Apereo Board Meeting Minutes

22 January 2025, 10 am EST

Officers:

- Chair: Josh Wilson
- Vice Chair: Wes Turner
- Secretary: Wilma Hodges
- Treasurer: Theresa Rowe
- Executive Director: Patrick Masson

Attending:

- Wilma Hodges
- Thierry Koscielniak
- Josh Wilson
- Theresa Rowe (ex officio)
- Patrick Masson (ex officio)
- Stephanie Lieggi
- Daniel Izquierdo Cortázar
- Inge Donkervoort
- Wes Turner

Absent with apologies:

- Sam Lee Pan
- Stuart Phillipson
- Shoji Kajita
- Salvador Pellicer
- Angela Newell
- Phyllis Dobbs

Absent:

Guests:

Quorum: **10:13 AM EST**

Called to Order: 10:12 AM EST

From Apereo Bylaws: Article VI. Section 7. Quorum

Fifty percent (50%) of the entire Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. The Board of Directors shall not conduct any formal actions, motions, decisions, policies or any related functions on behalf of the Foundation absent a quorum, unless specifically allowed under these Bylaws. The Directors present at a duly organized meeting of the Board of Directors may continue to do business until adjournment, notwithstanding the withdrawal of enough Directors to leave less than a quorum. Less than a quorum may adjourn any meeting of the Board of Directors.

Agenda

Decisions & Reports (<30 mins)

1. **Information: Chair's Preamble**

a. Today's meeting
   i. Happy new year!
   ii. Big year of strategic implementation for Apereo; less of our attention as a board will be on operations; more on executing strategic directions
   iii. The decisions we make this year will have a big impact on the Foundation; we'll need active Board participation

b. For reflection in a few meetings... The Board culture we're seeking
   i. Active, vocal Board (invitation: cameras on)
   ii. Ensure sufficient meeting time for decisions
   iii. Make Board Meetings safe spaces for contribution & ideation
   iv. Fully discuss strategic decisions in advance and over time
   v. Assume best intent on part of board members

2. **Decision: Approval of Past Meeting's Minutes (was Secretary's Report)**

a. Minutes of the November 2024 Board Meeting (20241127 Board Meeting Minutes)

   i. Note: No Board meeting was held in Dec 2024

   ii. Review of Minutes

   iii. **MOTION**: Accept the minutes for November 2024 and post them on the Apereo website. (Forwarded: Wilma, Seconded: Inge)

   iv. Tally of vote in chat

      1. +1 = approve – 4
      2. 0 = abstain – 2
      3. -1 = disapprove – 0

3. **Decision(s): Timely New Business**

a. None requiring a vote

b. **MOTION:** tbd (Forwarded: aaa, Seconded: bbbb)

   i. Tally of vote in chat

      1. +1 = approve – x
      2. 0 = abstain – y
      3. -1 = disapprove – z

4. **Information: From the Treasurer**

a. Background reading:

   i. November 2024 Finance Committee minutes

   ii. December 2024 Finance Committee minutes - None, Meeting cancelled due to holiday

   iii. January 2025 Finance Committee minutes

b. Updates and comments from minutes

   i. Closed fiscal year, thanks to terrific accounting team

   ii. "Stable," with declining membership and significant financial risk ahead

   iii. Have observed steady state membership decline over a few years

   iv. Anticipated 0 members by 2028 at this rate

   v. Revenue at risk; this path is unsustainable

   vi. Audit paused due to lack of closure in conversation about balances between Apereo Foundation and Sakai Project (currently showing as a liability we can't write off or safely assume)

vii. Risks “ongoing concern” accounting status
viii. Comments in chat from Phyllis via Patrick:
    1. From Phyllis: Laura has already done a first draft of 1099s, which are due by the end of the month. We are well on our way to having those filed early..
    2. ...I think the Sakai matter is the most pressing thing for the Board to understand. As far as financials, we ended in a reasonable position to launch into the new revenue models you all have been working on
    3. ... Laura and I would like a deeper dive on the new revenue models, perhaps with you and Josh, so we can translate those into the financials and reporting structures.
ix. Inge asked for a brief explanation of the Sakai financial issue. See discussion in next item below.

5. Information: From the Executive Director

a. Process update: Sakai financials discussions
    i. Core issue: Significant differences **in good faith** between historical accounting and most recent (2022) accounting analysis of Apereo finances
    ii. Began an audit for 2023, following 2022 accounting analysis; identified a large negative balance for Sakai project; conducted further review of expenses to determine which would be properly allocated to the Foundation instead of the project; reduced deficit to ~200k USD
    iii. Sakai PMC conducted an independent review; forced pause to current audit
    iv. Sakai review returned findings in December 2024; Finance Committee discussed them in January 2025
    v. Next: Phyllis and Laura will closely review findings reported by Sakai
    vi. Biggest challenge: lack of membership agreements defining total amount and project-focused earmarking of annual contributions by institutions to Apereo
    vii. To change what’s been reported already to the auditor, the Foundation needs to present clear evidence.
    viii. Additional issue: lack of agreement on opening balance in 2013 at the creation of the Apereo Foundation

ix. Because a new audit was begun for 2023, the standard for any new evidence is higher than before; new evidence must be acceptable to the auditors
x. Wilma had a question about the type of documentation/evidence required. A brief discussion around what sort of evidence is required for the auditors took place.
xi. Impact of this is existential for Apereo; if we're not considered, from an accounting perspective, a Going Concern, we may not be eligible for the grants that we're seeking as part of our strategic pivot
xii. Sakai likely cannot repay the balance that Apereo currently maintains that is owed by the project, so the question is what is the impact of carrying an unpayable debt?

b. Operational planning
    i. Developing 2025 activities with staff aligning with and supporting Apereo's strategic direction.
c. Strategic initiatives
    i. (2024) Brand awareness growth
        1. Update on the opportunistic delay of OSSHE project
    ii. (2024) Membership growth
        1. Friends of Apereo Individual Membership Campaign concluded December 2024
    iii. Revenue growth (development)
    Apereo continues to build a network among funders, introducing the organization, positioning itself as a thought leader and core service provider to both projects and campuses and scoping the Foundation's membership and strategic initiatives.
        1. Sloan Foundation
            a. Primary opportunity: investment in "OSPOs for campuses"
            b. Follow-up opportunities
                i. Mini-case studies on open source projects
                ii. OSSHE: Community Report
                iii. Support for OSPOaaS / FaaS
        2. National Science Foundation
            a. Proposal submission of Working Group

3. Continuing outreach to granting organizations
    a. Axium
    b. Chan Zuckerberg
    c. Gates Foundation

d. ED Activities
    i. Please send any questions regarding activities to Patrick.
        1. Accounting activities
        2. Community activities
        3. Communications activities
        4. Development activities
        5. All Staff Meetings
        6. PMC Meetings

6. **MOTION:** Adjourn the Meeting
(Forwarded: Stephanie:, Seconded: Josh): +6 adjournment

Adjourned 11:04 AM EST

Strategic Discussion (>30 mins)

Generally, no decisions will be made during this portion of the meeting.

7. Apereo continuity discussion
    a. Need to think strategically about Apereo's options for continuity
        i. Valuable strategy, approved by Board, accepted by community (Strategic Framework, 2025) → championing the value of OSS in higher education
        ii. And yet:
            1. Reserves: ~0.75 yr and declining
            2. Membership revenue continues to decline (projected end to membership revenue in 2028)
            3. Must, in good conscience, as a Board, consider options for ongoing responsible pursuit of the mission
        iii. Some background (foundation history and direction)
            1. Apereo's Traditional Business Model
        iv. Four options for continuity
            1. Potential New Business Models

8. **Next Meeting's Agenda Setting:**
    a. Carry forward?
        i. Continuity discussion
        ii. Update on potential new policy: funding travel of Board members to conferences purely for the purpose of promoting Apereo
            1. Next steps: Seek comparator policies from other foundations
            2. Arguments in favor
                a. Board members are needed to promote brand awareness of Apereo at identified key brand awareness events: FOSSY, OW2, EDUCAUSE, ATO
                b. Unreasonable to expect that home institutions/organizations will support travel purely for Apereo business
                c. Board members can connect personally while serving Apereo at these events
                d. Others?
            3. Arguments against
                a. Unbudgeted expense, in a period of declining revenue
                b. Board members already travel to key awareness events without any added support from Apereo?
                c. Others?
    b. New items?
        i. tbd