

American Society of Civil Engineers

TASK COMMITTEE ON GOVERNANCE STRUCTURE

Report to the Board of Direction

1.0. Background and Purpose

For at least three years, the Board of Direction has been engaged in a conversation about how it must change to adapt to the evolving needs of the Society and the civil engineering profession as a whole.

Change to the governance model of ASCE was first raised in 2014 by the Task Committee on Governance Activity Review. The following year, 2015, the Board created a second task committee – the Task Committee on Geographic Boundaries (TCGB) -- whose specific charge was to reduce the number of geographic Regions by one. None of the options developed by the TCGB were acceptable to the Board, and the Board realized it had restricted the TCGB in its charge from considering other alternatives.

At its July 2016 meeting, the Board of Direction “removed the handcuffs” on the issue of its structure and asked that a new effort be launched to review Board governance. While the Board asked this new Task Committee to consider the work of the previous committees, it also stated: “*However, we would ask the Task Committee to take the above under consideration but to be free to investigate whatever is necessary for the best outcome for ASCE.*”

The present Task Committee on Governance Structure (TCGS) was formed to take a completely unfiltered look at how the Board and its Organizational Entities could operate more effectively and efficiently.

This report summarizes the findings and recommendations of the TCGS.

2.0 Task Committee Creation and Charge

In August 2016, the Executive Committee of the Board of Direction created the Task Committee on Governance Structure (TCGS) with the following charge:

The Task Committee on Governance Structure (TCGS) will review data on association board structures, consider alternate structures – including the recommendations of TCGAR, TCGB and Regions 4 and 7 – for the ASCE Board and its subsidiary management entities. In addition, the TCGS has the authority to investigate and pursue other alternatives that will produce the best outcome for ASCE’s governance structure. TCGS shall evaluate options for presentation, discussions and ultimate recommendation to the Board. TCGS will engage the membership and the Board early in its process to receive their input on issues and trends the new structure must address.

Specific tasks will include: considering previously adopted design criteria emphasizing member value, reviewing the efforts of the previous task committees, discussing potential alignment between student conferences and the ASCE governance structure, studying the role and duties of the At-Large Director, analyzing the Constitutional language regarding constituency-based regions, and incorporating such trends as global expansion and student participation.

3.0 Meeting Dates

November 15, 2016	Conference Call
January 5, 2017	Conference Call
January 13-14, 2017	Meeting in Los Angeles, CA
March 18, 2017	Interim Report to the Board, Arlington, VA
April 12, 2017	Conference Call
May 21, 2017	Meeting in Reston, VA

4.0 Approach and Preliminary Recommendations

Prior to meeting, the members of TCGS were provided materials from the prior two task committees, an executive summary of the previous governance review activities, a benchmarking study of various nonprofits like ASCE, and information on recent work of the Board related to its structure.

At its first face-to-face meeting in Los Angeles, the composition of the Board of Direction was a blank slate, with no preconceived notions or assumptions. The group worked by consensus to identify some key questions:

1. What are the issues with the current Board structure?
2. What kind of Board do we want?
3. What's a manageable Board size?
4. From where do we draw the members for the Board?
5. Who should be represented on the Board?
6. How do we transition to a new structure?

The deliberations of the Task Committee resulted in the following guiding principles:

- The Board of Direction should be a strategic Board, focusing on higher level leadership rather than the day-to-day operations of the Society.
- Board membership should reflect the diversity of the profession.
- Multiple paths to Board membership should be maintained to attract the most qualified and dedicated individuals throughout the Society.
- While fresh ideas must be encouraged, mechanisms to preserve institutional knowledge and experience are important to support effective leadership and continuity.

Based on these ideas, the Task Committee formulated and presented to the Board of Direction the following proposed structure for review and discussion at the March 2017 meeting of the Board:

PRELIMINARY BOARD STRUCTURE PROPOSAL

<i>POSITION</i>	<i>PATHWAY</i>	<i>#</i>	<i>TERM (Years)</i>	<i>NOTES</i>
Presidential Officers	Board of Direction	3	1 each	Selected by Society membership; must have prior Board service.
Vice President	Board of Direction	2	2	Selected by Society membership; must have prior Board service.
Director	Regions 1-9	3	3	Selected from Regions 1-9 members; must have prior Region service.
Director	Global / Region 10	1	3	Selected by Region 10 Board of Governors; must have global perspective; not limited to Region 10 members only.
Director	Technical Region	3	3	Selected from Technical Region members; must have previous technical region service.
Director	Nominating Committee	3	3	Selected by Nominating Committee; may self-declare.
		15		

The proposal also included the following elements:

- A transition plan over a three-year period such that all current Directors would serve the duration of their terms;
- No change to the number of Regions nor Region boundaries;
- A new Nominating Committee to include members designated by each Region, charged with the annual nomination of a new Director for election;
- A plan for the new Nominating Committee to consist of the following members:
 - Past President
 - Senior VP
 - Senior At Large Director
 - Presidential appointee representing Regions 1-9 who is a current Region Governor or past Region Director
 - Presidential appointee representing the Technical Region who is a current Institute Governor or past Technical Region Director
 - Appointee from the Younger Member Councils
 - Presidential appointee providing a global perspective
(Appointed positions would serve two-year staggered terms)
- An Executive Committee consisting of the two Vice Presidents, three Presidential Officers, Secretary (ex-officio), and Treasurer (ex officio).

5.0 Discussion

Following the March 2017 Board meeting, the TCGS made efforts to obtain further feedback from Board members regarding their concerns and issues with the proposal. To help in this

regard, a survey tool was developed for Task Committee members to use in conducting one-on-one interviews with Board members. (See **Attachment 1**)

The Task Committee spent a significant amount of time looking at the input from the interviews, and understands the frustration some Board members felt that they were not consulted in advance of the proposal.

In response to some of the concerns voiced in the survey, we offer the following discussion:

If it's not broken, why fix it?

We are at a critical time in the Society's history –

- Revenues are flat and expenses are rising;
- Programs are expanding;
- The Society is losing members and some younger members are questioning why they should join;
- Companies are cutting back on the number and type of member dues they cover;
- Some Regions have a difficult time filling vacancies;
- One-third of the Board is replaced each year, resulting in a loss of important institutional knowledge and forcing the group to debate key issues already vetted;
- The time commitment for Region Directors who must make geographic visits has been onerous and a disincentive to service; and
- Region representation encourages constituency-based advocacy by some Directors rather than the Society-level strategic thinking needed to lead ASCE into the future.

Because of these trends, the Board will find it necessary to make extremely important decisions in the next few years about the future of the Society. It is important to ensure the most qualified strategic thinkers in the Society have a seat at the Board table. With the current structure, the Board has been challenged to maintain its strategic focus

Unfortunately, like U.S. infrastructure, ASCE's governance model is antiquated and in need of rejuvenation. Given the confluence of important changes to the Society that are on the near horizon, the time is now to effect change in the Board to ensure the strategic thinking necessary for our future.

The new structure could disconnect geographic regions from the Board.

The proposed structure includes a new Region Nominating Committee that will have representation from Regions 1-9, and will be tasked with nominating Director candidates from Regions 1-9. Regions will be empowered to designate their representative, who could be any eligible member from the Region, to serve on the Nominating Committee.

This structure will result in a more efficient dissemination of Board activities to the Regions, allowing members of the Region Nominating Committee to focus on governance and communication in Regions 1-9, while simultaneously relieving the elected Directors from the

onerous time commitment of this task and freeing them to focus on strategic issues of the Society.

Why have equality of representation between geographic Regions and Institutes?

Most ASCE members belong to a geographic Region and at least one Institute because they are offered complimentary membership in one Institute. Surveys by ASCE indicate member participation in geographic Region activities and Institute activities are roughly equal (i.e., 50% of members report that they are most active in the geographic Region, and 50% report that they are most active in an Institute).

Directors should not advocate for one constituency over another; instead they should be strategic thinkers that act in the best interest of the Society, regardless of the path they took to reach the Board. By providing an equal number of seats to Directors -- whose pathway to the Board can be via geographic Regions or the Institutes -- the most diverse and qualified Board members can be encouraged to take up the important work of guiding the future direction of the Society.

How will the plan provide pathways and access to Director positions?

Under the current structure, there is only one pathway to the Board through local service via Institutes, Branches, Sections, and Regions. This process can take many years and be discouraging to some highly-qualified candidates. The proposed new structure provides multiple pathways to service on the Board. The best candidates could pursue a Director position in any year (not just the year their geographic Region position is open under the current model). Furthermore, the increase in Director positions nominated by the Board Nominating Committee provides the opportunity to attract non-traditional candidates -- including younger members, and other individuals who may be uniquely qualified to tackle the strategic issues at hand. The flexibility to nominate Director candidates each year will be extremely important to ensure the Board remains diverse, representative of the profession, and highly competent.

How will younger member participation be ensured?

While the proposed new structure does not guarantee a specific younger member position, ALL Director positions will now be accessible to younger members. The composition of the proposed new Nominating Committee will include younger members, and therefore this important constituency will be directly engaged in the process. A strategic minded Board, combined with the efforts of the Nominating Committee, can ensure a strong voice for young professionals in the future direction of the Society.

What is the role of the Vice Presidents and why are they needed?

The Vice President role directly addresses the need for continuity and retention of institutional knowledge on the Board. New Directors bring fresh ideas and critical thinking to the Board, but the inclusion of the Vice Presidents will ensure experienced leadership is

maintained and available to support the Presidential Officers. The institutional knowledge of these leaders will be critical to the strategic decision making focus envisioned for this restructured Board. Because the Vice Presidents are elected by the Society members, this role ensures transparency.

Further, with the inclusion of Vice Presidents in the current proposal, a member can come back and serve a second term if they are nominated through a different pathway.

Revision to the Proposed Plan

Following its meeting in May of 2017, the Task Committee developed the following supplemental revision to the initial proposed plan:

- The Treasurer will become a voting member on the Board and Executive Committee. The Presidential Officers will provide up to two names to the Nominating Committee for inclusion on the slate of candidates presented to the Board. The Board selects one candidate to appear on the election ballot to serve a two-year term. The Treasurer may be re-elected.

6.0 Identify the Next Steps to be Taken by the Task Committee

The Task Committee has developed preliminary duties for Directors elected from Regions 1-9, a Director Nominating Process/Committee, and a transition plan. See **Attachment 2**. Following input from the July 2017 presentation, the Task Committee will refine these documents and, if appropriate, work with the Governing Documents Committee to prepare the necessary amendments to the Society's governing documents.

7.0 Recommendations and/or Actions to be Approved by Board

The Board of Direction will be asked to receive the interim report of the Task Committee on Governance Structure.

The Board of Direction will be asked to review the proposal from the Task Committee on Governance Structure in preparation for discussion at the July 2017 meeting and to authorize the Task Committee to continue finalizing the details of the proposal for approval by the Board at its October 2017 meeting.

8.0 Next Meeting Date

The Task Committee will convene by conference call following the July meeting of the Board of Direction and schedule additional meetings as necessary.

9.0 Task Committee Members

Wayne Klotz, chair; Lou Aurigemma, Robert Cagle, Jennifer Epp, Marsia Geldert-Murphey, Carol Ellinger Haddock, Chuck Hookham, David Odeh, Brett Phillips, Mario Ricoszi,

members; Norma Jean Mattei, Kristina Swallow, Mark Woodson, Tom Smith, ex-officio; Guna Gunalan, Robin Kemper, Randy Perkinson, Albert Yeung, corresponding members; Carol Bowers, Patty Jones, Jim Rossberg, corresponding staff

TCGS Questionnaire for Board Members regarding Governance Structure Proposal

Draft Proposal:

*Board of Direction – 3 x Presidential officers + 2 x VPs + 3 x Technical Region Directors +
3 x Geographic Region Directors + 1 x Global Director + 3 x At-Large Directors
= total of 15 members*

ExCom – 3 x Presidential officers + 2 x VPs = total of 5 members

- 1) Do you generally support the governance restructuring proposal presented at the March 2017 Board of Direction Meeting?

Y/N?

Why or Why Not?

- 2) What do you think is the ideal size for the Board? (#)

- 3) Do you support keeping Director terms (At-Large, Geographic and Technical) at the current 3-year limit?

Y/N?

If No, how many years do you feel a Director's term should be? years (#)

- 4) Do you think a Director, having served as an At-Large, Geographic or Technical Director should be able to be re-elected from a different constituency (eg. a previous Geographic Director returning to the Board as a Technical Director)?

Y/N?

- 5) What aspects of the new proposal for you find appealing, with 5 being highly appealing: [5 = love; 1 = hate]

- Creation of a vice president position
- Restructuring of ExCom
- Increase in number of At-Large Directors
- Balance between number of At Large, Technical and Geographic Directors
- Allowing the Global Director to be chosen at large (ie. removing the requirement this individual reside in R10)
- Change in the one-to-one relationship between Geographic Directors and the Regions
- Board is smaller
- Nominating committee is restructured

- 6) Have you received any feedback from non-Board members? If so, would you share that?

- 7) What additional information / resources do you need from TCGS to discuss this proposal with ASCE members?

- 8) On a scale of 1-5, what's the likelihood you would vote to approve the proposal presented to the Board in March? [5 = count on my vote; 1 = no way will I support this proposal]

- 9) If your response to Q8 is not 5 what would it take to move you to a 5 – will vote for the proposal?

- 10) What else would you like to share with TCGS regarding the proposal?

TCGS DRAFT TRANSITION PLAN

Position	Current		Transition (if immediate)		
	2016-17	2017-18	Year 1	Year 2	Year 3
President-Elect	1	1	1	1	1
President	1	1	1	1	1
Past-President	1	1	1	1	1
Vice President			1	1	1
Vice President				1	1
At-Large Director #1	1	1	1	1	1
At-Large Director #2	1	1	1	1	1
At-Large Director #3			1	1	1
Technical Director #1	1	1	1	1	1
Technical Director #2	1	1	1	1	1
Technical Director #3	NV	1	1	1	1
Geographic Director #1			1	1	1
Geographic Director #2				1	1
Geographic Director #3					1
International Director	1	1	1		
Global Director				1	1
Region 1	1	1	1	1	
Region 2	1	1			
Region 3	1	1	1		
Region 4	1	1	1		
Region 5	1	1			
Region 6	1	1	1	1	
Region 7	1	1	1	1	
Region 8	1	1	1		
Region 9	1	1			
Total Votes Represented	17	18	18	17	15