



AU BOARD ANNOUNCES REFORMS

Washington, D.C. (May 19, 2006)—The American University Board of Trustees today voted unanimously to accept recommendations from its Governance Committee on a program of reforms – reforms that address inclusiveness, accountability, and transparency. The report outlines ways to improve board governance, strengthen oversight, and clarify trustee responsibilities. The recommendations address matters such as:

- Trustees -- expectations for performance; mechanisms for assessment; orientation of new members; conflict of interest policy;
- Board – composition; leadership; size; staffing; diversity; committee functions and charters; interaction with the president; interaction with constituencies; meeting frequency;
- President – employment contract and compensation; interaction with and role on the board; expenditure review; performance review;
- Faculty and Students -- membership on and interaction with the board.

The board after extensive debate, deliberation, and input from the campus constituencies also expanded on the recommendations in a number of areas.

“We have completed the most comprehensive review of governance in the history of American University,” said Gary Abramson, board chairman. “This review will result in greater transparency, stronger communication with faculty, students, alumni, and all AU constituencies. We have an excellent set of governance improvements. We welcome our seven new and distinguished trustees to the board and we look forward to working with the AU community on the presidential search which will begin in a few months,” Abramson concluded.

Tom Ingram, president emeritus of the Association of Governing Boards of Universities and Colleges (AGB) and who served as one of the consultants to the Board of Trustees, commended the board’s actions today. He predicted that the Governance Committee’s report and recommendations will be studied intensely by the trustees and governing boards everywhere for many years to come. Ingram said, “These governance reforms go beyond what was probably necessary to begin the healing process at the university and to restore trust and genuine communication among all who care deeply about its future. Although not all of the reforms will fit all universities, most of them will serve as solid benchmark policies and practices.”

A key recommendation approved by the board is the addition of three new (non-voting) trustees -- two faculty members, and a current student member. In addition, the board also directed the Trusteeship Committee to include one non-affiliated or “independent” representative on the board who will be a recent graduate of American University, based on consultation with student government and alumni representatives. While 85% of independent colleges and universities do not have faculty and student trustees, the board endorsed the concept as appropriate for American University.

In addition to the governance changes, the board elected seven new trustees, two of whom are former college presidents; one a former AU student government president; and four are AU alumni. The new trustees resulted from an inclusive campus-wide process that produced some 85 recommendations and reflect a stated commitment by the AU board to bring an enhanced diversity of experience and breadth of knowledge to board service. The trustees were vetted by the board's Trusteeship Committee and were approved by the Board of Higher Education and Ministry of the United Methodist Church.

“We believe this process has resulted in invigorating and engaging the board with a much stronger dialogue and a higher level of accountability, transparency and inclusiveness,” said Jeff Sine, co-chair of the Governance Committee.

The governance reforms resulted from more than six months of study, review, and discussion with campus constituencies (faculty, students, academic leadership, staff, and alumni) and consultation with nationally known outside experts from non-profit and higher education sectors. The process was led by a six-member board appointed special Governance Committee. From December into May, the Governance Committee met formally as a group 18 times and convened more than a dozen sessions with campus constituencies. The committee conducted a comprehensive review of pertinent literature and comparative data on university governance at institutions across the nation, reviewing board policies, bylaws, board practices, committee structures, campus involvement, trustee qualifications, trustee selection process, and other facets of responsible governance.

“American University has adopted an improved, inclusive system of governance which goes far beyond the problems which led to the Ladner controversy and provides a clear framework for an involved, informed, and consultative Board of Trustees to fully meet the expectations of the broad AU community in the future,” said Board Vice Chairman Tom Gottschalk.

The actions taken signal a significant transition for the AU board, which after the events of autumn 2005, issued an apology to the AU campus (Oct. 27) and committed to a thorough review of their governance process in furtherance of their fiduciary performance. In addition to the creation of the Governance Committee that resulted in adoption of the reform package, the board and its members have embarked on a program of dedicated openness and accessibility; greater campus representation in board and committee discussions; and improved communications with and presence on campus. The board authorized the creation of a governance web-site so that AU constituencies and the public were able to track the governance progress over the past six months.

Following the approvals gained at the meeting today, the next steps will include a special meeting of the board (June 9) to formally enact bylaws revisions.

With the approval of the governance changes, the addition of new trustees, and through an inclusive process, the board initiated planning steps with respect to the search for a permanent AU president, to begin late summer or early fall. The process will embrace the same principles of inclusiveness, accountability and transparency.

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