Board of Directors Meeting #4

August 22, 1997

Conference Call

BOD members on line included:
Fred Fresh, President
Paul Anderson, President-Elect
Diana Guerrero, Vice President, Group I
Johnny Johnson, Vice President, Group II
Faith Weese, Vice President, Group III
Heather Smith, Vice President, Group IV
Melanie Moore Bell, Secretary-Treasurer

AACRAO National Office Staff present included:
Wayne Becraft, Executive Director
Roger Swanson, Associate Executive Director
Cecilia Balazs, Assistant Executive Director
Henny Wakefield, Assistant Executive Director

BOD members not on line included:
Kathy Plante, Past President
Louise Lonabocker, Group V

- President Fresh called the BOD meeting to order at 4 p.m. EST.

Need to get membership feedback on SLC issues. He began the agenda with the GACRAO Newsletter article on SLC issues and he wanted to know if the BOD has wide interests or is just Fresh interested. He wants an indication of whether he should respond. Johnson thinks that the membership thinks that everything has already been put to bed. Smith asked if there was a specific issue that we should revisit? She said that we are beating a dead horse. Becraft's sense of reaction was that it was not productive, it was not a whole conference but only a session with a few people. President Fresh said that he only wanted to get feedback. Guerrero wants to use it at regionals.

M/S/Passed Weese/Smith 7/0/0 To not use on the presentations at state and regionals.

Summit financial report. Becraft reported that revenue is $95,000, expenses are $66,000, and another $10 to $15,000 are not in yet. We can cover direct costs but we may not be ale to cover some of the expenses from last year. We prepaid some of the expenses. Becraft says that we did not pay the full amount. Smith asked what is the bottom line? Becraft referred to
$155,000 revenue (page 6 of the latest report) and he thinks those numbers will hold up in column I. Anderson asked about $50,000 in publications? Becraft thinks it will also hold up.
SCT is underwriting the cost on virtual learning environments and we hopefully will find one on Hopwood. Becraft said that the chances are good for sponsors for Hopwood Summit.

Financial Recovery Plan. Becraft indicated that in comparing the approved 98 budget with revised we have trimmed by 1 million. It still is not locked in concrete. There are still numbers
coming in. There were some questions about overall numbers. The $20,000 for marketing that we did not have before was questioned. Exposure will be a whole lot greater. On the Hopwood Summit, ETS will

contribute $1000 for an ad in the Chronicle of Higher Education in the first week of September. Black issues is providing a speaker and a half page ad in their publication. We have about 15-20 registrations for Hopwood. Bell asked if we have any additional information from the auditors? Balazs said that it could bring the deficit up to $400.000. Everything is not in the numbers today. President Fresh asked about the growing concern about the audit opinion letter. Balazs said that it will be a problem for AACRAO to get credit. If we look at the Balance Sheet, if we divested ourselves now we would not be able to cover ourselves. Balazs said that they will give us a clean opinion. President Fresh noted that will not change the bottom line. Wakefield said that she will be involved in the publication. Anderson expressed concern that the number for the Annual Meeting is too optimistic. We are expecting 1000 more people than in SLC over Easter. He also noted that over 2/3 of the surplus is on the Annual Meeting. He said that $228,000 of the $331,000 is wishful thinking. This is not good. It was noted that OIES has never made it financially. There was great concern expressed about the auditors.

Chicago Annual Meeting Schedule. If we divide $577,000 but the number it is 2800. There were 2300 paid at the last Chicago meeting. Becraft said that 3000 cut to 2700 maybe okay. Anderson said that Chicago will come in good. President Fresh would rather gamble on the conservative side. Anderson recommended that we are expecting $300,000 in recovery and cut the expected revenue from Chicago. President Fresh asked Anderson what that number should be? Anderson responded 2400 and he said that expenses may be too low. Anderson said that we are going to make money on Chicago. President Fresh asked about the identification of expenses? Anderson said that his biggest concern is physical arrangements and technology, but mainly physical arrangements due to the Sunday situation. Becraft said that since we are in a hotel, we may not have to pay cost as if we were in a convention center. President Fresh asked Anderson for recommendations. Anderson suggested a reduction on registration fees expense. Balazs said that if we reduce the registration fees then we would have to cut other areas. Becraft commented on the food functions where the Hilton is paying for the opening reception. Balazs shared that Dee Johnson has given her the figures. President Fresh said that we need to be clear that by going with the adjustments we have to defend it. Becraft has built in the cost of those meals. Balazs asked about raising the registration fee which is now $200. President Fresh asked what $225 would do to anyone? Smith reported that The College Board registration fees if $350. Bell asked what it would take to cover what we need? Balazs responded that $225 would cover it.

M/S/Passed Bell/Anderson 7/0/0 To set the registration fee at $225 for the 1998 Annual Meeting in Chicago.

OIES. Anderson indicated that he does not think that OIES has ever met the budget in terms of revenue projections. Johnson said that the inquiries have constantly been going up. Balazs and Gough are working on a business plan. Anderson asked if the income would be realized? Smith said that this could be a cash cow if the BOD would permit non member evaluations. Johnson said that it would not hurt the profession. He would not propose it if he thought it would hurt. Becraft had hoped to have announced that they are drafting a contract and if that happens then Gough says there would be extensive revenue for years. Johnson said that then the additional staffing, etc., could be subcontracted. President Fresh said that we have to look at OIES realistically and sacrifice a few feelings.

M/S/Passed Johnson/Guerrero 7/0/0 To have OIES to begin nonmember credential evaluations immediately.

President Fresh said to Becraft that as good stewards to our members we need to send them a note that we have revised our stand and that Becraft will forward a letter. Becraft said that
NACES will question the legality. Johnson asked about "restraint of trade?" President Fresh asked do we

make the overture? Johnson said that we respond either to NACES or to every AACRAO member who uses them. Smith asked why can't we put that into the data dispenser? Yes, and Johnson suggested a letter also go to NACES. Fresh said to include that we have resolved the issue. Becraft is to go ahead.

Student-Right-To-Know. Anderson asked when marketing is going to start on this? Becraft said next week. The fee is $85 for members and $99 for non. The workshops are scheduled in 19 major cities starting the end of September. Anderson asked about coordination with state and regionals? Swanson said that they did readjust the locations. Smith said that Swanson has great success with FERPA workshops. Becraft said that they budgeted conservatively. Anderson said he was not comfortable but to move on.

Standards Council. The budget has changed there said Anderson. Becraft said that they had a meeting on the 18th and there was lots of interest and lots needed to be resolved. These were folks from other associations, such as Department of Ed, NASPA, CAUSE, NACUBO, and hopefully they have money. Anderson observes that there is no revenue but there are expenses. Becraft said that it will become an independent entity. Becraft said that Bainbridge would not be an AACRAO employee because it would be an autonomous body. She would still have SPEEDE committee. The plan is that we would serve as the secretariat and get overhead to cover the costs; that is the thought. Becraft said that there would be some in the 99 budget but a lesser amount.

Balance Sheet. Anderson questioned investment shows $272,000 compared to $508,000 last year. Becraft said that is what we are trying to make up. Additional discussion continued. Balazs said that the auditors are coming back with a recommendation next week.

Recovery Plan. President Fresh referred to Becraft on the Recovery Plan. Becraft said that some items needed fine tuning and some were adjusted to make them more realistic. Balazs said that they are in a lot of line items. Smith said that the Data Dispenser's costs are more realistic. Becraft responded "yes" and limited to 8 pages. C&U Editorial Board was unhappy with cutting back. The September Data Dispenser was going to press today.

Anderson asked about a February BOD meeting; he believes that we need a February transition meeting. Becraft said that they need to readjust since the registration fees are increased. Balazs suggested to wait until we see where we are in December. All agreed. Fresh asked Balazs and Becraft what would need different at the point? Balazs tried to work in July and spoke with Wakefield and Swanson and they came up with their best guesses for covering the deficit. Becraft went though the staffing status one-by-one. Balazs said that we have a problem with morale; making this decision and letting it be known will help a lot.

M/S/Passed Anderson/Smith 7/0/0 To accept the Recovery Plan dated August 22, 1997, Columns e,f,g, Line 7 through 28.

Member Applications-Districts/Individual Memberships. Becraft reported that he received two applications for membership. Do we take memberships as district offices? Smith suggested that we need to allow the districts. Bell discussed the Spokane Community College District situation and emphasized that colleagues in the community colleges report that they are left out if they are not individual members.

M/S/Passed Bell/Guerrero 7/0/0 To permit districts or systems to obtain institutional membership and that those memberships would not be extended to colleges or universities under their control.

Smith left for class and disconnected from the conference call.

Charlotte Logo. The logo was not approved in July and it will be coming to the BOD for vote via E-mail.

BOD Meeting with Chairs. Wakefield sent out an E-mail this afternoon about the BOD meeting with chairs to set aside some time. Anderson said that it might be tough to get to their meetings. Wakefield said they would need to do some preplanning prior to coming to Chicago. It would be an indication to chairs that we are taking their concerns seriously. Wakefield also suggested to follow up to invite the vice chairs to the July meeting. Wakefield will work with Anderson. Anderson will work with Becraft.

Chicago Annual meeting Schedule. The BOD needs to respond to Swanson. Swanson reported that he is getting some slides on Chicago for BOD to use in state and regional meetings.

Membership for Unemployed. This item was tabled until we get together again or for the December BOD meeting.

Wakefield's Memo. Fresh said there is a memo out from Wakefield that needs to be responded to by next week.

Guerrero and Weese moved and seconded that the conference call adjourn. President Fresh adjourned at 5:40 p.m.

Cordially Submitted by,

Melanie Moore Bell
Secretary-Treasurer