



April 28, 2021

Dr. David Rees Evans
Interim President
American University in Bulgaria
1 Georgi Izmirliiev Square
Blagoevgrad, 2700
Bulgaria

Dear President Evans:

I am pleased to inform you that at its meeting on March 5, 2021, the New England Commission of Higher Education considered the interim (fifth-year) report submitted by the American University of Bulgaria and voted to take the following action:

that the interim (fifth-year) report submitted by American University of Bulgaria be accepted;

that the report due by August 15, 2023 for consideration in Fall 2023 be confirmed;

that, in addition to the items specified in our letter dated February 17, 2021, the Fall 2023 report give emphasis to the institution's success in:

- 1) continuing to strengthen the financial health of the institution with attention to achieving its finance, enrollment, and fundraising goals;
- 2) ensuring the effectiveness of its governance and administrative structures with emphasis on filling key Board and leadership positions;

that the comprehensive evaluation scheduled for Spring 2026 be confirmed;

that, in addition to the information included in all self-studies, the self-study prepared in advance of the Spring 2026 evaluation give emphasis to the institution's success in:

- 1) evaluating the effectiveness of its existing planning infrastructure and developing an integrated approach to institutional planning;
- 2) developing policies and procedures to ensure faculty have an appropriate and sufficient voice in relevant institutional matters;

- 3) achieving its goals for diversity, equity, and inclusion among students, faculty, and staff;
- 4) consolidating the two campuses in Blagoevgrad into a single location.

The Commission gives the following reasons for its action.

The interim (fifth-year) report submitted by the American University of Bulgaria was accepted because it responded to the concerns raised by the Commission in its letter of October 18, 2016 and addressed each of the nine standards, including a reflective essay for Standard 8: *Educational Effectiveness* on student learning and success.

The Commission commends American University of Bulgaria (AUBG) for its well-conceived interim report that details the institution's accomplishments over the last five years, and also candidly addresses the challenges the University is facing, in large part due to the global pandemic and a turnover in leadership at AUBG in recent years. We are especially gratified to learn of the progress the institution has made in strengthening its financial health by implementing such strategies as: investing additional resources in student recruitment and expanding its pool of applicants; developing financial aid strategies and award matrices that increase average net tuition revenue per student; and enhancing its development/fundraising program to increase philanthropic support by broadening AUBG's donor base. The University's success in implementing contingency plans during the COVID-19 pandemic is noteworthy; maintaining a stable fall enrollment and implementing remote instruction with "a minimum of disorder and harm to the campus community" are particularly commendable achievements. As the University candidly recognizes, however, there are "significant risks until the pandemic is under control," and we therefore note positively that plans to create "a robust cash reserve fund to prevent unforeseen expenses from adversely affecting annual operating budgets" are under discussion by the Board of Trustees.

In addition, we are gratified to learn through AUBG's reflective essay about the various ways in which the University measures student success and achievement including: mapping general education learning outcomes to the courses offered to "ensure that students have formal opportunities to meet each outcome;" administering exit surveys to all graduating seniors; and employing a diverse array of "curricular approaches" to ensure students have ample opportunity to achieve requisite learning outcomes. The University's attention to ensuring English language proficiency is noteworthy, and we are particularly impressed to learn that "all junior members of the staff in the Office of Communication and Marketing are AUBG graduates who write most of the university's public communications at a level comparable to excellent university public-relations departments in the United States." The success of AUBG graduates "who work effectively in leadership roles in finance, business, technology, government, and non-governmental organizations" around the world is also commendable. We also appreciate AUBG's sincere evaluation that it is challenging to maintain the same retention and graduation rates for international students as for Bulgarian students, primarily because "Bulgarian students have a much wider range of financial options, including favorable government student loans and externally funded scholarships, that are not available to non-Bulgarians enrolling at AUBG." We therefore note positively that AUBG "is actively seeking additional alternative modes of funding for international students to assist in their recruitment and retention to graduation."

The Commission confirms the progress report scheduled for consideration in Fall 2023 and asks that, in addition to the matters specified in our letter of February 17, 2021, the institution give emphasis in the report to two additional items related to our standards on *Institutional Resources* and *Organization and Governance*.

We understand that a “strict regimen of cost-control and considerable investments” in improving the advancement/development function at AUBG resulted in an operating surplus of \$840,000 in FY2020, compared to operating deficits in both FY2018 (\$1.3 million) and FY2019 (\$2.4 million). However, we also support AUBG’s candid acknowledgment that to maintain financial stability, it “remains strongly in AUBG’s interest to increase undergraduate enrollment.” We also note that the America for Bulgaria Foundation and the Open Society Foundation which were historically major contributors to scholarship funds no longer operate in Bulgaria. The AUBG Alumni Association, however, has been successful in implementing an “alumni pledge program” with a goal to raise \$5.0 million by 2029, and we are impressed to learn that the Association raised over \$320,000 in gifts during the first year of the campaign. In addition, a “very large corporate gift” in FY2019 resulted in corporate donations of \$207,000 compared to an annual average of about \$71,000 over the previous four years. We recognize that AUBG’s efforts to remain “financially stable” (7.5) will require the University’s sustained attention. We therefore ask that the report submitted for consideration in Fall 2023 include an update on the University’s success in continuing to strengthen its financial health with attention to achieving its finance, enrollment, and fundraising goals. Our standard on *Institutional Resources* is relevant here:

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. The institution implements a realistic plan for addressing issues raised by the existence of any operating deficit (7.14).

Opportunities identified for new sources of revenue are reviewed by the administration and board to ensure the integrity of the institution and the quality of the academic program are maintained and enhanced. The institution planning a substantive change demonstrates the financial and administrative capacity to ensure that the new initiative meets the standards of quality of the institution and the Commission’s Standards (7.15).

According to the report, and we note with approval, since appointing an experienced and capable interim president in June 2019, communication between the AUBG leadership and its Board has improved, and a draft Board handbook has been developed. The handbook contains detailed information on all aspects of Board operations, including guidelines about shared governance and the traditional role of a Board of Trustees at a small private institution derived largely from policies and recommendations from AAUP and AGB. We particularly note with favor that the handbook will serve as the basis for a renewed process of Board recruitment and orientation that supports a clearer understanding of the distinctions between Board and administrative roles, not just for Board members but for the University’s administrators as well. It is also noteworthy that the Board has reviewed and substantially revised AUBG’s by-laws and created a Compensation Committee that employs best practices for presidential oversight and review, ensuring that the president’s direct reports are properly evaluated. However, we are concerned that a permanent president has yet to be selected and as documented in the report, “the Board itself has experienced considerable turnover since 2016, including the former chair.” We therefore appreciate learning that “a number of AUBG alumni” have recently been recruited to serve as Board members, and we look forward to receiving, in the Fall 2023 report, an update on the University’s success in ensuring the effectiveness of its governance and administrative structures with emphasis on filling key Board and leadership positions as evidence that AUBG “has a system of governance that facilitates the accomplishment of its mission and purposes and supports institutional effectiveness and integrity”

(*Organization and Governance*: Statement of the Standard). We are further guided here by our standard on *Organization and Governance*:

The board systematically develops, ensures, and enhances its own effectiveness through orientation, professional development, effective self-assessment, and regular evaluation including an external perspective. The board addresses its goals for diversity within its membership. Its role and functions are effectively carried out through appropriate committees and meetings (3.8).

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. The four items the Commission asks to be given special emphasis within the self-study prepared for the comprehensive evaluation are matters related to our standards on *Planning and Evaluation*, *Organization and Governance*, *Institutional Resources*, and *Students*.

We understand that AUBG's most recent strategic plan expired at the end of 2020 and the next five-year strategic plan will be developed once the University evaluates and revises its existing "extensive planning infrastructure." For example, the strategic plan of the Admissions office aims to develop a culture of support from the AUBG community, build strategic partnerships, and sustain performing markets and develop new ones; the supporting marketing plan is focused on building a strong brand for the University and recognition of AUBG achievements by establishing AUBG as the center for excellence and quality education in the region. The self-study submitted in advance of the Spring 2026 comprehensive evaluation will provide AUBG an opportunity to update the Commission on the institution's success in evaluating its existing planning infrastructure and developing an integrated approach to institutional planning as evidence that AUBG "plans beyond a short-term horizon, including strategic planning that involves realistic analyses of internal and external opportunities and constraints, [and that t]he results of strategic planning are implemented in all units of the institution through financial, academic, enrollment, and other supporting plans" (2.3).

According to the report, faculty are in discussions about approaching the Board to create one or two ex officio seats on the Board of Trustees for faculty members and/or to request the inclusion of faculty members on "several additional Board committees." The report also candidly indicates that "the more recent positive relationship is more the result of the individuals in current administration and [on the] board, instead of strongly protected procedures." While we are gratified to learn that in recent years "the University administration has recognized faculty prerogatives and has worked with faculty to make any changes," we also look forward to receiving, through the Spring 2026 self-study, information about AUBG's success in establishing policies and procedures that will clarify the faculty governance structure beyond inclusion in "ad hoc board committees," as well as details pertaining to the mechanism by which the effectiveness of this structure will be evaluated as evidence that "[f]aculty 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). Our standard on *Organization and Governance* will further inform this portion of the report:

In accordance with established institutional mechanisms and procedures, the chief executive officer and senior administrators consult with faculty, students, other administrators, and staff, and are appropriately responsive to their concerns, needs, and initiatives. The institution's internal governance provides for the appropriate participation of its constituencies, promotes communications, and effectively advances the quality of the institution (3.13).

Through its system of board and internal governance, the institution ensures the appropriate consideration of relevant perspectives; decision-making aligned with expertise and responsibility; and timely action on institutional plans, policies, curricular change, and other key considerations (3.17).

The effectiveness of the institution's organizational structure and system of governance is improved through regular and systematic review (3.19).

As further documented in the report, AUBG enrolls a diverse student population from "all over the world" and, through an array of academic and student activities, international students "learn to collaborate across cultural difference and to become comfortable with colleagues from diverse backgrounds." AUBG faculty also comprise a diverse group of Bulgarians, Americans, and faculty members from other countries. AUBG's strategic priority to "invest more resources" into enhancing and expanding diversity is noted with favor, and we ask that, in keeping with our standards on *Students* and *Institutional Resources*, the self-study prepared in advance of the Spring 2026 comprehensive evaluation include an update on the institution's success in "address[ing] its own goals for the achievement of diversity, equity, and inclusion among its personnel and assess[ing] the effectiveness of its efforts to achieve those goals" (7.1).

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. The institution addresses its own goals for the achievement of diversity, equity, and inclusion among its students and provides a safe environment that fosters the intellectual and personal development of its students. It endeavors to ensure the success of its students, offering the resources and services that provide them the opportunity to achieve the goals of their educational program as specified in institutional publications. The institution's interactions with students and prospective students are characterized by integrity and equity. (*Students*, Statement of the Standard).

Finally, we understand that AUBG plans to consolidate its Balkanski Academic Center in Blagoevgrad with its main Skaptopara campus which is also located in Blagoevgrad. The report assures that there is sufficient capacity in the "Main Building" to accommodate Student Services, Admissions, Communication and Marketing, and several other functions that currently operate out of the Balkanski Academic Center. As evidence that AUBG "has a demonstrable record of success in implementing the results of its planning" (2.5), we look forward, in the Spring 2026 self-study, to receiving an update on the institution's success in consolidating its two campuses in Blagoevgrad into a single location.

The Commission expressed appreciation for the report submitted by the American University of Bulgaria and hopes its preparation has contributed to institutional improvement. It appreciates your cooperation in the effort to provide public assurance of the quality of higher education.

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 Victoria Entwistle. 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.

Dr. David Rees Evans
April 27, 2021
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If you have any questions about the Commission's action, please contact Lawrence M. Schall,
President of the Commission.

Sincerely,

A handwritten signature in black ink, appearing to read "George Tetler". The signature is fluid and cursive, with the first name "George" written in a larger, more prominent script than the last name "Tetler".

George W. Tetler
GWT/sjp

Enclosure: Policy on Public Disclosure of Information about Affiliated Institutions

cc: Victoria Entwistle