

BOARD OF DIRECTORS MEETING

Thursday, July 7, 2016

OPENING AND ATTENDANCE

On July 7, 2016 at 9:41 am EDT, Board President Diane Barone called to order a meeting of the Board of Directors of the International Literacy Association.

The meeting was at the Hynes Convention Center in Boston, Massachusetts. Board Directors participating were President of the Board Diane Barone, Vice President of the Board William Teale, Secretary of the Board Julianne Scullen, Gwynne Ash, Donald Bear, Cathy Collier, Lori DiGisi, Bernadette Dwyer, Julie Coiro, Laurie Elish-Piper, Rachel Karchmer-Klein, and Executive Director Marcie Craig Post.

Also in attendance were incoming Board members including Doug Fisher, Stephanie Laird, Stephen Peters, and Jennifer Williams. Staff in attendance included Christine Heesters, Director of Business Solutions; Dan Mangan, Director of Public Affairs; Linda Marston, Director of Finance and designated Board Treasurer; Stephen Syc, Associate Executive Director; and Christina Marconi, Recording Secretary.

APPROVAL OF MINUTES

A motion to approve the minutes from the May 12, 2016 Board or Directors meeting was proposed, seconded and approved.

- *Be it resolved that the Board of Directors of the International Literacy Association approves the minutes from the May 12, 2016 Board meeting as submitted.*

NEW OFFICER POSITION

The Governance Committee proposed that an additional officer position be added to the Board. The Committee reviewed options and recommended that the Board add the office of Immediate Past President as an ex officio, voting member of the Board. The Immediate Past President will serve one year consecutive to service as President, is proposed to serve as an officer of the Board, and is to assume specific duties including mentoring of new Board members and overseeing the nominating Committee and process.

A motion to amend the Association's bylaws to create the new officer position of Immediate Past President was proposed, seconded, and approved, with Board President, Diane Barone abstaining.

- *Be it resolved that the Board of Directors of the International Literacy Association amends the Association's Bylaws to create a new officer position of Immediate Past President, who is an ex officio voting member of the Board.*

COMMITTEES

Board President Diane Barone reported that the Teacher Preparation Task Force has completed its work and now has IRB approval to submit their work for journal publication. She also noted that the E-Learning Committee will be transitioning into a pro-tem task force and proceeding with a survey project designed to inform understanding of how educators working in classrooms around the world use digital texts and tools for literacy instruction. Outgoing Board member Bernadette Dwyer will Chair the task force. In addition, Lori DiGisi

has assumed the role of Liaison to ILA's current Awards and Grants Committees and will be working with an ILA staff member to monitor and report on benchmarks and results.

Director of Public Affairs Dan Mangan announced that Peter Freebody, current chair of the Literacy Research Panel, will be stepping down at the end of July and that a formal search to for a new chair began earlier this month.

Committees of the Board for 2016-2017 were assigned by incoming Board President Bill Teale.

BOARD MEETING SCHEDULE: 2016-2017

A motion to approve the 2016-2017 Board's schedule of meetings to be held in October 2016, January 2017, April 2017, and July 2017 was proposed, seconded, and approved.

- *Be it resolved that the Board of Directors of the International Literacy Association approves the 2016-2017 Board Meeting schedule.*

FINANCE AND BUSINESS

Financial Statements as of April 30, 2016

Director of Finance Linda Marston stated the Balance Sheet benchmark ratio of Current Assets to Liabilities is 50%, an acceptable position, and the ratio of Liabilities to Total Assets is 30%, a strong position. The cash draw supporting operations is the budgeted amount, \$2.7 million, with no additional draw expected for Fiscal Year 2016. The year-end total revenue is projected to be under budget by \$1.7 million due to St. Louis conference performance and downward trend in membership and publications as reported throughout the year. However, year-end total expense will save an estimated \$1.2 million compared to budget helping to offset the revenue declines. The net deficit, exclusive of the investment operational support, is projected at (\$500,000).

Investment Portfolio

Glenmede Investment Management reported that investment return has improved slightly since the beginning of 2016 at 1.5% and is still holding at a 6.2% rate of return since inception. Even though the market has been extremely volatile recently, the portfolio is well diversified to withstand the market swings.

Pension Plan

Ms. Marston stated that after over a year of researching new pension plan providers with the goal of acquiring a higher level of customer service and more robust investment offerings, management is recommending a transfer of pension plan assets and management from TIAA-CREF to Principal Financial Group and Atlantic Pension Services.

A motion to approve the recommendation to transfer the management of its pension plans to the Principal Financial Group and third party administration to Atlantic Pension Services the was proposed, seconded, and approved.

- *Be it resolved that the Board of Directors of the International Literacy Association approves the recommendation to transfer the management of its pension plans to the Principal Financial Group and third party administration to Atlantic Pension Services.*

Budget

The FY2017 Budget Proposal reflects total revenue of \$6.5 million, a reduction of \$2.2 million compared to the FY2016 Budget, and total expense of \$9.3 million, a reduction of \$2.1 million compared to FY2016 Budget. The proposal requires continued operational support of \$2.8 million from investment reserves. The Budget is based on the following assumptions:

- 5,500 conference attendees,
- \$700,000 reduction in Membership and Publications revenue
- delaying the addition of a new Association Management System until new revenue sources are in place

- \$700,000 reduction in the compensation budget lowering the ratio of compensation to total expense to a more acceptable industry standard
- decrease of \$23,000 for expenses directly related to the Board
- modifying the contract with Global Gateway Advisors, ILA's public relations firm, in order to reduce cost by bringing some of the responsibilities in house
- allocating an additional \$115,000 from reserves to fund the current Awards & Grants program. The entire program is under review in order to enhance value and make them self-sustaining.

Expenses and resources continue to be reallocated and reduced to support the new ILA; revenue has been dramatically reduced until new sources, i.e. development, partnerships, credentialing, and re-designed conference model, are clearly identified and strategically planned.

A motion to approve the Fiscal Year 2016-2017 budget proposal as presented was proposed, seconded, and approved.

- *Be it resolved that the Board of Directors of the International Literacy Association approves the Fiscal Year 2016-2017 budget proposal as presented.*

CONFERENCE

Associate Executive Director Stephen Sye reported that ILA's 2016 Conference and Exhibits in Boston will finish with roughly 5000+ paid attendees, which is on target to the 2015 annual conference in St. Louis. Sponsorships and exhibit hall are all performing above expectations, and author luncheons, institutes, and Literacy Night at the Ballpark are all sold out. In addition, the theme of the conference-connected 5K walk/run, "Steps to Advance Literacy" will become a 2016-2017 campaign in which ILA connects with and promotes community-based stories impacting literacy.

As this year's event is one of the last pre-contracted locations, ILA will be in a good position to strategically select its future conference dates and locations. Moving forward, ILA will look to improve conference outcomes by negotiating for low-or-no-cost space, Wi-Fi, and food/beverage while utilizing more focused programming and less square footage. In addition, planning for future conferences will take into account the years-long downward trend of member attendance, with members accounting for just 1.8 percent of paid registrations for 2016 and fully half of paid registrations coming from first-timers and non-members.

MOTIONS OF APPRECIATION FOR OUTGOING BOARD MEMBERS

A motion to approve resolutions of thanks to Diane Barone, Bernadette Dwyer, Laurie Elish-Piper, and Julie Scullen was proposed, seconded, and unanimously approved.

- *Be it resolved, the ILA Board of Directors acknowledges with deepest gratitude and thanks the outstanding contributions to leadership of the Association, the ILA Board of Directors, and the field of literacy by **Diane Barone, President 2015-2016.***
- *Be it resolved, the ILA Board of Directors acknowledges with deepest gratitude and thanks the outstanding contributions to leadership of the Association, the ILA Board of Directors, and the field of literacy by **Bernadette Dwyer, Director, 2013-2016.***
- *Be it resolved, the ILA Board of Directors acknowledges with deepest gratitude and thanks the outstanding contributions to leadership of the Association, the ILA Board of Directors, and the field of literacy by **Laurie Elish-Piper, Director, 2013-2016.***
- *Be it resolved, the ILA Board of Directors acknowledges with deepest gratitude and thanks the outstanding contributions to leadership of the Association, the ILA Board of Directors, and the field of literacy by **Julie Scullen, Director, 2013-2016.***

EXECUTIVE SESSION

The Board of Directors began an Executive Session 11:45 am EDT and re-convened the full board meeting at 12:10 pm EDT.

UPCOMING EVENTS

The next meeting of the Board of Directors will take place October 13-14, 2016 at ILA Headquarters at 800 Barksdale Road in Newark, Delaware as follows:

- Thursday, October 13, 8:30 am to 5 pm: Working Session
- Friday, October 14, 8:30 am to 2 pm: Working session and Board meeting

SUSPENSION FOR REPORT

The Board meeting was paused at 12:15 pm EDT for a presentation by Pro-Exam on the market feasibility of credentialing.

CREDENTIALING

The Board President reconvened and called to order the meeting of the Board of Directors at 3:45 pm EDT to discuss next steps related to analysis of the value proposition and conducting the practice analysis, both of which represent phase two of ILA's credentialing feasibility initiative.

There was considerable discussion among Board members about the pros and cons of this initiative and the advisability of taking next steps, with Board members expressing differing opinions on the issue. Factors such as the cost of the effort and the potential resources required from staff, Board, and volunteers were discussed, as were the needs to distinguish this initiative from ILA's Standards for the Preparation of Literacy Professionals and to clarify the specific mission of the credential. Particular emphasis was given to the idea that a successful move into credentialing would further increase ILA's leadership in the literacy field while adding a new revenue stream. Also stressed was the critical importance of aligning the effort's mission with ILA's goals to provide value to both members and the literacy education space.

The discussion resulted in a directive for Board Officers to appoint a task force to finalize the credentialing initiative's mission and determine the next steps in the process

A motion to approve the combined practice analysis value proposition study was proposed, seconded, and approved.

- *Be it resolved that the Board of Directors of the International Literacy Association approves the combined practice analysis and value proposition study.*

ADJOURNMENT

The board meeting was adjourned at 4:37 pm EDT.