

Association for Institutional Research



*Data and Decisions
for Higher Education*

Board of Directors Annual Report May 2015

SHARE • NETWORK • LEARN • INSPIRE • ACHIEVE





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

**AIR Annual Board of Directors Report to the Membership
2014–2015
Denver, Colorado
Wednesday, May 27, 2015, 2:00pm – 2:45pm
Convention Center, Room 104**

Table of Contents

Section 1 – President’s Report	1
2014–2015 Board of Directors	2
Section 2 – Financial Report	3
Audit Reports	4
Summary of the Auditors’ Findings	5
Section 3 – Ensuring the Health and Vitality of the Association	6
Ends Policy – AIR’s Purpose.....	6
Resource and Asset Protection Monitoring – Ensuring the Continued Financial Health of the Association.....	6
Board Leadership and Planning for the Future of the Association	6
Research in Higher Education Committee	7
Committee on the Future of Associations	7
Nominations and Elections Advisory Committee.....	7
Section 4 – Immediate Past President/Nominations and Elections Committee Chair	8
Section 5 – Membership	9

Section 1 – President’s Report

On behalf of the Board of Directors of the Association for Institutional Research, I am honored to present the 2014–2015 AIR Annual Board of Directors Report, to you, our colleagues and fellow members. We began our work at the Annual Forum in Orlando, Florida. Building upon the strong foundation laid by previous Boards, we set forth an agenda with a more mature insight into Policy Governance and began focusing on positioning AIR for the future.

One of the first actions by the Board was to gather feedback from the membership on the Ends statement. After reviewing the comments, the Board revised the Ends statement and set a clear purpose for current and future Association activities. Thank you to all who contributed to this process.

AIR exists so that higher education institutions effectively use institutional research data, information, and analysis for decision support in a rapidly changing environment. This must be done within AIR’s available resources.

- *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.*
- *Higher education leaders view institutional research as essential.*

Several committees continued or were appointed to address areas specific to the Board operations or to explore what our association might resemble in the future. The **Research in Higher Education Committee** continued their work reviewing the Board’s relationship with publications that use AIR’s name. The work of the committee led to Board action on the continuance of the long-standing relationship between AIR and *Research in Higher Education*. The **Committee on the Future of Associations** is focusing on the challenges facing associations in general, but specifically how AIR might address its future in order to meet the needs and expectations of its members. The **Nominations and Elections Advisory Committee** is reviewing the nominations and election process and its alignment to policy governance. In addition to these special purpose groups, there are two standing committees, the Nominations and Elections Committee and the Audit Committee. Their work is reported in greater detail in Section 2 and Section 4 of this report.

I encourage 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 accessibility of these documents reflects the Board’s commitment to transparency and accountability.

It has been a tremendous privilege for me to serve you as the president and chief governance officer for the AIR Board of Directors. Even though I have been a member of AIR for many years, I did not fully appreciate the hard work and dedication of the AIR village—your Board of Directors, Randy Swing and the entire staff of the AIR Executive Office, and volunteers—until now. All of us working together to further the IR profession is what it’s all about. AIR is stronger than ever because of our community of practice.

Warmest regards,



Gayle Fink
2014–2015 AIR President

2014–2015 Board of Directors

President

Gayle Fink, Bowie State University

Vice President

Gary Pike, Indiana University-Purdue University Indianapolis

Immediate Past President

Sandi Bramblett, Georgia Institute of Technology

Members at Large

Debbie Dailey, Delaware Valley College

Martha Gray, Ithaca College

Michelle Hall, Southeastern Louisiana University

Heather Kelly (Board Treasurer), University of Delaware

Dawn Kenney, New Mexico Community College

Ellen Peters (Board Secretary), University of Puget Sound

Mauricio Saavedra, California Polytechnic State University

Alice Simpkins, Paine College

Meihua Zhai, University of Georgia

Nominations and Elections Committee

Michelle Appel, University of Maryland-College Park

Timothy Chow, Rose-Hulman Institute of Technology

Jan Lyddon, Organizational Effectiveness Consultants

Soon Merz, Austin Community College

Kathy Schmidtke Felts, University of Missouri-Columbia

Rich Voorhees, Voorhees Group, LLC

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 specific leadership responsibilities to the Board Treasurer, Heather Kelly, for 2014–2015. The Board Treasurer provides leadership for the independent annual audit, including serving as chair of the Board Audit Committee, 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 presenting an annual report of AIR's financial condition at the Annual Forum. The Board Treasurer ensures that the Board has sufficient information to make sound financial policies. 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 handles the executive limitations set by the Board.

The governance policies and executive limitations set by the Board related to finances provide a level of protection, set boundaries, and serve as a warning mechanism not realized prior to board governance.

A Board Audit Committee 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 Committee 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 distributes the annual audit draft and the Committee's findings to the Board for review and acceptance.

The firm of Purvis Gray & Company, Certified Public Accountants of Gainesville, Florida, audited the December 31, 2014 and 2013 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 a very healthy financial position.

The December 31, 2014 audit was discussed by the Audit Committee on April 27, 2015 and the Board accepted the audit draft on May 14, 2015. 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, by phone: 850-385-4155 Ext. 125 or email: jlewis@airweb.org.

Key findings on the current financial health of the Association:

1. Unmodified 2014 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 2014 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. Revenues exceeded expenditures by \$618,838 in 2014. The current total net assets of \$3,948,518 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, 2014,
WITH COMPARATIVE TOTALS FOR 2013
ASSOCIATION FOR INSTITUTIONAL RESEARCH
TALLAHASSEE, FLORIDA**

	ASSETS	
	<u>2014</u>	<u>2013</u>
Current Assets		
Cash and Cash Equivalents	\$ 3,645,035	\$ 2,549,369
Grants and Contract Receivable, Current	232,837	255,005
Accounts Receivable	74,686	56,411
Other Current Assets	103,977	88,000
Total Current Assets	<u>4,056,535</u>	<u>2,948,785</u>
Investments		
Fixed Income Securities	<u>0</u>	<u>204,487</u>
Property and Equipment		
Property and Equipment, Net	<u>647,464</u>	<u>729,832</u>
Total Assets	<u>4,703,999</u>	<u>3,883,104</u>
	LIABILITIES AND NET ASSETS	
Current Liabilities		
Accounts Payable	160,753	80,567
Accrued Compensated Absences	55,860	47,859
Deferred Grant and Contract Revenue	158,449	95,250
Deferred Membership Dues and Other	380,419	329,748
Total Current Liabilities	<u>755,481</u>	<u>553,424</u>
Total Liabilities	<u>755,481</u>	<u>553,424</u>
Net Assets		
Unrestricted Net Assets:		
Board Designated	420,000	420,000
Undesignated	3,460,307	2,845,950
Total Unrestricted	<u>3,880,307</u>	<u>3,265,950</u>
Temporarily Restricted:		
Scholarship Fund	68,211	63,730
Total Net Assets	<u>3,948,518</u>	<u>3,329,680</u>
Total Liabilities and Net Assets	<u>\$ 4,703,999</u>	<u>\$ 3,883,104</u>

Summary of the Auditors' Findings

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014
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.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 not 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 – Ensuring the Health and Vitality of the Association

The AIR Board of Directors has several core responsibilities, including determining the Association’s Ends; ensuring resource availability, asset protection, and overall accountability; and continuously improving governance capacity. Below is a summary of Board activities related to these responsibilities.

Ends Policy – AIR’s Purpose

During 2014, the AIR Board of Directors spent much time ensuring that the Ends policy was timely, relevant, and meaningful. The work of the “Framing the Ends Policy Discussion Working Group” served as the linchpin for the new Ends policy that was unveiled during the 2014 Forum. The Board sought feedback from the membership over the summer and during the August 2014 Board of Directors meeting in Indianapolis, the new Ends policy was adopted. The policy reads as follows:

AIR exists so that higher education institutions effectively use institutional research data, information, and analysis for decision support in a rapidly changing environment. This must be done within AIR’s available resources.

- *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.*
- *Higher education leaders view institutional research as essential.*

Stephen Covey advised us to “begin with the end in mind” in *The 7 Habits of Highly Effective People*. The new Ends policy allows AIR to do just that. The Board monitors the accomplishment of the achievement of the Ends annually (late summer).

Resource and Asset Protection Monitoring – Ensuring the Continued Financial Health of the Association

The Association’s Governance Policies describe unacceptable means for achieving the Ends. These policies, called Executive Limitations, are monitored by the Board on an established schedule. Below is a list of reports and activities related to continuous financial monitoring by the Board over this past year. The monitoring reports mirror the findings in the Section 2 - Financial Report – that AIR is financially sound.

- Monitoring reports
 - Financial Conditions & Activities Report (quarterly)
 - Compensation and Benefits Report
 - Asset Protection Report
 - Financial Planning Report
- Other financial related activities
 - Purvis Gray & Company selected as auditor for 2015–2017
 - Followed up with auditor regarding the late National Science Foundation filing
 - Presentation from Executive Office on AIR’s incorporation and tax status

Board Leadership and Planning for the Future of the Association

The Board of Directors is committed to a governing style that is in accordance with Association’s Constitution and Bylaws and Governance Policies and emphasizes good governance practices, an outward vision, an appreciation of diverse viewpoints, and proactivity rather than reactivity.

One approach to being proactive is to constantly maintain and review our governance policies to ensure expectations are clear and current.

This year, in addition to revising the Ends policy, the Board updated EL II Treatment of Members, GP II Governing Style, GP XI Cost of Governance, GP X Board Committee Structure, GP VII Board Treasurer's Role, and BRC IV Monitoring CEO Performance.

The Board of Directors established two new Board committees during 2014–2015 to support and bring a variety of perspectives to issues facing the Board. These committees were the Committee on the Future of Associations and the Nominations and Elections Advisory Committee. The *Research in Higher Education* Committee continued its work into this year. A summary for each committee is provided below.

Research in Higher Education Committee

The committee was formed in spring 2014 to review the memorandum of understanding between the Association for Institutional Research and Springer publishers regarding *Research in Higher Education (RIHE)*. The committee included Gayle Fink, Sandi Bramblett, Mauricio Saavedra, Hansel Burley, and Gary Pike. Committee members met several times via teleconference to discuss AIR's continuing relationship with Springer and *RIHE*. The committee also shared its findings with the AIR Board of Directors and the Executive Office. The committee was also in communication with representatives of Springer and Dr. Robert Toutkoushian, past president of AIR and editor of *Research in Higher Education*. During the Board's face-to-face meeting in March 2015, the Board held a teleconference with Rob Toutkoushian, and subsequently directed AIR's Chief Executive Officer to negotiate a new memorandum of understanding with Springer in order to continue the long-standing relationship between AIR and *Research in Higher Education*.

Committee on the Future of Associations

Given the change in the professional world and the expectations that members have about professional development, a small group of AIR members and a representative from the Executive Office are reviewing writings and sharing their findings and their personal insights into the future of professional associations. This group represents a wide range of years of experience in institutional research and related activities, varied amounts of involvement in the Association, and different types of institutions and positions. They are focused on the challenges facing associations in general, but specifically how AIR might address its future in order to meet the needs and expectations of its members. The group will prepare a report for the Board of Directors for its review as it considers the strategic direction of the Association. The report will be presented to the Board at its meeting at the Forum in Denver.

Other Board future focused activities included reviewing characteristics of other higher education member associations, discussing services attractive to the millennial member, and discussing possible membership models.

Nominations and Elections Advisory Committee

The Nominations and Election Advisory Committee was formed in March 2015 to review the nominations and election process, determine its alignment to policy governance, and to provide recommendations for Board action. Members of the committee include Gayle Fink, Gary Pike, and past Nominations and Elections Committee Chairs under Policy Governance, Sandi Bramblett, Jennifer Brown, Julie Carpenter-Hubin, and James Trainer. The Advisory Committee, Randy Swing, and Christopher Coogan met at the end of April to review the Constitution and Bylaws related to nominations and elections, examine current governance policies, review recent election data, and share strengths and challenges of the current process. Several recommendations from this group will be shared with the Board in May 2015.

Over the past year, the Board supported good governance practice by electing a Treasurer, Secretary, and Parliamentarian, developing a process for identifying a replacement for a Board member who resigned, supporting further Carver Policy Governance Training, evaluating the May 2014 Board Orientation program, establishing a Board budget, revising as necessary governance policies, and piloting a different Board self-evaluation process.

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

It is my pleasure to submit this report on behalf of the 2014–2015 Nominations and Elections Committee (NEC) for the Association for Institutional Research. My heartfelt thanks goes to the six AIR members who served on the NEC: Michelle Appel (University of Maryland), Timothy Chow (Rose-Hulman Institute of Technology), Jan Lyddon (Organizational Effectiveness Consultants), Soon Merz (Austin Community College), Kathy Schmidtke Felts (University of Missouri-Columbia) and Rick Voorhees (Voorhees Group, LLC). These six wonderful colleagues took their roles very seriously and it was a privilege to serve with them. We were supported by Lisa Gwaltney from the AIR Executive Office. Her experience, organizational skills, and keen insights were critical to the success of the NEC and we owe her a debt of gratitude for her contributions to our work.

Over 100 names were submitted during the nominations process with 40 members completing the required nominations package for consideration by the NEC. Interviews of potential VP candidates took place and a thorough review of all of the nominations packages was conducted to determine the final slate for election. The vote was conducted in February 2015 with the following members called to serve: Glenn James (Vice President); Clifford Adelman, Kara Larkan-Skinner and Jessica Shedd (Members-at-Large); and Marne Einarson, Denise Gardner, and Zhao Yang (NEC members). You can find more information about the 2015 elections at the following website:

<https://www.airweb.org/AboutUs/LeadershipAndGovernance/Elections/Pages/2015-Elections.aspx>

The past three years have been among the most gratifying of my career thanks to my leadership role with the AIR Board of Directors. I am deeply grateful to my fellow Board members and NEC colleagues who give so willingly of their time and talents. I am thankful to have served with Randy Swing in his role as Executive Director of AIR. His energy, professionalism, and knowledge of higher education contribute to the strong foundation that is AIR. Finally, to those of you who took the time to mentor me (and you know who you are), thank you. Every encounter, every email, every phone call led to a moment that taught me well and I am deeply appreciative for the many people who care so much about AIR and the institutional research profession. You inspire me and I will follow your lead by giving back to this great organization, AIR.

Warmest regards,



Sandi Bramblett
2014–2015 Immediate Past President

Section 5 – Membership

This marks the fourth consecutive year that AIR engaged over 4,000 individual members. The 1.7% growth in members exceeds membership growth across most higher education associations.

The report grouped together individual and organizational members under the heading, “Professional,” to recognize that the membership fee, benefits, and privileges of these two membership types are the same.

In all cases, these numbers are for individuals who held membership with no duplicate headcount.

Membership Count as of June 30, 2014* Membership Count by Type – 2009–2010 to 2013–2014

Membership Types	2009– 2010	2010– 2011 <i>Revised</i>	2011– 2012	2012– 2013	2013– 2014
Distinguished	19	20	20	19	19
Emeritus	76	82	82	81	81
Graduate Students	287	274	255	208	202
New	146	132	118	114	110
Renewed/Returning	141	142	137	94	92
Professional	3,489	3,628	3,662	3,729	3,803
New	611	672	689	760	717
Renewed/Returning	2878	2956	2973	2969	3010
Transfer	-	-	-	-	76
Total Memberships	3,871	4,004	4,019	4,037	4,105

Summary of Membership Data

Key Data Points	2009– 2010	2010– 2011 <i>Revised</i>	2011– 2012	2012– 2013	2013– 2014
% Change from previous year	-0.7%	3.4%	0.4%	0.4%	1.7%
# Change from previous year	-26	133	15	18	68
# of new	757	804	807	874	827
# of Renewed/Returning	3,114	3,200	3,212	3,163	3,202
# of Transfers	-	-	-	-	76
Total Number of Members	3,871	4,004	4,019	4,037	4,105

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