

Maine Compact for Higher Education
Board of Directors Meeting November 18, 2011 FAME, Augusta

Minutes

Note: these minutes are a draft, for discussion purposes only. They have yet to be approved by the board of directors.

Board members present: Ron Bancroft, Mary Cathcart, Susan Corbett, Jon Fitzgerald, Joseph Foley, Tim Hussey, Martha Johnston, Meredith Jones, Laurie Lachance, Charles Lyons, Joyce McPhetres, Colleen Quint, Christopher Rector, Peggy Rotundo, and Ted Scontras.

Guests and Staff present: Henry Bourgeois, Maggie Drummond, and Dianne Heino.

Essential Points of the Proposed Merger. Mr. Foley opened the board meeting at 9:35, noting that the primary agenda item was reviewing a report from the Coalition-Compact Working Group. By way of background, he explained that, in June, the Compact and Coalition boards appointed a six-member Working Group to explore opportunities for closer collaboration between the organizations. The Compact's members on the Working Group are Ron Bancroft, Jon Fitzgerald, and Colleen Quint.

Mr. Foley reported that the Working Group has prepared these Essential Points of the Proposed Compact-Coalition merger for the Compact board's review and approval. The Coalition's board undertook the same process and approved these points at their meeting last week. Once approved, these Essential Points will become the basis of the Merger Agreement, Plan of Merger and amended Bylaws.

Mr. Bourgeois summarized these recommendations, and the Working Group members responded to board member questions. The Essential Points, reported below, are in four parts: foundational decisions, governance decisions, process decisions and operational decisions.

Foundational decisions:

- 1. Vision: *Maine's students and workers are among the best educated and highly skilled in the world.***
- 2. Beliefs:**
 - a. Education is the catalyst and foundation for individual success, engaged citizenship, and sustainable economic growth.*
 - b. All Maine people should have equal access to high quality educational opportunities.*
 - c. Earning a college degree or postsecondary credential is a right and responsibility of all Maine people.*
 - d. Maine students should graduate from high school prepared to succeed in college and career, and Maine's workers and adult learners should have the resources to make a successful transition to postsecondary education.*
 - e. Maine must recognize the importance of educational efforts that span early childhood through adult learning, and provide a continuous pipeline of human talent for our economy.*
 - f. The business community has a responsibility to support the education of its current and future workers.*
- 3. Mission: *The mission is to champion college and career readiness and higher education attainment.***
- 4. Goal: *The proportion of Maine's workers who have earned a college degree or postsecondary certificate will significantly increase. All of Maine's K-12 students will graduate from high school prepared for success in postsecondary education and the workplace. The specific performance metrics and interim benchmarks to measure achievement of our goal are to be determined by the new board.***

Governance decisions:

5. Name of the New Organization is: *The Maine Business Alliance for Education*
6. Board of Directors composition:
 - a. *Size: 15-21 members.*
 - b. *Business/non-business ratio: 2/3 – 1/3 (e.g. 14/7)*
 - c. *Demographic balance: gender, geography, sector, ethnicity/race.*
 - d. *Other criteria: demonstrated commitment to the vision, mission, goal and beliefs.*
7. Board of Directors tenure:
 - a. *Initial board members are appointed for one year.*
 - b. *At the beginning of the second year, board members will be elected to serve staggered terms – 1/3 for 1 year, 1/3 for 2 years, and 1/3 for 3 years.*
 - c. *Members may serve up to two, consecutive 3-year terms, in addition to the initial terms of the founding members.*
8. Board of Directors selection process:
 - a. *A statement of Board of Director member responsibilities – attached as Appendix A -- will describe expectations of board members.*
 - b. *Compact and Coalition board members and Coalition ‘members’ will be invited to express their interest in serving on the new board.*
 - c. *The Organizing Committee will recruit and nominate members of the new board and its officers from the Coalition and Compact boards of directors and from leaders outside these organizations.*
9. Board of Directors Officers and Committees:
 - a. *Officers will include a chair, vice chair(s), treasurer, and secretary. Officers may serve for up to a maximum of three, consecutive one-year terms.*
 - b. *An executive committee will be composed of the officers and up to three board directors; executive committee members may serve up to a maximum of five, consecutive one-year terms.*
 - c. *The executive director will be appointed annually by the board of directors.*
10. Council of Advisors:
 - a. *A Council of Advisors will be appointed by the new board of directors throughout 2012.*
 - b. *Members will include business, education, government and community leaders.*
 - c. *Members will: serve in an advisory capacity on board committees if nominated; represent the organization’s work and values; stay informed about what’s going on in the organization; and will be encouraged to make a personal financial contribution each year.*
11. Bylaws process
 - a. *The Organizing Committee will recommend revisions to the Compact’s Bylaws; these revisions will include a new name, new vision and mission, and the relevant Essential Points in this document.*
 - b. *The Organizing Committee will ask the Coalition board of directors to approve the revised Bylaws in principle.*
 - c. *As its first order of business, the new board will approve the amended Bylaws.*

Process decisions -- Organizing Committee, Merger and Schedule

12. Organizing Committee:
 - a. *The Coalition and Compact Boards of Directors will each appoint 4 directors to serve on an Organizing Committee, and will empower this Committee to take the necessary steps to merge the organizations in an expeditious manner.*
 - b. *Specific responsibilities assigned to the Organizing Committee include:*
 - 1) *Recommend a Merger Agreement for both boards to approve.*

- 2) *Recommend Bylaws for the new organization, for both boards to approve.*
- 3) *Recruit and nominate members and officers to serve on the new board.*
- 4) *Assist in organizing the first meeting of the new board.*
- 5) *Prepare a draft 2012 Operations Plan & Budget for the new organization: vision, beliefs, goal, mission, performance objectives and program priorities, business model, staffing needs, detailed budget and revenue-raising plan.*

13. Merger process:

- a.** *Technically, there are two options for merging the organizations: (1) consolidate both organizations into a new organization, which requires seeking a new IRS 501/c/3 designation; or, (2) merge one organization into the other organization -- called the Surviving Organization – which uses the existing IRS designation.*
- b.** *On the advice of legal counsel, the Working Group recommends merging the Coalition into the Compact, primarily because of the Compact’s ongoing contracts and the ease of amending its bylaws. Thus, any reference to the ‘new organization’ in this document is intended to refer to the Compact acting under its new name and with a reconstituted board and amended bylaws.*

Operational Decisions:

14. Employees

- a.** *The current Coalition executive director will become executive director of the new organization.*
- b.** *The current Coalition program director will become a program director of the new organization.*
- c.** *The current Compact executive director will resign as Compact executive director as of the merger closing date. He will remain as president and CEO of the Alford Scholarship Foundation through a position as a senior program director in the new organization, duties to be determined by the ASF board of directors based on a revised agreement to be executed between ASF and the new organization.*
- d.** *The employees of the new organization will be treated as employees of MDF to enable them to receive fringe benefits, per an administrative services agreement between MDF and the new organization. This agreement enables the new organization to purchase fiscal management services from MDF. Such an agreement already exists between MDF and each of the two organizations.*
- e.** *Unless otherwise agreed to by any employee, the employees of the new organization will continue to be engaged on an ‘at will’ basis.*

The board members were generally very supportive of the Essential Points, and remained positive about the proposed merger. However, several board members also asked about program priorities going forward, staffing needs, budget and revenue sources. As one board member put it – what are we going to do, who’s going to do it, what’s it going to cost, and how are we going to pay for it?

In addition, the board agreed to recommend several small changes to the Essential Points:

1. Change the vision statement to read ‘will be’, not ‘are’.
2. Change the mission statement to read ‘increased’, not ‘higher’ education attainment.
3. Name the new organization ‘Educate Maine’.
4. Drop the first sentence in “Employees/d.”, regarding treatment of the employees of the new organization as MDF employees in order to receive fringe benefits.
5. Add the following to Employees/e: “unless otherwise agreed to by the new board of directors”.

Authorization to proceed. After further discussion, the board:

VOTED, on a motion by Ms. Quint, seconded by Mr. Fitzgerald, to approve the recommended Essential Points, in concept, subject to the board's review and approval of the new organization's proposed Operations Plan to include: the 2012 program, advocacy, research and other priorities; the staffing plan to achieve these priorities; the budget and the funding plan to include preliminary commitments from several corporations.

The board also:

VOTED, on a motion by Ms. Jones, seconded by Mr. Lyons, to authorize the appointment of an Organizing Committee with authority to proceed with the merger including nominating new board members, recommending the merger agreement and bylaws.; and to appoint Mr. Bancroft, Ms. Quint, Mr. Fitzgerald, and Mr. Hussey to serve on the Organizing Committee. The vote was unanimous.

Symposium. Mr. Bourgeois indicated that the October 13 meeting, hosted by Unum, was very successful and received excellent press. Mr. Foley thanked several board members for their help securing speakers and serving as moderators and panelists. Several board members thanked Mr. Foley and Unum for hosting the event again this year.

October 31, 2011 Financial Report. Mr. Bourgeois referred members to the statement of activities and the balance sheet, noting that the revenues and expenditures are in line with the budget. He also asked members to review the Year-end projections, which are expected to show a balance of about \$5,000 – ahead of the original budget.

Minutes of the September 23, 2011 board meeting. Mr. Foley asked the board members to review the minutes of the last meeting. The board:

VOTED, on a motion by Mr. Scontras and seconded by Ms. Jones, to approve the minutes of the board of directors meeting of September 23, 2011. The vote was unanimous.

Mr. Foley thanked the board members and adjourned the meeting at 11:40 a.m.

Respectfully submitted by Henry Bourgeois, Executive Director December 1, 2011