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Four Steps Governors Can Take Now to Strengthen Innovation, Performance and Accountability in Public College and University Governance

Principles and best practices prepared for the National Governors Association Innovation America Initiative by the Ingram Center for Public Trusteeship and Governance of the Association of Governing Boards of Universities and Colleges

Governors play a crucial role in the governance of public colleges and universities, in part through their appointments of the citizen volunteers who help steer the policy course for these complex organizations. The most effective trustees and regents have the knowledge base—and the leadership, commitment, and listening skills—to craft effective policy in a rapidly evolving environment.

But governors' responsibilities don't end with their appointees' confirmations. Setting clear expectations for board members—and for the postsecondary education system as a whole—requires that governors establish a shared set of state priorities with presidents, governing boards, and other stakeholders.

And governors need to work with legislators and other policymakers to ensure that regents and trustees are able to be effective. For example, governors and other policymakers should be vigilant in ensuring that the governing boards of large or growing institutions or systems have the scale, skill mix, and institutional memory required to oversee today's increasingly complex modern higher education institutions and systems.

In order to advance the goals of the Innovation America initiative in their own states, governors should engage with higher education leaders and other communities of interest to develop the following strategies that can help drive innovation in order to support our economic competitiveness:

- **Embrace Accountability and Transparency** by ensuring that public higher education governing board members understand their fundamental fiduciary responsibility and conduct their business according to the highest standards of public service, in part through periodic board development activities.
- **Invest Limited Resources Effectively** by encouraging public higher education systems and institutions to carefully examine their cost structures, market conditions, and educational service delivery methods.
- **Establish a Shared Set of State Priorities** by sustaining a broad agenda-setting conversation with presidents, governing boards and other stakeholders.
- **Demonstrate that Competence Trumps Politics** in the selection of the citizen volunteers who serve on public college and university governing boards.

The following discussion provides strategies and recent best practices deployed by governors and public postsecondary institutions and systems in partnership with their communities.

1) Ensure that governing board members understand their fundamental fiduciary responsibility and conduct their business with the highest standards of ethics, accountability, and transparency.

In today's political environment, public college and university boards must understand that earning and retaining the trust and confidence of faculty, students, parents, alumni, and the general public means exhibiting a higher level of transparency and accountability. Governors and other policymakers should establish incentives for public boards to provide strong trustee orientation, ongoing education, and periodic trustee evaluation.

All trustees must understand their proper roles and responsibilities—including ethical standards, fiduciary responsibilities, and their crucial relationship with the institution's president or chancellor. Periodic board-development activities at both the institution and state levels help trustees understand their basic responsibilities and enhance their knowledge of institutional challenges and funding priorities.

An annual or bi-annual state education program—particularly in states with multiple higher education boards—can strengthen communication and understanding, clarify responsibilities, and contribute to board cohesion and general effectiveness. Oklahoma, Kentucky, Arkansas, Virginia, and Texas have implemented legislation requiring statewide trustee orientation and education.

*AGB currently is engaged in a two-year series of regional conversations with education and business community leaders in the State of Texas, focused on dramatically boosting college-going and success rates among all of the state's citizens. These dialogues build on learning opportunities provided at an annual meeting of current and new governing board members organized by the Texas Higher Education Coordinating Board in collaboration with AGB. And these efforts are complementary with such initiatives as **Governor Rick Perry's** higher education reform plan presented to the 2007 Texas Legislature. In addition to streamlining financial aid programs, the governor's plan would establish incentive funding to strengthen transfer rates between 2-year and 4-year institutions, and boost the number of graduates in high-demand fields such as math, science, health, and teaching.*

*In 2003 **Governor Phil Bredesen**, in partnership with his fellow members of the University of Tennessee Board of Trustees, led an effort to dramatically strengthen accountability and transparency throughout the University of Tennessee system. This effort included launching a governance review process that included a series of public forums on each campus to elicit both public and university community input on the future of the system, strengthening the presidential search and compensation-setting processes, establishing a process for regular presidential performance reviews by the board, and putting in place new oversight and audit functions (including a new standing committee on board process and governance), as well as a new ethical standards framework for both the board and system executives.*

*Since 2003 **Governor Linda Lingle**, in partnership with the University of Hawaii Board of Regents and the senior management, has launched a series of initiatives to give the University more fiscal and management autonomy and enhance its efforts to diversify Hawaii's economy. This year, for example, Governor Lingle proposed establishing additional endowed chairs at the University that focus on Science, Technology, Engineering and Math--the STEM skills. These endowed chairs would be funded by private donations matched dollar-for-dollar with state funds. The University, through its community colleges, would also establish and operate STEM academies for high school students interested in pursuing project-based studies in science, engineering, and math. Additionally, the Governor is promoting a program to expedite the transfer of basic university research into commercial applications. This will be done through close collaboration between private sector*

entrepreneurs and university research staff to move R&D projects to the stage where the project is ripe for investment.

- **Governor Rick Perry's Higher Education Reform Plan:**
http://www.governor.state.tx.us/divisions/press/highered_reform
- **University of Tennessee Board of Trustees Governance Task Force Report:**
https://my.tennessee.edu/portal/page?_pageid=38,233477&_dad=portal&_schema=PORTAL
- **University of Hawaii System:**
<http://www.hawaii.edu/offices/op/2006/0919convocation.html>

2) Encourage public higher education systems and institutions to strategically reengineer administrative systems and the delivery of high quality academic programs, in support of state policy goals and institutional missions.

Our generation faces the challenge of providing greater educational and economic opportunity, at higher quality, to more Americans than ever before—on a funding base that is increasingly constrained. Public colleges and universities, which educate 80 percent of the nation's college students, are at the epicenter of this collision between access, cost, and quality.

In the best cases, governing boards and coordinating boards—in partnership with elected officials and the business community—are enabling public colleges and universities (or units within them) to serve as beta test sites for new approaches to governance, organization, and information age delivery systems consistent with their missions.

*In Arizona, for example, over the past several years the Arizona Board of Regents, on which **Governor Janet Napolitano** serves, in collaboration with the business community, undertook a comprehensive review of university missions and program offerings, and the degree of alignment with state demographic, economic, and policy trends. Now, the governor, regents, and legislators are working to develop models for public funding that support these differentiated missions as well as further economic and workforce development goals. And in the community college sector, the Maricopa Community College district's Rio Salado College—where almost half of the students access courses online, and of those students 80 percent complete the courses they start—has become a national model for providing high quality educational programming at dramatically reduced cost.*

AGB is taking a leading role in building public and private college and university governing board capacity to monitor institutional costs, productivity, and quality, and to act on these data in partnership with presidents and chancellors. With the support of the Robert W. Woodruff Foundation AGB is forging new partnerships to ensure that these conversations are data-driven and accessible to public policymakers and other business and community leaders.

- **The Arizona Board of Regents:** <http://www.abor.asu.edu/>
- **Rio Salado College:** <http://www.rio.maricopa.edu/>
- **The AGB Cost Project:** www.agb.org/cost

3) Establish a shared set of state priorities by sustaining a broad agenda-setting conversation with presidents, governing boards, and other stakeholders.

Governors and legislative leaders should commit to engaging in a long-term dialogue with business and higher education leaders as well as other stakeholders regarding a shared public agenda for the state as a whole, and how colleges and universities can contribute to those mutual goals. Regular communication with chief executives and board leaders focused on milestones or key indicators can help institutions and systems refine their responses to educational pipeline issues and other major state policy challenges. AGB has helped facilitate such agenda-setting conversations in states ranging from Mississippi to Ohio and Kentucky.

*In Washington state, for example, over the past two years **Governor Christine Gregoire** has led a comprehensive initiative, “Washington Learns,” to examine the state’s education system—from early learning to K-12 to higher education—and find ways to improve it. Since the panel released its final recommendations in November, Gov. Gregoire has committed to a broad range of actions, including establishing a P-20 Council and a longitudinal data system to track progress toward ten-year goals established by the group. And in her fiscal year 2007-09 budget proposal, the governor has recommended substantial new investments in education programs ranging from a 10-year phase-in of full-day kindergarten to class-size reduction, salary increases for teachers who meet national professional standards, a new leadership academy for principals and administrators, a dropout retrieval academy, long term funding policy for higher education and tuition caps, as well as new college scholarships and capital investments.*

*For more than 10 years, Georgia has been a leader in comprehensive and collaborative approaches to raising educational expectations and strengthening student success from pre-school through post-secondary education. Partners in this effort have been the governor’s office, the state superintendent of schools, the chancellors of the University System of Georgia, and leaders of the state’s technical and adult education system. Most recently, in collaboration with the National Governors Association Honor States Grant Program, **Governor Sonny Perdue** has led an effort to align the state’s secondary education redesign strategies with college- and work-readiness standards, and lay the groundwork for development of a P-16 data system.*

***Governor Napolitano** also has led an aggressive effort to better align Arizona’s early education, K-12, and postsecondary education systems with one another—and with the job market. The state’s P-20 Council serves as a meeting ground for current and emerging public and private sector education initiatives, strengthening efforts at all levels to help students meet higher standards and prepare for formal education and workforce training beyond high school. Among the council’s early areas of focus are strengthening the capacity of the teachers and school leaders to support student learning, particularly in the areas of math, science, and literacy, and recalibrating high school and postsecondary accountability systems to track and strengthen college enrollment and completion rates.*

- **Washington Learns:** <http://www.washingtonlearns.wa.gov/about/default.htm>
and Fiscal Year 2007-09 education budget recommendations:
http://www.ofm.wa.gov/budget07/highlights/assets/pdf/briefs/brief_education.pdf
- **NGA Honor States Grant Program:**
<http://www.nga.org/portal/site/nga/menuitem.4096192acba1c8899cdcbbeb501010a0/?vgnnextoid=8521f68ff8f87010VqnVCM1000001a01010aRCRD>
- **Arizona P-20 Council:** <http://www.azgovernor.gov/P20/>

4) Demonstrate that competence trumps politics in the selection of the citizen volunteers who serve on public college and university governing boards.

The quality of *all* gubernatorial appointments is important. But college and university trusteeships have such long-term and consequential effects on the state's economic, social, and cultural future that special care must be taken in ensuring that candidates have the knowledge base, social networks, diplomatic skills, organizational savvy, and commitment to the public good required to oversee today's increasingly complex modern higher education institutions and systems.

Under the right circumstances, governors may wish to consider creating an advisory committee to recruit, screen, and recommend board candidates. The best of these advisory committees are guided by detailed, written qualifications for prospective members that are tailored to each board. Several states have established these committees through executive order or legislation to recommend candidates to the appointing authority for each vacancy that occurs on state institutional, multi-campus, or coordinating boards.

*The most effective such panel was established by then-Virginia Governor Mark Warner by executive order in 2002, with the advice and counsel of AGB. This seven-member, bipartisan Governor's Advisory Commission on Higher Education Board Appointments, appointed by the governor, is charged with recruiting and screening promising candidates, including those who may be suggested by the boards of Virginia's public universities, community colleges, and the State Council on Higher Education. Since the commission's creation, more than 200 individuals have been appointed to Virginia's higher education boards, and the reputation of the state's governing boards has improved. The General Assembly codified the Commission in 2005, and current **Governor Tim Kaine** has committed to continue to strengthen the culture of competence that the Commission has helped to foster.*

- **AGB State Policy Brief on Merit Screening for Appointment to Public College and University Trusteeship:**
<http://www.agb.org/user-assets/documents/center/pages/merit.pdf>

The Association of Governing Boards of Universities and Colleges' Center for Public Trusteeship and Governance developed these guidelines for governors in collaboration with the National Governors Association Center for Best Practices. These suggestions draw upon several AGB studies, including The Leadership Imperative: The Report of the AGB Task Force on the State of the Presidency in American Higher Education, Bridging the Gap Between State Government and Public Higher Education, Effective Trusteeship: A Guide for Board Members of Public Colleges and Universities, and Making the Grade: How Boards Can Ensure Academic Quality, by Peter T. Ewell, as well as NGA's Governance in the New Economy and State Strategies for the New Economy. NGA featured the first edition of these guidelines when the association launched its multi-year higher education initiative "Influencing the Future of Higher Education," in March 2001.