

**AACRAO Dues Task Force
Final Report
March 7, 2006**

I. Background

The AACRAO Dues Task Force (DTF) was established at the April, 2003, Annual Meeting in Washington, DC. The charge to the DTF is attached, but the fundamental questions we were asked to address are:

1. Should AACRAO assess member dues as institutional dues or individual memberships?
2. Should AACRAO develop a more equitable membership dues structure based less on student headcount and more on institutional budgets or other factors?
3. Is AACRAO's current per member dues appropriately set to provide value for the membership services provided?
4. Should the Board set member dues without obtaining member approval?
5. Should membership approval be required to enact the budget?

The Task Force was initially chaired by Joe Roof, then AACRAO Vice President for Finance, and included the following AACRAO members:

Sue Blasi, Director of Admissions, Registration and Records
College of DuPage, Glen Ellyn, Illinois (large, two-year, public institution)

John Credille, Registrar
Southwest Baptist University, Bolivar, Missouri (small, four-year private institution)

John Hall, Executive Director of Enrollment Services
Southern Methodist University, Dallas, Texas (large, four-year private institution)

Brad Myers, University Registrar
Ohio State University, Columbus, Ohio (large, four-year public institution)

Beth Tedrow, Dean of Student Services
Garden City Community College, Garden City, Kansas (small, two-year public institution)

Richard Yount, University Registrar
University of North Carolina at Charlotte, Charlotte, North Carolina (large, four-year public institution)

Brad Myers assumed the chair responsibilities at the October, 2003, meeting of the DTF, and Joe moved into a Board Liaison role. When Joe was slated to be President-Elect for AACRAO, Paul Wiley, incoming Vice President for Finance, replaced him in the Board Liaison role. That replaced representation from a large, two-year public institution with one from another small, four-year private institution.

II. Process

The following timetable represents the major meetings, presentations and activities of the Task Force:

- October, 2003: Met over a weekend in Washington DC. Focus of the discussion:
 - a. Reviewed in detail AACRAO's budget and fiscal planning: background for our discussion
 - b. Decided that Charges #4 and #5 (above) had been addressed with a 2003 Bylaw change. The Board is authorized to raise dues by a marginal amount related to an indexed formula, but a larger increase requires a vote of the membership.
 - c. Reviewed peer association benchmark information.
 - d. Identified a list of questions/issues related to our task, and discussed those without any specific conclusions.
 - e. Identified a set of data needs – to come from National Office.
 - f. Agreed to a set of “next steps.”
- April, 2004: The DTF met twice at the Annual Meeting in Las Vegas, moderated an open forum session, and provided an update at the Town Meeting. The Town Meeting highlights:
 - a. The membership approval issue had been addressed with the 2003 Bylaw change.
 - b. The DTF will recommend continued institutional membership, but is exploring some options regarding additional memberships, including a discussion of “voting” versus “non-voting” memberships.
 - c. The DTF continues to explore both the headcount model and “value for the membership” questions.
 - d. Next steps:
 1. Analysis of benchmarking dues information.
 2. Dues modeling.
 3. Analysis of the AACRAO member satisfaction survey results to see how those align with the DTF “value” discussion.
 4. Reviewing member services for benchmark associations.
 5. Plan to report back to the Board at their November meeting.
- July, 2004: Met over a weekend in Washington DC. The focus of the discussion:
 - a. Received and reviewed the data requested earlier.
 - b. Discussed various dues models, and potential financial impacts.
 - c. Continued discussion about “value of an AACRAO membership”
 - d. Began to develop preliminary recommendations to go to the Board in the fall.
- November, 2004: Submitted some preliminary recommendations to Board for their review and feedback:
 - a. The DTF continues to support institutional membership, with an option for individual memberships: the status quo.
 - b. The DTF supports utilization of NCES Unit ID as the primary base for membership, but AACRAO needs to explore how this approach works with complex institutions. We noted that for some institutions, their self-reported headcount was being utilized to set their dues, rather than enrollment numbers reported to IPEDS. We specifically recommended that the IPEDS enrollment numbers be used whenever available.
 - c. The DTF supports consideration of “subscription” memberships for those beyond the institutional base memberships.
 - d. Asked the National Office to conduct an analysis of marginal/unit cost for establishing a potential baseline cost for “subscription” memberships.
 - e. The DTF is seriously considering an FTE-enrollment based dues model, with FT + 1/3 PT as the likely definition for FTE, but does not yet have recommendations to address the revenue neutrality expectations.

- f. The DTF supports the current Membership categories.
- g. The DTF supports a focused membership drive to two-year institutions since they would be most positively affected by the FTE model and we might use the additional membership dues to ameliorate potential financial risk with implementing this model.
- November, 2004: The Board primarily responded to the preliminary recommendations by asking for data.
- December, 2004: There was a discussion of DTF issues at the State and Regional Leadership Meeting.
- February, 2005: There was a discussion of DTF issues at the Incoming/Continuing Committee Chairs Leadership Meeting.
- February, 2005: There was a discussion of DTF issues with the Finance Committee of the Board.
- March, 2005: The DTF met at the Annual Meeting in New York City, and provided an update at the Town Meeting. The Town Meeting highlights:
 - a. Reported that the IPEDS recommendation had been fully implemented.
 - b. Discussed the concept of “subscription” memberships.
 - c. Reported on issues related to headcount v FTE models.
 - d. Reported that a membership survey was being developed.
 - e. Reported that the DTF may defer any recommendations on the “value for the membership dues” back to the Board and National Office for their further analysis.
- April/May, 2005: Developed a survey to be administered via the web to institutional reps, not the entire membership. It was decided not to release the survey until July, after most institutions had already submitted their dues for the following fiscal year.
- July/August, 2005: Survey of institutional representatives. The results were distributed to the DTF in the fall.
- December, 2005: Discussion at the combined State & Regional and Incoming/Continuing Committee Chairs Leadership Meeting.
- February, 2006: Summary of Final Recommendations to the Board.
- March, 2006: Final Report submitted to the Board.

Other forms of feedback, e.g. e-mails from members, and discussions, e.g. at State and Regional meetings, were a significant part of the process as well.

III. Recommendations and Discussion

Should AACRAO assess member dues as institutional dues or individual memberships?

- **The DTF continues to support the approach of institutional membership based on enrollment categories.**

Although some professional associations assess dues to institutional members based on a flat fee approach, i.e. each institution within the association pays the same fee – regardless of size or the number of individual members from that institution, the DTF found no value added to moving away from the current model. Most of our peer associations utilize an enrollment-based model and it is relatively easy to administer. Institutional enrollment often has a reasonable relationship to the size of registrar, admissions and related offices within our institutions, our office and/or institutional budgets, and the number of likely individual participants in AACRAO. Moving to a flat fee model would most negatively impact smaller institutions, a large segment of our association membership, and institutions which are likely to have more fiscal challenges with association dues.

- **The DTF proposes that AACRAO consider “subscription” memberships for those memberships beyond the voting memberships based on institutional enrollment.**

The DTF continues to support providing an opportunity for institutions to purchase additional (“extra”) individual memberships beyond the base number set by each institution’s enrollment category. Approximately 9% of AACRAO’s current memberships are “extra” memberships. This represents an important professional opportunity for those individuals to participate in association benefits and activities, as well as significant dues revenue to the association.

The DTF discussed several issues related to “extra” memberships. One of those was whether or not they should be “voting” memberships. There is some minor sentiment among the membership that when institutions purchase “extra” memberships, they are doing so to buy votes. Our analysis would suggest this was more perception than fact. There is also an assumption among many members that only the largest institutions purchase “extra” memberships. In fact, every membership category has somewhere between 40 and 80 “extra” memberships, and it is only somewhat skewed toward the higher membership categories.

We hope the concept of “subscription,” or non-voting, memberships would encourage greater membership numbers, particularly if those memberships were less expensive than the voting memberships set by enrollment categories. Some members noted their institutions do not currently purchase “extra” memberships because they are too expensive. Having a less expensive membership option may present some marginal financial risk to the association, but we hope the additional memberships would at least make this recommendation revenue neutral for the association. Additional memberships would mean more people actively engaged in the association’s activities, as well as a larger association membership base for potential industry influence. The DTF also recognizes that there would be some additional administrative costs with implementing “subscription” membership, but, again, we hope that would be marginal and outweighed by potential membership opportunities.

We should note that several people commented positively about the concept of “subscription” membership in the recent DTF survey.

The DTF did not reach a specific recommendation regarding a dues amount for “subscription” memberships, should they be implemented. The lesser amount of a “subscription” membership would hopefully be small enough to encourage broader utilization of the “subscription” membership option, yet be significant enough to continue to provide solid resource support to the association. “Subscription” membership dues should be established based on an analysis of “marginal/unit” costs related to member services. The National Office began such an analysis in conjunction with our review.

- **The Task Force supports utilization of the NCES Unit ID as an institutional membership base.**

This recommendation has already been implemented. It became apparent to the DTF that the dues for some institutions were based on their self-reported enrollment, not enrollment numbers reported to IPEDS. This was largely due to the timing of assessing dues for the coming year and when enrollment numbers were finalized with NCES. So, our recommendation was to consistently use enrollment numbers from the previous year, but always use those numbers reported to IPEDS. Some accommodation is appropriately made for the few association members who do not submit enrollment numbers to NCES – predominantly those in Canada and other countries.

However, AACRAO may need to further explore exactly how this approach is applied to complex institutions, e.g. educational systems or institutions with significant subdivision or campus distinctions. At the moment, there is an informal mechanism in place which supports an institution’s working with AACRAO regarding this issue. This mechanism is currently working well. Complex institutions need to be clearly identified as such in the AACRAO member database.

Should AACRAO develop a more equitable membership dues structure based less on student headcount and more on institutional budgets or other factors?

- **The DTF proposes that AACRAO shift from its current headcount model to an FTE model used by other similar professional associations.**

This was the most difficult issue faced by the DTF; one which did not draw consensus among either the DTF, any group discussing this question, or the survey conducted last summer. This was a key question in our initial charge, and it was largely in response to concerns consistently raised by two-year institutions. While this is the group’s majority recommendation, each member of the Task Force had respect for both recommending this change and maintaining the status quo.

An FTE model is utilized by many of our peer benchmark associations:

- American Council on Education,
- American Association of Community Colleges,
- American Association of State Colleges and Universities,
- Association of American Colleges and Universities,
- Council of Independent Colleges,
- National Association of College and University Business Officers,
- National Association of Student Financial Aid Administrators, and
- University Continuing Education Association

An FTE model is regarded as more equitable, particularly by the two-year institutions.

An FTE model is regarded as more parallel and consistent with other business practices, particularly for two-year institutions. Their budgets and other business measures are more often based on FTE, not headcount enrollments.

A complete copy of the 2005 may be found in Appendix B. From the survey:

Question #1: Is the current headcount approach a disincentive for institutions to join AACRAO?

	Two-Year Institutions		Four-year Institutions		Other Institutions		All Institutions	
Yes	79	22.5%	160	15.7%	4	16.7%	243	17.9%
No	170	54.7%	606	59.3%	8	33.3%	784	57.8%
No Opinion	62	19.9%	256	25.0%	12	50.0%	330	24.3%
Total	311		1022		24		1357	

When asked, “**Is the current headcount approach a disincentive for an institutions to join AACRAO?**,” the majority of all institutional representatives responding (57.8%) answered “no.” However, nearly 18% said “yes,” and nearly 23% of the two-year institutional representatives said “yes.”

That is a substantial minority. Noticeably, more than 24% of all respondents said “no opinion.” Comments offered in conjunction with the survey provided additional insight into the issue:

- The primary comment was that the headcount approach, in and of itself, was not a specific disincentive for AACRAO membership - perceived high dues was the larger issue expressed.
- Several noted that “Institutions join AACRAO for the services provided and the dues structure isn’t the key factor.”
- Several members noted that while they consider the current model a disincentive to membership, it wasn’t worth changing the dues structure because of that issue.

Several members noted that the nature of our basic services (i.e. registration, admissions) is more headcount-based anyway. This sentiment came up in every discussion on the FTE topic. “You don’t register or admit ½ a person,” was a comment sometimes made.

However, many comments noted the fairness factor, particularly for two-year institutions.

Question #2: Should AACRAO implement a dues structure based on FTE rather than headcount, even if it means that the base dues rate would be raised to maintain current revenue levels?

	Two-Year Institutions		Four-year Institutions		Other Institutions		All Institutions	
Yes	95	30.5%	284	27.8%	6	25.0%	385	28.4%
No	155	49.8%	497	48.7%	10	41.7%	662	48.9%
No Opinion	61	19.6%	239	23.4%	8	33.3%	308	22.7%
Total	311		1020		24		1355	

The second question in the survey was, “**Should AACRAO implement a dues structure based on FTE rather than headcount, even if it means that the base dues rate would be raised to maintain current revenue levels?**” While the results were somewhat similar to the responses to the first question, there was a stronger sentiment that an FTE model would be more appropriate. 28.4% of all the institutions and 30.5% of the two-year institutions said that an FTE model should be implemented. Noticeably again, nearly 23% had “no opinion.” Member institutional representatives struggled with this issue.

Admittedly, nearly 50% said to maintain the status quo. The comments reflected the rationale behind that sentiment: a few dozen members noted concern about having to raise the base rate to support change - for both regular and additional memberships. Several small institutions particularly raised this issue.

Every FTE model variation that the DTF reviewed would require some base dues increase in order to be revenue neutral for the association. Since many institutions already feel dues are high, they weren’t supportive of any proposal that would likely prompt a dues increase. Others noted the potential financial risk to the association wasn’t worth implementing an FTE model, even if it would be more equitable.

The DTF is very sensitive to concerns raised by members about **potential** financial risk to the Association if this recommendation is implemented with an increase in the base member dues to maintain dues revenue neutrality. **However, if revenue neutrality had not been a component of the decision, the consensus of the DTF was that moving to an FTE model was the “right” thing to do.** All of us had experience with institutional reviews when we’ve been asked to come up with the “best decision” – regardless of the budget implications. Then it’s left up to others how to implement that “best decision.”

If moving to an FTE model is the “right direction,” the challenge to AACRAO then becomes **how** to get there while ameliorating the potential financial risk. For example, perhaps this recommendation could be

gradually implemented over a few years. Is there a way to better assess what the financial risk might truly be – then determine whether or not that risk is manageable?

The DTF also acknowledges that this recommendation will require a change to the Bylaws. Two-year institutions, the group most positively affected by implementing this recommendation, represent the smallest segment of Association members, and they are also not well represented at Annual Meetings when Bylaws are voted on. That presents another challenge for implementation.

The DTF also reviewed whether or not other factors, such as institutional budgets or expenditures, should be variables considered in setting membership dues. Other factors are not commonly used by our benchmarks, and we saw no value added to changing from the status quo on this issue.

- **The Task Force proposes that the FTE model utilized be: $FTE = FT + 1/3 PT$**

Should an FTE model be implemented, there would need to be a definition for how FTE is determined for setting membership dues. There is neither a consistent, nationally-recognized FTE definition, nor a reporting of such.

Common models include the number of instructional credit hours divided by different denominators (derived from different full-time credit hour models) and various combinations of FT enrollment + different %'s of PT enrollment. Some institutions have current reporting requirements using the credit hour/full-time denominator definition. Several comments on the survey recommended using this approach. However, such a model would be difficult for the National Office administer. Neither credit hours nor FTE is a standard reporting requirement for NCES. So, FTE isn't already reported using a standard definition.

Full-time and part-time enrollments are reported to IPEDS and are already collected by AACRAO, so this should be fairly easy to administer.

While our benchmark associations use various FTE definitions for setting their membership dues, the predominant approach is $FTE = FT + 1/3 PT$.

American Council on Education	$FTE = FT + 2/3 PT$
American Association of Community Colleges	$FTE = FT + 3/4 PT$
American Association of State Colleges and Universities	$FTE = FT + 1/3 PT$
Council of Independent Colleges	$FTE = FT + 1/3 PT$
National Association of College and University Business Officers	$FTE = FT + 1/3 PT$
National Association of Student Financial Aid Administrators	$FTE = FT + 1/3 PT$
University Continuing Education Association	$FTE = 2/3 FT + 2/3 PT$

This model is also the default NCES definition of FTE:

For institutions of higher education, enrollment of full-time students, plus the full-time equivalent of part-time students as reported by institutions. **In the absence of an equivalent reported by an institution, the FTE enrollment is estimated by adding one-third of part-time enrollment to full-time enrollment.”**

In addition, the DTF conducted a comparative analysis of the institutions in Ohio ACRAO. OACRAO has more than 100 institutions, including a fairly representative sample of institution types. Institutions report data to the Ohio Board of Regents, including FTE. It is a credit-hour based definition of FTE. We matched reported FTE with how FTE might be calculated using different models and applying only FT and PT enrollment numbers reported to IPEDS. For the highest percentage of institutions, the closest alignment was between their reported FTE and a calculated FTE using the FT + 1/3 PT model.

Unfortunately, this model also carries the greatest potential financial risk for the Association since it would result in the greatest number of membership shifts from one membership category to a lower membership category. The table below shows the shift in members under various FTE models. One can also see the potential financial risk for “loss” of individual memberships under each model, and an estimate of the base dues rate necessary to maintain current dues revenue.

**Table 1
AACRAO Institutional Memberships by Enrollment Category**

Enrollment Category	Headcount (Current)		FTE = FT + 1/3 PT		FTE = FT + 1/2 PT		FTE = FT + 2/3 PT		FTE = FT + 3/4 PT	
	Institutions	Individuals	Institutions	Individuals	Institutions	Individuals	Institutions	Individuals	Institutions	Individuals
Under 1,000 (2 members)	661	1322	758	1516	726	1452	698	1396	688	1376
1,000-2,499 (3 members)	607	1821	696	2088	660	1980	639	1917	631	1893
2,500-4,999 (4 members)	463	1852	464	1856	480	1920	463	1852	465	1860
5,000-9,999 (5 members)	369	1845	300	1500	315	1575	351	1755	354	1770
10,000-19,999 (6 members)	266	1596	206	1236	227	1362	242	1452	241	1446
20,000 and up (7 members)	171	1197	113	791	129	903	144	1008	158	1106
Total	2537	9633	2537	8987	2537	9192	2537	9380	2537	9451
Lost Individual Members	0		646		441		253		182	
Lost Dues Revenue @ \$184 per member	\$0		\$118,864		\$81,144		\$46,552		\$33,488	
Likely Per-Member Dues Increase	\$0		\$13		\$9		\$5		\$4	

This second table shows how much more influence the FTE model has on two-year institutions.

**Table 2
AACRAO Institutional Memberships by Institution Type and Enrollment Category**

Institution Type	Headcount (Current)		FTE = FT + 1/3 PT		FTE = FT + 1/2 PT		FTE = FT + 2/3 PT		FTE = FT + 3/4 PT	
	Institutions	Individuals	Institutions	Individuals	Institutions	Individuals	Institutions	Individuals	Institutions	Individuals
Two-Year										
Under 1,000 (2 members)	96	192	126	252	115	230	106	212	104	208
1,000-2,499 (3 members)	96	288	148	444	127	381	116	348	112	336
2,500-4,999 (4 members)	131	524	157	628	161	644	142	568	138	552
5,000-9,999 (5 members)	132	660	91	455	100	500	125	625	125	625
10,000-19,999 (6 members)	77	462	41	246	52	312	62	372	67	402
20,000 and up (7 members)	35	245	4	28	12	84	16	112	21	147
Total Two-Year	567	2371	567	2053	567	2151	567	2237	567	2270
Lost Individual Members	0		318		220		134		101	
Four-Year										
Under 1,000 (2 members)	435	870	502	1004	481	962	462	924	454	908
1,000-2,499 (3 members)	180	1440	517	1551	502	1506	492	1476	488	1464
2,500-4,999 (4 members)	310	1240	285	1140	297	1188	299	1196	305	1220
5,000-9,999 (5 members)	225	1125	197	985	203	1015	214	1070	217	1085
10,000-19,999 (6 members)	173	1038	149	894	159	954	164	984	158	948
20,000 and up (7 members)	119	833	92	644	100	700	111	777	120	840
Total Four-Year	1742	6546	1742	6218	1742	6325	1742	6427	1742	6465
Lost Individual Members	0		328		221		119		81	
All Other										
Under 1,000 (2 members)	130	260	130	260	130	260	130	260	130	260
1,000-2,499 (3 members)	31	93	31	93	31	93	31	93	31	93
2,500-4,999 (4 members)	22	88	22	88	22	88	22	88	22	88
5,000-9,999 (5 members)	12	60	12	60	12	60	12	60	12	60
10,000-19,999 (6 members)	16	96	16	96	16	96	16	96	16	96
20,000 and up (7 members)	17	119	17	119	17	119	17	119	17	119
Total All Other	228	716	228	716	228	716	228	716	228	716
Lost Individual Members	0		0		0		0		0	
Grand Total	2537	9633	2537	8987	2537	9192	2537	9380	2537	9451
Lost Individual Members	0		646		441		253		182	
Potential Lost Dues Revenue	\$0		\$118,864		\$81,144		\$46,552		\$33,488	
Likely Per-Member Dues Increase	\$0		\$13		\$9		\$5		\$4	

As noted below, the DTF proposes that if this recommendation is implemented, consideration be given for gradually moving toward the FTE = FT + 1/3 PT model. For example:

- First year: Use FTE = FT + 2/3 PT
- Second year: Use FTE = FT + 1/2 PT
- Third year: Use FTE = FT + 1/3 PT

Several comments on the survey noted the importance of lots of lead time if implementing this type of change since it might effect their budget planning. It should also be noted that many survey comments stated a reasonable (e.g. no more than \$20) base dues change to implement this recommendation in a revenue neutral manner would be manageable, particularly in light of the fairness factor gained.

- **The Task Force proposes that, in general, the categories of membership (based on institutional enrollments) remain the same.**

After analysis of various alternative enrollment “break points,” there was no consensus regarding any better structure than the current model.

- **However, the DTF proposes providing one additional membership category: 1 voting member for those institutions with enrollment up to 500.**

This was a comment that came up in many discussions and was noted by several people when responding to the survey. Many small, four-year institutions expressed a desire to have this membership option. For some institutions, they are small enough that only one person manages both registration/records functions and admissions. In fact, some of those same people often handle financial aid as well. This is also a group of institutions that often struggles with resource issues, so this may provide good incentive for some additional institutional memberships. The institutions always have the option of purchasing additional memberships.

- **The DTF proposes that AACRAO focus efforts toward expanding the membership base, particularly among small and two-year institutions.**

The DTF offers some suggestions for consideration by the Board and the membership:

- a. A reduced first-year membership as an incentive to join AACRAO.
- b. A survey of non-member small and two-year institutions to assess why they are not members of AACRAO. This can be utilized as a foundation for further incentive programs.
- c. Continued expansion of services not tied to the annual meeting. Since many small and two-year institutions do not attend the national meeting, often for cost reasons, AACRAO should ensure that these expanded services have some particular applicability to them.

Regardless of whether or not the FTE model is implemented, it was clear to the DTF that our Association needs to focus some greater attention on small and two-year institutions. Representatives from these two groups are often not able to attend the Annual Meeting. Our greatest potential for institutional membership enhancement is with the two-year institutions. If we are better able to convince these institutions of the value for their membership dues, and better focus resources and services toward them, we may be able to expand our membership base with them.

Several comments on the survey proposed that we get a better sense of **why** we don’t have better representation from the two-year institutions. Conducting an assessment survey of institutions who aren’t members of AACRAO and/or who leave AACRAO should be very valuable in helping to identify how to focus some resources toward future membership enhancement.

Should membership approval be required to enact the budget? Should the Board set member dues without obtaining member approval?

- These questions have already been address by By-Law changes approved by the membership.

Is AACRAO's current per member dues appropriately set to provide value for the membership services provided?

While the DTF had good discussions of this question, and some information from earlier, related, AACRAO member surveys, the DTF proposes that a more formal analysis be conducted regarding this issue. Our discussions of this question became very broad and much intertwined with the dues issues discussed above. Therefore, we decided at some point that we needed to separate them, and to focus on the questions above.

The National Office was very helpful in benchmarking services offered to members for other similar professional associations, and much of our discussion was centered on what services/resources from AACRAO should be available to the general public versus what should be available just to members. There are definite pros and cons to maintaining a more open versus a more closed environment. We need to determine what the appropriate balance is.

We recommend that the Board consider the following as examples of keeping this specific discussion moving forward:

- a. A discussion of this topic at the December leadership meeting.
- b. A broader membership survey regarding this topic.
- c. A topic raised by AACRAO representatives at the various State and Regional meetings in the coming year.

IV. Summary of Recommendations

Responses to Fundamental Questions in the Charge:

1. Should AACRAO assess member dues as institutional dues or individual memberships?

- **The Dues Task Force (DTF) continues to support the approach of institutional membership based on enrollment categories.**
- **The DTF proposes that AACRAO consider “subscription” memberships for those memberships beyond the voting memberships based on institutional enrollment.**

Comments:

- a. A “subscription” membership would provide all member benefits except for voting rights.
- b. “Subscription” membership dues would be less than the regular per-member dues. This lesser amount would hopefully be small enough to encourage broader utilization of the “subscription” membership option, yet be significant enough to continue to provide solid resource support to the association.
- c. “Subscription” membership dues should be established based on an analysis of “marginal/unit” costs related to member services.

- **The DTF supports utilization of the NCES Unit ID as an institutional membership base.**

Comment:

This recommendation has already been implemented, **but AACRAO may need to further explore exactly how this is applied to complex institutions.** At the moment, there is an informal mechanism in place which supports an institution’s working with AACRAO regarding this issue. This mechanism is currently working well. Complex institutions need to be clearly identified as such in the AACRAO member database.

2. Should AACRAO develop a more equitable membership dues structure based less on student headcount and more on institutional budgets or other factors?

- **The DTF proposes that AACRAO shift from its current headcount model to an FTE model used by other similar professional associations.**

Comments:

- a. While this is the group’s majority recommendation, each member of the Task Force had respect for both recommending this change and maintaining the status quo. We did not reach an absolute consensus, and the group struggled with this question extensively. We feel the survey results, including a fairly significant “no opinion” response, reflect a similar struggle among the membership.
- b. This model is more in line with other benchmark professional associations. AACRAO is currently the only association among our benchmark groups that uses headcount rather than FTE.
- c. This model is regarded as more equitable, particularly by the two-year institutions.
- d. This model is regarded as more consistent and equitable, particularly by the two-year institutions. Their budgets and other business measures are more often based on FTE, not headcount enrollments.
- e. The DTF is very sensitive to concerns raised by members about **potential** financial risk to the Association if this recommendation is implemented with an increase in the base member dues to maintain dues revenue neutrality. Therefore, if this recommendation is adopted by the Board to present to the membership, we recommend that AACRAO consider phasing it in over several years, and/or other means by which to ameliorate any potential financial risk.

f. The DTF does not recommend bringing other variables (e.g. institutional budget) into consideration for establishing membership dues.

- **The Task Force proposes that the FTE model utilized be: $FTE = FT + 1/3 PT$**

Comments:

- a. We recognize that there is neither a consistent, nationally-recognized FTE definition, nor a reporting of such. Common models include the number of instructional credit hours divided by different denominators (derived from different full-time credit hour models) and various combinations of FT enrollment + different %'s of PT enrollment.
- b. This model is the default NCES model, and is the most common approach used by our benchmark associations.
- c. Full-time and part-time enrollments are reported to IPEDS and are already collected by AACRAO, so this should be fairly easy to administer.

- **The DTF proposes that, in general, the categories of membership (based on institutional enrollments) remain the same.**

Comment:

After analysis of various alternative enrollment “break points,” there was no consensus regarding any better structure than the current model.

- However, **the DTF proposes providing one additional membership category: 1 voting member for those institutions with enrollment up to 500.**

Comment:

Many comments, mostly from small, four-year institutions, expressed a desire to have this membership option.

- **The DTF proposes that AACRAO focus efforts toward expanding the membership base, particularly among small and two-year institutions.**

Comment:

The DTF offers some suggestions for consideration:

- a. A reduced first-year membership as an incentive to join AACRAO.
- b. A survey of non-member small and two-year institutions to assess why they are not members of AACRAO. This can be utilized as a foundation for further incentive programs.
- c. Continued expansion of services not tied to the annual meeting. Since many small and two-year institutions do not attend the national meeting, often for cost reasons, AACRAO should ensure that these expanded services have some particular applicability to them.

3. Should membership approval be required to enact the budget? Should the Board set member dues without obtaining member approval?

- These questions have already been address by By-Law changes approved by the membership.

4. Is AACRAO's current per member dues appropriately set to provide value for the membership services provided?

- While the DTF had good discussions of this question, and some information from earlier, related, AACRAO member surveys, the DTF proposes that a more formal analysis be conducted regarding this issue. For example:
 - a. A discussion at the December leadership meeting.
 - b. A broader membership survey.
 - c. A topic raised by AACRAO representatives at the various State and Regional meetings in the coming year.
- These discussions should also include a more thorough analysis of which services and resources should be offered only to the membership and which should be more openly available to the general public.

APPENDIX A

AACRAO Dues Task Force Charge from Board of Directors

A series of activities this past year culminating with the Fiscal-Year 2004 budget development process resulted in the AACRAO Board of Directors discussing membership dues as an issue. As the discussion continued on this topic, it became apparent this was not one issue, but a series of complex issues all linked to each other. The following is a summary of these issues.

ISSUES:

1. Institutional Versus Individual Dues

AACRAO's Bylaws, Article II, Section 1, address membership eligibility as institutional, but a Member Resolution approved in April 2000 bases membership dues on institutional size and the number of voting members. This creates confusion as to whether AACRAO's dues are truly institutional, meaning a certain size or type of institution pays a specific fee, or member fees, meaning fees are assessed as a flat rate per member.

2. Dues Equity

The 2000 Member Resolution on Voting Membership and Fees states the members shall pay fees "based on their total enrollment for the preceding fall, as reported to the U.S. Department of Education's National Center for Educational Statistics." The enrollment being reported is total "headcount" enrollment and this causes an inequity for institutions such as community colleges and urban universities that enroll a large proportion of part-time students.

3. Amount of Dues

This past year, the Board charged the Vice President of Finance to conduct a review of peer associations. The purpose of this study was to provide the Board with additional "benchmarks" to assist in the evaluation of AACRAO's financial performance, including data from Statements of Financial Position, Statements of Activities, and Executive Compensation. Also included in these benchmarks was a review of membership dues. Based on this study, AACRAO's membership dues ranked 8th lowest out of 11 "peer" associations. AACRAO's per member dues ranked next to last in the comparison.

4. Dues and Budget Approval

AACRAO's Bylaws currently require member approval for any change in dues. In addition, the dues are included in the annual budget approval process. The benchmark study of peer associations revealed that only one other association required member approval of any dues increase. Having a system where members approve the budget, while closely linked to membership dues, creates timing problems. Based on the current Bylaws, the next fiscal year budget must be developed more than nine months prior to implementation. This results in the Board having to approve an operating budget several months later that is a more realistic estimate of projected revenue and expenses.

These issues have caused the Board to request a review of AACRAO's dues and dues structure. The Board requested the Vice President of Finance to convene a task force to study the dues issues and to develop recommendations. The Dues Task Force is charged to address:

- Should AACRAO assess member dues as institutional dues or individual memberships?
- Should AACRAO develop a more equitable membership dues structure based less on student headcount and more on institutional budgets or other factors?
- Is AACRAO's current per member dues appropriately set to provide value for the membership services provided?
- Should the Board set member dues without obtaining member approval?
- Should membership approval be required to enact the budget?

APPENDIX B

AACRAO Dues Task Force Institutional Representative Survey – July 2005

The Dues Task Force continues to study several issues related to membership and dues. As part of this process, the Task Force believes that it is important to solicit direct feedback from members and will be conducting several short surveys, of which this is the first. Please take a few minutes to read and respond to this important survey.

Because the following questions relate to **institutional** memberships and dues, this survey is being sent only to AACRAO institutional representatives, not to every AACRAO member. We urge you to discuss these issues with the other AACRAO memberships at your institution prior to responding to the survey.

Thanks in advance for your important contribution to our overall analysis and review!

If you have questions, please e-mail dues-survey@aacrao.org for assistance.

Background

The AACRAO Board of Directors established a Dues Task Force to address the structure of membership dues and dues equity. The Board set out the guiding principle that any recommendations made by the Task Force should be revenue neutral.

Currently an institution's minimum AACRAO membership is determined by its headcount enrollment reported for the previous fall term. For the 2005-6 membership year, IPEDS headcount enrollment for Fall 2003 is used to establish minimum institutional members, as Fall 2004 IPEDS data and not yet publicly available. In 2005-2006, an institution's minimum dues are determined by multiplying the required minimum number of members by \$184. Institutions may purchase "additional" memberships beyond the minimum for \$184 each.

One of the primary questions the Task Force is attempting to address is whether AACRAO should develop a membership dues structure based on full-time equivalent (FTE) enrollment rather than headcount enrollment. Some members, but especially those from two-year institutions, maintain that AACRAO's dues structure is inequitable because it is based on headcount enrollment, while funding at their institutions is based on FTE enrollment.

The Task Force researched how other benchmark higher education associations determine member dues and found that AACARO was alone in basing its dues on headcount enrollment. All of the other benchmark associations studied base their dues on FTE enrollment rather than headcount enrollment.

Although the Task Force has found no consistent, nationally recognized definition of FTE, the majority of other associations define FTE as follows:

$$\text{FTE enrollment} = \text{FT headcount} + 1/3 \text{ PT headcount}$$

This formula is also preferred by the National Center for Education Statistics as the default method of calculating FTE, and also most closely approximated FTE's reported by institutions in a pilot study conducted by the Task Force.

Basing AACRAO dues on FTE enrollment rather than headcount enrollment will result in fewer individual AACRAO members, which, in turn, will likely mean slightly higher per-member dues to maintain dues revenues at current levels. While the definition of FTE Enrollment = FT headcount + 1/3 PT headcount is attractive, both in its currency and validity, the Task Force also investigated other FTE enrollment calculations that mitigate the loss of individual members and dues revenue. However, the consensus of the Task Force was that if we should implement a new model, the ideal enrollment definition would be “FTE enrollment = FT headcount + 1/3 PT headcount.” With that model, we estimate that there would need to be a \$10-\$15 (per person) increase in member dues to maintain the current dues revenue.

The following tables show current institutional membership based on headcount enrollment, as well as the FTE enrollment = FT headcount + 1/3 PT headcount model. Note that these tables do not include “additional” membership purchased by institutions. You should review your Fall 2003 enrollment to determine how these FTE models might affect your institution.

Table 1
AACRAO Institutional Memberships by Enrollment Category

Enrollment Category	Headcount (Current)		FTE = FT + 1/3 PT	
	Institutions	Individuals	Institutions	Individuals
Under 1,000 (2 members)	661	1322	758	1516
1,000-2,499 (3 members)	607	1821	696	2088
2,500-4,999 (4 members)	463	1852	464	1856
5,000-9,999 (5 members)	369	1845	300	1500
10,000-19,999 (6 members)	266	1596	206	1236
20,000 and up (7 members)	171	1197	113	791
Total	2537	9633	2537	8987
Lost Individual members	0		646	
Lost Dues Revenue @\$184 per member	0		\$118,864	

Table 2
AACRAO Institutional Memberships by Institution Type and Enrollment Category

Institution Type	Headcount (Current)		FTE = FT + 1/3 PT	
	Institutions	Individuals	Institutions	Individuals
Two-Year				
Under 1,000 (2 members)	96	192	126	252
1,000-2,499 (3 members)	96	288	148	444
2,500-4,999 (4 members)	131	524	157	628
5,000-9,999 (5 members)	132	660	91	455
10,000-19,999 (6 members)	77	462	41	246
20,000 and up (7 members)	35	245	4	28
Total Two-Year	567	2371	567	2053
Lost Individual members	0		318	
Four-Year				
Under 1,000 (2 members)	435	870	502	1004
1,000-2,499 (3 members)	480	1440	517	1551
2,500-4,999 (4 members)	310	1240	285	1140
5,000-9,999 (5 members)	225	1125	197	985
10,000-19,999 (6 members)	173	1038	149	894
20,000 and up (7 members)	119	833	92	644
Total Four-Year	1742	6546	1742	6218
Lost Individual members	0		328	
All Other				
Under 1,000 (2 members)	130	260	130	260
1,000-2,499 (3 members)	31	93	31	93
2,500-4,999 (4 members)	22	88	22	88
5,000-9,999 (5 members)	12	60	12	60
10,000-19,999 (6 members)	16	96	16	96
20,000 and up (7 members)	17	119	17	119
Total All Other	228	716	228	716
Lost Individual members	0		0	
Grand Total	2537	9633	2537	8987
Lost Individual Members	0		646	
Potential Lost Dues Revenue	\$0		\$118,864	

Question #1: Is the current headcount approach a disincentive for institutions to join AACRAO?

- Yes
- No
- No Opinion

Question #2: Should AACRAO implement a dues structure based on FTE rather than headcount, even if it means that the base dues rate would be raised to maintain current revenue levels?

- Yes
- No
- No Opinion

APPENDIX C

**AACRAO Dues Task Force
Institutional Representative Survey Results**

Response Information

	Two-Year Institutions	Four-Year Institutions	Other Institutions	All Institutions
Number of AACRAO Institutional Memberships	567	1742	228	2537
Responses to Survey	311	1024	24	1359
Responses Rate	54.9%	58.8%	10.5%	53.6%
Comments	50	200	4	254

Question #1: Is the current headcount approach a disincentive for institutions to join AACRAO?

	Two-Year Institutions		Four-year Institutions		Other Institutions		All Institutions	
Yes	79	22.5%	160	15.7%	4	16.7%	243	17.9%
No	170	54.7%	606	59.3%	8	33.3%	784	57.8%
No Opinion	62	19.9%	256	25.0%	12	50.0%	330	24.3%
Total	311		1022		24		1357	

Question #2: Should AACRAO implement a dues structure based on FTE rather than headcount, even if it means that the base dues rate would be raised to maintain current revenue levels?

	Two-Year Institutions		Four-year Institutions		Other Institutions		All Institutions	
Yes	95	30.5%	284	27.8%	6	25.0%	385	28.4%
No	155	49.8%	497	48.7%	10	41.7%	662	48.9%
No Opinion	61	19.6%	239	23.4%	8	33.3%	308	22.7%
Total	311		1020		24		1355	

Comments:

From the two-year institutions:

- The primary comment was that the headcount approach, in and of itself, was not a specific disincentive for AACRAO membership - perceived high dues was the larger issue expressed in the comments.
- Another primary comment was that an FTE model would be fairer to two-year institutions.
- Several suggested using a different FTE definition than what was proposed. Credit hours divided by a “full-time” denominator (e.g. 15) was most frequently mentioned. **Note:** credit hours are **not** reported to IPEDS, and, again, there is no universally accepted denominator value for “full-time.”
- The next most common comment was along the line of “Institutions join AACRAO for the services provided and the dues structure isn’t the key factor.”
- Several members noted that while they consider the current model a disincentive to membership, it wasn’t worth changing the dues structure because of that issue.
- Several members noted that the nature of our basic services (i.e. registration, admissions) is more headcount-based anyway.
- A few members noted their concern about a potential loss in revenue from dues if the base rate goes up.
- A few members proposed there be more membership categories – particularly an opportunity for a single-membership option for very small institutions.

From the four-year institutions:

- A few dozen members noted concern about having to raise the base rate to support the proposed change – for both regular and additional memberships. Several small institutions particularly raised this issue.
- Many, particularly smaller institutions, noted the high cost of membership regardless of which model was used.
- Many members noted the fairness factor, particularly for two-year institutions.
- Many members noted that if the base increase was **reasonable** (no more than \$20/member, for example), then a base increase would be manageable.
- Nearly a dozen members proposed having more categories, particularly at the very small institution level.
- Nearly a dozen members proposed another FTE model than what was proposed in the survey. Again, the common suggestion was credit hours divided by a “full-time” denominator.
- Nearly a dozen members proposed having a flat fee for all the institutions since they didn’t see any relationship between service and size.
- Several noted that our primary services are headcount-oriented anyway.
- Several encouraged AACRAO to leave the base rate intact if the FTE model was implemented. They did not support a base rate change beyond the inflationary change the Board can implement.
- Several encouraged less expensive “extra” memberships.
- Several noted that since there isn’t a “best” FTE definition, leave the model intact.
- A few folks asked that we provide lots of lead time if a change will be made.
- On a lighter side, many folks “wished the Dues Task Force luck” since this was a difficult or no-win discussion.