

Impact



68

ORIGINAL TITLES
IN PRINT BY AGB
PRESS, INCLUDING
6 VOLUMES IN
THE BEST SELLING
EFFECTIVE
COMMITTEES SERIES

AGB ASSOCIATION OF
GOVERNING BOARDS
OF UNIVERSITIES AND COLLEGES

2,300⁺

AGB MEMBERS WHO TOOK PART
IN EVENTS IN 2012, INCLUDING
RECORD-BREAKING ATTENDANCE AT
THE 2012 NATIONAL CONFERENCE
ON TRUSTESHIP AND FOUNDATION
LEADERSHIP FORUM

140

CONSULTING
ENGAGEMENTS

17k

VISITORS TO
WWW.AGB.ORG
IN THE DAYS
FOLLOWING THE
RELEASE OF TRUST,
ACCOUNTABILITY,
AND INTEGRITY

38%

INCREASE IN CORPORATE
SPONSORSHIPS IN 2012

A Word on Governance and AGB's *Impact in 2012*



Hon. James E. (Jim) Geringer
Chair, AGB Board of Directors
Chair, Western Governors University Board of Trustees
Former Governor of Wyoming



Richard D. Legon
President, AGB

AGB Senior Leadership

Susan Whealler Johnston
Executive Vice President and Chief Operating Officer

Richard Novak
Senior Vice President for Programs and Research

Jamie Ferrare
Senior Vice President and Managing Principal, AGB Search

Sarah Hardesty Bray
Vice President for Communications and Marketing

Peter Eckel
Vice President for Governance and Leadership Programs

Maria Nazareth
Vice President for Finance

American colleges and universities are distinguished by their distinct form of governance: independent boards of volunteer trustees. For more than 375 years, these citizen leaders have served higher education and the public, and they must continue to strategically face the challenges of today to meet the needs of tomorrow.

2012 brought new demands on colleges and universities to ensure that significantly more students receive a quality education at a reasonable price, even as institutional resources continue to be severely limited. Our institutions are also confronting growing government and regulatory oversight and declining public faith in the value of higher education. Now more than ever before, boards must strike an effective balance between traditional oversight and the need to meet growing public expectations.

As the only national association that serves volunteer governing boards and senior campus administrators on issues related to higher education governance, the Association of Governing Boards of Universities and Colleges (AGB) is pleased to be the premier source of guidance and expertise to more than 36,000 individuals at over 1,900 member institutions. AGB is dedicated to the advancement of board members, and our impact can be seen through our programs and services for campuses, advocacy in the public sphere, and broad array of valuable resources.

At the heart of any academic institution or affiliated foundation—and at the core of a board's responsibilities—is the support of students. Thus, in 2012, AGB made an impact on campuses by focusing on matters facing students. AGB began work on a two-year grant from the Teagle Foundation to improve board oversight of student learning. Recognizing that students' educations are all too often cut short by financial concerns, we also partnered with the National Association of College and University Business Officers (NACUBO) and the Robert W. Woodruff Foundation to address policy issues related to institutional financial aid. And we continued our efforts to define the board's responsibilities for intercollegiate athletics as part of a special report sponsored by the Knight Commission on Intercollegiate Athletics.

This past year, AGB's impact extended off campus, as well. As advocates for good governance, AGB defended the necessary independence of institutional and affiliated boards with our *Statement on External Influences*. We led efforts to educate the Securities and Exchange Commission (SEC) on the consequences of their impending municipal advisor rule and worked with other associations to retain the tax-exempt status of charitable contributions. And we took the message of America's volunteer board governance to institutional leaders across the globe when AGB's senior leadership traveled abroad in August for a meeting of the Thailand Association of Governing Boards.

To meet the needs of our diverse membership, AGB introduced regional meetings and expanded its offering of webinars in 2012. We increased the accessibility of *Trusteeship* by offering it in iPad app form. And through AGB Press, we released thoughtful and compelling publications, including the second edition of Peter Ewell's bestselling *Making the Grade*.

We at AGB are proud of our accomplishments and hope to share a few of them with you through this annual report. For over 90 years, we have served the changing needs of our members, and we stand more committed than ever to strengthening, protecting, and advocating for the governance drivers of higher education, its citizen trustees.

Sincerely,

Hon. James E. (Jim) Geringer

Richard D. Legon

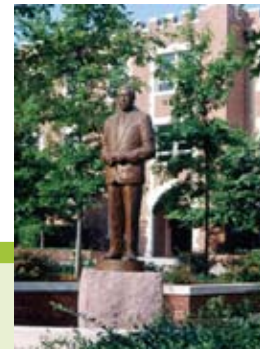


Making an Impact on Campuses

Student Learning

As part of its grant from the Teagle Foundation, AGB convened 53 higher education leaders in Washington, D.C., to kick off *Improving Board Oversight of Student Learning*, a two-year project to develop the necessary tools for university and college boards to work more effectively with campus leaders and faculty on assessing student learning. The project, directed by AGB Senior Fellow Ellen-Earle Chaffee and AGB Vice President for Governance and Leadership Programs Peter Eckel, will result in nine case studies, board-level metrics, and specific resources for boards to use in this fundamental element of their fiduciary responsibility.

“AMONG THE CRITICAL RESPONSIBILITIES OF GOVERNING BOARDS OF COLLEGES AND UNIVERSITIES IS OVERSIGHT OF EDUCATIONAL QUALITY.” —SUSAN WHEELER JOHNSTON, AGB



Institutional Financial Aid

Understanding that students' experiences extend beyond the classroom, AGB has partnered with the National Association of College and University Business Officers (NACUBO) to assist boards in addressing policy issues related to institutional financial aid. This work is funded by a grant from the Robert W. Woodruff Foundation. Working with institutional chief financial officers as well as board members, AGB and NACUBO have launched a joint two-year study on institutional financial aid. The study is focused on identifying and testing the key indicators needed to inform and guide policies on institutional aid and oversight by governing boards.

Intercollegiate Athletics

In October 2012, AGB released the results of a special project on board oversight of intercollegiate athletics, *Trust, Accountability, and Integrity: Board Responsibilities for Intercollegiate Athletics*. The findings of a survey of Division I presidents and board chairs helped to inform a study conducted for the Knight Commission on Intercollegiate Athletics (KCIA). The project, directed by UVA President Emeritus John T. Casteen, III and informed by a panel of advisors, resulted in a series of recommendations—to institution leadership, to the NCAA, and to athletic conference leadership. The specific recommendations to boards included:

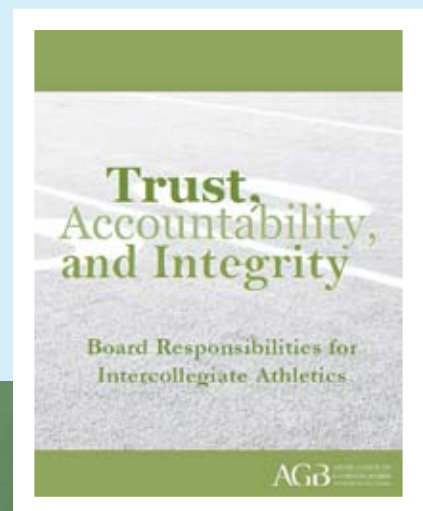
1. The governing board is ultimately accountable for athletics policy and oversight and should fulfill this fiduciary responsibility.
2. The board should act decisively to uphold the integrity of the athletics program and its alignment with the academic mission of the institution.
3. The board must educate itself about its policy role and oversight of intercollegiate athletics.

Within the first month following release, more than 100 news outlets across the country had carried the story, citing KCIA and AGB for their leadership on this compelling issue.

Since the report's release, AGB senior leadership has continued to work with boards and athletic conferences to ensure their understanding of the best practices outlined in the report. AGB President Richard Legon presented the report's findings and recommendations to the 2013 Convention of the National Collegiate Athletic Association (NCAA) in January.



John T. Casteen, III, president emeritus of the University of Virginia and director of the AGB Intercollegiate Athletics Project, and AGB President Richard Legon speak at the KCIA meeting on October 9, 2012.



"...ALL BOARDS NEED TO BE WELL-INFORMED AND CLEARLY ESTABLISH THE APPROPRIATE ROLE OF ATHLETICS IN RELATION TO THE CORE VALUES AND ACADEMIC MISSION OF THEIR INSTITUTIONS."

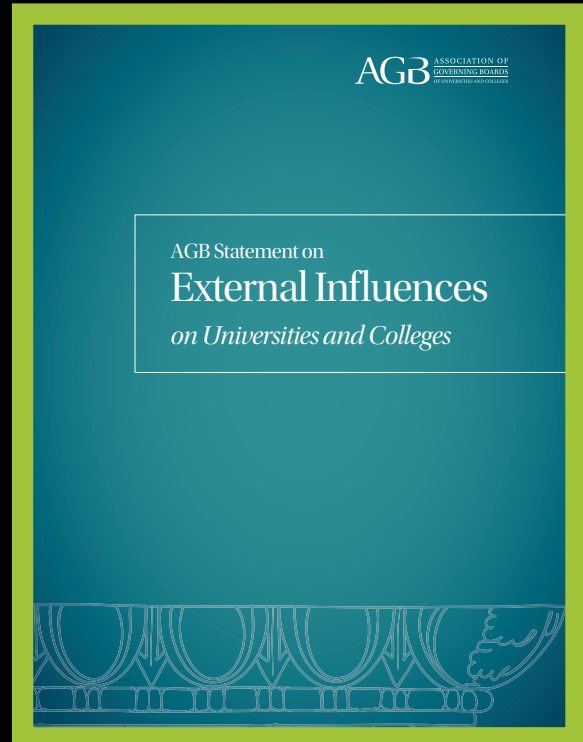
—RICHARD LEGON, AGB
AS QUOTED IN *USA TODAY*,
OCTOBER 9, 2012

Making an Impact Beyond the Campus

Statement on External Influences

To help boards and presidents accept and even welcome input from all key constituencies, yet ensure that the decision-making process is free from unwarranted intrusions, AGB developed the *Statement on External Influences on Universities and Colleges*. The statement is a guide for boards of public and independent institutions as well as policy makers and appointing authorities as they confront the proliferating challenges to governance from many quarters. Recommendations from the statement can be divided into four fundamental principles: preserve institutional independence and autonomy; demonstrate board independence as established in charter, state law, or constitution; keep academic freedom central; and ensure institutional accountability to the public.

TO READ THE REPORT, VISIT
WWW.AGB.ORG/EXTERNALINFLUENCES2012



"GOVERNING BOARDS, AS OVERSEERS OF THE PUBLIC'S TRUST IN HIGHER EDUCATION, HAVE AN OBLIGATION TO REMAIN OPEN TO EXTERNAL INPUT AND ENSURE THAT THE INSTITUTIONS THEY GOVERN ARE RESPONSIVE TO SUCH STAKEHOLDER AND SOCIETAL NEEDS."

—HON. JAMES E. GERINGER, CHAIR, AGB

SEC

Since January 2011, AGB has sought to educate the U.S. Securities and Exchange Commission (SEC) about the unintended consequences of the proposed changes to the definition of a "municipal advisor."



The change, which would require nonelected governing board members and supporting staff to register with the SEC, could have a chilling impact on the ability of boards to conduct their fiduciary duties and, with its heightened levels of disclosure and documentation, discourage people from serving on boards. In September 2012, the resolution was referred to the Senate, where it is being read by the Committee on Banking, Housing, and Urban Affairs. As with all policy issues, AGB is committed to representing the best interests of boards to congressional and federal leaders and keeping members apprised of our work.

Dr. Chalermchai Boonyaleepum, MD, president of the Srinakharinwirot University, and AGB President Richard Legon at the Thailand Association of Governing Boards meeting in August 2012.



Global Outreach

While we have long considered the idea of a volunteer governing board as a uniquely American concept, interest in our work has been growing in the international community. Over the summer, AGB President Richard Legon and Joseph Burke, former president of Keuka College in New York and AGB's senior fellow for international programs, traveled to Thailand and Japan to meet with the Thailand Association of Governing Boards and the Japanese Diet. As a result of this collaboration, Dr. Burke will begin his stint as AGB's first Fulbright Scholar to Thailand in the summer of 2013. This exchange represents one more instance of AGB's exploration into the feasibility of an international presence, as outlined in the *Vision 2016 Strategic Plan*.



Charitable Contributions

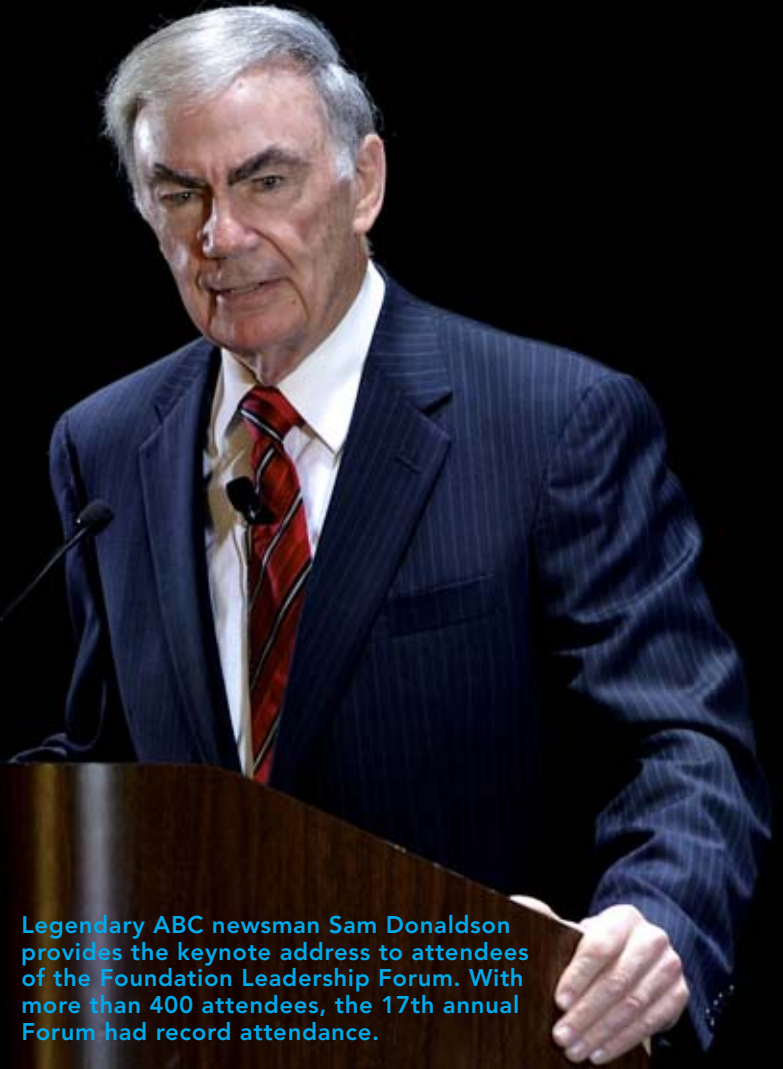
Advocating on board members' behalf in December 2012, AGB's Board Chair, the Honorable James E. Geringer, the chairs and vice chairs of AGB's councils of board chairs and presidents—Charles Reed, Eileen B. Wilson-Oyelaran, Lyn Trodahl Chynoweth, and Jeffrey Trammell—and AGB President Richard Legon sent letters to President Obama and the House and Senate leadership expressing concerns about potential changes to the federal income tax deduction for charitable giving as part of the continuing negotiations on the so-called "fiscal cliff." The letters emphasized the value that charitable contributions bring to colleges and universities, voiced AGB's concerns about changes to the charitable deduction, and urged President Obama and congressional leaders to protect the deduction during negotiations. In an agreement reached January 1, the deduction remained largely unchanged.

Making an Impact on Trustees



Regional Meetings & Webinars

This year, AGB introduced a series of regional meetings across the country and expanded its offering of webinars and podcasts. More than 700 people participated in 15 such events held over the course of 2012. Topics included such diverse areas as Getting Governance Right, Supporting Public Colleges through Property Development, Prioritizing Academic Programs, Better Bylaws, and the Current State of Fiscal Outlook.



Legendary ABC newsman Sam Donaldson provides the keynote address to attendees of the Foundation Leadership Forum. With more than 400 attendees, the 17th annual Forum had record attendance.



Ellen-Earle Chaffe, AGB senior fellow, with Chuck Pruitt, president of the University of Wisconsin System's board of regents, and the Rev. Dennis Holtschneider, C.M., president of DePaul University, at the Chicago Regional Meeting on December 3, 2012.

MEETING LOCATIONS INCLUDED:

- ARLINGTON, VA
- ASPEN, CO
- BOSTON, MA
- CHICAGO, IL
- GAMBIER, OH
- LA JOLLA, CA
- LOS ANGELES, CA
- NAPLES, FL
- NEW YORK, NY
- PORTLAND, OR
- SAN FRANCISCO, CA
- WASHINGTON, DC



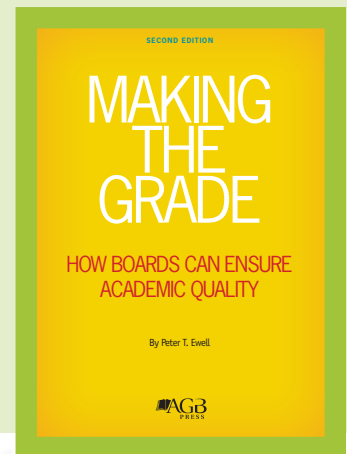
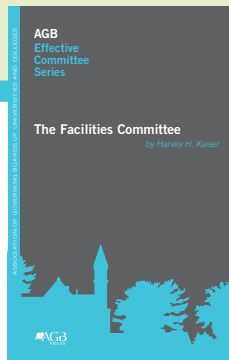
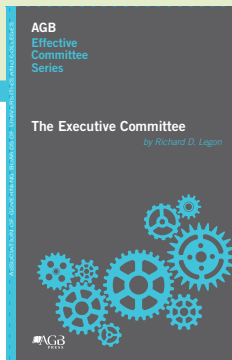
Trusteeship App

Launched in spring 2012, AGB's renowned magazine, *Trusteeship*, is now available on your iPad. With every bit of the content enjoyed in the paper issue redesigned for easy reading, it also features new links and other interactive content only available from the iPad.



Publications

In 2012, AGB Press published nine new titles, including the best-selling *Foundations for the Future*, by Michael J. Worth, and the second edition of its "little yellow book," *Making the Grade*, by Peter T. Ewell. Through collaborations like these with Ewell, vice president of the National Center for Higher Education Management Systems, and Worth, professor of nonprofit management at the Trachtenberg School of Public Policy and Public Administration at George Washington University, AGB Press is at the cutting-edge of governance thought leadership. AGB Press continues to publish titles on issues of vital importance to board members, including such topics as institutional finance, foundation fundraising, academic compensation, and presidential search.



With 10 volumes—three of which were new editions in 2012—the *Effective Committee Series* is one of AGB Press's best sellers. Intended to strengthen the effectiveness of governing boards and board members, the easy-to-access series provides information about the respective roles of popular board committees.

Effective Committee Series



2012 Financial Statements

For the fiscal year ending June 30, 2012, general operating revenues (including transfer from the Quasi Endowment Fund and net assets released from grant restrictions of \$134,463) totaled \$9,192,349. Dues from member boards provided approximately 54 percent of AGB's general operating revenues prior to the release of assets from grant restrictions. Dues accounted for 49 percent of revenues

from all sources, which included new grant revenues of \$755,000 in support of special programs.

As of June 30, 2012, net assets were \$9,160,832, compared with \$8,375,200 on June 30, 2011. Total assets were \$14,589,755 (including reserves of \$6,326,390 at fair market value), compared with total assets of \$12,912,220 on June 30, 2011.

STATEMENT OF ACTIVITIES—FOR THE YEAR ENDING JUNE 30, 2012

	Operating Fund	Other Unrestricted	Temporarily Restricted	TOTAL
Revenue, Gains, and Other Support				
Membership dues	\$4,864,010			\$4,864,010
Conference/Workshops; Board Education Consulting Services; Benchmarking Services	2,411,204			2,411,204
Publication sales	373,344			373,344
Grants and gifts	849,975		\$755,000	1,604,975
Contributed services			65,250	65,250
Center services & other income	231,141			231,141
Investment income (realized & unrealized)	33,212	70,585	38	103,835
Total revenues	8,762,886	70,585	820,288	9,653,759
Transfer from Quasi Endowment Fund	295,000			295,000
Net assets released from restrictions	134,463		(134,463)	0
Total revenue, gains, and other support	9,192,349	70,585	685,825	9,948,759
Expenses				
Program services				
Meetings, Board Education Consulting and Benchmarking Services	3,121,583	45,064		3,166,647
Publications	1,392,639	29,647		1,422,286
Grant Programs	69,213			69,213
Richard T. Ingram Center	331,950	7,115		339,065
Other unrestricted programs	-	70,423		70,423
Total Program services	4,915,385	152,249		5,067,634
Supporting services				
Management and General	2,522,006	57,806		2,579,812
Membership Development	483,163	15,417		498,580
Fundraising	451,407	14,231		465,638
Marketing	249,348	7,115		256,463
Total Supporting services	3,705,924	94,569		3,800,493
Total expenses	8,621,309	246,818	0	8,868,127
Transfer from Quasi Endowment Fund		295,000		295,000
Total expenses and allocations	8,621,309	541,818	0	9,163,127
Changes in net assets				
Transfers	(1,081,282)	1,081,282	0	0
Net assets, beginning of year	1,373,874	6,868,483	132,843	8,375,200
Net assets, end of year	\$863,632	\$7,478,532	\$818,668	\$9,160,832

A summary of accounting policies and notes to these financial statements are a part of the independent auditors' report. A copy of the printed financial statements will be provided on request.

2012 Governance

BOARD OF DIRECTORS

Chair

Honorable James E. Geringer
Western Governors University

Vice Chair

Yvonne R. Jackson
Simmons College

Vice Chair

Honorable Jack B. Jewett
University of Arizona Foundation

Secretary

Clifford M. Kendall
University System of Maryland
Foundation
University of Maryland College Park
Foundation
Wesley Theological Seminary

Elizabeth A. Ballantine
American University of Paris
Grinnell College, *life trustee*

Rick A. Beyer
American University

Rita J. Bornstein, Ph.D.
public member

James M. Fallows
public member

Helen Aguirre Ferré
Miami Dade College

Marilyn French Hubbard
Central Michigan University

W. Austin Ligon
St. John's College

Andrea J. Loughry
University of Tennessee Foundation, Inc.

Charles H. McTier
Emory University

David W. Miles
Iowa State Board of Regents

James J. Mitchell, III
Roosevelt University

Charles R. Pruitt
University of Wisconsin

David H. Roberts
Thunderbird School of Global
Management
Occidental College, trustee emeritus

Joyce M. Roché
Dillard University

Verne O. Sedlacek
public member

Charles A. Shorter
City University of New York

James C. Stalder
Carnegie Mellon University

Jeffrey Trammell
College of William and Mary

William E. Trueheart
Johnson and Wales University

James M. Weaver
Gettysburg College, former board chair

Jacqueline F. Woods
Kent State University
Muskingum College

COUNCIL OF BOARD CHAIRS

Chair

Lyn Trodahl Chynoweth
Moravian College

Vice Chair

Jeffrey B. Trammell
College of William and Mary

Clyde Allen
University of Minnesota System

T. Grant Callery
Marietta College

Robert Davidson
Morehouse College
Arts Center College of Design, Pasadena

Mark Epstein
The Cooper Union

Elizabeth Eveillard
Smith College

Thomas H. Grape
Ithaca College

Frederick Gruel
William Paterson University of New Jersey

Fred Heldenfels, IV
Texas Higher Education Coordinating
Board

David Hendrickson
West Virginia Higher Education Policy
Commission

Christopher Kennedy
University of Illinois

Stephen Mandel
Dartmouth College

H. Carl McCall
The State University of New York

Robert W. Norton
Fisk University

Robert Rabinovitch
McGill University

Russell Ramsey
George Washington University

Sharon Kinsman Salmon
LeMoyne College

James E. Shreiner
Elizabethtown College

Walter Sutton
Wiley College

Janet Whitman
Skidmore College

Kate Pew Wolters
Grand Valley State University

COUNCIL OF PRESIDENTS

Chair

Eileen B. Wilson-Oyelaran
Kalamazoo College

Vice Chair

Teresa A. Sullivan
University of Virginia

Charles M. Ambrose
University of Central
Missouri

Dennis D. Berkey
Worcester Polytechnic
Institute

Carlton E. Brown
Clark Atlanta University

Ronald Carter
Johnson C. Smith University

Clayton Christian
Montana University System
Board of Regents

Alecia A. DeCoudreaux
Mills College

Donald Eastman
Eckerd College

Jerry B. Farley
Washburn University of
Topeka

Bobby Fong
Ursinus College

Antoine M. Garibaldi
University of Detroit Mercy

Mark D. Gearan
Hobart and William Smith
Colleges

Jo Ann Gora
Ball State University

M.R.C. Greenwood
University of Hawaii System

Walter Harrison
University of Hartford

William R. Harvey
Hampton University

Rev. John I. Jenkins, CSC
University of Notre Dame

Arthur F. Kirk Jr.
Saint Leo University

Robert K. Kustra
Boise State University

Mary E. Lyons
University of San Diego

Patricia A. McGuire
Trinity College

Georgia Nugent
Kenyon College

M. Lee Pelton
Emerson College

Sidney Ribeau
Howard University

Thomas Ross
University of North Carolina
System

Jake B. Schrum
Southwestern University

Suzanne Shipley
Shepherd University

Laura Skandera Trombley
Pitzer College

Barbara R. Snyder
Case Western Reserve
University

Teresa A. Sullivan
University of Virginia

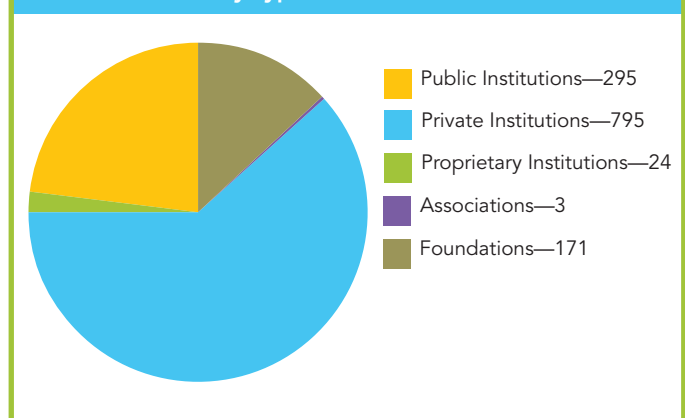
Henry N. Tisdale
Clafin University

Edwin H. Welch
University of Charleston

Individual Members by Role

	Foundations	Independent	Public	Total
Board chairs	182	693	229	1,104
Board professional staff	165	828	308	1,301
Senior administrators	332	3,642	1,177	5,151
CEO, presidents & chancellors	234	819	403	1,456
Trustees & regents	4,095	21,254	3,279	28,628
Total	5,008	27,236	5,396	37,640

Member Boards by Type of Institution



AGB would like to thank the generous support of our sponsors and donors in 2012:

INDIVIDUAL DONORS

A. Marshall Acuff
Helen Aguirre Ferré
Hon. Cynthia A. Baldwin
Elizabeth A. Ballantine and Paul Leavitt
Richard A. Beyer
Rita Bornstein
James M. Fallows
Hon. James E. Geringer
Marilyn French Hubbard
Yvonne R. Jackson
Hon. Jack B. Jewett
Clifford M. and Camille E. Kendall Family Fund
David M. Lascell
Richard and Fran Legon
W. Austin Ligon
Andrea J. Loughry
Mr. and Mrs. Charles H. McTier
L. Thomas Melly

David Miles
James J. Mitchell, III
Charles R. Pruitt
David H. Roberts
Joyce M. Roché
Verne O. Sedlacek
Charles A. Shorter
James C. Stalder
James M. Weaver
James R. Wilson
Jacqueline F. Woods

CORPORATE & FOUNDATION SPONSORS

Advancement Resources LLC
AGB Search
Alexander Haas
Baker Tilly
BoardEffect, Inc.
Capital Counsel
The College Board

Commonfund Institute
Crowe Horwath LLP
Diligent Board Member Services Inc.
FTI Consulting
Freeman Philanthropic Services
Fund Evaluation Group
Gateway Investment Advisers, LLC/Natixis Global Associates
Global Endowment Management
Gonser Gerber Tinker Stuhr, LLP
Hall Capital Partners
HighVista Strategies
Houston Endowment
Huron Consulting Group
Knight Commission on Intercollegiate Athletics
Legacy Leaders Inc.
Lumina Foundation
Mercer Investment Consulting, Inc.

MINDSEYE Project Partners
Mintz Levin Law Firm/ML Strategies, LLC
Morgan Creek Capital Management
Moss Adams LLP
Moody's Investors Service
Northern Trust/Makena Capital Management
Pearson
Perella Weinberg Partners
PricewaterhouseCoopers
Robert W. Woodruff Foundation
Russell Investments
SEI
Sodexo
The Teagle Foundation
TIAA-CREF Institute
United Educators
US Trust Bank of America Corporation
Vanguard

AGB ASSOCIATION OF
GOVERNING BOARDS
OF UNIVERSITIES AND COLLEGES

1133 20th Street, NW, Suite 300, Washington, DC 20036

www.agb.org

