

AAE Board Transformation Initiative

Overview Document

1) Increased diversity and better membership representation is critically needed on the AAE Board.

This is a long-held conviction of our Board. As part of its annual self-assessment, the AAE Board consistently identified board composition as an opportunity for improvement. It became clear that the *only* clear path to achieving and sustaining greater diversity, in its many different forms, is to transform the very manner by which our Board is composed.

Board composition relates to the Board's success in building a board made up of individuals who truly represent the membership and contribute critically needed skills, experience and perspective to the association. Additionally, this responsibility includes a well-conceived plan to help the board identify and recruit members and cultivate officers, while examining and addressing gaps in areas of diversity such as expertise, race, ethnicity, age, and gender. The AAE Board desires to introduce more diversity on the Board. **The AAE firmly believes that increasing diversity will strengthen the AAE Board and result in all members feeling that their perspectives and experiences are represented by the leadership.**

2) The AAE Board can enhance its efficiency through structural changes.

The high-performance board, like the high-performance team, is diverse, competent, collegial and *focused*. Such entities do not simply evolve; they must be constructed. This is why we have taken the time to put forth a detailed and carefully considered plan that ensures heightened Board diversity and efficiency, and sets the AAE up for success – for the long run.

Research has shown that high performing boards average 15 members in size, and the method in which members of high performing boards are selected has shifted from a popular vote system to an expertise-based system. Reducing the AAE Board's size will enhance strategic discussions and the Board's ability to be nimble in acting on behalf of the specialty.

Method

The AAE's Board has long endeavored to introduce more diversity. In November 2019, a major milestone was reached in putting this vision into action. The Board approved moving forward with utilizing Association Management Center (AMC) as consultants to lead the AAE through its Board Transformation Initiative. AMC provided the association with recognized top experts in association governance with first-hand knowledge of leading research on board composition practices. The Constitution and Bylaws Committee was assigned to this project and asked to bring a recommended structure to the Board for consideration. The approach utilized throughout the project considered leading practices while maintaining sensitivity to the culture of the AAE.

Methodology included a thorough review of AAE governance practices; interviews and surveys with key stakeholders, including current and past leaders of the organization as well as members from each District

who have been engaged in the AAE's governance processes; and consideration of leading practices of high-performing boards as identified in the broader research on this topic.

A foundational decision of the committee was that in order to build an efficient and diverse board, the AAE must streamline the size of its Board and move towards the leading practice of considering diversity elements in selecting Board members. These diversity elements include gender, years in practice, race, ethnicity, practice type, geographical location, as well as specific skills and abilities possessed by the individual – for example, financial acumen, strategic planning, ambassadorship.

The AAE Board reviewed and approved the committee's recommendations at its 2020 Interim Meeting. These changes will be presented to the 2021 General Assembly for a vote.

Building Diversity

Directors and Districts – Reevaluating Geography

The Board recognizes that the seven AAE regional districts have a historical importance, but that **geographic location has become just one of many representational factors of importance to be considered when building a Board that represents the specialty as a whole. Further, how geography is categorized (states or urban vs. rural) may differ in relevance today when compared to the environment at the time the association's original structure was developed.**

The Board recommends a **transition from a geographical representation of district directors to an entirely at-large director structure**, with a total of nine directors selected based on demographic and skill-based diversity factors. **Geography will be one of the diversity factors considered.**

Nominating Committee changing its name to Leadership Development Committee (LDC).

The AAE Nominating Committee will be renamed as the Leadership Development Committee (LDC), to more accurately reflect its function in light of the Board's desired composition changes. The LDC will develop diversity factors (expertise and demographics) as informed by the Board and utilize those factors to nominate officers and at-large directors. The factors will be reviewed annually, as there may be emerging areas where the AAE would benefit from a Board member with specific experience. **Presently, geography is the only formal diversity element utilized in the AAE Board's composition.**

The Leadership Development Committee will nominate candidates for Director and Officer positions based upon the demographic and skill-based diversity needs of the Board.

Enhancing Efficiency

The Board's size will be reduced

As we strive to become a best-in-class board, we must examine other high performing boards. Research has shown that high performing boards average 15 members in size, and the method in which members of high performing boards are selected has shifted from a popular vote system to an expertise-based system. It is recommended that the AAE reduce the size of its board to better align with leading practices, resulting in enhanced strategic discussions and nimbleness in action-taking.

Streamlining Board size is achieved through a reduction in the number of directors – from 14 district directors to 9 at-large directors, as well as a reduction in the number of officer positions.

Removing the Vice President position – a key component in streamlining

After thoughtful consideration of officer roles, responsibilities, and workload, it is recommended that the Vice President position be removed.

The Board will elect its own officers, and will have sole authority to remove directors.

Development of a high performing Board requires a process by which candidates are carefully selected based upon the demographic and expertise needs of the Board. The AAE’s current practice of having the General Assembly elect officers does not effectively support this goal, as the general membership does not possess in-depth knowledge regarding individual candidates and the Board’s demographic and expertise needs. The Leadership Development Committee and Board would be well poised to carefully examine and recommend individuals who fill those requirements.

The changes propose that the AAE Board elect its officers. **Of note, this change would be in alignment with the precedent set by the Foundation and ABE Boards, as both organizations’ boards select their own officers.**

The leading practice for removal of a director is that the Board itself should retain that authority. Currently, the AAE Constitution allows for the Board to remove a director with a $\frac{3}{4}$ vote if considered an emergency; otherwise, a $\frac{2}{3}$ vote of the General Assembly is required. The committee agreed that transferring the authority of removing Directors solely to the Board was appropriate, and that the existing requirement of a $\frac{3}{4}$ vote to take this action would remain intact. It is believed that the Board would have access to the information necessary to make decisions of this gravity, and that the Board would be able to make such changes with the appropriate level of discretion.

General Assembly retains authority to elect Directors

The committee agreed that the election of director nominees should remain the authority of the General Assembly. **The AAE will retain the process by which a member not selected to appear on the slate of director nominees may petition to be placed on the ballot,** which would result in a contested election by the General Assembly.

Recommendation & Rationale

The AAE Board believes that these recommended changes will improve the AAE Board’s composition by formally ensuring diversity of demographics and skills and streamlining its size. The recommended changes apply leading practices to the organization’s governance structure and leadership development approach. They also position us as a forward-thinking and high performing board – in short, best-in-class.

The General Assembly is asked to approve the recommended changes to the AAE *Constitution* and *Bylaws*.

It is advisable to see the Recommended AAE Board Composition and Selection below for a full summary of the proposed changes. The AAE will publish the proposed amendments to the Constitution and Bylaws in February 2021.

A detailed transition plan has been developed. Of note, Districts that are due to select directors for terms beginning in 2022 will conduct their regular nomination processes. The remaining structural changes will be phased in as current terms end, and 2025-2026 will be the first year with a fully re-formed Board in line with the new recommended structure.

Recommended AAE Board Composition and Selection

BOARD COMPOSITION

Board Size

15 voting members: 5 officers, 1 Foundation President, 9 at-large Directors

Non-voting ex-officio positions of Executive Director and Editor remain in place, for a total of 17 Board members.

Directors

All Directors are at-large, and selected based upon competency and multi-representational factors, of which one factor is geography.

Terms

No change to current term lengths and guidelines.

Directors have three-year terms and may not serve a consecutive full term. Directors may serve a second full term after having been off the Board for one year. If serving a partial term as part of filling a vacancy, a Director may serve a consecutive full three-year term.

Officer terms are one year in length. Secretary and Treasurer positions are eligible for unlimited consecutive terms. President-elect automatically advances to President, and then Immediate Past President.

Removal of Director

Authority to remove a Director is transferred entirely to the Board. A $\frac{3}{4}$ vote of the Board is still required for this action.

Currently the Board may remove a director only if deemed an emergency, with a $\frac{3}{4}$ vote, otherwise, the General Assembly removes a director with a $\frac{2}{3}$ vote.

Districts

All directors will be at-large, rather than district directors. Selections for at-large directors will be made by the Leadership Development Committee and those nominees will be elected by the General Assembly. There will be no district-run nominations.

Officers

Officers are recommended by the LDC and elected by the Board.

Officer Composition

Vice President position will be eliminated, resulting in a total of five officers: President, President-elect, Secretary, Treasurer, and Immediate Past President.

Nominating Committee

Nominating Committee is re-named Leadership Development Committee.

Structure of committee remains the same: three most recent past presidents, plus two directors elected by the Board to serve on the committee.

LDC, as informed by the Board, develops multi-representational and competency criteria for selection of officers and at-large Directors. LDC constructs the slate of officers for election by the Board, and at-large directors, for election by the General Assembly.

GENERAL ASSEMBLY

Directors

General Assembly elects slate of directors.

AAE maintains our process by which an individual who was not nominated by the LDC can petition to run for a director position.

Unless a petition is received, the slate of directors is automatically elected (considered to be approved by the General Assembly without a vote taking place).

Officers

General Assembly does not vote to approve officers- this authority is transferred to the Board.

Board holds a closed election of officers, the process for petitioning for officer positions is removed.

If not nominated, an individual cannot petition to run against the nominee for an officer position.

District Nominating Committees

District Nominating process is removed.

TRANSITION PLAN BY POSITION

Current Position	Name	2021-22	2022-23	2023-24	2024-25	2025-26	2026-2027	2027-2028
President	Alan Gluskin	Alan Law	Stefan Zweig	22-23 Pres Elect	23-24 PE	24-25 PE	25-26 PE	26-27 PE
President Elect	Alan Law	Stefan Zweig	LDC Nominee (21-22 VP)	LDC Nominee	LDC Nominee	LDC Nominee	LDC Nominee	LDC Nominee
Vice President	Stefan Zweig	NC Nominee	Position Eliminated					
Secretary	Craig Hirschberg	NC Nominee	LDC Nominee	LDC Nominee	LDC Nominee	LDC Nominee	LDC Nominee	LDC Nominee
Treasurer	Natasha Flake	NC Nominee	LDC Nominee	LDC Nominee	LDC Nominee	LDC Nominee	LDC Nominee	LDC Nominee
Immediate Past President	Keith Krell	Alan Gluskin	Alan Law	Stefan Zweig	TBD	TBD	TBD	TBD
Foundation President	John Nusstein	John Nusstein	TBD by Foundation	TBD by Foundation	TBD by Foundation	TBD by Foundation	TBD by Foundation	TBD by Foundation
District I Director	Robert Cheron	Judy McIntyre*	Judy McIntyre*	Judy McIntyre*	Position Eliminated			

Current Position	Name	2021-22	2022-23	2023-24	2024-25	2025-26	2026-2027	2027-2028
District I Director	Elizabeth Perry	Elizabeth Perry	Elizabeth Perry	At Large Director 1	At Large Director 1	At Large Director 1		
District II Director	Paul Falcon	Paul Falcon	District II Nominee 22-25	District II Nominee 22-25	District II Nominee 22-25	At Large Director 7	At Large Director 7	At Large Director 7
District II Director	Marcus Johnson	Marcus Johnson	Marcus Johnson	At Large Director 2	At Large Director 2	At Large Director 2		
District III Director	Bradley Harris	William Stanley *	William Stanley*	William Stanley*	Position Eliminated			
District III Director	Theodore Ravenel	Theodore Ravenel	Theodore Ravenel	At Large Director 3	At Large Director 3	At Large Director 3		
District IV Director	Steven Katz	Susan Paurazas*	Susan Paurazas*	Susan Paurazas*	At Large Director 4	At Large Director 4	At Large Director 4	
District IV Director	Michael Mintz	Michael Mintz	District IV Nominee 22-25	District IV Nominee 22-25	District IV Nominee 22-25	At Large Director 8	At Large Director 8	At Large Director 8

District V Director	Kirk Coury	Kirk Coury	District V Nominee 22-25	District V Nominee 22-25	District V Nominee 22-25	Position Eliminated		
District V Director	Bradley Gettleman	Bradley Gettleman**	Bradley Gettleman**	Bradley Gettleman**	At Large Director 5	At Large Director 5	At Large Director 5	
Current Position	Name	2021-22	2022-23	2023-24	2024-25	2025-26	2026-2027	2027-2028
District VI Director	Kenneth Wiltbank	Kenneth Wiltbank	District VI Nominee 22-25	District VI Nominee 22-25	District VI Nominee 22-25	At Large Director 9	At Large Director 9	At Large Director 9
District VI Director	Scott Doyle	Scott Doyle	Scott Doyle	Position Eliminated				
District VII Director	Kenneth Tittle	Kenneth Tittle	Kenneth Tittle	Position Eliminated				
District VII Director	Janice Chou	Janice Chou**	Janice Chou**	Janice Chou**	At Large Director 6	At Large Director 6	At Large Director 6	
<i>Number of Voting Members</i>	21	21	20	18	16	15	15	15

Non-Voting Ex-Officio Positions	
Executive Director	Kenneth J. Widelka
Editor	Kenneth Hargreaves

**Director-elect nominated by District for a term beginning in 2021; pending approval by GA.*

*** Director currently filling an unexpired term due to vacancy, and therefore eligible to a consecutive full term. These Directors were nominated by their districts for full terms beginning in 2021 and are pending approval from GA.*