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Board of Directors
Annual Report
May 2014



Association for Institutional Research



1435 E. Piedmont Drive, Suite 211
Tallahassee, FL 32308
air@airweb.org • www.airweb.org

AIR Annual Board of Directors Report to the Membership
2013-2014
Orlando, Florida
May 28, 2014, 2:00 p.m. – 2:45 p.m.
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Section 1 – President’s Report

On behalf of the Board of Directors of the Association for Institutional Research, I am honored to present the annual report for the 2013-2014 year to you, our colleagues and fellow members. We began our work at the annual Forum in Long Beach, California. Building upon the strong foundation laid by previous Boards, we set forth an agenda to take a deeper dive into Policy Governance and the Ends of the organization and ask ourselves “Do we have this right?” The answer follows in this annual report.

Several working groups continued or were appointed to address areas specific to the Board operations and the Ends. The **Policies Review Working Group** spent the year reviewing our Constitution and By-Laws to ensure appropriate alignment with our Governance Policies. The **Data Analysis Working Group** (DAWG) continued their work studying trends in higher education and to ensure that AIR’s Ends dovetail with the future needs of institutional research practitioners. The **Ends Policy Discussion Working Group** took on the challenge of the Board’s organizational outcomes. Their work will cross over into the next year. The **Board Orientation Working Group** proposed a new curriculum for training Board members as well as the Nominations and Elections Committee. The **RIHE Ad hoc Committee** was appointed in April 2014 to study the Board’s relationship with publications that use AIR’s name, such as *Research in Higher Education*. In addition to these special purpose groups, there are two standing committees, the Nominations and Election Committee and the Audit Committee. Their work is reported on in greater detail in Section 2 and Section 4 of this report.

The result of our work this year brought us to the following draft Ends statement: “AIR exists so that higher education institutions effectively use data, information, and analysis for decision support in a rapidly changing environment. Within this framework, AIR will ensure that institutional researchers have knowledge and skills necessary to perform the duties and functions of institutional research, including: methods and tools; internal institutional effectiveness; external accountability; professional and interpersonal skills; and research and scholarship. It is also imperative that higher education leaders view IR as essential.” This is still a “work in progress” but considering the voice of the members, the Board wanted to state the areas in which AIR can have the greatest impact in our profession.

Finally, in last year’s President’s Report, Julie Carpenter-Hubin invited you to peruse the AIR documents concerning the Board’s operations that are available to you as a member <https://www.airweb.org/AboutUs/LeadershipAndGovernance/GovernanceDocuments/>. In addition to Annual Reports, you will find Governance Policies, Bylaws, the AIR Constitution, Board Minutes, Monitoring Reports, and the Audited Financial Statements. The latter was added after discussion at last year’s business meeting in an effort to provide even greater transparency.

It has been a tremendous privilege for me to serve you as the president and chief governance officer for the AIR Board of Directors. You have entrusted the care of this organization to an outstanding group of people. My Board colleagues have educated and inspired me and for that, I will be eternally grateful. As Gayle Fink begins her tenure as our president and CGO, I ask for you to support her in the same way as there is still much work to be done. She is poised to do great things as our leader. I also want to thank Randy Swing and the AIR Executive Office for their tremendous work during this past year. They are the epitome of professionalism and competence. AIR is stronger than ever because of the great work of a lot of good people. Lord Robert Baden-Powell, the founder of the world Scouting movement, said “Leave this world a little bit better than you found it.” As you read this report, it is my hope that you will see your Board did just that.

Warmest regards,



Sandi Bramblett
2013-2014 AIR President

2013-2014 Board of Directors

President

Sandi Bramblett, Georgia Institute of Technology

Vice President

Gayle Fink, Bowie State University

Immediate Past President

Julie Carpenter-Hubin, The Ohio State University

Members at Large

Hansel Burley, Texas Tech University

Marne Einarson, Cornell University

Martha Gray, Ithaca College

Heather Kelly (Board Treasurer), University of Delaware

Ellen Peters, University of Puget Sound

F. Mauricia Saavedra, Cal Poly State University

Alice Simpkins, Paine College

Elizabeth C. Stanley (Board Secretary), Zayed University (retired)

Nominations and Elections Committee

Julie Carpenter-Hubin, The Ohio State University

Rachel Boon, Ivy Tech Community College

Timothy Chow, Rose-Hulman Institute of Technology

Fred Lillibridge, Dona Ana Community College

Jan Lyddon, Organizational Effectiveness Consultants

Soon Merz, Austin Community College

Allison Walters, University of Delaware

Section 2 – Financial Report

While the AIR Board as a whole is responsible for overseeing the financial health of the organization, the Board has delegated selected leadership responsibilities to the Board Treasurer, Heather Kelly, for 2013-2014. The Board Treasurer provides leadership for the independent annual audit including serving as chair of the Board Audit Work Group which annually reviews the Financial Statements and findings from an independent audit firm concerning the financial state of the Association. The Board Treasurer is also responsible for the presentation of an annual report of AIR's financial condition at the annual Forum. Three of the CEO Monitoring Reports reviewed and discussed by the Board deal specifically with the Association's (1) financial planning, (2) financial condition and activities, and (3) asset protection and evaluate how the CEO handled the executive limitations set by the Board.

A Board Audit Work Group annually reviews the Financial Statements, as well as the Management Letter produced by an independent firm charged with auditing the financial position and the related statement of activities, functional expenses, and cash flows for the past year. The Board Audit Work Group reviews with the Executive Office those audit findings which cite any compliance issues or opportunities for ways to improve internal controls and operating efficiencies of the Association. The Board Treasurer submits the completed annual audit to the Board for acceptance.

The firm of Purvis Gray & Company, Certified Public Accountants of Gainesville, Florida, audited the December 31, 2013 and 2012 financial statements of the Association. The auditors issued a clean audit and indicated that the audit disclosed no instances of significant deficiencies and/or material weaknesses in internal control. Further, the auditors commented that the organization is in good financial standing with a very strong ratio of current assets to current liabilities.

The December 31, 2013 audit was discussed and approved by the Audit Work Group on May 1, 2014. A copy of the audited financial statement is available on the AIR Leadership and Governance website: <https://www.airweb.org/AboutUs/LeadershipAndGovernance/GovernanceDocuments/>. Questions may be directed to Mr. Jason Lewis, Chief Financial Officer, Executive Office, phone: 850-385-4155 Ext. 125, email: jlewis@airweb.org.

Key findings on the current financial health of the Association:

1. Unmodified 2013 audit issued on the Financial statements with no reportable instances of significant deficiencies or material weaknesses in internal control and no material instances of noncompliance.
2. Unmodified 2013 audit issued on the Major Federal Award Programs with no reportable significant deficiencies or material weaknesses in internal control over major federal programs and no findings required to be reported.
3. Qualified as a low-risk auditee for two consecutive years.
4. Revenues exceeded expenditures by \$4,284 in 2013. The current total of \$3,329,680 is the largest annual net reserve in the history of the Association.

The Statement of the Financial Position and Summary of the Auditors' Findings are included in the following Audit Reports section.

Audit Reports

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2013,
WITH COMPARATIVE TOTALS FOR 2012
ASSOCIATION FOR INSTITUTIONAL RESEARCH
TALLAHASSEE, FLORIDA

	ASSETS	2013	2012
Current Assets			
Cash and Cash Equivalents		\$ 2,549,369	\$ 2,146,752
Grants and Contract Receivable, Current		255,005	365,221
Accounts Receivable		56,411	59,437
Other Current Assets		88,000	94,336
Total Current Assets		<u>2,948,785</u>	<u>2,665,746</u>
Investments			
Fixed Income Securities		<u>204,487</u>	<u>458,051</u>
Property and Equipment			
Property and Equipment, Net		<u>729,832</u>	<u>835,477</u>
Total Assets		<u><u>3,883,104</u></u>	<u><u>3,959,274</u></u>
	LIABILITIES AND NET ASSETS		
Current Liabilities			
Accounts Payable		80,567	237,377
Accrued Compensated Absences		47,859	51,670
Deferred Grant and Contract Revenue		95,250	0
Deferred Membership Dues and Other		329,748	344,831
Total Current Liabilities		<u>553,424</u>	<u>633,878</u>
Total Liabilities		<u>553,424</u>	<u>633,878</u>
Net Assets			
Unrestricted Net Assets:			
Board Designated		420,000	420,000
Undesignated		2,845,950	2,850,320
Total Unrestricted		<u>3,265,950</u>	<u>3,270,320</u>
Temporarily Restricted:			
Scholarship Fund		<u>63,730</u>	<u>55,076</u>
Total Net Assets		<u>3,329,680</u>	<u>3,325,396</u>
Total Liabilities and Net Assets		<u><u>\$ 3,883,104</u></u>	<u><u>\$ 3,959,274</u></u>

Summary of the Auditors' Findings

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2013
ASSOCIATION FOR INSTITUTIONAL RESEARCH
TALLAHASSEE, FLORIDA

SECTION I - SUMMARY OF AUDITORS' RESULTS

1. **Type of Audit Report Issued on the Financial Statements:**

Unmodified.

2. **Significant Deficiencies and/or Material Weakness in Internal Control:**

Audit disclosed no instances of significant deficiencies and/or material weaknesses in internal control.

3. **Noncompliance Material to Audited Financial Statements:**

Audit disclosed no material instances of noncompliance.

4. **Significant Deficiencies and/or Material Weaknesses in Internal Control Over the Major Federal Award Programs:**

Audit disclosed no significant deficiencies and/or material weaknesses in internal control over major federal programs.

5. **Type of Audit Report Issued on Compliance with Requirements Applicable to the Major Federal Award Programs:**

Unmodified opinion.

6. **Audit Findings Relative to Section .510(a) of OMB Circular A-133:**

The audit disclosed no findings that are required to be reported under Section .510(a) of OMB Circular A-133.

7. **Major Federal Programs:**

<u>Federal Program</u>	<u>CFDA No.</u>
Research Triangle Institute (RTI) International	84.EDIES09C0006
Research Triangle Institute (RTI) International	84.EDIES09C0007
Research Triangle Institute (RTI) International	84.EDIES13C0056

8. **Threshold:**

The threshold for distinguishing Type A or Type B programs was \$300,000 for major federal programs.

9. **Auditee Risk Assessment:**

The Association did qualify as a low-risk auditee.

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters noted.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters noted.

PRIOR FEDERAL AWARD FINDINGS

No prior year audit findings noted.

Section 3 – Board Committees and Working Groups

During the 2013-2014 membership year, the Board of Directors established three new Board committees, the Policies Review Working Group, the Framing the Ends Policy Discussion Working Group, and the Board Orientation Working Group, and continued with the Data Analysis Working Group (DAWG).

More information regarding their accomplishments is detailed below.

Policies Review Working Group

The AIR Governance Policies were initially approved in May 2011 after the vote of the AIR membership to revise the AIR Constitution and Bylaws, allowing a transformation from the previous AIR governance structure to a policy governance model. While the Governance Policies are viewed as a living document and ongoing amendments are expected, the Board determined that it would be valuable to complete an overall review of the policies after the first two years of implementation. The Policies Review Working Group was formed in May 2013 and was charged to review the AIR Governance Policies with respect to the Constitution and Bylaws, identify any areas of inconsistency, and recommend steps to be taken to resolve the inconsistencies. The working group met regularly by teleconference from July 2013 through May 2014, continued discussions by email, and held face-to-face meetings in conjunction with Board of Directors meetings in August 2013 and March 2014. After a thorough review of each element of the Constitution and Bylaws, and each of the governance policies, the working group made a series of recommendations to the Board for policy revisions and one modification in the Bylaws to improve consistency or clarity. Board action on these recommendations is reflected in policy revisions and Board meeting minutes. Members of the working group are Gayle Fink, Martha Gray, Ellen Peters, Mauricio Saavedra, Alice Simpkins, and Elizabeth Stanley, who served as chair. The working group expects to complete its tasks in May 2014.

Data Analysis Working Group (DAWG)



Established in May 2013, the Data Analysis Work Group (DAWG) continued its work developing a better understanding of policy governance Ends related to helping AIR members develop and maintain knowledge and skills that are needed by institutional researchers. AIR member Jason Sullivan supported the Working Group, providing semantic analysis of Forum presentation abstracts, Pre-Forum Workshop and Institute and Module descriptions, AIR job posting descriptions, and a

host of other materials. From his analysis, he produced a series of institutional research related word clouds. The Data Analysis Work Group reviewed the word clouds, and found that they suggested the following themes:

- Work for which institutional researchers are responsible, such as accreditation, federal reporting, rankings, learning outcomes assessment, benchmarking, performance indicator development, and program evaluation;
- Methods and tools ranging from regression analysis and data mining to data visualization to programming;
- Institutional research audiences, including provosts, deans, governors, legislatures, and boards;
- Professional development, both as practitioners and as researchers.

Each of the themes can be further analyzed to look for connections and emphasis. The example provided above demonstrates the range of analytical methods and the purposes for which those methods are being used by our members, and thus the areas for which additional training and development are needed.

Members of this Board work group are Sandi Bramblett, Hansel Burley, Julie Carpenter-Hubin (chair), Marne Einarson, Heather Kelly, and Dawn Kenney.

Framing the Ends Policy Discussion Working Group

The Framing the Ends Policy Discussion Working Group was formed in fall 2013 and was charged by President Sandi Bramblett to propose a framework (series of leading questions) for a face to face discussion on whether or not to broaden or tighten the organizational outcomes/mission (known as the Ends Policy). Within this context, the Group began its work by reviewing the literature about best practices for preparing Boards for strategic planning as well as preparing Policy Governance Boards to engage in developing Ends. The group incorporated best practices into a structure based on Bloom's Taxonomy in its recommended approach to the Board in December, 2013. This approach was used to facilitate the discussion at the Board's spring 2014 face to face meeting where a new Ends policy was developed. Members of the Board workgroup included: Gayle Fink, Hansel Burley, Dawn Kenney and Ellen Peters.

Board Orientation Working Group

The Board Orientation Working Group was established in January 2014 to develop a curriculum outline for new Board members as well as for the 2014-2015 Nominations and Elections Committee (NEC) members. The Board requested inclusion of NEC into the orientation so that the NEC could have a better understanding of Board operations and expectations. The working group included Gayle Fink, Hansel Burley, Marne Einarson and Martha Gray. The group reviewed various orientation practices of non-profit boards as well as policy governance boards. The outline was shared at the March 2014 meeting. Many of the components will be included during the orientation session at the 2014 Forum. It is anticipated that the Board Orientation Program will be assessed and improved each year.

Section 4 – Immediate Past President/Nominations and Elections Committee Chair

My primary responsibility this year was to Chair the Board Nominations and Elections Committee (NEC). It was an honor and a privilege to work with my terrific colleagues: NEC 2013-14 continuing members Rachael Boon, Fred Lillibridge, and Alison Walters; and new members Timothy Chow, Jan Lyddon, and Soon Merz.

Our Association is strong and vibrant because of our member leadership. Thanks on behalf of the NEC team to all those who were nominated, those who provided their information and indicated a willingness to run, and to all of our nominees. We are deeply grateful to those elected: Gary Pike (Vice President); Debbie Dailey, Michelle Hall, and Meihua Zhai (Members at Large); Michelle Appel, Kathy Schmidtke Felts, and Rick Voorhees (incoming NEC members).

We owe a special thanks to the AIR staff who support the nominations and elections process – Lisa Gwaltney and the technology team make the process seamless. Visit the AIR website:

<https://www.airweb.org/AboutUs/LeadershipAndGovernance/Elections/Pages/2014ElectionResults.aspx> for more information on the newly elected Board members.

The past three years have been very special for me. I am thankful for the AIR past presidents who gave me wise counsel and to all the members who provided thoughtful ideas and feedback. I appreciate the warm friendship of my fellow Board members, and appreciate knowing that I have an expanded network of colleagues across the country. And I am grateful to our Executive Director, Randy Swing, for all the opportunities he created for the Board to engage with the Gates Foundation, Lumina, and other visionary organizations. This has been a wonderful opportunity, and I can only hope that I have and will continue to serve AIR as well as AIR has served me.

Sincerely,



Julie Carpenter-Hubin
Immediate Past President

Section 5 – Membership

For the third consecutive year, AIR reached a total membership of more than 4,000 individuals. There were no significant shifts across membership types in 2012-2013. Overall, the data show a stable and healthy membership level.

A modest increase in membership occurred for the 2012-13 membership year. The membership fee increased by \$10.00 for full memberships (Professional) to a total of \$135.00. This was the first membership fee increase since 2008-09.

Membership Count as of June 30, 2013* Membership Count by Type – 2008-2009 to 2012-2013

<u>Membership Types</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u> <i>Revised</i>	<u>2011-2012</u>	<u>2012-2013</u>
Distinguished	19	19	20	20	19
Emeritus	114	76	82	82	81
Individual/Full	2,907	2,509	2,494	2,491	2,468
New	479	364	381	382	406
Renewed	2,428	2,145	2,113	2,109	2,062
Individual/Graduate	245	287	274	255	208
New	100	146	132	118	114
Renewed	145	141	142	137	94
Organizational	612	980	1,134	1,171	1,261
New	137	247	291	307	354
Renewed	475	733	843	864	907
Total Memberships	3,897	3,871	4,004	4,019	4,037
% Change from previous year	-6.1%	-0.7%	3.4%	.4%	.4%
# Change from previous year	-235	-26	133	15	18

*Membership count is based on census data as of 6/30.