

**Report to the
Faculty, Administration, Trustees, Students**

of

**American University in Bulgaria
Blagoevgrad, Bulgaria**

by

**An Evaluation Team representing the
Commission on Institutions of Higher Education
of the
New England Association of Schools and Colleges**

**Prepared after study of the institution's
self-study report and visit to the campus on
April 17-20, 2016**

Chair: Stephen Hodges, President, Hult International Business School, Cambridge, MA

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This report represents the views of the evaluation committee as interpreted by the chairperson. Its content is based on the committee's evaluation of the institution with respect to the Commission's criteria for accreditation. It is a confidential document in which all comments are made in good faith. The report is prepared both as an educational service to the institution and to assist the Commission in making a decision about the institution's accreditation status.

COMMISSION ON INSTITUTIONS OF HIGHER EDUCATION

New England Association of Schools and College

Preface Page to the Team Report

Please complete **during the team visit** and include with the report prepared by the visiting team

Date form completed: April 1, 2016

Name of Institution American University in Bulgaria

1. History Year chartered or authorized 1991 Year first degrees awarded 1995

2. Type of control: State City Other; specify: _____
 Private, not-for-profit Religious Group; specify: _____
 Proprietary Other; specify: _____

3. Degree level:
 Associate Baccalaureate Masters Professional Doctorate

4. Enrollment in Degree Programs (Use figures from fall semester of most recent year): Fall 2014

	Full-time	Part-time	FTE	Retention ^a	Graduation ^b	# Degrees ^c
Associate	N/A	N/A	N/A	N/A	N/A	N/A
Baccalaureate	<u>910</u>	<u>3</u>	<u>968.7</u>	<u>99%</u>	<u>84%</u>	<u>238</u>
Graduate	<u>19</u>	<u>1</u>	<u>19.3</u>	<u>100% or N/A</u>	<u>100%</u>	<u>19</u>

(a) full-time 1st to 2nd year

(b) 3 or 6 year graduation rate

(c)

no. of degrees awarded most recent year

5. Number of current faculty: Full time 50 Part-time 27 FTE: 59

6. Current fund data for most recently completed fiscal year: (Specify year: 2015)

(Double click in any cell to enter spreadsheet. Enter dollars in millions; e.g., \$1,456,200 = \$1.456)

Revenues

Tuition	\$6.322
Gov't Appropriations	
Gifts/Grants/Endowment	\$4.223
Auxiliary Enterprises	\$1.664
Other	\$1.319
Total	\$13.528

Expenditures

Instruction	\$6.146
Research	
General	\$2.566
Auxiliary Enterprises	\$1.782
Other	\$2.317
Total	\$12.811

7. Number of off-campus locations:

In-state _____ Other U.S. _____ International 1* Total 1

*Both AUBG and its off-campus location are in Bulgaria, i.e. international with regard to US

8. Number of degrees and certificates offered electronically:

Programs offered entirely on-line NONE Programs offered 50-99% on-line NONE

9. Is instruction offered through a contractual relationship?

No Yes; specify program(s): _____

10. Other characteristics

Introduction

This review of American University in Bulgaria is a comprehensive evaluation following its fifth year interim report submitted in 2011.

Team members met with approximately 16 members of the administrative staff, including the President and all of his leadership team, 18 members of the faculty and 21 students across both the undergraduate and EMBA programs. All team members visited both the main campus in Blagoevgrad and the off-site campus in Sofia.

All members of the American University in Bulgaria (AUBG) community were candid in their comments and offered full assistance to the team. Extensive meetings were conducted on both a one-on-one and group basis with representatives from staff, faculty and students. A meeting was held for trustees only, with four trustees in attendance.

The Evaluation Team found the Self-Study report and other materials provided, such as the board meeting minutes, Strategic Plan, Catalog, faculty handbooks to be sufficiently comprehensive and an accurate description of the state of the University. The team greatly appreciates the preparation of the self-study. A review of all documents before and during the visit to American University in Bulgaria on April 17-20 and the Chair's preliminary call with the accreditation team in November 2015 together have provided the basis for the information and evaluation judgments contained in the 11 sections of this report which address the Standards for Accreditation of the Commission on Institutions of Higher Education of the New England Association of Schools and Colleges.

Standard 1: Mission & Purposes

Since its founding in 1991, American University in Bulgaria has had a differentiated and meaningful mission to help shape the evolution of Bulgarian society and the wider region following the collapse of the communist regimes. Further, AUBG has been a symbol of America's commitment to help Bulgaria through the transition.

The current mission statement retains the element and purposes which inspired the founding of the institution:

The mission of the American University in Bulgaria is to educate students of outstanding potential in a community of academic excellence, diversity, and respect and to prepare them for democratic and ethical leadership in serving the needs of the region and world.

After 25 years in a region of some instability, conflict, slower than expected economic growth, and continuing challenges to full democratic consolidation, AUBG has not only survived but is recognized as an established institution with distinctive character and a strong reputation. This is particularly demonstrated by the Ministry of Education's rating of Bulgarian universities that publishes the success of graduates based on percentages

employed and salaries.

The mission is clearly understood by all stakeholders both in terms of its emphasis on democratic and ethical leadership and the ambition to provide a quality education to students who could otherwise not afford it.

The mission itself clearly drives and shapes the institution's activities. Students are informed during their orientation week of their rights and responsibilities on the campus and play an active role in shaping the direction of the institution through their representation on committees. Further, there is a focus from everybody on keeping tuition fees as affordable as possible and distributing financial aid as fairly as possible, to maximize accessibility.

The fact that many of the staff are also alumni of the school is evidence that the mission is inspiring and is one of the core reasons why the passion for this founding mission is enduring.

Institutional effectiveness: the current version of the mission statement was adopted in 2009. The institution is now in the midst of composing its next 5-year strategic plan, during this process the mission will be reviewed and evaluated for its applicability.

Standard 2: Planning and Evaluation

Planning

Based on background documents, the self-study and in-person interviews, the team finds that AUBG has engaged in a thorough and systematic planning and evaluation process.

Developing a new strategic plan began more than a year ago prior to the unplanned departure of the President. In July 2015, a planning survey was conducted and included all students, faculty, staff, Board and University Council members. The goal of the survey was to assess the level of support for priorities. In addition, some alumni and selected friends and donors were also surveyed, but the numbers were very small. While some groups participated at a higher rate than others did, the results are telling and offer some challenges. Enrollment is the area most often cited as the area that should receive the most attention and priority in the plan currently under development. The new draft plan (The 2020 vision) is now available on the campus website, and in contrast to the previous plan, it is more focused and has fewer priorities.

Because of the leadership transitional issues at the University, the planning process is being re-shaped and re-organized by the new President, who has been in the position since January 1, 2016. The President needs time to evaluate the current assumptions and proposed direction outlined in the plan, and a consultant is in the process of being hired to do a strategic analysis of AUBG's enrollment and marketing assumptions. However, high-level goals and a timeline have already been established and many of

the pieces needed to achieve the goals are now in place: new admissions, marketing and fundraising staff.

Evaluation

The management team at AUBG has been reporting regularly to the board on implementation of the plan. In addition, a very detailed report card was developed for highlighting progress on the plan in a numerical format that is easy to understand and explains progress. Because of the multiple strategic goals in the previous plan, these reports were operational in nature and at a fine grain level of detail. Many institutions lack any kind of tracking in planning and AUBG should be commended for monitoring the plan and regularly reporting progress to the Board.

AUBG has also used external reviews on a limited basis. The University of Maine completed a detailed evaluation of computing at AUBG, and other administrative units could benefit from this type of validation by individuals from other private, small liberal arts colleges. Academic program reviews are built into the Bulgarian Accreditation System, which is much more prescriptive than NEASC. Indeed, the Bulgarian government rates the AUBG programs (and all colleges and universities in the country) and publishes detailed data on the success of graduates based on percentages employed and salaries and AUBG receives very high ratings. AUBG also conducts employer surveys, and receives very high rating for the skills of its graduates.

Institutional Effectiveness: AUBG should be commended for their planning efforts, as well as the very detailed tracking of the 2010 to 2015 plan (Fulfilling the Promise). Budgeting and planning are linked, and AUBG has maintained a sharp focus on its mission. Going forward, the new Strategic Plan has had widespread community involvement, and an understanding of the current financial realities permeates the institution.

Standard 3 - Organization and Governance

The Board of Trustees is the governing body of AUBG. It is autonomous, self-regulating, self-evaluating, and internationally dispersed. The Board consists of 23 members, a plurality of whom (9) are American citizens and two-thirds (17) of whom are citizens of the United States and the Republic of Bulgaria. The Board selects and appoints the President who is an ex-officio member of the Board. To insure faculty and student representation on the Board, a faculty member and a student, respectively elected by their constituencies, sit on the Board and vote at their appropriate standing committees, though they are not voting members at the full Board.

The Board comprises nine sub-committees through which business is conducted. Board members reflect a reasonable range of professional fields and expertise, including finance, government, higher education, banking, law, and media. The Educational Policy Committee, for example, focuses on business related to the faculty and program development, while the Student Affairs Committee considers issues affecting students.

The Board meets three times a year (twice on campus). From the self-study report and materials reviewed, it is not clear that the Board has assessed its own effectiveness.

Student governance has a clear structure and is effective in working with the administration and the Board through its student representative.

The AUBG administration is led by the President, with assistance from two senior vice presidents -- the chief academic officer and the chief financial officer -- along with a Dean of Faculty and a Dean of Students, and several other direct reports who serve as senior administrators with responsibilities delegated by the president to support the accomplishment of the university's mission. The senior management team meets regularly and provides leadership and oversight to the faculty and staff, and works with mid-level managers to insure smooth operations and communications between units and offices.

Faculty governance is carried out by the Faculty Assembly through a number of committees such as the Faculty Evaluation Committee, Curriculum Committee, and Faculty Life Committee, to mention three. The staff, however, only recently (2014-2015) created a Staff Assembly modeled on the Faculty Assembly, and 2015-16 marked the first year of its start of activities. The establishment of the Staff Assembly is considered a "very positive development" on campus.

The self-study report indicates a lack of depth of management and unfilled important administrative positions, due to the necessity of some staff wearing multiple hats, as a result of which there is heavy reliance on a few key individuals who handle a good amount of managerial responsibilities; succession planning is therefore a challenge. There is a palpable concern evident over the disruption caused by turnover of key personnel at the presidential level and throughout the university, hence the importance of growing AUBG's "own mid-level managers."

Institutional Effectiveness: From the Board meeting minutes, it is clear that the Board of Trustees is involved in the running of the University to quite a detailed level. Whilst this is completely understandable (and commendable) during periods of instability in the leadership team, it is equally important that, going forward, the Board give the new President sufficient autonomy to manage the institution effectively. Continued success in this increasingly competitive marketplace will require the institution to be as nimble as possible, whilst retaining adequate oversight and governance. In that light, thought should be given to reviewing the current by-laws, particularly in regard to the duties held by the Board versus the CEO, to determine whether the Board is effectively slowing institutional decision making unnecessarily by operating at too detailed a level.

Standard 4: The Academic Program

Undergraduate

American University in Bulgaria's clear academic mission is to offer an American style liberal arts four-year baccalaureate program and this focus drives the development and updating of all academic programs. The majors are divisible in two ways: Primary Majors that are recognized and credentialed in both Bulgaria and the U.S., and Secondary Majors that are credentialed in the U.S. alone. Students in Primary Majors (Computer Science, Economics, etc.) can sit for a Bulgarian State Examination or complete a Senior Thesis in order to receive both a Bulgarian degree and a U.S. degree, while Secondary Majors (e.g., Literature, Self-Designed Majors) can qualify only for a U.S. degree upon completion of the degree and major requirements.

In addition, a general education requirement (47-50 credits) is required and is comprised of four Foundation Courses¹, twelve courses from among seven General Education Modes of Inquiry, and three Writing Intensive courses. Students must complete at least one major (36 credits²) and more than half of the graduates complete two before graduating with 120 credits completed to qualify for the BA.

Faculty develop and oversee the academic programs through the departments and through the Curriculum Committee of the University; the latter is informed by the Dean of Faculty and student representatives on the committee. The Foundation Skills in English include a significant Information and Technology Literacy component that is delivered by library staff and is supported by a Writing Center. Ten majors are offered to students, and in Fall 2014, a Self-Designed Major was introduced which has proven to be popular with twenty students enrolled in it to date.

The General Education Curriculum is typical of that found at other liberal arts institutions, emphasizing essential skills (Foundation Courses) that are necessary to navigate the other general education courses that emphasize critical thinking, creative thinking and problem solving. The latter are divided into seven Modes of Inquiry and students take 1-2 courses in areas like Moral Philosophy and Scientific Inquiry. The fact that students take these foundational courses at the same time as they begin work in the Majors emphasizes the integrated design of the undergraduate curriculum. In a meeting with the Student Outcomes Assessment Committee, it was clear that both faculty and administration have taken steps to align the assessment of student learning with stated outcomes and actual outcomes of students working in the various programs.

There are critical areas that are traditionally part of a liberal arts curriculum which are missing from the AUBG General Education Curriculum, most especially in the social sciences: psychology was the area most frequently noted as a desired addition to the curriculum by faculty. When asked why these areas were not in the curriculum, the response was that in the case of psychology, someone in the past had taught these courses but the position vacancy was not filled or could not be filled. This, plus the number of positions which have not been filled because of failed searches (for example,

¹ Five if students need English 100, English Structure and Grammar.

² Journalism and Mass Communication requires 30 credits

computer science), points to a potential area of concern: some of the environmental factors that play to AUBG's strengths—the campus in Blagoevgrad, the regional location in an historically rich and culturally diverse area of the Balkans—may also make hiring difficult and thereby affect what courses can be offered on a regular basis to students. This constitutes a “soft” part of the curriculum and may explain why the most recent curricular developments have been more interdisciplinary and self-directed.

Assessment of student learning outcomes and the efficacy of the academic programs in delivering on these outcomes is overseen by the Student Outcomes Assessment Committee (SOAC), which includes faculty, students and is chaired by the Provost. Since the University hues closely to the learning outcomes articulated by the AAC&U as their Essential Learning Outcomes, these outcomes have been distributed to the various departments who have mapped their students' performance accordingly. The process provides adequate monitoring of program learning outcomes as they are achieved by students in the various majors.

The Graduate Program

The university offers an executive MBA program at its location in Sofia, roughly 60 miles away from the main campus location. The designation of this program as “executive” refers to the fact that students complete their degrees in four terms over sixteen months while they continue to work in their regular jobs. At least two years of work experience is required for admission so that work experience can contribute to peer learning across the MBA curriculum. The program is cohort-based and involves about 25 students per cohort.

The content of the MBA program is comparable to a traditional U.S. MBA program. Because the cohort stays together through the entire program, there are no elective courses. AUBG full-time faculty direct the program and are involved in curricular oversight, faculty evaluation, and course revision and development. AUBG relies on faculty who teach in the undergraduate program and faculty from international universities to teach the MBA courses.

Over the past several years, the MBA program has sometimes functioned without much involvement from the faculty at the main campus. A closer integration of the program to the main campus might benefit both, as the practitioner faculty in the MBA could enhance the business program at the main campus and the full-time AUBG faculty involved in Sofia are important to ensure the quality and rigor of the MBA program.

Award of Credit

The team reviewed a sample of syllabi and course schedules for the undergraduate and graduate programs. We found the award of credit to be consistent with the university's policies and time allocations for the award of credits. Syllabi contained learning outcomes and expected student achievement, and showed evidence of progressively

complex and specialized student work. Out-of-class preparation expectations were clear across all levels of courses and programs, and showed robust content and preparation expectations. The syllabi the team examined met or exceeded the expectation of the combination of out-of-class time and class time needed to meet the standard for the award of credit.

Institutional Effectiveness: The undergraduate and graduate programs at AUBG are both driven by the mission of the university and by the faculty assessment of the best subject matters and pedagogies for the targeted student population at the university. The curriculum reflects a classical understanding of the core of a liberal arts education, and includes significant programs and course work, such as computer science, economics, business, and journalism and mass communications, that are particularly relevant to the student population and to the fulfillment of the university's mission.

Standard 5: Faculty

The Data First forms show that, on an annual basis, AUBG has a relatively stable faculty of about 50 full-time faculty members and about 22-25 part-time faculty members. In addition, the university lists 10 faculty members who teach in the Executive MBA program in Sofia as visiting faculty.

AUBG defines its faculty ranks along traditional lines for both its full-time and part-time faculty. It has a Faculty Manual and additional policies that clearly define the faculty role in a manner that is consistent with the mission of the university and with the standards of the Commission. About 80% of the faculty hold terminal degrees, often from prestigious universities around the world, and many faculty have substantial professional and practical experience in their fields, such as business and the arts.

The Trustees have set target student-faculty ratios of 16:1 to 18:1 to determine the overall size of the faculty and, for the past several years, the size of the faculty has remained within the target band. The size and composition of the faculty allows for a high level of interaction with students. Faculty are involved in classroom teaching, student advising, independent studies, senior theses, curricular development and renewal, and in shared governance.

AUBG has many challenges with respect to the recruitment and retention of faculty, and it rises to those challenges very well. It seeks to recruit and retain faculty from many parts of the world, reflecting the nature of its student body and of its mission. The faculty come from many different pedagogical and scholarly backgrounds, but all need to be dedicated to the premise of providing students with the classic engagement and ideals of a liberal arts education. Unlike most North American institutions, the high number of expatriate faculty members leads to a higher level of turnover and therefore increased recruiting challenges such as the need to move spouses and families to Bulgaria.

The University does have some trouble filling positions in some disciplines, as noted in the discussion of Standard 4. It is not clear whether the areas of difficulty relate to international compensation issues or supply/demand factors. Faculty turnover is higher among newer and expatriate faculty, but the team met many faculty members who have been with AUBG for many years. AUBG recruits effectively from Bulgaria and from other countries, resulting in a diverse and cosmopolitan faculty composition.

AUBG does not use a system of tenure for its faculty; rather, it uses a specified system of renewable contracts for periods of up to five years. The criteria and practice for evaluation are clearly stated, carried out by faculty committee, and appear to provide reasonable contractual security. The university considers compensation and benefits carefully, and faces some challenges in paying faculty in more than one currency. It has a system for considering appropriate levels of compensation and benefits, and sets salaries that are consistent with the purchasing power parity of salaries in the U.S. and Bulgaria.

Faculty commented repeatedly on ways their interactions with their students transform both the students themselves and the countries to which their students return. They take great pride in the impact they have on individual lives and on societies in various stages of development, especially in unstable parts of the world. Faculty expressed high expectations for themselves and their colleagues in terms of engagement, content, rigor, and methods of instruction.

The university maintains a formal and rigorous system of faculty evaluation, measuring teaching, scholarship and service. The process is driven by a faculty evaluation committee, and the criteria for evaluation are stated in writing in the faculty handbook. Evaluation occurs regularly in the year before the expiration of a contract, and for the Executive MBA faculty, periodically depending on the frequency of teaching. Part-time faculty are also evaluated for their teaching, based on student evaluations and class visits from full-time faculty members.

AUBG has several methods of ensuring the continued professional development in teaching and scholarship across the faculty. Each full-time faculty member has a Faculty Instruction and Research Account of \$1380 for use in professional travel and development for scholarship and teaching. The university has additional money available on a competitive basis to support additional conferences and research support. Faculty generally felt that the financial support for research was adequate, and took particular note of the importance of library resources and the high level of support of the librarians in helping faculty with their scholarly work.

The faculty at AUBG is widely engaged in scholarly and creative activity, as appropriate for the wide range of disciplines across the university. Scholarly engagement is regularly evaluated, and supported in a way that is consistent with the resources of the institution. Many faculty perform at a very high level of scholarly productivity, especially in light of the relatively high annual teaching load of six courses and the high expectations for engagement with students in teaching and advising.

Institutional Effectiveness: The faculty is a highly diverse group of scholars/teachers who are deeply committed to AUBG and to its students. As a whole, they are highly productive scholars across a wide range of disciplines and scholarly networks. Many faculty commented on the collegial nature of the relationships they have with each other and with the staff of the college. The international diversity of the faculty leads to some challenges in filling positions, and in creating compensation packages that balance the compensation practices in different countries with the realities of compensation in Bulgaria. The university has worked to create equitable compensation across the faculty and will need to continue to attend to the issues of currency differences and appropriate benefits. As it has been a challenge for the life of the institution, it will continue to be so.

Standard 6: Students

AUBG serves a unique population of globally minded, academically well-prepared students from Bulgaria and other Eastern European countries. It maintains a strong regional reputation for quality and distinctiveness in both its undergraduate programs in Blagoevgrad and Executive MBA (EMBA) in Sofia. The Visiting Team heard consistently from staff, faculty, administration students, alumni, and trustees about AUBG's strong commitment to liberal arts values, which stands in contrast to an educational system emphasizing rote learning. Quantitative metrics such as strong retention and graduation rates and qualitative feedback from employers and alumni articulate the benefits of AUBG's focus on critical and creative thinking. Further value is seen in AUBG graduates consistently ranking ahead of other graduates in earnings and employment rates as tracked by the Bulgarian government. Finally, students themselves, via senior surveys and in meetings with team members, affirmed the value of their AUBG experience.

Admissions

Consistent with its mission to provide a model American liberal arts curriculum that prepares graduates for democratic and ethical leadership, AUBG recruits, admits, and enrolls students with the necessary characteristics to succeed. AUBG has clarity about whom it serves; the undergraduate student population of 910 (Fall 2014) is intentionally comprised of approximately 50% Bulgarian students and 50% international students (drawing primarily from Eastern Europe (especially Albania, Georgia, and Russia), and also from Asia, the Middle East, and the United Kingdom). The EMBA graduate program consistently enrolls 18-25 students, mostly working professionals from Bulgaria. Across constituencies, staff and faculty beyond the Admission office frequently play a role in student recruitment. Faculty and staff regularly participate in the newly instituted interview requirement, open houses, and off-campus events.

AUBG regularly reviews its admission practices based on evidence of student achievement; in 2014-15, AUBG eliminated the SAT requirement based on concerns that the requirement presented an unnecessary barrier to Bulgarian and other international students. The decision was based on detailed analysis of the predictive

value of TOEFL and HSGPA in lieu of the SAT for multiple subsets of the AUBG student body. Similarly, in 2013-14, the University began refocusing its recruitment in areas with known high yield: specifically, in Bulgaria itself at feeder venues, and outside of Bulgaria in target regions such as Albania. At the time of the team visit, funnel data from 3/31/16 showed an increase from last year in inquiries (8533 vs 6079), applications (1355 vs 1240), completed applications (406 vs 397) and admits (351 vs 346) particularly from regions with historically stronger conversions, which hold promise for Fall enrollments.

Notwithstanding such activities, AUBG's goal of 10% enrollment growth annually may be challenging to achieve. Within Bulgaria, economic uncertainty, declining demographics, and increasing competition from European institutions since Bulgaria's 2007 entry into the EU are several key threats to achieving ambitious growth goals.

Retention and Graduation

Retention and graduation rates for both AUBGs undergraduate and graduate programs were documented in S1 forms and affirmed in interviews with staff and administration. The strong first- to second-year retention rates of 96-98%, and the past 3- and 6-year graduation rates of 81-89%, reflect the admission of highly qualified and academically engaged students. Similarly, EMBA retention and graduation range from 91-100%. Such results are strong by national U.S. standards and compare favorably with highly selective small liberal arts colleges in New England.

Further strengthening these strong rates are college-wide efforts focused on enhancing the quality of the academic experience and student engagement such as a new First Year Experience program. The latter is based on best practices in retention research and provides a structured introduction to the college experience.

Representing 50 % of its enrollments, the persistence and graduation of AUBG's international student population is critical for its success. 4- and 6-year graduation rates for international students vary from cohort to cohort in how they compare with their Bulgarian peers. For example, the 6-year graduation rates were identical for the most recent cohort, (84%), but more recent years show gaps between international and Bulgarian students in graduation rates at the 4-year mark: 61% vs. 84%; 57% vs 87% (August 2015 Office of Institutional Research report). Such trends may reflect the impact of unpredictable regional economic factors (as seen when a number of Russian students were impacted by the decline of the currency value) and highlight the challenges of supporting this unique mix of students.

Student Services

Student services offer an array of programs and supports that span all generally expected offerings for a residential college/university including career services, a health center, athletics, co-curricular offerings, academic supports, leadership opportunities,

study abroad, and international student services support. The student services professionals are well qualified and highly experienced

The team met with students at an open meeting who expressed appreciation for AUBG's close-knit community and broad-based experiences including interactions with student from many different countries. They shared frustrations about topics ranging from internet connectivity and food services, to a desire for improved cooperation across offices and curricular updating in Computer Science and General Education.

Financial Aid is offered through a well-organized program. Although only 1/5 of the student body graduates with debt, the relatively high cost of an AUBG education given low wages and cost of living in the region warrants attention. External changes in access to government backed low-interest loans may have contributed to a dramatic increase in the average student debt incurred (from \$5000 to nearly \$15000 over the last 3 years), even though the percentage of those borrowing has remained below 20%.

Institutional Effectiveness: AUBG regularly evaluates student satisfaction, gathering feedback through surveys and other assessments of its programs and activities. Overall student success measures such as high retention and graduation rates and employment statistics speak to the strong achievement of its students and graduates. Of course, the major concern is the need for future enrollment growth and the ability of AUBG to make this happen.

Standard 7: Library and Other Information Resources

The Panitza Library is central to the Blagoevgrad campus educational mission, both physically as the location for resources critical to the learning mission of the University, and structurally as the information resources hub for the campus. Physically, the library building is attractive, open and inviting spread over four floors, including a basement floor. With the exception of the basement, the remainder of the building has wireless internet access and appears to be well utilized by the student community with a projected gate count for the current year of 85,000. The facility is air-conditioned and comfortably arranged to support student work either alone or in small groups.

The collection is sufficient to support the academic programming with 117,000 print monographs cataloged on several floors in the building and 30 databases containing 133,000 full text e-books and 39,000 e-journals. Periodicals (206 current subscriptions) include both print back issues and current issues mostly available in digital form. Student publications are also catalogued and housed in the periodical collection and the library functions as an archive for student publications over the past 25 years. In visiting team interviews, faculty gave high marks to library staff for their willingness to purchase materials to support research and teaching, and to use interlibrary loan services to provide students and faculty with materials from institutions around the globe.

The library catalog is fully accessible online and is heavily utilized by patrons (146,000 times in AY 2014-15), and all electronic resources are accessible remotely using a protocol that is explained clearly and simply on the library's website. The library's website was visited 54,000 times in AY 2014-15, the first year of its most recent restructuring to provide easier and greater access to materials and services.

Perhaps the library's most visible presence for students on campus is through Information and Technological Literacy (ITL) instruction that is mandatory for all University freshmen and supplementary for all upper-level students. The mandatory part of ITL instruction is a component of the English 102 general education requirement taught in the spring semester of the freshman year (through the *Imagine Easy Academy*). Students who are engaged in research projects in their major classes or a senior thesis are also encouraged to visit library ITL staff to learn how to apply what they learned as freshmen to their upper-level major studies.

The staff includes six full time professionals, four paraprofessionals and a significant number of student assistants. During the visiting team tour, all staff were friendly, knowledgeable and eager to talk about the circulating collection, special collections and library sponsored activities.

Library staff were enthusiastic about their adoption of a NALIS developed search application called PRIMUS that provides students looking to search the collection in support of their classwork with a "Google like" search for aggregated content tailored to the collection and the search parameters entered by the student. This application seems to have met the needs of students since its adoption by the library nearly a decade ago but, as the self-study notes, the dynamic expansion of available digital resources, and the increased demand from students and faculty for updated access to those materials, may prove burdensome for a library with limited resources to maintain the speed and access that students have come to rely on in their work.

Institutional Effectiveness: The educational mission of the library within the larger scope of the University's mission is clear and appropriate. Library staff are knowledgeable and engaged and the facilities are conducive to the social and educational needs of students and faculty. Not surprisingly, resources will continue to be a concern for the library, especially as the University strives to meet its overall fiscal challenges in the next 1-3 years.

Standard 8: Physical and Technologic Resources

Physical Resources

The American University of Bulgaria (AUBG) has two campuses: the main undergraduate "Skaptopara" or "Skapto" campus in Blagoevgrad and the Elieff Center for Education and Culture in Sofia. The Skaptopara campus has seven buildings on campus:

- *The Main Building* is used as a central classroom and administration building housing a little less than half the educational activities of the university, the majority of administrative functions, and the English Language Institute.
- *The Balkanski Academic Center*, completed in 2007, has 12 classrooms, a 160-seat auditorium, 2 computer labs, a science lab, and 22 faculty offices.
- *The Panitza Library*, relocated in 2008 to a new building adjacent to the Academic Center, is accommodated on three floors.
- *The America for Bulgaria Student Center* built in 2013 houses the university bookstore, Student Services offices, the Admissions Office and Registrar's Office. A café is located on the ground floor and a new restaurant is located on the top floor of the building. There is a multi-purpose sports hall, theatre/auditorium, and a fitness center in the basement for sports and fitness training.
- *Skaptopara I, II and III* are the residence halls that house students and include laundry facilities, building managers' offices, lounges, apartments for residence life directors, recreation spaces, music practice rooms, an assembly hall, cafes and computer labs. I and II were built between 1998 and 2002. Skaptopara III opened in 2010 with an additional 120 beds with double rooms with private bathrooms.

In Sofia, AUBG completed the Elieff Center in 2003. It is a multi-level, 2,800 sq. meter facility that houses the Centre for European Programs and the Executive MBA program. The development staff, president, and admissions recruiter have office space, as do staff providing on-site accounting, computing and facilities support. The building includes an auditorium, classrooms, computer labs, a small library, café and public areas for events.

It should be noted that there is very little prospect for expansion at the Blagoevgrad campus as private development interests have access to adjacent properties. AUBG does not have a five-year capital plan beyond the Main Building noted above and the construction of blocks B & C for the third residence hall. The current year's capital budget of \$431K is to fund computers and IT equipment, machinery, and equipment (\$356K), furniture and fixtures (\$45K), and library books (\$30K).

The Security Department is responsible for creating and implementing policies and procedures to protect students, faculty, staff and visitors, as well as the property of the University. There are 32 security guards providing 24/7 operating services. The Security Department has very good relationships with both the local Fire and Police Departments. They also provide ID cards to all employees and students that allow them access to the residence hall and their individual rooms. There are 347 cameras on campus providing closed-circuit television monitoring and recording of public areas for safety and security purposes. Residence halls are overseen by live-in resident directors and resident assistants.

The University complies with the Cleary Act providing campus crime statistics to students, employees and the public. Bulgaria, unlike the U.S., has no guns to speak of

and therefore has little, if any, need at this time for emergency response training. AUBG has worked with the U.S. State Department regarding terrorism safety training.

Technological Resources and Information Systems

In May 2013, an assessment of information technology was completed by the Executive Director of Information Technologies at the University of Maine. His report found that AUBG has a strong technical IT department in the Office of Communications and Computing (OCC) and dedicated and competent staff.

AUBG has about 670 university-owned, personal computers interconnected by means of a local area network. At the beginning of 2013, AUBG upgraded its infrastructure and network connectivity and expanded the next generation of wireless to increase the speed and coverage of the campus Wi-Fi network.

There is a computer replacement program with computer lab replacements planned in cycles every 3 to 4 years. Older computers can be used as "dumb" terminals for email or other uses. Student computer labs serve the computing needs of the students. Approximately 270 personal computers, based on Windows 7, are available in these labs with a variety of software, depending on each lab's purpose. The labs have network access to printer servers.

Cyber security is enhanced by a set of firewall servers to protect the AUBG network from outside attacks. Separate domains for faculty, finance, registrars, and other sensitive information are provided on the local area network with dedicated servers. The servers have different security measures depending upon the information contained. The OCC maintains anti-virus, anti-threat, and anti-spam systems on all parts of the AUBG network.

AUBG has an extensive list of computing and privacy policies on the web and includes specific instructions regarding privacy, security, and confidentiality, email and web use, intellectual property, and improper and unauthorized use.

Institutional Effectiveness: With limited financial resources to fund the academic mission of the University, AUBG will in the future need to rely more on fundraising and grants to provide the revenues needed for its continued phased construction that includes residential hall accommodations, and for investments in its technology, equipment, and maintenance that will be required for this relatively new campus. An IT governance structure would help the Information Resources Committee identify service needs and set priorities to recommend to the Budget Committee for inclusion in the long-range financial model.

Standard 9: Financial Resources

AUBG's average enrollment has fluctuated between 834 in FY 2005, to a high of 1,093 in FY 2008, to 951 in FY 2015. AUBG's goal is to increase the incoming class to 300 students each Fall, reaching a total student body of 1,200 by 2020.

AUBG, a tuition dependent institution, has been challenged to meet its projected enrollment targets. The ability of the University to charge a specific level of tuition and fees that results in optimal enrollment, quality and diversity, is influenced directly by student demand. The Strategic Plan's 2020 Vision specifically recognizes that AUBG still struggles with attracting qualified student applicants in sufficient numbers to meet its enrollment targets.

The perception of the leadership is that the general public of Bulgaria considers AUBG expensive and "isolated" from the community of Blagoevgrad. In addition, political unrest and conflicts in the region hamper the university's ability to attract international students. Adding to the problem is the lengthy visa process for both American students and students from countries outside the European Union.

Outreach program revenues are consistently lower than related expenses, and AUBG readily admits that the development of its Sofia-based programming has not progressed as early projections had forecasted. In addition, given constrained resources for the university's core educational program, it will be difficult to maintain outreach activities that are not generating revenue or supported by grants. Still to be done is a sustainability strategy assessment to help identify any potential growth areas in executive education, professional training, distance learning, etc.

Fund raising for scholarships is more important than ever as two of the university's largest donors—the Open Society Institute and the America for Bulgaria Foundation (ABF)—plan to discontinue funding for scholarship support. AUBG anticipates new funds raised will meet the institutional target of \$2M by FY 2017, thereafter increasing 10% annually. Securing external funding to support both scholarships and capital projects will be a high priority and a major focus in the next five years.

AUBG's practice is to include a tuition reserve of \$200K and a contingency of \$600K in its annual operating budget. This is minimally conservative but necessary because it has not met its enrollment targets, has had high financial aid costs, and has continued to struggle with fundraising. In the last ten years through FY 15, AUBG has had fluctuating operating surpluses ranging from \$341K in 2006, to a high of \$843K in 2009. FY 2012 and FY 2014 were lower, \$44K and \$74K respectively; FY 2015 was \$717K and FY 2016 is forecast at \$143K. Over this same period, net assets have grown from \$30.5M in FY 2006 to \$61.2M in FY 2015, and endowment funds increased from \$6.8M to \$24.1M.

AUBG integrates the 2020 vision priorities into its annual action plan, budget proposals, and 5-year financial operating model, and achievement of these priorities is measured using Principles of Financial Sustainability.

The budget process is comprehensive and linked to AUBG's strategic planning priorities, the 5-year rolling forecast, and annual action plans. Right after the end of the audit for the financial year in October, discussions begin regarding the new fiscal year

tuition and fees that are presented and approved at the January Board meetings. December month-end reports are available in late January and are distributed to budget managers. Budget managers receive training from the CFO and his staff that includes detailed presentations on the various categories of revenues (e.g., tuition and fees, contributions and grants, auxiliary services, endowment, etc.) and expenses. This detailed and transparent presentation provides the managers with a clear idea of the financial challenges facing AUBG and encourages them to seriously review requests for operations and/or consider reducing expenses where possible so they can be reallocated to the institution's other strategic priorities as appropriate.

Financial reports are provided monthly to budget managers showing the budget, actual revenues and expenses for the current month, year to date, and remaining operating budget available. In addition, capital expenditure reports are available showing budget and actual expenditure amounts.

The Budget and Planning Committee (BPC) referenced in the self-study has since been changed as a result of recent changes in the leadership team; i.e., President, Provost, Dean of Faculty, Director of Human Resources, Director of Institutional Advancement. Formerly it was chaired by the Provost with representatives of students, faculty, and staff. The BPC is now composed of the senior leadership team chaired by the President. This Committee now reviews the year's budget projections, with the resulting budget approved by the trustees at their May meeting.

The Vice President for Finance and Administration has been with AUBG for 13 years and has a professional staff who have been with AUBG between 10 and 20 years. While not holding formal certifications, the staff does have sound accounting knowledge and an understanding of both Bulgarian accounting rules and generally accepted accounting principles (GAAP) used in the U.S. Appropriate fiscal accounting and budgeting policies and procedures are readily available on the university's finance website.

The Vice President has outsourced the internal audit function that reports directly to the Audit Committee. Internal audits typically include operational process and procedure evaluations of functions such as dining services; inventory; facilities; student activities; student billing, receivables and collections; with the purpose being to evaluate internal controls of the university. One of the "big four" accounting firms, Deloitte, provides external audit services for base financial audits. There have been no findings to report in management letters over the last 9 years.

The Advancement team understands that they have a significant challenge ahead given the young alumni base and the need to cultivate new relationships and friends for AUBG. Trustees have been asked to provide the names of possible individuals and corporations that may become new donors to the university. The new President is expected to, and welcomes, fund raising opportunities for the university. Given the transition of 7 Presidents, 5 Provosts, several Deans of Faculty and others over the past 13 years, the new leadership team made up of enthusiastic alumni will need to join

forces to provide the stability required for future expansion and building relationships in Bulgaria, the Balkans, and beyond.

Institutional Effectiveness: Particularly given its current small size, tuition dependency, and enrollment and fund raising challenges, AUBG has strong financial management and oversight by the Vice President of Finance & Administration, Provost, and President, and the Board of Trustees. Short and long-range financial plans are communicated and shared with budget managers and senior leadership to ensure the community understands the issues and challenges facing this relatively young university. It will be critical to find funding sources to replace prior-year grant and gift balances being drawn down annually for financial aid and scholarships. Success in meeting aggressive enrollment targets and increasing fundraising to support operations over the next five years will be critical to the long-term viability of the institution.

Standard 10: Public Disclosure

The Office of Communications and Marketing (OCM) handles media relations and public information distribution. The office maintains a dynamic presence in social media and leads efforts in informing key stakeholders of the school's recent developments and opportunities to help interested parties make informed decisions about AUBG. The information available on AUBG's website is easily accessible. AUBG launched a new website in 2014 that projects the image of the university as a regional leader in higher education and that provides information about the institution to all prospective students and interested parties.

The current catalog, produced by the Office of the Dean of Faculty, is published on the website along with catalogues of the past six academic years. The 2015-2016 catalogue includes AUBG's mission and vision statements, accreditation information (NEASC in the U.S. and the National Evaluation and Accreditation Agency of the Council of Ministers in Bulgaria), and Admissions policies and requirements (including English language proficiency). Tuition and fees for both full-time and part-time students for the current year are listed, along with the university's refund policy and policies on financial aid and scholarships. The functions and contact information of the academic support services (e.g., language institute and preparatory programs), and student services such as career center, counseling, health center, dining services, are also listed in the catalogue.

The catalogue includes a delineation of AUBG's academic structure with faculty divided into eight academic department that house twenty-five distinct disciplines and programs; course descriptions are also provided. A list of current faculty is included, along with their departmental or program affiliations, rank, and terminal degrees and granting institutions, followed by a list of adjunct faculty, members of the current Board of Trustees, members of the University Council, and finally a list of all university offices and administration with names, locations, and contact information.

The university has strengthened its marketing efforts. Conversations with campus staff indicated that the OCM now has double the budget from five years ago³. Online media is now the dominant mode of information distribution for AUBG, while print materials, produced by the OCM, are distributed as support. Both online media and print materials have been used as recruitment tools to target prospective students, donors, and other interested parties and, just as importantly, both forms of media have been used to strengthen and enhance the university's image and brand. Plans are under way to expand AUBG's media presence by adding Bulgarian and Russian versions of select web content to the mix of languages used to reach parents of prospective students and local employers.

Institutional Effectiveness: AUBG clearly makes public all information required under the NEASC accreditation standards. The marketing materials for the institution reflect accurately the educational experience offered.

Standard 11: Integrity

AUBG's mission is to educate ethical and democratic leaders. This mission exists within a complex historical and political educational climate in Bulgaria. Other than appears to be the case on the AUBG campus, integrity breaches are viewed as commonplace. In meetings with the visiting Team, AUBG students, staff, and faculty regularly referenced the institution's commitment to high ethical and moral standards and, in fact, identified this as a key distinctiveness of the AUBG experience. This commitment was affirmed by members of the AUBG Board and Administration as well.

The team's review of AUBG's self-study, website, and workroom documents and campus interviews affirm the structures and practices appropriate to support high ethical standards are in place. Guidelines exist both for expected behaviors and also for grievance procedures to address perceived violations. Materials available on-line and distributed in hard copy document community standards and processes for responding to alleged violations. The Faculty Handbook, Student Handbook and Policy Manual were verified to include written policies and procedures related to matters such as academic integrity, intellectual property, conduct, progressive discipline, and grievance.

Structures for review of alleged violations of academic integrity and student conduct are well known and include active student participation. Faculty affirm the consistency of the messaging about behavioral expectations and seek to reinforce norms against cheating across the student experience. Issues of conduct breach are reviewed by the Conduct Council, a representative body of students, staff and faculty. The visiting team met with students who serve in representative roles to programs, and those on the

³ The departmental budget has doubled with the transfer of existing and approval of new communication investments, following the transformation from University Relations Office (URO) two years ago.

Conduct Council and the Academic Integrity committee; students affirmed the general openness of the faculty and administration to their input in these processes.

In addition to holding U.S. regional accreditation through NEASC, AUBG has attained and maintained the formal authority from the Bulgarian government that is required to operate in the country. AUBG submits program specific reviews for each academic program to maintain its Bulgarian accreditation. AUBG has a history of adherence to CIHE policies, requirements and requests, and to the free dissemination and pursuit of knowledge.

Institutional Effectiveness: AUBG's structures for review of alleged integrity violations are well established and involve multiple constituencies. In addition, the recent development of a Code of Ethics by the staff assembly engaged a large constituency in articulating ethical behaviors for the community. Increased transparency and venues for open input and feedback were noted as welcomed improvements at the institution.

Off-campus Programs

The visiting team met for a full day of sessions with students, faculty, staff and administration at the off-campus Elieff Center for Education and Culture in Sofia, Bulgaria. The 2,800 square meter facility was constructed 10 years ago specifically for the Executive MBA program. It provides an important cosmopolitan base of operations in Sofia for students in the cohort program and also for providing outreach to companies and organizations. The facilities are well maintained and provide a suitable setting for AUBG's EMBA offerings. The multi-purpose center is rented for other educational purposes such as TOEFL testing and professional development training, however, the facility is recognized as having greater potential for further engagement of AUBG's external and internal community.

Interviews with EMBA students, faculty, and administrators affirm the self-study description of a program with a strong cohort-based community. EMBA graduates speak highly of the focus on teamwork and practical application to business settings. Students are appreciative of the convenience of the Sofia location and identified the opportunity to network with other Bulgarian leaders as an important program feature. Graduate students did, though, express an interest in connecting more with the undergraduates in Blagoevgrad. Recently, several EMBA graduates represented their companies at job fairs and sought to recruit AUBG alumni. Publications including website information about the EMBA program are accurate and complete.

Instruction in the EMBA program is provided by a combination of adjunct faculty and main campus core faculty teaching on overload. Core faculty indicated that one benefit of interacting with students in the program was affirmation of business trends and current perspectives. Faculty recently revised the curriculum to add a focus on social entrepreneurship and additional hands-on projects, reflecting an on-going consideration of program efficacy by the academic unit that exercises oversight. However, a more

structured formal mechanism for review and revision of the program might be helpful for further aligning program strengths with institutional priorities and regional opportunities for distinctiveness.

The Executive MBA program consistently meets its enrollment target for a single cohort of 20 per year. With a high yield of 86-95% in recent years, the program has a strong appeal for its targeted audience. Some have posited that enrollment of two cohorts annually would be ideal, but there is not agreement about whether sufficient demand exists to support two cohorts.

Affirmation of Compliance

To document the institution's compliance with Commission policy related to U.S. Title IV regulations, the visiting team reviewed AUBG's Affirmation of Compliance form (unsigned). The university publicly discloses in its Undergraduate Catalog (print and on-line) its policy on transfer of credit. Public notification of the evaluation visit and of the opportunity for public comment was made on the University's website. As noted in the report, the College's grievance procedures for students are available in the online Student Handbook. AUBG does not offer any online programs. The team's discussion of AUBG's credit hour policy can be found in Standard 4: The Academic Program.

Summary

It is the view of the Visiting Team that American University in Bulgaria is achieving its mission and offering academic programs consistent with this ambition. It has been successful in establishing a very strong reputation in the region and has been able to maintain enrollments despite a difficult operating environment.

Perhaps the greatest testament to the University's success is the information published by the Bulgarian government. AUBG is consistently ranked first or second in the country for the subjects it offers, and its graduates have the lowest unemployment rate of any university in Bulgaria (i.e., only 0.35% for Economics graduates).

However, notwithstanding these accomplishments, AUBG is acutely aware that its continued success is not a given. It faces the dual threat of reductions in donations from its traditional supporters as well as an increasingly competitive market environment. With this in mind, the team offers the following summary of the most important strengths and concerns.

Strengths

1. *Mission:* AUBG was founded with a strong sense of mission. This mission remains as relevant today as it did 25 years ago and it clearly continues to inspire the staff, faculty and students both in terms of instilling a strong sense of

ethical leadership in its students as well as making available a quality education to those who otherwise could not afford it.

2. *Staff*: The institution has been able to deliver very high quality education, maintain relatively stable student enrollments, and consistently balance the budget in a very challenging environment and in the context of a high turnover of Presidents. This is in no small part due to the dedication and capability of the administrative staff.
3. *Faculty*: The faculty at AUBG are impressive. Not only are they appropriately qualified and research active, they are very clearly passionate about the university's mission and the success of their students. This was strongly reflected by students in their assessment of their educational experience.
4. *Impact*: For a relatively small institution, AUBG has clearly had significant impact. The success of AUBG graduates in the market place is a testament to both the quality of the student body and of the education offered. The role faculty and leadership play in advising the Bulgarian government on policy matters is testament to the regard with which the university itself is held.

Concerns

1. *Market-orientation*: The University has set ambitious enrollment targets over the next four years, in part to offset anticipated reductions in donations. Achieving these targets, whilst possible, will not be easy and the institution will need to demonstrate its continued ability to be responsive to market realities – both student needs as well as competitor offerings.
2. *Academic voice*: AUBG is understandably looking to instill a more “commercial” mindset as it tries to drive enrollments. However, to retain the essential core of the institution, care will need to be taken to ensure that an adequate academic voice remains at all levels of the organization, including the board.
3. *Presidential autonomy*: Whilst it is understandable (and commendable) that the board has been heavily involved in the management of the school during periods of instability in the leadership team, it is equally important that, going forward, the board give the new President sufficient autonomy to manage the institution effectively. In that light, thought should be given to whether the current by-laws remain appropriate, particularly in regard to the duties held by the board versus the President and whether the board is effectively slowing institutional decision making unnecessarily by operating at too detailed a level.