October 18, 2016

Mr. Stratsi Kulinski
President
American University in Bulgaria
1 Georgi Izmirliev Square
Blagoevgrad, 2700, Bulgaria

Dear President Kulinski:

I am pleased to inform you that at its meeting on September 23, 2016, the Commission on Institutions of Higher Education took the following action with respect to American University in Bulgaria:

that American University in Bulgaria be continued in accreditation;

that the University submit a report for consideration in Spring 2018 that gives emphasis to the institution’s progress in adopting new bylaws for the Board of Trustees that align with best practices in American higher education governance and ensure the president and leadership team have sufficient autonomy to manage the institution effectively;

that the University submit an interim report for consideration in Spring 2021;

that, in addition to the information included in all interim reports, the University give emphasis to its success in:

1. continuing to strengthen the institution’s financial stability by achieving enrollment goals and managing the anticipated reduction in external scholarship funding;

2. ensuring the inclusion of an academic voice at all levels of the institution;

that the next comprehensive evaluation be scheduled for Spring 2026.

The Commission gives the following reasons for its action.

American University in Bulgaria is continued in accreditation because the Commission finds the institution to be substantially in compliance with the Standards for Accreditation.
The Commission commends American University in Bulgaria (AUBG) for its thorough and candid self-study reflecting the current state of the institution and its aspirations. Along with the visiting team, we note with approval that AUBG’s “distinctive and meaningful” mission drives institutional development and serves as the foundation for the University’s Strategic Plan, The 2020 Vision. As evident from its prominent standing in the region, AUBG is accomplishing its role as the “torch bearer” for liberal arts education in southeast Europe by offering high quality undergraduate programs and an Executive MBA. We are pleased to learn of the diverse group of “scholars/teachers” who comprise AUBG’s faculty, and recognize their deep commitment to the success of the institution and to that of its students. Also noteworthy is the institution’s shared effort to assess student learning outcomes, led by the Student Outcome Assessment Committee that includes faculty, students, and staff. A retention rate of 96-98%, graduation rates exceeding 80%, positive employer survey results, and favorable employment statistics published by the Bulgarian Ministry of Education all provide evidence of the remarkable success of AUBG students and graduates and validate the value of an AUBG education. Supporting these efforts, the institution has continued to strengthen its financial position, with a record of consistently achieving operating surpluses over the past decade, a period during which financial resources grew from $30 million to $60 million and the endowment reached $25 million. We concur with the visiting team that AUBG’s trustees, administration, faculty, and staff together have helped to build an institution that “clearly has a significant impact” on the region, an institution, now with 4,200 alumni/ae, that can justifiably take pride that its programs “transform both the students themselves and the countries to which they return.”

The item the institution is asked to report on in Spring 2018 is related to our standard on Organization and Governance.

From the self-study and team report, we are aware that the American University in Bulgaria Board of Trustees has been effective in carrying out its responsibilities. The inclusion of faculty and student representatives as ex-officio members is particularly noteworthy. We also appreciate that, given the recent period of leadership instability, the Board has needed to become involved to “quite a detailed level” in the internal operations of the University. With a new president now in place, however, we seek to be assured that “[i]n the board delegates to the chief executive officer and, as appropriate, to others the requisite authority and autonomy to manage the institution compatible with the board’s intentions and the institution’s mission” (3.11). We therefore are pleased to learn that the Presidential Transition Committee has been dissolved thereby allowing the Board to step back to assume a more appropriate oversight role consistent with traditional practice in the U.S. In addition, we note with approval that an ad-hoc committee is currently working on a revision of the by-laws with the goal to submit its recommendations to the Board at its October 2016 meeting. As specified in our standard on Organization and Governance, we ask that the report submitted for consideration in Spring 2018 provide an update on the development and implementation of by-laws that reflect best practices in American higher education governance, including ensuring the president and leadership team have sufficient autonomy to manage the institution effectively.

The authority, responsibilities, and relationships among the governing board, administration, faculty, staff, and sponsoring entity (if any) are clearly described in the institution’s by-laws, or an equivalent document, and in a table of organization that displays the working order of the institution. The board, administration, staff, and faculty understand and fulfill their respective roles as set forth in the institution’s official documents and are provided with the appropriate information to undertake their respective roles (3.1). The institution’s organizational structure, decision-making processes, and policies are clear and consistent with its mission and support institutional effectiveness. The institution’s
system of governance involves the participation of all appropriate constituencies and includes regular communication among them (3.2).

The chief executive officer, through an appropriate administrative structure, effectively manages the institution so as to fulfill its purposes and objectives and establishes the means to assess the effectiveness of the institution (3.12).

Commission policy requires an interim (fifth-year) report of all institutions on a decennial evaluation cycle. Its purpose is to provide the Commission an opportunity to appraise the institution’s current status in keeping with the Policy on Periodic Review. In addition to the information included in all interim reports, the University is asked, in Spring 2021, to report on two matters related to our standards on Students, Institutional Resources, Planning and Evaluation, and Organization and Governance.

Even with the progress American University in Bulgaria has made over the past decade to strengthen its financial stability, we share the institution’s recognition that its “immediate focus must be on enrollment growth, paralleled with strong fundraising.” We understand that enrollment has fluctuated from 834 in FY2005 to a high of 1,093 in FY2008, to 951 in FY2015, and that reaching the University’s goal of 1,200 by FY2020 will be challenging due to declining student demographics and increasing competition from other European institutions. In addition, at a time when AUBG students are graduating with increasing amounts of debt, two of the institution’s largest donors plan to discontinue funding for scholarship support. As a result, fundraising has become a high priority for AUBG with a target of raising $2.0 million in FY2017 and thereafter increasing 10% annually. We are assured by the visiting team that an understanding of AUBG’s current financial realities “permeates” the institution, and note with approval that the University is reviewing the findings of a strategic positioning study that include focusing admission efforts more on maximizing yield and giving greater emphasis to the success of AUBG graduates. We are further encouraged that other potential revenue sources are being explored, such as offering additional professional development and executive education programs. We look forward to learning, through the Spring 2021 interim report, of the institution’s continued success in strengthening its financial stability by achieving enrollment goals and managing the anticipated reduction in external scholarship funding. This request is in keeping with our standards on Students and Institutional Resources:

Consistent with its mission, the institution sets and achieves realistic goals to enroll students who are broadly representative of the population the institution wishes to serve (Statement of Standard 5, Students).

The institution preserves and enhances available financial resources sufficient to support its mission. It manages its financial resources and allocates them in a way that reflects its mission and purposes. It demonstrates the ability to respond to financial emergencies and unforeseen circumstances (7.4).

The institution is financially stable. Ostensible financial stability is not achieved at the expense of educational quality. Its stability and viability are not unduly dependent upon vulnerable financial resources or an historically narrow base of support (7.5).

The institution’s multi-year financial planning is realistic and reflects the capacity of the institution to depend on identified sources of revenue and ensure the advancement of educational quality and services for students (7.6).

The institution’s financial planning, including contingency planning, is integrated with overall planning and evaluation processes. The institution demonstrates its ability to
analyze its financial condition and understand the opportunities and constraints that will influence its financial condition and acts accordingly. It reallocates resources as necessary to achieve its purposes and objectives (7.14).

As noted above, we recognize that meeting American University in Bulgaria’s “aggressive” enrollment targets and increasing fundraising support will be critical to the long-term viability of the institution. We understand from the visiting team that the University’s new administrative leadership brings a substantially stronger “commercial mindset” to this effort. At the same time, we wish to ensure that an academic voice remains prominent at all levels of the institution, including the Board, so that the quality of AUBG’s programs is maintained. We therefore note with approval the current president’s outreach to faculty and the collaborative environment fostered by the new provost. The Spring 2021 interim report will afford AUBG the opportunity to reflect on its efforts to ensure an appropriate balance is maintained at all levels of the institution between the need for a commercial mindset to achieve the University’s enrollment goals given market realities and maintaining AUBG’s excellent academic programs. Our standards on Planning and Evaluation and Organization and Governance provide this guidance:

The institution regularly and systematically evaluates the achievement of its mission and purposes, giving primary focus to the realization of its educational objectives (2.6).

The institution’s principal evaluation focus is the quality, integrity, and effectiveness of its academic programs. Evaluation endeavors and systematic assessment are demonstrably effective in the improvement of academic offerings, student learning, and the student experience (2.7).

The board has a clear understanding of the institution’s distinctive mission and exercises the authority to ensure the realization of institutional mission and purposes (3.7).

The institution places primary responsibility for the content, quality, and effectiveness of the curriculum with its faculty. Faculty have a substantive voice in matters of educational programs, faculty personnel, and other aspects of institutional policy that relate to their areas of responsibility and expertise (3.15).

The scheduling of a comprehensive evaluation in Spring 2026 is consistent with Commission policy requiring each accredited institution to undergo a comprehensive evaluation at least once every ten years.

You will note that the Commission has specified no length or term of accreditation. Accreditation is a continuing relationship that is reconsidered when necessary. Thus, while the Commission has indicated the timing of the next comprehensive evaluation, the schedule should not be unduly emphasized because it is subject to change.

The Commission expressed appreciation for the self-study prepared by American University in Bulgaria and for the report submitted by the visiting team. The Commission also welcomed the opportunity to meet with you and Stephen Hodges, team chair, during its deliberations.

You are encouraged to share this letter with all of the institution’s constituencies. It is Commission policy to inform the chairperson of the institution’s governing board of action on its accreditation status. In a few days we will be sending a copy of this letter to Dr. Ivan Manev. The institution is free to release information about the evaluation and the Commission’s action to others, in accordance with the enclosed policy on Public Disclosure of Information about Affiliated Institutions.
The Commission hopes that the evaluation process has contributed to institutional improvement. It appreciates your cooperation with the effort to provide public assurance of the quality of higher education.

If you have any questions about the Commission's action, please contact Barbara Brittingham, President of the Commission.

Sincerely,

David P. Angel
DPA/jm

Enclosure

cc: Dr. Ivan Manev
   Visiting Team