



Board of Directors
ANNUAL REPORT
May 2016



ASSOCIATION FOR INSTITUTIONAL RESEARCH
Data and Decisions for Higher Education



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AIR Board of Directors
Annual Report to the Membership
New Orleans, Louisiana
June 1, 2016, 2:00 – 2:45 p.m.
Hyatt Regency

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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 2015-2016 Annual Board of Directors Report. We began our work at the 2015 annual conference, the AIR Forum, in Denver, Colorado. Since that time we have seen several important changes. Times of change can be stressful, but they can also present opportunities for AIR and for institutional research in general.

One of the first actions of the Board of Directors in Denver was to officially approve the Ends statement for the Association.

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.*

There are several significant features of the new Ends statement. First, the focus is on improving the knowledge, skills, and effectiveness of all administrators and staff members in colleges and universities who conduct institutional research. In some cases, these individuals may not be in IR offices, but they all do IR. The second important feature of the Ends statement is that it sets as a goal that institutional decision makers recognize that IR is a central component of the effective function of colleges and universities.

A second significant change during the past year was the decision by the Board of Directors to discontinue the Association’s formal relationship with the scholarly journal *Research in Higher Education*, published by Springer. As noted in the 2014-2015 annual report, the RIHE committee asked AIR’s Chief Executive Officer/Executive Director to negotiate a new memorandum of understanding with Springer. Three sticking points emerged from those negotiations on which AIR and Springer could not agree: (1) the RIHE editor would be a member of AIR; (2) a majority of the consulting editors would be members of AIR; and (3) the editor, or a representative, would attend the AIR Forum each year. When it became apparent that these issues could not be resolved, the Board of Directors voted unanimously to instruct AIR’s CEO to communicate to Springer that *Research in Higher Education* would no longer be the journal of the Association. I am pleased to report that the change in the relationship between AIR and RIHE has been amicable. Authors of scholarly papers presented at the Forum still submit their work to RIHE, even though there is not an official Forum issue. The Board of Directors and the Executive Office continue to encourage AIR members and other IR professionals to read RIHE in order to keep abreast of important research. Each year, AIR hosts a session at the Forum to explain the publication process and encourage members to contribute to the scholarship of institutional research.

A third change for the Association was the resignation of Randy Swing as Executive Director in January 2016. While the departure of the Executive Director has left an opening in the Executive Office, staff members have stepped forward to fill the gap. I want to personally thank *all* of AIR’s staff members for their hard work during this time of transition. The change in leadership has provided the Board with the opportunity to think about the management structure of AIR and the Executive Office. The Board has

named a search committee, which is hard at work to develop a position description and draft a request for proposals (RFP) for a search firm. The Board has also named committees to review governance policies and Ends.

The fourth important event in 2015-2016 was the IR Summit in March, hosted by AIR in Washington, DC. This initiative, funded in part by the Bill & Melinda Gates Foundation, brought together leaders in American higher education to promote the role of institutional research at institutional, state, and federal levels. Thought leaders from presidential associations, government agencies, accrediting bodies, philanthropic groups, and higher education organizations gathered to talk about the importance of data in higher education overall, and IR in support of student success specifically. In addition to the IR Summit, funding by the Bill & Melinda Gates Foundation supported AIR in the design and implementation of a *National Survey of IR Offices*, development and publishing of the *Statement of Aspirational Practice for Institutional Research*, and development of a self-assessment instrument for IR excellence at the institutional level.

This is your Association, and I strongly encourage you to review the documents concerning governance and Board operations that are available to members on the AIR website:

<https://www.airweb.org/AboutUs/LeadershipAndGovernance/Pages/default.aspx>. In addition to Annual Reports, you will find Governance Policies, Bylaws, the AIR Constitution, Board Minutes, Monitoring Reports, and the Audited Financial Statement. The accessibility of these documents reflects the Board's commitment to transparency and accountability.

It has been a privilege for me to serve as the 2015-2016 President and chief governance officer for the AIR Board of Directors. I have been a member of AIR for more than 25 years, but I did not fully appreciate the hard work and dedication of everyone in AIR—the members who volunteer their time and effort, the Executive Office staff, and the Board of Directors—until I served as President. I want to thank all of you for what you have done for me, and more importantly, what you have done for AIR.

Thank you and regards,

Gary R. Pike
2015-2016 AIR President

2015–2016 Board of Directors

President

Gary Pike, Indiana University-Purdue University Indianapolis

Vice President

Glenn James, Tennessee Tech University

Immediate Past President

Gayle Fink, Bowie State University

Members at Large

Clifford Adelman, Institute for Higher Education Policy

Debbie Dailey, Delaware Valley College

Martha Gray, Ithaca College (Retired)

Michelle Hall (Treasurer), Southeastern Louisiana University

Dawn Kenney, Central New Mexico Community College

Kara Larkin-Skinner, Our Lady of the Lake University

F. Mauricio Saavedra, California Polytechnic State University

Jessica Shedd (Secretary), University of Texas System

Meihua Zhai, University of Georgia

Nominations and Elections Committee

Gayle Fink (Chair), Bowie State University

Michelle Appel, University of Maryland-College Park

Marne Einarson, Cornell University

Denise Gardner, University of Tennessee

Kathy Schmidtke Felts, University of Missouri-Columbia

Rick Voorhees, Voorhees Group, LLC

Eric (Zhao) Yang, University of South Carolina

Section 2 – Financial Report

While the AIR Board of Directors as a whole is responsible for overseeing the financial health of the organization, the Board delegated specific leadership responsibilities to the Board Treasurer, Michelle Hall, for 2015–2016. The Board Treasurer provides leadership for the independent annual audit, which 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 finances—(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.

The firm of Purvis, Gray & Company, Certified Public Accountants of Gainesville, Florida, audited the 2014 and 2015 financial statements of the Association. The auditors issued a clean report 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, 2015 audit was discussed and accepted by the Board on May 5, 2016. 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, Interim Executive Director: 850-385-4155 Ext. 125 or jlewis@airweb.org.

Key findings on the current financial health of the Association:

1. Unmodified 2015 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 2015 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 \$21,575 in 2015. The current total net assets of \$3,970,093 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 Audit Reports section below.

Audit Reports

STATEMENTS OF FINANCIAL POSITION
 DECEMBER 31, 2015,
 WITH COMPARATIVE TOTALS FOR 2014
 ASSOCIATION FOR INSTITUTIONAL RESEARCH
 TALLAHASSEE, FLORIDA

	<u>2015</u>	<u>2014</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 1,869,522	\$ 3,645,035
Grants and Contract Receivable, Current	494,363	232,837
Accounts Receivable	79,046	74,686
Other Current Assets	67,191	103,977
Total Current Assets	<u>2,510,122</u>	<u>4,056,535</u>
Investments		
Fixed Income Securities	1,983,352	0
Property and Equipment		
Property and Equipment, Net	599,529	647,464
Total Assets	<u>5,093,003</u>	<u>4,703,999</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	171,626	160,753
Accrued Compensated Absences	65,185	55,860
Deferred Grant and Contract Revenue	492,091	158,449
Deferred Membership Dues and Other	394,008	380,419
Total Current Liabilities	<u>1,122,910</u>	<u>755,481</u>
Total Liabilities	<u>1,122,910</u>	<u>755,481</u>
Net Assets		
Unrestricted Net Assets:		
Board Designated	420,000	420,000
Undesignated	3,482,620	3,460,307
Total Unrestricted	<u>3,902,620</u>	<u>3,880,307</u>
Temporarily Restricted:		
Scholarship Fund	67,473	68,211
Total Net Assets	<u>3,970,093</u>	<u>3,948,518</u>
Total Liabilities and Net Assets	<u>\$ 5,093,003</u>	<u>\$ 4,703,999</u>

Summary of the Auditors' Findings

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015
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 200.516 of the Uniform Guidance:**

The audit disclosed no findings that are required to be reported under Section 200.516 of the Uniform Guidance.

7. **Major Federal Programs:**

<u>Federal Program</u>	<u>CFDA No.</u>
Research Triangle Institute (RTI) International	84.EDIES09C0056

8. **Threshold:**

The threshold for distinguishing Type A or Type B programs was \$750,000 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

CEO Search Committee

Appointed by President Gary Pike, the CEO Search Committee was formed in April 2016 to conduct the search for the Executive Director of the Association. Members of the committee are Debbie Dailey, Delaware Valley University; Mardy Eimers, University of Missouri; Glenn James (chairperson), Tennessee Tech University; Gina Johnson, AIR Executive Office; Dawn Kenney, Central New Mexico Community College; Kara Larkan-Skinner, Our Lady of the Lake University; C. Ellen Peters, University of Puget Sound; Mary Sapp, University of Miami (Retired); and Michael Tamada, Reed College. The CEO Search Committee is charged with the overall responsibility of overseeing the recruitment and review of Executive Director candidates and will make a recommendation of at least two and not more than three candidates for final consideration by the Board of Directors. The Search Committee will work with a search firm and will solicit candidates for the Executive Director position, review and screen applications, gather documentation about credentials, conduct initial interviews, and make a final recommendation to the Board of Directors about the finalists for the position. Initial aspects of the search process are underway, and once a search firm is selected, the committee will work closely with the firm. The Search Committee is committed to helping the Board of Directors and the Association secure an outstanding Executive Director.

Review of Policies Committee

The Review of Policies committee was formed in early Spring 2016 to review the Governance Policies for the Association. The committee is charged with ensuring all policies are up-to-date and are reflective of the Association's needs and expectations in advance of hiring a new CEO. Committee members include Gayle Fink, Bowie State University; Michelle Hall, Southeastern Louisiana University; F. Mauricio Saavedra, California Polytechnic State University; Jessica Shedd, University of Texas System; and Meihau Zhai, University of Georgia. The committee met in person in conjunction with the March 2016 Board Meeting in Washington, DC and also met via teleconference throughout the spring. The Board discussed the committee's recommendations at the May 2016 meeting.

Research in Higher Education Committee

The RIHE 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*. The committee members were Gayle Fink, Bowie State University; Sandi Bramblett, Georgia Institute of Technology; F. Mauricio Saavedra, California Polytechnic State University; Hansel Burley, Texas Tech University; and Gary Pike, Indiana University-Purdue University Indianapolis. Prior to the 2015 Annual Forum, the committee directed AIR's Chief Executive Officer to negotiate a new memorandum of understanding with Springer. From that point, all decisions regarding the memorandum of understanding were made by the full Board of Directors, and the work of the committee was discontinued.

Committee on the Future of Associations

Given the change in the professional world and the expectations that AIR members have for professional development, 2014-2015 Board President Gayle Fink appointed an ad hoc committee to review a number of articles on the changing landscape for associations. The committee was asked to share their collective impressions with the Board of Directors. Co-chairs of the group were Board member Debbie Dailey, Delaware Valley University, and then-Board member Alice Simpkins, Paine College. Committee members were Kristen Erskine, Whitman College; Eric Godin, AIR Executive Office; Jim Lenio, Walden University; and Karen Webber, University of Georgia.

The AIR Executive Office provided a number of articles and papers that addressed the challenges faced by associations today. Each member of the group was asked to read specific documents and to respond to

three questions:

1. What is the central message of the article or paper?
2. How does this message potentially, or actually, affect the Association for Institutional Research, now and in the future?
3. From your personal perspective, what is the takeaway that you want to share with the AIR Board?

The materials reviewed by the group provided information about structural impediments in the effective function of organizations, as well as insight into the challenges faced in engaging a new generation of professionals. Topics also included how to find the right combination of services for the right price that drive participation decisions for current or potential members. The committee focused on how these challenges might impact AIR and raised questions that should be considered by the Board as the Association seeks to navigate these challenges.

A preliminary report of the work was presented to the AIR Board at its meeting during the 2015 Forum, and a final report was shared at the Fall 2015 face-to-face meeting in Dallas.

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

It is my pleasure to submit this report on behalf of the 2015-2016 AIR Nominations and Elections Committee (NEC). My whole-hearted thanks goes to the six AIR members who served on the NEC: Michelle Appel, University of Maryland-College Park; Marne Einarson, Cornell University; Denise Gardner, University of Tennessee; Kathy Schmidtke Felts, University of Missouri-Columbia; Rick Voorhees, Voorhees Group, LLC; and Eric (Zhao) Yang, University of South Carolina. These six delightful 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.

More than 90 names were submitted during the nominations process, and 44 individuals completed the required nominations package for consideration by the NEC. Interviews of potential candidates for the Vice President position took place, and all nominations packages were thoroughly reviewed to determine the final slate for election. The election was conducted in February 2016; 653 AIR members voted in the election, and the results were as follows:

- **Vice President:** C. Ellen Peters, University of Puget Sound.
- **Members at Large:** Timothy Chow, Rose-Hulman Institute of Technology; Sara Gravitt, Wake Forest University; and Michael Tamada, Reed College.
- **NEC members:** Eric Atchison, Mississippi Board of Trustees of State Institutions of Higher Learning; Mimi Johnson, H. Councill Trenholm State Community College; and Heather Kelly, University of Delaware.

More information about the 2016 elections is available on the AIR website:

<https://www.airweb.org/AboutUs/LeadershipAndGovernance/Elections/Pages/2016-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. Finally, to those of you who took the time to mentor me (and you know who you are), thank you! I am deeply appreciative of 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!

Warmest regards,

Gayle Fink
Immediate Past President

Section 5 – Membership

For the fifth consecutive year, AIR membership has exceeded 4,000 members. The total 2014-2015 membership was 4,102. There was a slight decline in total membership from the previous year (0.19%). In 2014-2015,

- 78% of members were renewed or returning;
- 71 memberships were transferred; and
- 634 promotional memberships were granted. New and returning members who purchased 2015 Forum registration were awarded a complimentary membership for the remainder of the 2014-2015 membership year. This action closed the gap between the time a membership was purchased and the member’s ability to access the full benefits and resources of the Association.

Membership Count as of June 30, 2015 Membership Count by Type – 2010-2011 to 2014-2015

Membership Types	2010–2011 Revised	2011–2012	2012–2013	2013–2014 Revised	2014–2015
Distinguished	20	20	19	20	19
Emeritus	82	82	81	85	88
Graduate Students	274	255	208	202	161
New	132	118	114	110	85
Renewed/Returning	142	137	94	92	76
Professional	3,628	3,662	3,729	3,803	3,834
New	672	689	760	717	733
Renewed/Returning	2,956	2,973	2,969	3,010	3,030
Transfer	-	-	-	76	71
Total Memberships	4,004	4,019	4,037	4,110	4,102

Summary of Membership Data

Key Data Points	2010–2011 Revised	2011–2012	2012–2013	2013–2014 Revised	2014–2015
% Change from Previous Year	3.40%	0.37%	0.45%	1.81%	-0.19%
# Change from Previous Year	133	15	18	73	-8
# of New	804	807	874	827	818
# of Renewed/Returning	3,200	3,212	3,163	3,207	3,213
# of Transfers	-	-	-	76	71
Total Number of Members	4,004	4,019	4,037	4,110	4,102
Promotional (Not Included in Total Membership)					634
Graduate Student					32
Professional					602