UNIVERSITY OF HOUSTON SYSTEM
Board of Regents Retreat Meeting
8:30 a.m. – 11:00 a.m.
October 13, 2012
AGENDA

UNIVERSITY OF HOUSTON SYSTEM
SPECIAL CALLED BOARD OF REGENTS MEETING
BOARD OF REGENTS RETREAT

DATE: Saturday, October 13, 2012
TIME: 8:30 a.m.
PLACE: Hilton University of Houston
Flamingo Room, Second Floor
4800 Calhoun
Houston, Texas 77204

Chair: Nelda Luce Blair
Vice Chair: Jarvis V. Hollingsworth
Secretary: Tilman J. Fertitta

I. Reconvene Board of Regents Meeting/Retreat (continued from October 12, 2012)

J. Discussion of Duties and Responsibilities of the Board and the Association for Governing Boards’ Statement on External Influences – University of Houston System

Action: Information

K. Board Roundtable Discussion on Tier One – University of Houston System

Action: Information

II. Executive Session

A. Section 551.071 – Consultation with System Attorneys

B. Section 551.072 – Deliberations Concerning Purchase, Lease or Value of Real Property

C. Section 551.073 – Deliberations about Negotiated Contracts for Prospective Gifts or Donations

D. Section 551.074 – Personnel Matters, Including Appointment, Evaluation or Dismissal of Personnel

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AGENDA – BOR – 1
III. Report and Action from Executive Session

IV. Adjourn
UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS

BOARD ITEMS

SUBMITTED FOR

BOARD OF REGENTS RETREAT
MEETING

Saturday, October 13, 2012
UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE:

ITEM: Discussion of Duties and Responsibilities of the Board and the Association for Governing Boards’ Statement on External Influences

DATE PREVIOUSLY SUBMITTED:

SUMMARY:
A discussion of the Association of Governing Board’s statement on External Influences which are designed to guide the Board in governance of the System and inform them of their roles and responsibilities and clarify their relationships with presidents, administration, faculty and others involved in the governance process.

SUPPORTING DOCUMENTATION: AGB Statement on External Influences on Universities and Colleges; AGB Statement on Board Responsibility for Institutional Governance

FISCAL NOTE:

RECOMMENDATION/ACTION REQUESTED: Information
COMPONENT: University of Houston System

CHANCELLOR Renu Khator DATE

10/13/12
BOR – J61
AGB Statement on
External Influences
on Universities and Colleges
This statement was approved on August 17, 2012, by the Board of Directors of the Association of Governing Boards of Universities and Colleges. The following principles are intended to guide boards in the governance of colleges, universities, and systems, inform them of their roles and responsibilities, and clarify their relationships with presidents, administration, faculty, and others involved in the governance process.
As the country increasingly focuses on the relationship between higher education and our nation's future, the responsibilities associated with effective board governance take on renewed emphasis. Serving as a board member has never been easy. Yet with calls at both the federal and state level for more transparency, improved educational quality, accountability, increased student access and attainment, and cost containment, the responsibilities of boards are more complex and challenging than ever.

During the past decade, intrusions into the work of governing bodies have grown significantly.Governors and legislators have attempted to direct governance actions, regulators have tried to redefine board independence, state laws have increasingly encroached upon independent decision making, donors and sponsors have sought to determine institution policy, and a broadening array of organizations has continually worked to influence board decision making.

As the overseers of a public trust, boards have an obligation to remain open to external input and ensure the institutions they govern are responsive to societal needs. They have the responsibility to link the colleges, universities, and systems they serve to the interests of the public. Through this special responsibility, boards help their institutions and systems meet public expectations and ensure a high degree of trust.

However, boards must also recognize that, in the end, their decision making must rise above the external pressures being applied to their work. America's unique higher education governance model is dependent on boards consisting of independent men and women acting together to be fully informed and impartial in their policy determinations, and committed to the long-term well-being of the institutions they serve.

This statement, first issued by AGB's board of directors in 2001, has been updated to address increasing efforts to affect board independence from outside the boardrooms of our institutions. It also serves as a reminder to the nation's 50,000 board members that theirs is a sacred trust that requires awareness, engagement, and independence.

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The stakes are too high for boards to cede their policy authority, for which they bear ultimate fiduciary responsibility, to governmental control or self-serving political, economic, or personal interests external to the institution. Acting as the oversight body of a public trust, boards should always bear in mind the following:

- Although boards should respect, encourage, and welcome the input of all stakeholders in considering a policy, they must ensure that their decision making processes are free of any undue pressures from external stakeholders—from policy makers (including appointing authorities and regulators), donors, alumni and boosters, corporate sponsors, or political-interest groups/organizations.

- Boards have ultimate responsibility to sustain higher education’s inherent values—academic freedom, institutional autonomy, and self-regulation—and protect them from those who attempt to leverage influence to affect institutional policy.

- Board independence is a basic requisite in meeting the fiduciary standards of obedience and loyalty that define a board’s legal obligations.

- Boards must use the mission of their institution or system as the focal point for their policy decisions, and public institution boards should also be especially mindful of statewide policy agendas as a framework for their actions.

- Individual board members whose views are not consistent with board decisions must respect the actions of the corporate body and avoid putting their own interests before that of the institution.

- Boards must police themselves in assuring the highest level of ethical behavior among their members, including avoiding any board member assuming the role as an advocate for a special interest in the outcome of a board’s decision.
This statement is comprised of four principles. It concludes with several illustrative questions for governing boards to consider. The four principles are:

1. Preserve institutional independence and autonomy by:
   - keeping the mission as a beacon,
   - ensuring that philanthropy does not inappropriately influence institutional independence and autonomy or skew academic programs or mission, and
   - ensuring that institutional policies governing corporate-sponsored research and partnerships with the private sector are clear, up-to-date, and periodically reviewed.

2. Demonstrate board independence to govern as established in charter, state law, or constitution by:
   - ensuring the full board governs as a collective, corporate body taking into consideration the need for individual members to apply their individual consciences and judgments,
   - individual board members committing to the duties of care, loyalty, and obedience as essential fiduciary responsibilities, and
   - basing the selection or appointment of board members on merit and their ability to fulfill the responsibilities of the position.

3. Keep academic freedom central and be the standard bearer for the due-process protection of faculty, staff, and students.

4. Assure institutional accountability to the public interest by:
   - serving as a bridge to the external community,
   - informing, advocating, and communicating on behalf of the institution, and
   - exhibiting exemplary public behavior.

Primarily intended for boards and their individual members, the statement’s secondary audience is the several stakeholders external to the university. Their input into board decision making is often essential and should always be respected, but it should never be unwarranted or intrusive.
Principles on External Influences

The following four principles are organized around key themes for governing boards and other academic leaders—and, in appropriate places, the external stakeholders of universities and colleges—to thoughtfully consider.

1. PRESERVE INSTITUTIONAL INDEPENDENCE AND AUTONOMY.

Both private and public institutions need a high degree of independence and autonomy from direct government control or any self-serving or political agenda. Because of higher education’s unique mission to transmit and advance knowledge, colleges and universities function at their best when teaching and scholarship are unencumbered by unnecessary restrictions, preordained outcomes, or undue expectations or influences—whether from government officials, donors, or any other individuals or groups. The integrity of research findings and advancement of knowledge require free and independent inquiry. When necessary, boards must be willing to take a strong stand in defense of institutional autonomy and independence, providing a buffer between the college or university and inappropriate outside intrusion or criticism. Boards should:

- Keep the mission as a beacon.

A governing board should base its decisions on how the institution can best serve the public trust by respecting the boundaries of the institution’s mission. Colleges and universities are under frequent pressure from well-meaning interests and supportive constituents to alter missions or offer new academic programs that may run counter to their missions.

- Ensure that philanthropy does not inappropriately influence institutional independence and autonomy or skew academic programs or mission.

All colleges and universities are becoming increasingly dependent on gifts from private donors, many of whom are demanding a greater say in not only the purposes but also the uses of those gifts. Such an outcome-driven and collaborative approach is the reality of contemporary philanthropy. Boards can help facilitate meaningful and appropriate relationships with donors by calling for up-to-date gift-acceptance policies and processes, as well as naming policies for buildings, research institutes and centers, and the like. These policies and processes will preclude donors from exercising inappropriate influence on the institution’s independence and autonomy or its academic programs and mission. These policies and processes should apply to donors who are members of the governing board as well as to donors external to the institution, no matter how generous they may be.
Ensure that institutional policies governing corporate-sponsored research and partnerships with the private sector are clear, up-to-date, and periodically reviewed.

Colleges and universities engaged in research garner significant revenues from corporate-sector research and development programs, which are encouraged by federal tax laws and the needs of a competitive marketplace. Governing boards should make certain that all institutional policies guiding research and partnerships with the corporate sector—including technology transfer, licensing agreements, and ownership and dissemination of research results—are clear, current, protect faculty, and serve the interests of the institution. At the same time, those policies should be sufficiently flexible to enable new research discoveries to enter the marketplace in a timely manner.

2. DEMONSTRATE BOARD INDEPENDENCE TO GOVERN AS ESTABLISHED IN CHARTER, STATE LAW, OR CONSTITUTION.

Within some practical and legal limits, the board’s authority is extensive—it is the legal entity composed of citizens who are surrogates of the full citizenry, created and charged to oversee the institution. Compared to their private college and university counterparts, boards of public institutions face some constraints in founding statutes or subsequent laws, but in nearly all areas, the authority of public and private college and university boards is remarkably similar.

It is the board’s responsibility to exercise due diligence and trust in its own authority and capacity to make decisions, some of which will be difficult or unpopular—especially when internal and external stakeholders have competing demands. Despite the importance—indeed the necessity—that a board garner and appreciate a rich array of voices from its various communities, the distinction between advising and governing must remain clear. The board that surrenders or compromises its independence to internal or external claimants will see the erosion of its ability to govern fully and effectively.

The full board must govern as a collective, corporate body taking into consideration the need for individual members to apply their individual consciences and judgments.

A board with consistently agreeable members would be neither plausible nor in an institution’s best interest; disagreements and tensions are inevitable in the boardroom. Board members bring their own perspectives and opinions to decisions, but in the end, the board governs as a body. Even when board members sharply disagree during the deliberative process, once a decision has been made the board must always speak publicly with one voice—particularly on issues with keen external stakeholder interest.
External pressures should not lead board members to respond to narrow interests or single issues, nor to use their board position inappropriately to advance their own personal goals, stature, or visibility. Doing so weakens the board and the citizen trusteeship of the institution.

Individual board members must commit to the duties of care, loyalty, and obedience as essential fiduciary responsibilities.

Board members' fiduciary responsibilities go well beyond ensuring the fiscal health of the college or university. The duty of care requires full attention to one's duties as trustee, setting aside competing personal or professional interests. The duty of loyalty demands that board members put the interests of the institution before their own self-interest and the interest of others. The duty of obedience refers to board members' obligation to promote the mission of the organization, within legal limits. Knowledge of and commitment to these duties, which are the cornerstone of governance and well established in law and practice, can guide a board and its members in relationships to external stakeholders.

The selection or appointment of board members should be based on merit and their ability to fulfill the responsibilities of the position.

Governing boards should be composed of carefully selected, independent-minded individuals who are fully committed to the college, university, or system they govern. All trustees must hold the institution "in trust" for all citizens, regardless of how they are selected and whether particular seats on the board are reserved for specific constituencies (such as faculty members or alumni).

Board appointments and reappointments in both private and public colleges and universities should be made based on a demonstrated commitment to serving the institution, its mission, and its public purpose. Doing so ensures that the board and its individual members can engage successfully with an array of external stakeholders, constituents, and influences.

Governing boards of most private colleges and universities are self-perpetuating; the board appoints members for most vacancies that occur. Selection should be guided by a statement of expectations and clear criteria, including the ability and willingness of the individual to use his or her best independent judgment on matters affecting the institution, to make a broad commitment to higher education, and to commit the time and energy necessary to fulfill the required responsibilities. Such expectations and criteria should also apply to the many church-related institutions where many trustees are appointed by denomination units or authorities.
The appointing authority in the vast majority of public colleges and universities—governors (with legislatures confirming)—should base selection on merit and commitment, not on political or partisan considerations. Criteria and expectations should include, in addition to those for private board members, a demonstrated understanding of the role of the institution or university system within the broader higher education system of the state and an appreciation for the public nature of the position and the institution.

3. **KEEP ACADEMIC FREEDOM CENTRAL AND BE THE STANDARD BEARER FOR THE DUE-PROCESS PROTECTION OF FACULTY, STAFF, AND STUDENTS.**

   Intellectual integrity and academic freedom are at the heart of the historic justification for the self-governance of colleges and universities. Board members should be able to explain academic freedom and be prepared to support and defend it on behalf of their institutions and faculty members when external pressures, complaints, or misunderstandings arise. At times, it may be necessary for the board to publicly declare its support of faculty members and their right to unpopular or controversial ideas. The protection of academic freedom should also extend to staff members and students where appropriate.

   At the same time, the board should ensure that academic freedom is not used as a shield for inappropriate or unethical behavior. The disregard or abuse of academic freedom corrodes respect for the governance of higher education and basic trust of the academy. In the legitimate academic work of research, scholarship, and teaching and learning, the board should see that protections of academic freedom through due-process policies and procedures are in place.

4. **ENSURE INSTITUTIONAL ACCOUNTABILITY TO THE PUBLIC INTEREST.**

   When boards ensure that their institutions are accountable to the public interest, external constituents and stakeholders will respect the board’s authority, see its value, and understand its responsibility for the oversight of the institution and its future. The American people entrust control of higher education institutions to citizen boards and to the independent judgment of their members, rather than to public officials, ministries, or bureaucracies. Governing boards, however, must earn and maintain the respect of external stakeholders, including those in political power.
When it is perceived that societal and institutional interests diverge, it is the board's responsibility to help reconcile differences and ensure institutional accountability to public purposes. Board oversight of educational quality must be a priority, not only to address legitimate public concerns, but to ensure that the private interests of students—to pursue meaningful degrees and credentials—are honored. Boards should:

Serve as a bridge to the external community.

Governing boards should be a conduit between the institution and the public. This role means being attentive to the political, economic, social, and educational priorities of the nation, state, region, or community and actively encouraging the institution to search for solutions to society's problems. It means working with the chief executive to maintain a clear process for soliciting views from, and speaking to, such external stakeholders as elected leaders, business groups, or the news media.

The governing board and the chief executive face a variety of demands and expectations. But ultimately it is the board, by being a bridge to the community and attuned to its needs, that must decide what can be changed or improved and what should not, including any change in mission after careful deliberation.

Inform, advocate, and communicate on behalf of the institution.

A governing board has a responsibility to communicate the value of the institution to the economic, social, and civic well-being of the community, state, or nation. While it is usually the chief executive who speaks for the institution and the board chair who speaks for the board, individual board members should take every opportunity to inform the public about the good things that the institution is doing and why it deserves support.

A governing board must be careful never to endorse political candidates and be wise and measured about making public statements or taking positions on community, state, or national social and political issues that do not directly affect the institution. At the same time, the board should encourage and sustain a campus environment that encourages debate and diversity of opinion on such issues.
Exhibit exemplary public behavior.

Through their personal demeanor, public respect for civilized dialogue, and commitment to board self-regulation, trustees should serve as models of public conduct for the campus community and the community at-large.

Trustees often come to the board from different political, religious, and social backgrounds, positions, or experiences, sometimes including election to their positions. They must protect their colleges and universities from partisan influences so they in no way become a distraction to the work of the institution or the board. All trustees have a responsibility to guard against encroachment into their boardrooms of ideology that works counter to ideas of mission, academic freedom, and fiduciary responsibility.

College and university boards must impose on themselves and those whom they govern the strictest ethical behavior—at the very least observing all applicable laws and regulations and being ready to exceed what the law demands. Board members must be especially vigilant in regard to potential conflicts, actual and apparent, created by their business and professional roles and personal relationships.
Illustrative Questions for Governing Boards to Consider

What evidence suggests that the board functions efficiently and effectively as an independent body?

Has the board defended institutional autonomy when such challenges have occurred?

Has the board defended academic freedom when such challenges have occurred? Have board members been educated about the principles of academic freedom and do they understand their obligation to defend it?

Do individual board members speak openly and freely during board meetings but support majority decisions in the end?

Has the board identified the key issues coming from outside the university that could potentially divide the board? Does the board have a positive board structure and culture to sustain effectiveness, if and when such situations arise?

Does the board have a statement of expectations for its members, which includes language about how individual members and the board relate to external constituents?

What policies and procedures does the board have in place to ensure that donors, including private-sector partners and sponsors, are engaged appropriately?

Has the board's capacity to fulfill its fiduciary responsibilities been impeded by external influences such as government, corporate, political, social, or religious interests? Has the legislature or governor recently intervened when it was determined that the board had not acted decisively on an issue clearly within the board's purview?

To what extent and in what ways have instances of partisan politics occurred in the boardroom by a minority of its members? How has this adversely affected the work, cohesion, and culture of the board?

Are members of the board able to articulate persuasively the public purposes of the institution? What does the board do to publicly ensure accountability by the institution?

Does the board have policies or protocols for its individual members about speaking to the press, elected leaders, donors, etc.? If so, have they been effective in reducing confusion, conflicts, and misunderstandings with external stakeholders?

How comfortable is the board with the processes through which new members are identified and vetted? To what extent are members identified on merit and their ability to serve as board members?

How does the board serve as an effective bridge to the external community? Through what mechanisms does the board identify potentially meaningful changes and trends in the external environment?

How does the board monitor its own conflict-of-interest policies and procedures?
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Our Mission

The Association of Governing Boards of Universities and Colleges strengthens and protects this country's unique form of institutional governance through its research, services, and advocacy. AGB is committed to citizen trusteeship of American higher education. For more information, visit www.agb.org.

10/13/12
BOR3 – J76
AGB Statement on Board Responsibility for Institutional Governance

This statement was approved on January 22, 2010, by the Board of Directors of the Association of Governing Boards of Universities and Colleges. The following principles are intended to guide boards in the governance of colleges, universities, and systems, inform them of their roles and responsibilities, and clarify their relationships with presidents, administration, faculty, and others involved in the governance process.

Principles

1. The ultimate responsibility for governance of the institution (or system) rests in its governing board. Boards are accountable for the mission and heritage of their institutions and the transcendent values that guide and shape higher education; they are equally accountable to the public and to their institutions' legitimate constituents. The governing board should retain ultimate responsibility and full authority to determine the mission of the institution (within the constraints of state policies and with regard for the state's higher education needs in the case of public institutions or multi-campus systems), in consultation with and on the advice of the president, who should consult with the faculty and other constituents. The board is also responsible for the strategic direction of the institution or system through its insistence on and participation in comprehensive, integrated institutional planning. As with many other issues, the board should collaborate with the president, senior leadership team, and faculty leaders to arrive at an understanding concerning strategic direction, then to ensure that the institution has or can raise the resources necessary to sustain the mission, compete in the educational marketplace, and accomplish these strategic goals.

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. The board partners with the president and senior leadership to achieve the mission, sustain core operations, and attain the strategic priorities 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.

2. The board should establish effective ways to govern while respecting the culture of decision making in the academy. Colleges and universities have many of the characteristics of business enterprises, and their boards are accountable for ensuring that their institutions are managed in accordance with commonly accepted business standards. At the same time, colleges and universities differ from businesses in many respects. They do not operate with a profit motive, and the “bottom line” of a college or university has more to do with human development and the creation and sharing of knowledge—as measured in student learning outcomes, persistence to graduation, degrees conferred, quality of campus life, and the level of excellence attained by faculty in teaching and scholarly pursuits—than with simply balancing the budget, as important as that annual goal is. Moreover, by virtue of their special mission and purpose in a pluralistic society, colleges and universities have a tradition of both academic freedom and constituent participation—commonly called “shared governance”—that is strikingly different from that of business and more akin to that of other peer-review professions, such as law and

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medicine. The meaningful involvement of faculty and other campus constituencies in deliberations contributes to effective institutional governance.

Perhaps the most striking attribute of American higher education—sometimes explicit, sometimes implicit—is that faculty are accorded significant responsibility for and control of curriculum and pedagogy. This delegation of authority has historically resulted in continuous innovation and the concomitant effect that American college curricula and pedagogy define the leading edge of knowledge, its production, and its transmission. Board members are responsible for being well informed about and for monitoring the quality of educational programs and pedagogy. Defining the respective roles of boards, administrators, and faculty in regard to academic programs and preserving and protecting academic freedom are essential board responsibilities.

In concert with presidents, senior administrators, and faculty leaders, boards should make a conscious effort to minimize the ambiguous or overlapping areas in which more than one governance participant or campus constituency has authority. Governance documents should state who has the authority for specific decisions—that is, to which persons or bodies authority has been delegated and whether that which has been delegated is subject to board review. Boards should recognize that academic tradition, especially the status accorded faculty because of their central role in teaching and generating new knowledge, creates the need for deliberation and participation of faculty and other key constituents in decision making. The board, however, should reserve the right to review, challenge, and occasionally override decisions or proposals it judges to be inconsistent with mission, educational quality, or fiscal integrity. For example, the delegation of authority to the administration and faculty for adding, reducing, or discontinuing academic programs is made with the understanding that the board retains the ultimate responsibility for approving such actions.

The respective roles of the administration, faculty, and governing board in faculty promotions and tenure illustrate the principle of collaboration, a principle best achieved when responsibilities and expectations are clearly articulated. For example, although in most institutions the board will exercise its ultimate responsibility by approving individual tenure and promotion decisions, it might choose to delegate other kinds of actions to the president and senior leadership team, which might, in turn, delegate some authority for specific decisions to an appropriate faculty body.

Boards and presidents should plan reasonable time for consultative and decision-making processes and establish deadlines for their conclusion with the clear understanding that failure to act in accordance with these deadlines will mean that the next highest level in the governance process will have to proceed with decision making. Even in the context of academic governance, with its sometimes lengthy processes, a single individual or group should not be allowed to impede decisions through inaction.

Clarity does not preclude overlapping areas of responsibility, but each group should understand whether its purview, as well as that of others in the governance process, is determinative, consultative or informational. Moreover, the board and the president or chancellor should ensure the systematic, periodic review of all institutional policies, including those affecting institutional governance. “Communication,” “consultation,” and “decision making” should be defined and differentiated in board and institutional policies. For example, governing boards should communicate their investment and endowment spending policies, but they may choose not to
invite consultation on these matters. Student financial-aid policies and broad financial-planning assumptions call for both communication and meaningful consultation with campus constituents.

3. The board should approve a budget and establish guidelines for resource allocation using a process that reflects strategic priorities. Budgets are usually developed by the administration, with input from and communication with interested constituents. The board should not, however, delegate the final determination of the overall resources available for strategic investment directed to achieving mission, sustaining core operations, and assuring attainment of priorities. Once the board makes these overarching decisions, it should delegate resource-allocation decisions to the president who may, in turn, delegate them to others.

In those instances in which the board believes resources will need to be reallocated in ways that will lead to reducing or eliminating some programs, faculty, or staff, the board should charge the president and senior leadership team to create a process for decision making that includes consultation, clear and explicit criteria, and communication with constituent groups. The board should recognize that effective institutional action is more likely when all parties have some joint responsibility for and have collaborated on the process and criteria. For example, if the board decides the institution is in such financial jeopardy that faculty and staff reductions and reallocations are necessary, it first should consult, through the president, with constituent groups, then share appropriate information and describe the analysis that led it to such a determination.

4. Boards should ensure open communication with campus constituencies. Faculty, staff, and students have a vital stake in the institution and should be given opportunities to be heard on various issues and participate in the governance process. Historically, higher education governance has included three principal internal participants: governing boards, senior administrators, and the full-time tenured and tenure-track faculty. In fact, other campus constituents exist, and in increasing numbers. For example, the nonacademic staff substantially outnumbers the faculty, but this group rarely has a formal voice in governance. The same is true of the non-tenure-eligible, part-time, and adjunct or contingent faculty. These latter groups now predominate in community colleges and are an ever-larger component of the faculty in four-year colleges and universities, particularly in the public sector.

It is AGB’s view that faculty, staff, and students ordinarily should not serve as voting members of their own institution’s governing board because such involvement runs counter to the principle of independence of judgment required of board members. Particularly in the case of faculty or staff members, board membership can place them in conflict with their employment status. Even when constituent groups are represented on the board, the board should be mindful that the presence of one or more students, faculty, or staff as members of the board or its committees or institutional task forces neither constitutes nor substitutes for communication and consultation with these constituent groups.

The involvement of these diverse internal constituent groups will vary according to the issue or topic under consideration and the culture of the institution—for instance, full-time faculty will have a primary role in decisions concerning academic programs and faculty personnel matters—but the board is responsible for establishing the rules by which these voices are heard and their perspectives considered. Moreover, boards should strive to ensure opportunities for participation in governance, while recognizing that the subject matter in question will determine which constituent groups have predominant or secondary interests and voice.

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Although the board is an independent policy-making body, it routinely relies upon the president as its major window on the institution; the board should expect candor, frequent communication, and sufficient information from the administration and its leaders. In turn, the board should support the president, while maintaining a healthy degree of independence, and ensure that the voices of other campus constituents are heard.

In institutions with faculty or staff collective bargaining agreements, it is important to ensure strong institutional governance and to clarify its relationship to the agreement. For example, academic senates and unions coexist effectively in many settings, but their effectiveness is contingent on the clarity of the respective responsibilities of the senate, other traditional academic governance structures, and the bargaining unit. The board should consider a formal policy regarding the role of union officials in institutional governance and articulate any limitations on their participation.

5. **The governing board should manifest a commitment to accountability and transparency and should exemplify the behavior it expects of other participants in the governance process.** From time to time, boards should examine their membership, structure, policies, and performance. Boards and their individual members should engage in periodic evaluations of their effectiveness and commitment to the institution or public system that they serve. In the spirit of transparency and accountability, the board should be prepared to set forth the reasons for its decisions.

Just as administrators and boards should respect the need for individual faculty members to exercise both academic freedom and responsible professionalism in their instruction, research, and scholarly activities, boards should exercise restraint in matters of administration. And just as responsible faculty participation in governance places good institutional citizenship ahead of disciplinary, departmental, or personal interest, so should individual board members avoid even the perception of any personal agendas or special interests. Board members and governing boards should not be seen as advocates for their appointing authorities or for certain segments among their constituents or the electorate; regardless of how they were selected or elected as board members, their commitment should clearly be to the welfare of the institution or system as a whole. Board members as well as faculty members and staff should strive to collaborate with, and avoid undermining, their presidents and senior leadership teams.

6. **Governing boards have the ultimate responsibility to appoint and assess the performance of the president.** Indeed, the selection, assessment, and support of the president are the most important exercises of strategic responsibility by the board. The process for selecting a new president should provide for participation of constituents, particularly faculty; however, the decision on appointment should be made by the board. Boards should assess the president’s performance on an annual basis for progress toward attainment of goals and objectives, as well as for compensation review purposes, and more comprehensively every several years in consultation with other constituent groups. In assessing the president’s performance, boards should bear in mind that board and presidential effectiveness are interdependent.

7. **System governing boards should clarify the authority and responsibilities of the system head, campus heads, and any institutional quasi-governing or advisory boards.** Most public colleges and universities are part of multi-campus systems that accord the system board the legal authority and responsibility for governing a set of institutions or campuses. The system board should ensure that governance documents address the relationships and respective responsibilities among system and institutional boards and administrators, including, for

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example, boards and administrative officers of the professional schools of law, medicine, health sciences, and business, and of intercollegiate athletics. Governing boards of multi-campus systems should lean strongly in the direction of maximum possible autonomy for individual campuses or schools, operating within the framework of an overall system-wide plan and public agenda.

8. Boards of both public and independent colleges and universities should play an important role in relating their institutions to the communities they serve. The preceding principles primarily address the internal governance of institutions or multi-campus systems. Governance should also be informed by and relate to external stakeholders. Governing boards can facilitate appropriate and reciprocal influence between the institution and external parties in many ways.

Public institutions receive a significant percentage of their financial resources through state governments, statewide coordinating bodies (in some cases), and increasingly through foundations affiliated with the institution or system; governing boards are accountable for these funds. The responsibilities of these officials and bodies vary widely among the states, but governing boards should serve as important buffers between the college or university and the political structures, partisan politics, and pressures of state government. Boards should also serve as bridges to state government leaders whose views and perspectives concerning the conduct of public higher education, as it relates to state needs and priorities, should be heard and considered. Together with the president, the board should also serve as a bridge between the institution or system and its affiliated asset management and fund-raising organization. These board responsibilities require a skillful balancing of effective communication and sensitive advocacy in articulating and defending the mission, core programs and operations, and strategic priorities of the institution and in conveying to institutional constituents the concerns of external stakeholders.

The relationships among the institution or system and the various external political and regulatory oversight groups should reflect an understanding by which the institution or system is held accountable for results in relation to agreed-upon objectives. This arrangement preserves the essential autonomy of the institution or system, which differentiates it from other state entities, and makes it clear that it is accountable for results.

Governing boards of independent colleges and universities also play an important role in connecting the institution to the community and representing the broader public interest in higher education. In their deliberations, in addition to advocating for the mission of the institution, board members should advocate for fulfillment of the public purposes of higher education, such as an educated citizenry, prepared workforce, and equal opportunity, to which colleges and universities with widely varying missions contribute. In coordination with the administration, board members should also advocate on behalf of their institution and higher education in their communication and relationships with political, community, philanthropic and economic leaders, and other constituents.

All boards, public and private, should exercise caution in adopting the policies and procedures promulgated by any outside organizations. With the possible exception of those institutions owned by or closely affiliated with sponsoring organizations that contribute to their finances or otherwise hold title to their property and assets, the board should not feel obligated to adopt the policies and prescriptions of other bodies.

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Conclusion

College and university governing board membership is one of the most serious and consequential exercises of voluntary leadership in our society. It calls for balancing and sometimes buffering the often-conflicting claims of multiple internal and external constituents. It requires good judgment in avoiding micromanagement while being sufficiently informed to assess professional performance and institutional effectiveness. It calls for listening and questioning more than pronouncing and demanding. Most of all, it requires a commitment to the institution as a whole rather than to any of its parts. Governing board membership is both challenging and enormously rewarding in the service of the current and future generations of students and, ultimately, the nation’s well-being.

Questions to Consider

The following questions should help boards assess whether policies and practices concerning the participation of board members, administrators, faculty, staff, and students in institutional governance are reasonably clear, coherent, and consistent. Answers to these questions will help boards and presidents determine whether to establish a process, to revise policies and procedures or to improve how they are implemented.

1. Do board members, the president, administrators, faculty, staff, and students understand those areas for which the board has ultimate responsibility, in consultation with appropriate constituent groups or bodies?

2. What information does the board receive and monitor to fulfill its fiduciary responsibilities and oversee the quality of academic programs? How rigorous is this oversight?

3. In what areas has the board’s authority been delegated and in what documents can this be found? How does the board hold accountable those who have received this delegation of authority?

4. How do board orientation and education support board understanding of the institution’s governance structure, procedures, faculty participation in institutional governance, and the tradition of academic freedom? How do faculty orientation and professional development support faculty understanding of the institution’s governance structure and procedures and encourage participation in institutional governance?

5. If the board governs a multi-campus system, is the authority of the system head, campus heads, and institution-based advisory or quasi-governing boards reasonably clear and effective? How is this authority communicated to the various parties/constituents? How does the board monitor the effectiveness of various parties/constituencies in exercising their authority?

6. How does the board stay informed about collective bargaining at its institution or in its system, and how does it assess the effect of collective bargaining on institutional governance?

7. Does the board conduct its affairs in a manner that exemplifies the behavior it expects from other governance participants and campus constituents in the course of institutional decision making? How does the board demonstrate a commitment to the quality of its own performance?

8. Has the board, in concert with the president and in consultation with appropriate constituent groups, assessed the participation of constituents in institutional decision making and their collaboration in policy implementation? Has it clearly distinguished among information

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gathering, consultation, and decision making in its communication with campus constituents? What initiatives might be undertaken to clarify and strengthen communication, participation, and collaboration in institutional governance?

9. Does the board allow reasonable time for meaningful deliberation and establish clear deadlines for the conclusion of consultative and decision-making processes? What does the board do to ensure timely information and decisions from campus constituents? How effective is this?

10. When were the key institutional policies and procedures governing institutional decision making (for example, board bylaws, administrative policy manuals, and faculty handbooks) last reviewed?

AGB welcomes comments and suggestions to improve this publication and others in the Trusteeship and Governance series. Call AGB publications at 800/356-6317 or visit our Web site at www.agb.org [1] for more information.

March 26, 2010

Statement


Links:
ITEM: Board Roundtable Discussion on Tier One

DATE PREVIOUSLY SUBMITTED:

SUMMARY:

The Board of Regents will discuss strategies and initiatives designed to enhance the performance and reputation of the University of Houston as a nationally recognized Tier One research university.

SUPPORTING DOCUMENTATION:

FISCAL NOTE:

RECOMMENDATION/ ACTION REQUESTED:

COMPONENT: University of Houston System

CHANCELLOR

Renu Khator

DATE

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