Marquette’s Challenge and our Board Response: Dialogue on Proposed MUAA National Board Structural Change

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MUAA History

Deep History – Started young!
Organized in 1893 –
6 yrs after 1st graduation

Board of Directors since 1917
Cathy LaFleur will be 99th President

Have always been here through evolutions.
Challenges Prompt Change

MUAA has been preparing…
  Sept – we discussed challenges ahead
  Jan – Ganey spoke of looming issues
  February – Cutbacks announced

Re-engineering is required
  Work started with chapter orgs.
Opportunity to Focus

Environment calls us to adapt and focus
  It’s good business practice, seen in other industries for a long time.

New Leaders’ Vision
  Time to implement new strategies and focus: Qualification of our community
Cycle of Philanthropy

- Identification
- Qualification
- Cultivation
- Solicitation
- Stewardship
Thanks for your Action

Pleased with work of Board since January

- Feb. response to cutbacks was swift
- Mary/Katie coming to frame the board’s response around Size/Frequency/Savings
- Gov Comm crafting productive changes
  - By-Laws Taskforce
  - Gov personal calls to directors
- Full-board attention given today
Why make changes?

• To achieve efficiencies in a time of institutional cut-backs and re-engineering.

• To match the board’s form (structure) with its function (job description).

• To position us to recruit volunteers who are matched with the work we do, and reflect the diversity of perspective we need and desire.
Discussion Topics

• Board Size

• Meeting Frequency

• Cost Savings
Our approach this morning…

• Lay out issues

• Make Governance Committee recommendations

• Review By-Laws revisions that
  – Document changes
  – Update old practices and language
Board Size Overview

• 29 members is a very big board with (fortunately) consistently high-level of participation in meeting weekends.

• Board size has been tied to an outdated membership structure. (Original rationale for the designated seat structure no longer exists.)

• Proposing reduction to 19 members with new structure.
Recommendation – Board Size

• 19 total board members
• 3 officers
• 1 student
• 15 alumni directors
  – Governance Comm chooses board members and seeks full-board approval. Work to secure at least one per college and identified region. Seeks balance of gender and age, with variety of ethnicity, interest, and professional expertise. National scope an emphasis.
Recommendation - Board Structure

• No designated (automatic) director seats on board (Colleges/Interests/Regions/At-large).

• 15 Director positions, 2-yr. terms, renewable once.

• Governance Comm. recommends replacement directors for full-board vote as vacancies occur.

• Governance Comm. recommends renewals for full-board vote as they occur.
Transition from Designated Seats to “At-large” directors

• All remaining directors now considered “at-large.”

• By-Laws define process for recruiting board membership for balance and diversity.

• Deans support recommended new structure.

• Future recruitment to focus on needs of board.

• Governance Committee has done some of its best work in past years in reviewing candidates for open positions.
Attrition Plan

• Currently 29 members -- Target is 19
• ALWAYS have a student!
• NOBODY QUILTS EARLY

• 7 alumni directors roll off June 30, 2014
• Replace none for FY15 – total is 22
• 6 alumni directors roll off June 30, 2015
• Replace as needed to reach 19
Meeting Frequency Overview

• Currently at three times per year (Sep-Jan-Apr).

• Overwhelming volunteer feedback to keep three.

• Suggestions made to de-couple last meeting from Awards weekend. (more time to work, less cost for awards admission)

• Reduce MU budget costs around three meetings.
Recommendation – Meeting Frequency

• Keep 3 meetings per year. “We heard you.”

• Keep Spring meeting with Awards Weekend.

• Reconsider Committees to better use time.

• Find cost savings within existing 3 meetings.
Recommendation - Cost Savings

• Phase out volunteer travel and hotel assistance (effective July 1, 2015)
  – Half hotel cost (Ambassador)
  – Travel reimbursement (limited)

• Reduce board membership to 19
  – 1/3 reduction
Financial Impact of Recommended Changes
(based on 2-yr. avg.)

We save **53%** of our board budget by:

- reducing to 19 members
- paying no travel or lodging
- keeping three meetings
Summary of Change Recommendations

• Transition to 19-member board.
• Implement new board structure – recruit for diversity, balance, and need.
• NO volunteer layoffs.
• Stay at 3 meetings per year.
• Review Committee structure/usage.
• Discontinue hotel/travel reimbursement after next year.
MUAA By-Laws
Review and Approval
Revision KEY

• OLD By-Law with specific changes

• NEW By-Law
By-Laws Changes

• Article 3
• Article 4
• Article 6
• Article 7
• Article 9
Motion

The Governance Committee moves for board approval of the revised Marquette University Alumni Association By-Laws, as presented on April 25, 2014, including changes involving board size and structure.