Proposed Changes in Governance, Dues, and Commission Procedures

Webinar • May 28, 2014
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Proposed changes

• Governance
  Daniel Aleshire

• Commission Procedures
  Tom Tanner

• Dues Structure
  Daniel Aleshire
In the pdf of the Biennial Meeting *Program and Reports* book, on the ATS website at

Through the links in the first line of the webpage devoted to the proposals at
http://www.ats.edu/ats-membership-consider-governance-dues-and-procedural-changes-0
Questions?

Write to webinar@ats.edu.
ATS Webinar on Proposed Changes

Part 1 of 3

Governance

Daniel Aleshire
Proposed governance changes

- Recognize the value of a unitary ATS staff that serves the functions overseen by both the ATS Board of Directors and the COA Board of Commissioners. A unitary staff is more economical and provides for maximum staff coordination across functions.
Proposed governance changes

• Enhance the coordination of the work conducted by the two boards. While respecting the independence of decisions for their respective functions, ongoing coordination ensures that the work of the boards will best serve member schools.
Proposed governance changes

• Ensure that ATS/COA corporate structures address the needs of both the Board of Directors and the Board of Commissioners.

• Provide for close cooperation between the two boards in anticipating and responding effectively to dramatic and fast-paced changes in theological education.
Recommendations for action

1. That the COA Bylaws be revised so that the Chair, Vice Chair, and Commission Representative to the ATS Board be elected by member schools of the Commission rather than by the Board of Commissioners.

2. That the ATS Bylaws be revised so that the Personnel Committee be replaced with a new Coordinating Committee that includes, among other duties, those currently assigned to the Personnel Committee.

3. That the Bylaws of both ATS and COA be amended (1) to provide for a Coordinating Committee, comprising the officers of the Association and Commission, whose duties include coordinating the work of the Commission and Association, administration of personnel issues and policy with appropriate recommendations to the ATS Board of Directors, and interpreting the work of each board to the other, and (2) to clarify the role and responsibility of the Executive Director in the Commission as well as the Association.
Section 5.5 Personnel Coordinating Committee

The Personnel Committee shall consist of the President, Vice President, Secretary, Treasurer, immediate past President of the Association, the Commission Representative to ATS, and the immediate past Chair of the Commission on Accrediting. The Personnel Committee shall oversee the implementation of personnel policies of the Association, consult with the Executive Director regarding personnel issues, recommend compensation ranges, recommend changes to personnel policies to the Board, and evaluate and review the performance of the Executive Director. The Coordinating Committee shall consist of the President, Vice President, Secretary, and Treasurer of the Association, and of the Chair of the Commission, the Vice Chair of the Commission, the Commission representative to ATS, and the immediate past president of the Association, who will serve as a member of and chair of the Coordinating Committee. The Coordinating Committee has two primary functions: (1) It shall oversee the implementation of personnel policies of the Association, consult with the Executive Director regarding personnel issues, recommend compensation ranges, recommend changes to personnel policies to the ATS Board of Directors, and review and evaluate the performance of the Executive Director. (2) It will provide a venue for interpreting the work of the ATS Board of Directors and the work of the Board of Commissioners to one another and for coordinating that work on behalf of their respective member schools, respecting the independent missions and authority of the two boards.
Commission Bylaws

Section 5.5  Reserved-Coordinating Committee

The Coordinating Committee shall consist of the President, Vice President, Secretary, and Treasurer of the Association, and of the Chair of the Commission, the Vice Chair of the Commission, the Commission representative to the ATS, and the immediate past president of the Association, who will serve as a member of the committee and chair it. The Coordinating Committee has two primary functions: (1) It shall oversee the implementation of personnel policies of the Association, consult with the Executive Director regarding personnel issues, recommend compensation ranges, recommend changes to personnel policies to the ATS Board of Directors, and review and evaluate the performance of the Executive Director. (2) It will provide a venue for interpreting the work of the ATS Board of Directors and the work of the Board of Commissioners to one another and for coordinating that work on behalf of their respective member schools, respecting the independent missions and authority of the two boards.
Section 4.3 Nomination and Election

The Board of Commissioners shall elect the Chair and Vice Chair from among the Commissioners. At least thirty (30) days prior to the Biennial Meeting or any special meeting held to elect officers, the Nominating Committee shall nominate one or more persons for consideration for the positions of Chair, Vice Chair, and Commission Representative to ATS. The nominee for chair must be a current member of the Board of Commissioners. At the Biennial Meeting or a special meeting called for that purpose, the Members shall elect these officers from among the persons nominated (a) by the Nominating Committee or (b) if any Member submits a petition signed by at least five (5) Members and the written consent(s) of the person(s) nominated, from the floor. Unless otherwise specified at the time of election, new officers shall take office at the conclusion of the meeting at which they are elected.

The Board of Commissioners shall elect the Secretary from among the director staff members who support the work of the Commission. The Vice Chair serves as Treasurer by virtue of office (see 4.6)
Section 4.9 Other Officers; Commission Representative to ATS and Other Officers

The Commission Representative to ATS shall be a current member of the Board of Commissioners and serve with voice and vote on the ATS Board of Directors.

Each other officer shall have such responsibilities and perform such duties as may be prescribed by the Members or the Board of Commissioners from time to time. Each assistant officer shall carry out the responsibilities and duties of the officer that the assistant officer assists in the event such officer is unable to perform such responsibilities or duties, except that no assistant officer shall become a Commissioner solely by virtue of being an assistant officer. The Board of Commissioners shall designate one Commissioner as the Commission Representative to ATS, who shall serve as an ex officio Director of ATS.
2004
Personnel Committee structure

• **Election by ATS member schools:**
  ATS President
  ATS Vice President
  ATS Secretary
  ATS Treasurer

• **Election by Board of Commissioners:**
  Previous Chair
  Current BOC representative to the ATS Board

• **Chaired by immediate past ATS President**
Proposed 2014 Coordinating Committee structure

• **Election by ATS member schools:**
  ATS President
  ATS Vice-President
  ATS Secretary
  ATS Treasurer

• **Election by Commission Member schools:**
  COA Chair
  COA Vice Chair
  COA Representative to ATS Board

• **Chaired by immediate past President of ATS**
Questions on proposed governance changes?

Write to webinar@ats.edu.
ATS Webinar on Proposed Changes
Part 2 of 3
Commission Procedures

Tom Tanner
Proposed Changes in *Commission Procedures*

- Revisions to *Procedures* occur regularly
- Proposed changes result of year-long study by Board of Commissioners Task Force
- Focus next 10 minutes on 10 key changes
- Reminder: If you have questions, email webinar@ats.edu
#1 Change Highlighted Today

**New Title**

**Simpler title (5 words vs. 17)**

**Clearer title (both policies and procedures)**

**Two “normative” documents: Standards and Procedures**
Increasing number of embedded schools (35%)

Many schools also offer undergraduate programs, so need to clarify what Commission scope is
#3 Change Highlighted Today

Clarify “Teach-Out Plans” Policy
(Section III.E.2—modified)

116 e 2. if the institution notifies the Board of Commissioners that it intends to cease operations or
terminate a degree program entirely or close a location that provides one hundred
percent of at least one program.⁹

⁹Terminating a degree alone is not considered a substantive change requiring a petition and a teach-out plan—just
notification (as section V.D below makes clear); closing a site offering a complete degree is considered a substantive change
with a required teach-out plan.
“Approval of Substantive Changes”

(Section VII.C.1—modified)

C. Through monitoring approval of substantive changes 24

1. Substantive changes that require petitioning for Board approval include the following:
   a. change in an institution’s fundamental mission, legal status, ownership, name, location, or governing control of an institution;
   b. change in location(s) at which an institution conducts its educational programs offers at least 50 percent of an educational program (see VI above);
   c. introduction of a program of six or more distance learning courses (see VI above);
Changing Program Hours

(Section VII.C.1.d—modified)

269  d. the offering of a new degree program (see V above); or major changes in the total hours required for an approved degree; the termination of an approved degree program; or

270  

26 Simply reducing the total hours for an approved degree program no longer automatically constitutes a substantive change; see section 3.c below.

Minimum hours for MDiv = 72 and for MA = 36
#6 Change Highlighted Today

Changes for Staff Action
(Section VII.C.3—added)

3. In addition to substantive changes that require petitioning the Board for approval, certain other significant, but nonsubstantive changes require either a petition or notification to Commission staff.

Primarily petitions for change in degree name and new extension sites offering less than half a degree

Expedite process for member schools
Commission staff act collectively, not individually
#7 Change Highlighted Today

**Midterm Quality Improvement Report**
(Section VII.D.3—added)

3. The Board of Commissioners will normally require a special midterm quality improvement report halfway through any period of accreditation that is six years or longer in length, noting in the action letter granting that accreditation any special areas to be addressed. The primary purpose of this special progress report is for member schools to document quality improvements and describe key changes and challenges since the last comprehensive visit, particularly any that impact institutional vitality (as described in the General Institutional Standards) and educational quality (as described in the Educational and Degree Program Standards). Guidelines for the preparation of this special report are provided by the Board of Commissioners. The use of this special progress report should reduce the number of other reports described in VII.D.1 above.  

**Goals:** Focus on improvement, not compliance
Reduce number of reports schools have to submit
[now average nearly one every other year]
Emphasize that a notation is a “warning” (have two years to address)

Reduce the number of notations (from 66 to 25) (focus on most significant issues)
Two New Board Actions
(Section VII.I—added)

I. **Letter of Concern and Show Cause Order**

1. The Board of Commissioners may issue a nonpublic Letter of Concern prior to imposing a public notation if it determines that an institution, though still meeting the standards, has not responded appropriately to concerns it has raised or if it sees issues arising that need the institution’s immediate and serious attention. The Letter of Concern will specify the exact nature of the concern(s) or issue(s), including instructions regarding any interactions expected with the Board (e.g., any report(s) to be submitted or any visit(s) to be scheduled, as well as a timetable for any such interactions).

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34 These two new Board actions are intended to provide schools an opportunity to address concerns before the Board considers imposing (1) a notation or (2) probation or withdrawal of accreditation.
Two New Board Actions
(Section VII.1—added)

2. The Board of Commissioners may issue a **Show Cause Order** prior to imposing probation or prior to withdrawing accreditation, though it is under no obligation to do so. A Show Cause Order provides an opportunity for an institution to demonstrate to the Board beforehand why probation should not be imposed or why accreditation should not be withdrawn. A Show Cause Order is normally reserved for situations of a very serious nature that come unexpectedly to the Board’s attention and indicate that the school may not be meeting one or more standards. The Show Cause Order will specify the time frame in which the institution must respond (not to exceed six months), the reason(s) for the Board’s action, and any required action(s), such as site visits or written reports. The Show Cause Order may be public or private, at the Board’s discretion.
Updated Policy on “Joint Visits”
(Section XIII—modified)

XIII. Dual accreditation

D. Schools accredited by the Commission on Accrediting and other recognized accrediting agencies in the United States and Canada may request a joint comprehensive evaluation visit conducted by both agencies. The Commission on Accrediting will conduct joint visits if the other agency agrees, and if the joint evaluation procedures do not compromise the independence and consistency of the Board of Commissioners’ accreditation decisions. Member schools that are dually accredited and desire to host a joint or coordinated visit should consult with Commission staff at least a year prior to the visit.36

Recognize new reality that “joint” visits are nearly extinct
Several agencies do allow “coordinated” or “concurrent” visits
Questions on proposed changes to Commission Policies and Procedures?

Write to webinar@ats.edu.
ATS Webinar on Proposed Changes
Part 3 of 3
Dues Structure

Daniel Aleshire
Brief history

• The dues formula was changed in 1996 to accommodate changes in accounting rules and the resulting ways in which ATS schools reported expenditures on the Annual Report Forms—the change was revenue neutral to ATS.

• The dues formula was changed in 2006 to increase revenue to ATS, beginning in 2008.

• The dues are divided 75% to the Commission and 25% to the Association.
How the formula functions

Dues are calculated on the basis of total expenditures less scholarship and fellowship expenses.

Current dues formula:

1. .0025 X adjusted expenditures up to $1,797,000

2. Plus .0003 X total of any adjusted expenditures between $1,797,000 and $4,192,000

3. Plus .00015 X total of any adjusted expenditures above $4,192,000
Current dues for a school with $5.0 million in adjusted expenditures would be:

\[0.0025 \times 1,797,000 = \$4,492\]
\[0.0003 \times 2,395,000 = 718\]
\[0.00015 \times 808,000 = 121\]

Total = $5,331
ATS revenue increases if expenditures of schools increase, if there are more schools that pay dues, or if the threshold in the tiers increases.

The action in 2006 included an annual increase in dues tiers of 3% or US CPI – whichever is less.
## Dues FY09-FY13

<table>
<thead>
<tr>
<th></th>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Dues Revenue</strong></td>
<td>$1,176,660</td>
<td>$1,186,376</td>
<td>$1,243,847</td>
<td>$1,240,133</td>
<td>$1,300,492</td>
</tr>
<tr>
<td><strong>Number of Schools</strong></td>
<td>252</td>
<td>251</td>
<td>260</td>
<td>260</td>
<td>273</td>
</tr>
<tr>
<td><strong>Average Dues</strong></td>
<td>$4,670</td>
<td>$4,730</td>
<td>$4,780</td>
<td>$4,770</td>
<td>$4,760</td>
</tr>
</tbody>
</table>
The year the most recent change in the formula was implemented, 2008–2009, the average membership dues increased 10 percent. In the four years since 2008-2009, the average dues increase represented a cumulative increase in revenue across the past five years of about 2 percent.
The change in dues revenue over time has a different impact on ATS than on COA.

- ATS derives 10% of its total revenue from dues and 90% from grants, tuition and fees, and investment earnings.

- COA derives 80% of its revenue from dues and 20% from accrediting fees and reimbursements.
While revenue has been relatively flat, the workload of the Commission on Accrediting has been increasing significantly.

<table>
<thead>
<tr>
<th></th>
<th>2008-2010</th>
<th>2010-2012</th>
<th>2012-2014*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comprehensive Evaluation Visits</td>
<td>55</td>
<td>68</td>
<td>58</td>
</tr>
<tr>
<td>Focused Visits</td>
<td>22</td>
<td>27</td>
<td>45</td>
</tr>
<tr>
<td>Visits for Initial Accreditation</td>
<td>3</td>
<td>6</td>
<td>11</td>
</tr>
<tr>
<td>Staff Visits for Candidacy</td>
<td>4</td>
<td>8</td>
<td>13</td>
</tr>
<tr>
<td><strong>Subtotal of Visit Actions</strong></td>
<td>84</td>
<td>109</td>
<td>127</td>
</tr>
<tr>
<td>Petitions Submitted</td>
<td>219</td>
<td>228</td>
<td>306</td>
</tr>
<tr>
<td>Reports Received</td>
<td>200</td>
<td>169</td>
<td>230</td>
</tr>
<tr>
<td>Notations Imposed/Removed</td>
<td>31</td>
<td>18</td>
<td>48</td>
</tr>
<tr>
<td><strong>Subtotal of Non-Visit Actions</strong></td>
<td>450</td>
<td>415</td>
<td>584</td>
</tr>
<tr>
<td><strong>Total Board Actions</strong></td>
<td>534</td>
<td>524</td>
<td>711</td>
</tr>
</tbody>
</table>

*The totals for 2012-14 reflect the estimated actions to be taken in June 2014.
## Commission Budget

<table>
<thead>
<tr>
<th>COA</th>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member Dues</td>
<td>$ 882,495</td>
<td>$ 889,782</td>
<td>$ 932,885</td>
<td>$ 930,100</td>
<td>$ 975,369</td>
</tr>
<tr>
<td>Fees &amp; Reimbursements</td>
<td>201,849</td>
<td>242,445</td>
<td>235,456</td>
<td>195,295</td>
<td>231,050</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>$1,084,344</strong></td>
<td><strong>$1,132,227</strong></td>
<td><strong>$1,168,341</strong></td>
<td><strong>$1,125,395</strong></td>
<td><strong>$1,206,419</strong></td>
</tr>
<tr>
<td>Direct Expenses</td>
<td>936,655</td>
<td>817,247</td>
<td>900,915</td>
<td>982,982</td>
<td>1,126,937</td>
</tr>
<tr>
<td>Indirect Services Contracted</td>
<td>184,000</td>
<td>205,000</td>
<td>205,000</td>
<td>221,000</td>
<td>221,000</td>
</tr>
<tr>
<td>Indirect Expenses Paid</td>
<td>177,185</td>
<td>138,236</td>
<td>179,000</td>
<td>160,000</td>
<td>134,300</td>
</tr>
<tr>
<td>Surplus (deficit)</td>
<td>(29,496)</td>
<td>176,744</td>
<td>88,426</td>
<td>(17,587)</td>
<td>(54,818)</td>
</tr>
</tbody>
</table>
## Fees and average member dues charged by various accrediting agencies

<table>
<thead>
<tr>
<th></th>
<th>ATS</th>
<th>ABHE</th>
<th>TRACS</th>
<th>HLC</th>
<th>SACS</th>
<th>MSCHE</th>
<th>NEASC</th>
<th>WASC</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Annual Dues</strong></td>
<td>4,760</td>
<td>6,600</td>
<td>9,300</td>
<td>2,750</td>
<td>5,000</td>
<td>1,844</td>
<td>6,465</td>
<td>9,442</td>
</tr>
<tr>
<td><strong>Comprehensive Visits (less travel)</strong></td>
<td>2,300</td>
<td>4,000</td>
<td>5,500</td>
<td>5,800</td>
<td>4,500</td>
<td>5,938</td>
<td>6,465</td>
<td>10,000</td>
</tr>
<tr>
<td><strong>Focused Visits (less travel)</strong></td>
<td>1,800</td>
<td>2,500</td>
<td>3,200</td>
<td>2,900</td>
<td>2,000</td>
<td>922</td>
<td>3,233</td>
<td>5,000</td>
</tr>
<tr>
<td><strong>Application Fee</strong></td>
<td>5,000</td>
<td>5,000</td>
<td>6,000</td>
<td>23,500</td>
<td>10,000</td>
<td>14,845</td>
<td>10,000</td>
<td>12,500</td>
</tr>
<tr>
<td><strong>Petitions</strong></td>
<td>250</td>
<td>250</td>
<td>900</td>
<td>825</td>
<td>300</td>
<td>950+</td>
<td>0</td>
<td>2-5,000</td>
</tr>
</tbody>
</table>

* Figures for all agencies based on average ATS school size of 155 students
Reasons for recommended dues increase

• The current dues formula is not providing sufficient revenue for the work of the Commission on Accrediting, had work remained the same since 2008.

• The work has increased significantly in the most recent years as schools are attempting to do more and more and to meet new requirements of governmental regulation.

• The work primarily takes the form of increased personnel time as the staff and Board of Commissioners have sought to provide the helpful and supportive pattern of director level staff engagement for member schools.
Proposed dues change

• Shifts tiers to increase revenue by 10% in 2015-16
• Adjusts tiers annually so tiers increase by 3% or US CPI, whichever is less
• Sets minimum annual dues at $1,000
Tiers based on total expenditures less scholarship

Current 2013-14 tiers
- \(0.0025 \times \) up to $1,797,000
- \(0.0003 \times \) $1,797,000 - $4,192,000
- \(0.00015 \times \) above $4,192,000

Total average = $4,900

Proposed 2015-16 tiers
- \(0.0025 \times \) up to $2,150,000
- \(0.0003 \times \) $2,150,000 - $5,000,000
- \(0.00015 \times \) above $5,000,000

Total average = $5,400
Questions on any of the proposed changes?

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We hope to see you at the Biennial Meeting

Resourcing Theological Education

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