also commented on the potential for affiliate fund-raising to assist in building the Equity Network by sponsoring individuals to participate in the Network.

Ms. Churches noted that the general level of uncertainty which was heightened by the pandemic, as well as the evolution of AAUW as an organization in recent years which had affected staffing and long-standing practices and procedures, had both contributed to questions and concerns of some affiliates and members with respect to AAUW's leadership at the national level and the future of the organization. She noted challenges created by the incivility of some individual members in communicating with staff individually as well as in more public settings such as in the chat function of national zoom presentations. She requested that board members assist in efforts to counter this incivility, noting not only the negative impact on staff morale created by such communications, but also the importance of AAUW staff and members being able to engage together in thoughtful, respectful discourse on issues affecting AAUW's operations, mission and impact.

Legal Matters

Referring to a previously distributed memorandum date February 10, 2021 titled Confidential-Rothschild Case Legal Update, Ms. Churches reported and responded to questions on the current status of the litigation brought by the trustee of the Gertrude F. Rothchild and Henry Rothchild trusts.

Database and Administrative Systems Update

Ms. Wolfe reported on the status of the administrative software and systems changes, including changes to the membership database. She noted that the new system was expected to launch in the late summer and that training for staff would begin a few months before the formal launch. She responded to questions on the complexity of the program changes and system updates required in this project.

Minutes and Reports

Referring to the previously distributed minutes of the December 2020 meeting of the board, on motion made, seconded and carried, the board adopted the following resolution:

Resolution re: Minutes of the AAUW Board of Directors' Meeting

The AAUW Board of Directors approves the minutes of the December 9, 2020 meeting as presented.

Referring to the previously distributed written reports, on motion made, seconded and carried, the board acknowledged receipt of the following documents:

- a. Report of the Finance Committee
- b. Report of the Nominating Committee
- c. Report of the Governance Committee
- d. Report of the Public Policy Committee
- e. Report of the Advancement Committee
- f. Report of the Audit Committee
- g. Report of the Inclusion and Equity Committee
- h. Report of the Investment Committee
- i. Report of the Racial and Social Justice Working Group
- j. Minutes of the October 7, 2020 Executive Committee Meeting
- k. Risk Memorandum dated February 12, 2021

Award to Board Member. Ms. Brown congratulated board member Mary Zupanc who had recently been announced as the 2021 winner of the Child Neurology Society Arnold P. Gold Humanism in Medicine Award which recognizes a child neurologist who embodies and embraces compassionate, collaborative and scientifically excellent care.

Executive Session

Members of staff left the meeting at this time and the board met in Executive Session.

Adjournment

There being no further business, the meeting was adjourned following the executive session.

Cheryl Sorokin
Board Secretary