

Minutes

Board of Directors Meeting
Junior Achievement of Southeast Texas HQ
Thursday, September 5, 2019

Attendees

Board: Evelyn Angelle, Tracy Beam, Jody Black, Danny Brown, Deric Bryant, Mark Cizek, Joe Connelly, Will Davie, Jeff Davis, Tom DeBesse, Rene Degreve, Pete DeLongchamps, Greg Engel, Robbie Jones, Elizabeth Killinger, Bruce Macklin, Janette Marx, Michele McNichol, Jeff Miers, Sandra Oliver, Gregg Piontek, Manuel Prieto, Lees Rodionov, Julie Sheppard, David Skinner, Brian Smith, Jon Stokes, David Stover, Eric Tanzberger, Laura Tibodeau, Jim Tillis, Carol Warley, Deanna Young

Staff: Jennifer Anderson, Lisa Anderson, Tiffany Burgdorf, Joe Burke, Ne’Cole Caldwell, Stephanie Canahuati, Monica Caudillo, Christina Craft, Carla Crowe, Tania Daniel, Rebeca Diaz, De Jones, Patty LaLonde, Jim McCaskill, Marlene Meyers, Jordan Parker, Ryan Purser, Quinton Smith, Tiffany Spates, Karen St. Fort, Aliyah Thomas, Liisa Williams, Jalissa Wilson

Chairman Dave Stover called the meeting to order at 11:42 a.m. Dave welcomed the new board members that were elected at the June board meeting: Sandra Oliver, Ernst & Young and Janette Marx, Airswift. Dave also welcomed the new board members being elected today, Deric Bryant, NALCO Champion, and Manuel Prieto, McKinsey & Co.

The fiscal year-end financials and minutes from the June 27th annual meeting were sent in the pre-read materials. To ensure we maximize our time spent engaging in meaningful work, we moved to a consent agenda procedure for these items. Dave asked if there were any questions/comments/corrections for either the financials or minutes. Robbie Jones noted a small correction needing to be made in the minutes. Dave called for a motion to approve the financials and minutes with the noted correction; motion carried.

Dave presented the nominations: Deric Bryant, Executive Vice President & President - Upstream Energy at Nalco Champion, an Ecolab Company and Manuel Prieto, Partner, McKinsey & Co. He called for a motion to approve the new members; motion carried.

Dave gave the board an update on the audit process. Carol Warley, Chair of the Audit Committee will be convening the members of the committee to thoroughly review the audit with the auditors. Because we have replaced the second fall board meeting with the strategy sessions, the review process for the full board will take place via email. The audit will be emailed to the members with ample time to review and ask any clarifying questions.

Joe gave a quick 401(k) update. The transition to the new 401(k) plan happened on August 1st. Over 90% of associates are participating with more than 60% doing so at the maximum matching level.

Ne’Cole Caldwell, VP of Programs came forward to present a JA Staff Award. She presented the Rising Star Award to Patty LaLonde.

As JA USA introduces new programs, we like to keep the members apprised. Jennifer Anderson and Board Member Greg Engel came forward to share an exciting new program, Excellence in Ethics. Jennifer introduced the program and thanked Board Member Evelyn Angelle for being a sponsor. Evelyn encouraged the board to volunteer as she thinks they are the best fit. Greg went through one of the exercises with the board and then discussed it.

Since February, we’ve been considering the possible implementation of the 3DE by Junior Achievement model. Board Member Jeff Miers and Joe Burke reported on the work of the committee that has evaluated the model and their recommendation. First, a video about the facility was played and JA skyped in a current student from

Banneker High School in Atlanta, Yazmin Ruiz. Yazmin is currently in a 3DE session and she shared her experience with the board and answered questions. Jeff shared that besides himself the other members of the committee that evaluated the program are: Scott Prochazka, CenterPoint Energy; Nigel Searle, ExxonMobil; Frank Steininger, Civeo Corp, and Bill Swanstrom, Locke Lord.

The committee hosted calls with the 3DE leadership team and made a site visit to Atlanta in June. Bill Swanstrom and attorneys at Locke Lord reviewed the legal agreements related to the model and sought to bring clarification to four key items: Fundraising exclusivity - with our operating agreement, JASET has permission to grant (or not grant) permission for JA USA to fundraise in our market. We wanted to ensure this extends to 3DE. Clarification of long-term management of the model - since this is a pilot, that potential hand-off is not 100% clear. In speaking with Jack, his current thoughts are to give JA Areas a choice to continue with a management contract or take over operations. We wanted to see this formalized in the agreement language. Permissions related to the usage of 3DE intellectual properties are set in the agreement and we wanted to ensure reciprocity for JASET properties. Ownership of the overall strategic leadership of the expansion and strategic direction of 3DE in JASET's service territory. Locke Lord drafted language to clarify the four concerns and 3DE agreed to all the changes as written.

Joe shared the discussion with the education community. Jack Harris (CEO of 3DE) and Joe initially met with three school districts: the superintendents of Alief ISD and Spring Branch ISD and members of the leadership team at HISD. All initially expressed interest in the model.

Alief initiated the due diligence process, which is ongoing. While it went smoothly initially, the looming deadline has brought out reservations and questions and the team at Alief has expressed additional time to review.

Spring Branch also started due diligence but paused due to the departure of superintendent Scott Muri who accepted the superintendent job in Odessa. The group tasked with evaluating the model did not feel comfortable moving forward without Dr. Muri and wanted to be considered for a timeframe in the future, perhaps 2021 or 2022. Jennifer Anderson and Joe Burke met with Dr. Jennifer Blaine, the new superintendent. She's interested in the model but would like to be considered at a later time.

Paula Harris, a member of Lees Rodionov's Global Stewardship team at Schlumberger, brokered a meeting with Dr. Grenita Lathan, Interim Superintendent of HISD in May. Dr. Lathan expressed keen interest and sent a representative (Michael Love) on the site visit to Atlanta in June. Subsequently, Joe and members of the 3DE leadership team met with Rick Cruz, Chief Strategy and Innovation Officer and Michael Love, Director of Career Readiness on August 6th. They expressed their desire to launch in the fall of 2020 and are prepared to conduct due diligence by December of 2019, which still provides sufficient time for implementation. The district has ample opportunity for us to make a significant impact, would be ideal to work with if we scale this in the future, would mitigate any risk of Alief pushing back to 2021.

To fund implementation, a mixture of "lead" funding and funding from case challenge sponsorships will be needed for the pilot. This will give us the flexibility to expand or contract the pilot based on resources. There has been interest expressed by several "lead" funders. The JA team met with the Brown Foundation, the Cullen Foundation, the Holthouse Foundation, and the Houston Endowment, all of whom expressed interest in exploring funding provided there is interest from the board and education communities. There has been a great deal of interest from various board members on potential participation as a case challenge and school sponsors. This would enable the model to be sustained once a four-year cohort is in place.

Jeff Miers shared that the committee members feel positive about the potential of the model and unanimously recommend moving forward. At the August 15th Executive Committee Meeting the committee reviewed and concur. We, therefore, put forth for consideration to sign a sublicense agreement with 3DE National and authorize management to sign a Memorandum of Agreement with local school districts and 3DE to launch in up to two schools, potentially as early as the Fall of 2020

Chairman Stover asked for a motion to approve signing a sublicense agreement with 3DE National and authorizing management to sign a Memorandum of Agreement with local school districts and 3DE to launch in up to two schools, potentially as early as the Fall of 2020; motion carried.

Tania Daniel shared an update on the Entrepreneurial Initiatives. She went over the different goals and events coming up.

Monica Caudillo gave an update on JA BizTown and JA Finance Park sponsorships including announcing that CommunityBank of Texas has stepped up to be the presenting sponsor of Mobile Finance Park.

Ryan Purser, VP of Special Events briefly overviewed the JA Hall of Achievement and called for nominees.

Chairman Stover reminded everyone of the fall Golf Classic on October 14th at Champions Golf Club. We will use the strategy sessions this fall to ascertain how a new facility could enhance the student experience at JA BizTown and JA Finance Park, what other programs we might be able to offer, and how a new facility might further our brand in the community. Invitations to sign up for one of the sessions will be sent if you haven't already signed up.

The meeting was adjourned at 12:50 p.m.

Recorded by: Joe Burke

Respectfully submitted: William Swanstrom Secretary