

AGB CONSULTING

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Big Issues Facing Higher Education*

1. Business Model
2. Attainment, Retention and Completion
3. Strategic Plan
4. Affordability and Value Proposition
5. Educational Delivery and Quality Assurance
6. Academic Workforce
7. Technology
8. Globalization
9. Institutional Risk
10. Public Policy Issues—HEA, Tax Reform, Student Aid and Student Debt, External Influences

Trustees as Fiduciaries*

1. Fiduciary – One who holds some asset(s) in trust for another and is charged to act beneficially on behalf of the other in managing that asset.
2. The Asset – The college/university you govern, including mission & identity, property, human resources & educational product.
3. For Whom – Founders and sponsors, students and families, donors, alumni, (public)

Fiduciary Duties*

1. Duty of Care

- Act in good faith for best interests of institution
- Act reasonably, competently and prudently

2. Duty of Loyalty

- Put interest(s) of institution above all else
- Do not act from self interest; no self-dealing
- Conflict of loyalty

3. Duty of Obedience

- Obligation to advance mission
- Duty to act ethically and consistent with mission

4. Serve a Public Purpose

*AGB.org, *Fiduciary Duties*

Essential Responsibilities of Boards

1. Boards have ultimate fiduciary responsibility for their institutions.
2. Public and non-profit boards are overseers of the public trust and need to be accountable for meeting the public trust in ways appropriate to the mission of their institution.
3. Boards are responsible of ensuring the independence of their institution and for safeguarding academic freedom.

Essential Responsibilities of Boards

4. Boards define the terms of shared governance within their institutions, through respect for traditions of shared governance including delegation of recommendations for academic policy to faculty.
5. Boards need to understand the legal and regulatory environment within which their institution operates and ensure compliance with fiscal, academic, licensing and other standards.

Effective Governing Boards*

Mission

- Ensure that the institution's mission is kept current and aligned with public purposes.

Chief Executive

- Select a chief executive to lead the institution.
- Support and periodically assess the performance of the chief executive and establish and review his or her compensation.

*“Effective Governing Boards: A Guide for Members of Governing Boards of Public Colleges, Universities and Systems,” AGB, 2010

Effective Governing Boards

Strategic Planning

- Charge the chief executive to lead a strategic planning process and participate in the process.
- Approve the strategic plan.
- Monitor progress on implementing the plan.

Effective Governing Boards

Fiscal Integrity

- Ensure the institution's fiscal integrity.
- Preserve and protect assets.
- Engage in fundraising and philanthropy.

Educational Quality

- Ensure the educational quality of the institution and its academic programs.

Effective Governing Boards

Autonomy, Policies and Constituencies

- Preserve and protect institutional autonomy, academic freedom and the purposes of higher education.
- Ensure that institutional policies and processes are current and properly implemented.
- Working with senior administrators, engage with the institution's major constituencies.

Effective Governing Boards

Conduct of the Board

- Conduct the Board's business in an exemplary fashion and with appropriate transparency, adhering to the highest ethical standards and complying with applicable open-meeting and public records laws.
- Ensure the currency of the board's governance policies and practices.
- Periodically assess the performance of the board, its committees and its members.

Clarifying Roles & Responsibilities

- What belongs to the board?
- What belongs to the president and the administration?
- What belongs to the faculty?

There may be overlapping areas but each group should understand whether its purview as well as that of others is **determinative**, **consultative**, or **informational**.

Clarifying Roles & Responsibilities*

“While they cannot delegate their ultimate fiduciary responsibility for the academic quality and fiscal integrity of the institution, boards depend upon the president for institutional leadership, vision, and strategic planning, and they delegate to the president abundant authority to manage the operations of the institution. . . .A board must clearly convey the responsibilities it expects the president to fulfill and hold the president accountable, but it also must establish conditions that generate success for the president.”

*“Board Responsibility for Institutional Governance” AGB, 2010

Getting Governance Right: 10 Habits of Highly Effective Boards

1. Create a Culture of Inclusion
2. Uphold Basic Fiduciary Principles
3. Cultivate a Healthy Relationship with the President
4. Select an Effective Board Chair
5. Establish a Strong Governance Committee
6. Delegate Appropriate Decision-Making Authority to Committees
7. Consider Strategic Risk Factors
8. Provide Appropriate Oversight of Academic Quality
9. Develop a Renewed Commitment to Shared Governance
10. Focus on Accountability

“The 10 Habits of Highly Effective Boards” by Rick Legon,
Trusteeship Magazine, March/April, 2014

Resources @ agb.org

I. AGB Statements on Important Governance Topics:

- Board Accountability
- Educational Quality
- External Influences
- Institutional Governance
- Intercollegiate Athletics
- Sexual Misconduct
- Conflict of Interest with Compelling Benefit

II. Knowledge Center:

- Videos, Podcasts, Governance Briefs, Data Files, Governance Database

III. “AGB U,” your guide to good governance

IV. November Report: National Commission on Governance

Thank You

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