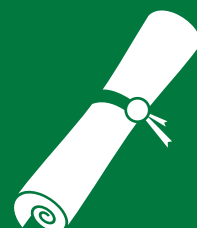




Top Strategic Issues Facing HBCUs, Now and into the Future

A Report by the Association of Governing Boards of Universities and Colleges





About AGB

Since 1921, the Association of Governing Boards of Universities and Colleges (AGB) has had one mission: to strengthen and protect this country's unique form of institutional governance through its research, services, and advocacy. Serving more than 1,250 member boards, 1,900 institutions, and 36,000 individuals, AGB is the only national organization providing university and college presidents, board chairs, trustees, and board professionals of both public and private institutions and institutionally related foundations with resources that enhance their effectiveness.



About Accenture

Accenture's Education practice serves premier colleges and research universities, K-12, Oversight Agencies, and For-Profit Education providers in the areas of information technology, human resources and payroll, financial accounting, student services, advancement/alumni relations, research/grants, and life sciences. Accenture's work includes enterprise and IT strategy, value targeting, organizational and process analysis/design and improvement, strategic sourcing, service delivery and administrative services transformation, leadership development, and software selection and implementation.



High performance. Delivered.

Table of Contents

Introduction.....	1
Issue One: Enrollment and the Value Proposition	2
Issue Two: Educational Quality and Degree Offerings.....	4
Issue Three: Student Success and Completion	5
Issue Four: Finances and Affordability	7
Issue Five: Infrastructure	8
Issue Six: Federal and State Policy	10
Issue Seven: Governance and Leadership.....	11
Conclusion: Charting a Path Forward —The Future of HBCUs.....	13

Acknowledgments

The Association of Governing Boards of Universities and Colleges (AGB) is grateful to the 24 presidents who completed this survey and the numerous presidents, board members, and board professionals who participated in the special convening of HBCUs at AGB's 2014 National Conference on Trusteeship. AGB would also like to extend a very special thank you to Dr. Roslyn Clark Artis, president of Florida Memorial University, and Dr. Kevin D. Rome, president of Lincoln University of Missouri, for their thoughtful insights about the strategic issues facing HBCUs. AGB also thanks Kristen Hodge-Clark, director of research, and Brandon D. Daniels, director of special programs, who developed the survey and wrote the report.

This survey was made possible by the generous support of Accenture.

Copyright© 2014 Association of Governing Boards of Universities and Colleges

Introduction

Created in a time of segregation and discrimination to educate students of color, Historically Black Colleges and Universities (HBCUs) have played a pivotal role in transforming the landscape of higher education in the United States. Today, in an era of rapid transformation, HBCUs face historic challenges as well as new obstacles. Questions about sustainability, cost, quality, and mission are among many of the perennial issues that will require greater attention and creative approaches and solutions from governing boards and presidents, now and into the future.

The Association of Governing Boards of Universities and Colleges (AGB) knows that governing boards benefit when they have both a broad and focused understanding of the challenges their institutions face. And they benefit by putting those issues into a larger, national context. As a follow-up to AGB's *Top 10 Strategic Issues for Boards 2013-2014*, this report sheds light on the most pressing strategic issues facing HBCUs.

The paper draws on two sources: a survey of HBCU presidents and a gathering at AGB's 2014 National Conference on Trusteeship (NCT) with board members, presidents, and campus and system leaders from public and private HBCUs. The survey sought presidents' opinions on strategic issues both for their own institutions and for the larger HBCU community. The survey, which consisted primarily of open-ended questions, was sent electronically to 99 HBCU presidents. Twenty-four completed responses were submitted (a response rate of 24 percent), of which 54 percent were from private institutions and 45 percent were from public institutions.

We also invited two HBCU presidents, one from a public and one from a private institution, to weigh in with their perspectives on the strategic issues identified here. We've included their thoughts throughout this report and thank them for their time and helpful insights.

The report identifies seven pressing priorities for HBCUs. They include enrollment management, academic quality, infrastructure, federal and state policy, and governance and leadership. HBCUs are also very concerned about their financial viability, from sources of revenue to how they spend money. At the same time, ensuring student success—their very reason for existence—is a thread throughout the strategic priorities. Our hope is that the findings will contribute to the national dialogue about the future of HBCUs and serve as a resource for boards and institutional leaders to focus their important work, now and into the future.





Issue One: Enrollment and the Value Proposition

HBCUs, like most institutions, are confronting a rapidly changing higher education market that has introduced a series of new enrollment challenges. Among them, the most pressing is the issue of declining enrollment. Many HBCUs face growing competition with predominantly white institutions (PWIs) to recruit high-achieving African-American students, who now have more choices and are often aggressively recruited by other types of institutions. As one survey respondent indicated, “Finding ways to be more competitive with predominantly white universities to enroll the best and brightest African-American students” is one of the most important strategic issues facing the entire HBCU community over the next two to three years. With significantly more institutions open to them today, as well as the possibility of larger financial aid packages, many of the students HBCUs have historically targeted are going elsewhere for college.

For most HBCUs, the ability to attract, enroll, and retain students is tied to their affordability. Tuition costs matter, and enrollment challenges have been particularly acute at many HBCUs following the implementation of new provisions to the Federal Parent PLUS Loan Program in 2011. The modifications to this loan program, which allows parents to take out fixed-rate federal loans to help pay for their student’s college education, made it harder for parents to be approved. Some institutions lost as much as 20 percent of their total enrollment when the U.S. Department of Education suddenly changed the lending rules, and many institutional enrollments have not fully rebounded. (In a later section in this report, additional details about the financial ramifications of this policy change are discussed.)

As a result, tuition-dependent HBCUs now face the challenge of implementing new recruitment strategies to attract a broader, more diverse student population, both in terms of race/ethnicity and socio-economic status. In recent years, Latino enrollment, in particular, has increased substantially at many of these institutions. In addition to devising new strategies to attract a more racially diverse student population, recruiting a greater number of students who do not require as much need-based financial aid has also become an important priority among some HBCUs. But this often runs counter to historic commitments that once enabled many of these institutions to operate under open enrollment policies granting low-income students access to college. This tradition is increasingly becoming more difficult to sustain. One leader bluntly said that the institution is trying to “increase [the number of] students who can pay their way.” While this is a growing trend among many tuition-dependent colleges, and not just HBCUs, to effectively attract these and other students requires new and innovative repackaging of the HBCU brand.

At the heart of this matter is the value proposition of HBCUs for students and their families. Marketing and branding—the ability to effectively communicate to students the value of an HBCU education—were cited by many presidents throughout the survey and during the focus group as key strategic issues that influence the overall value of HBCUs and, inevitably, impact enrollment. Said one president, there is a “need to clarify the HBCU value proposition” for each individual institution and the entire HBCU community writ large. Many institutions are grappling with how to re-envision the historic mission of the HBCU brand

for the 21st-century student. They are writing a new story to convey the uniqueness of their mission and program offerings. Many others are concerned with changing the overall public perception of HBCUs and are devising strategies to highlight how HBCUs greatly contribute to regional workforce needs.

With all of these factors in mind, what is the role of the board in overseeing enrollment management and the larger issues associated with it? The task is as important as it is complicated, and striking the right balance will be difficult. Boards will first need to understand their institutions' current practices with respect to recruitment and selection—and then collectively work with key administrators to develop a series of broad, incremental goals over the next five years. To devise a strategic plan for enrollment without considering such factors as marketing, brand, value, or student aid would be shortsighted. While a little over two-thirds (67 percent) of the presidents surveyed reported that their boards are ideally engaged in enrollment management, more than one-third (38 percent) indicated that their boards are under-engaged in the area of marketing, which is necessary for a successful enrollment management plan. To build a sustainable enrollment management model for the 21st century, HBCUs must ensure that their boards understand the big picture and are adequately equipped with information about all of the components that shape enrollment goals and outcomes.



To build a sustainable enrollment management model for the 21st century, HBCUs must ensure that their boards understand the big picture and are adequately equipped with information about all of the components that shape enrollment goals and outcomes.

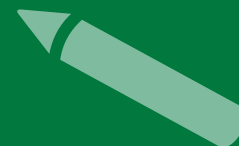


"HBCUs continue to play a unique and vital role in American higher education. Nevertheless, many wrestle with enrollment declines that have catastrophic results for an institution's financial position. This is due in large part to a misplaced notion that HBCUs are a lesser alternative to their predominately white counterpart institutions.... HBCUs must be seen as value added, rather than a lesser alternative... The challenge is to find ways to leverage media and public perception in creative and cost-effective ways. Unfortunately, few HBCUs have the financial capacity to penetrate the marketplace to 'tell our story.'"

—Dr. Roslyn Clark Artis, president,
Florida Memorial University

"We have experienced declining enrollment and deteriorating public opinions. This is partly an institutional issue and partly a state funding issue."

—Dr. Kevin D. Rome, president,
Lincoln University of Missouri





Issue Two: Educational Quality and Degree Offerings

A second essential issue is ensuring the quality of students' education once they matriculate. All institutions, and HBCUs in particular, are facing scrutiny in this area from policy makers, the media, employers, and students and their families. Simply put, greater attention is being focused on academic quality and degree offerings.

The type, number, mode of delivery, and quality of program offerings at HBCUs are essential strategic considerations. The need to better clarify how HBCUs educate students and in what areas has spurred subsequent questions about mission and quality. A significant number of HBCUs are reevaluating their institutional missions primarily in terms of their program offerings: the mix of degrees they offer and the methods of instruction. To consider such changes is significant because, for most institutions, their program offerings are tied to their mission. From liberal arts colleges to science and technology institutes, an institution's mission is quite often the guiding framework that shapes the types of academic programs and degrees offered. Slightly more than half of the presidents surveyed (52 percent) indicated that they have considered modifying their missions by reevaluating their academic programs. As one president noted, "we are reimagining our academic enterprise." The types of changes they are considering range from eliminating degree programs with low enrollment to expanding STEM (science, technology, engineering, and math) majors. The increasing number of students in need of remediation is also of great concern for some HBCUs and has huge implications for the type and number of courses they can afford to offer. An increasing number of HBCUs are also discussing ways to build their instructional technology infrastructure in order to offer more online course and degree opportunities.

Central to academic quality are student learning outcomes and assessment. Increasing pressure for standardized learning outcomes that can be compared within and across institutions has resulted in the creation of several national assessment tools, including the Collegiate Learning Assessment (CLA), among others. HBCUs will need to determine if such instruments are useful given the students they serve while still demonstrating that they are effectively assessing student learning. Additionally, accrediting agencies and the federal and state governments are calling for increased transparency of learning goals and assessments. For these and other stakeholders, the driving questions are, how do institutions know what learning is taking place, and how much are students actually learning? Among the HBCUs that responded to our survey or that convened during the national conference, student learning outcomes and assessments were not often among the top issues identified, yet quality and reputation for quality education and the mix of programs offered continued to surface as concerns. This connection between academic quality, program offerings, and overall student learning outcomes is one that needs to be more readily addressed among HBCUs and kept as a key priority.

How can HBCU boards ensure that their respective institutions are adequately addressing all components of academic quality? It is critically important that presidents provide their boards with clear metrics or dashboards that illuminate the work the institution is doing. Having a complete picture of academic quality that includes program offerings, program structures, quality of the learning experience, and broad student learning outcomes will be increasingly necessary given trends in

accreditation as well as the possibility of state and federal mandates. It also goes to the heart of the board's fiduciary role. Such work is challenging for all boards to fully comprehend, and potentially more serious for HBCUs than for other institutions given the students they serve, their available resources, and their missions.

"Academic quality is greatly a function of who is admitted and how they succeed once admitted. We are an open enrollment institution that accepts any student who graduates from high school or its equivalency and then takes the requisite entrance exams. If we are going to improve academic quality, then we will have to enroll better-prepared students. We must do a better job of educating those who choose to attend our institution and find ways to increase their academic success."

—Dr. Kevin D. Rome, president, Lincoln University of Missouri

"In order to compete for students, there must be a clear understanding of the primacy of academic quality. HBCUs, particularly private HBCUs, must take care to cultivate programs that are considered innovative or distinctive and that yield graduates who are well prepared to compete in a 21st-century marketplace. Alternative approaches to education, including multiple learning modalities, competency-based education, and other innovations must be explored and embraced where possible."

—Dr. Roslyn Clark Artis, president, Florida Memorial University



Issue Three: Student Success and Completion

Logically following the issues of enrollment and academic quality is the issue of student success. HBCUs make-up a very small fraction (about three percent) of all higher education institutions, yet collectively they graduate a significant number of all African-American college students (about 25 percent). Despite their outsized role in contributing to the overall number of African-American college graduates, at the institutional level, graduation rates of many HBCUs fall below the national average. While retention and graduation are not new issues for HBCUs, they are a persistent challenge. This is, in part, because many HBCUs admit and serve students who may be under-prepared for college as a result of their K-12 experience, or who are low-income, first-generation college students. These populations are quite often the most likely to not complete college, no matter where they enroll.

Presidents are grappling with how to find cost-effective ways to ensure student success. Limited resources affect many institutions' abilities to offer adequate support services for the large number of students in need of additional guidance or remediation. According to one survey respondent, one of the most important issues facing all HBCUs is the need to "find ways to recruit, retain, educate, graduate, and place (in jobs and graduate programs) students in a more cost-effective manner." Providing adequate support programs does not just benefit those who are underprepared. Numerous studies including the 2006 U.S. Commission on Civil Rights report, *The Educational Effectiveness of Historically Black Colleges and Universities*, have found that when student support programs are available, they greatly improve the outcomes of many students.



Resources or the lack thereof and student profiles alone are not the only factors that impact student success. The quality of faculty also plays a significant role. However, recruiting and retaining able faculty members with the knowledge, skills, and dedication to take on the unique circumstances facing many HBCUs and their student populations are key challenges, in part because of limited funding and resources. As one survey respondent noted, the “ability to recruit talented faculty is limited; compensation is not competitive at many HBCUs.” While the issue of faculty compensation also falls under the banner of institutional finances, it greatly impacts the entire academic enterprise, including student completion.

Building a sustainable business model to support consistently improving completion rates requires dedicated board attention and long-term strategic planning that addresses academic quality, enrollment, and finances. The complexity of variables that influences student success at HBCUs is significant. As such, the solutions that boards devise with their presidents must take into consideration how each of these factors intersects with the other. To do so, boards must first have a solid understanding of the students they serve and their institution’s past and current completion rates, including the average time to degree. They must also understand what areas the institution currently makes investments in that directly impact student success. They must ask difficult questions about what strategies administrators and faculty are using to ensure that students succeed and graduate. A coordinated approach at all levels of the institution will be important.



While the issue of faculty compensation also falls under the banner of institutional finances, it greatly impacts the entire academic enterprise, including student completion.



“HBCUs are called upon to meet these challenges head on with innovative bridge programs and an intricate web of academic and social supports designed to ensure that students do not get ‘lost in the shuffle.’ While costly to administer, these programs have demonstrated positive results for the students they are designed to serve and thus form the hallmark of the HBCU experience.”

—Dr. Roslyn Clark Artis, president, Florida Memorial University

“Student success depends on so many different variables. While I am convinced that we can do a much better job at student success, I also know that there are some resource limitations that impact our ability to do so. We need academic support programs to assist students who are underprepared and enhance those who are prepared. We also need faculty and staff who see student success as their personal responsibility.”

—Dr. Kevin D. Rome, president, Lincoln University of Missouri





Issue Four: Finances and Affordability

To accommodate the students they have historically served, HBCUs have tried to maintain low tuition and fees, and many have provided students with significant institutional aid, resulting in high discount rates. By doing so, institutions were able to lower the financial burden on their students, but as a result, the colleges and universities have had to operate on thin financial margins. Today, many HBCUs are still feeling the impact of these decisions as faculty salaries, infrastructure costs, and other expenses related to running an institution continue to rise even as the institutions strive to remain affordable. For HBCUs, addressing the issue of institutional finance has never been more urgent or complicated.

To compound the issues of this business model built on low cost, many public HBCUs are experiencing a decline in state support even as they see their expenses increase. They must balance the rising costs of operating an institution with trying to serve an important population. It's not just public HBCUs feeling this pressure; private HBCUs are experiencing many of the same financial stresses. Since private HBCUs receive very little or no state support, they can't offer lower tuition rates like public HBCUs can. For private HBCUs, this creates an interesting challenge and opportunity: they are more expensive than their HBCU counterparts, but they are cheaper than the other private institutions in their state. Thus, HBCUs are serving students at an equal or greater level than their PWI counterparts, but are seeing significantly less revenue in tuition

and fees. Institutions know that students want a high quality education and need more institutional aid, but that requires money; students also want state-of-the-art libraries and nice places to live on campus, which also cost money, money that is scarce. These factors create a vicious cycle. In short, HBCUs are trying to do more with less.

HBCU leaders are constantly making the case for more funding, because they know they are serving a very important sector of the population. Research from well-known scholars Marybeth Gasman and James Minor shows that states are providing dollars to their flagship institutions at high rates, but not following the same pattern for HBCUs, even though those flagship institutions enroll significantly fewer of the state's African-American students. For example, in some states, funding allocated per student at predominantly white flagship institutions is double that provided to their historically black institutions¹.

Public HBCUs also understand that they cannot solely rely on state funding; HBCUs must find and invest in alternative sources of revenue, including fundraising and endowment building. According to the survey results, 58 percent of presidents of public and private HBCUs stated that their boards were under-engaged in the areas of development and fundraising. However, institutions can't just ask donors to shore up institution financial shortcomings, and HBCUs cannot cut their way to financial sustainability. The whole business model needs attention. It is important for the president and

¹ Gasman, Marybeth, "Comprehensive Funding Approaches for Historically Black Colleges and Universities." University of Pennsylvania. 2010.



board to set financial priorities and for the board to understand the intricate and nuanced finances of the institution and work towards a more robust way to financially sustain the mission. When asked, 55 percent of presidents stated that in the past two to three years, their institution had considered modifying its current financial model, so this is an issue that many institutions are already examining. In the end, boards have to start asking the tough and important questions about institutional finances. How do our finances influence our decision making? What is our current risk tolerance? What does our current discount rate look like and have we examined it recently? How do our financial aid policies impact the type of students we attract?

“Without institutional resources, it is impossible to offer reduced tuition to students. The institution has some culpability, but the states must renew their support for affordable public higher education in this country. Federal aid is essential for most students attending public institutions of higher education.”

—Dr. Kevin D. Rome, president, Lincoln University of Missouri

“HBCUs have historically sought to enroll and graduate African-American students of low financial means who are less able to pay tuition commensurate with that of many PWIs [predominately white institutions]. As a result, tuition rates at many HBCUs are lower than those of the PWIs, further decreasing institutional revenues.”

—Dr. Roslyn Clark Artis, president, Florida Memorial University



Issue Five: Infrastructure

Many factors contribute to student success and institutional competitiveness. The first that come to mind are outstanding and dedicated faculty, high quality staff, and solid academic offerings. However, other elements include up-to-date libraries, safe and comfortable residence halls, and student amenities. When HBCU presidents were asked about some of their most pressing strategic issues, it was no surprise that infrastructure, including new construction, deferred maintenance, technology, and real estate, surfaced near the top of their lists.

Infrastructure is important for two reasons: first, to enhance the quality of the education delivered, and second, “to keep up with the Joneses,” as one president said. Both have never been more essential. At AGB’s 2014 National Conference on Trusteeship, many HBCU presidents and trustees discussed the issue of subpar buildings and grounds and their impact on student recruitment. Many participants mentioned that to stay competitive, institutions have to build bigger and better facilities. One president stated that students and parents are looking for newly painted signs, beautiful flowers, and open green spaces; these need to be the first things students see when they step foot on campus. And yet, many noted that some of their buildings are declining but they lack the funds to properly maintain the facilities, let alone expand or update them dramatically.

For many HBCUs, the ever-evolving face of technology is another important infrastructure concern. A recent study, the 2013 *College Explorer Survey*, showed that the typical college student (aged 18-34) owns an average of seven electronic devices. Students own laptops, tablets, smart phones, and several gaming devices—and they expect to be able to use them all, without any lag in delivery speed. During the national conference conversation, presidents stressed the point that increased bandwidth and more Wi-Fi hotspots cost money—not only money for actual physical equipment, but also for hiring and training staff. They also emphasized that these technology demands go beyond access points and internet speed and extend to virtual course delivery, online registration, financial aid, purchasing, inventory management, and student advising. At the end of the day, these technologies are expensive, and HBCUs have to find a way to best utilize technology within the budgetary restrictions they face.

Finally, although many institutions are focused on their current campus footprint, many others are looking to expand. In several survey responses, presidents stated that real estate acquisitions, development, and growth were all issues their boards were addressing. Boards have to decide where their resources are best used. What is an acceptable level of deferred maintenance for our institution over the next five years? The next 10 years? Is our current educational technology infrastructure appropriate to carry out our institution's mission? In what ways are we intentionally incorporating technology into renovations or new building designs?



A recent study showed that the typical college student (aged 18-34) owns an average of seven electronic devices. Students own laptops, tablets, smart phones, and several gaming devices—and they expect to be able to use them all, without any lag in delivery speed.



"The most significant challenge facing under-resourced private HBCUs is the ability or inability to keep pace with infrastructure enhancements. Deferred maintenance issues abound at many institutions that have lacked the resources to manage these issues in a systematic way."

—Dr. Roslyn Clark Artis, president, Florida Memorial University

"Infrastructure deteriorates with lack of funding."

—Dr. Kevin D. Rome, president, Lincoln University of Missouri





Issue Six: Federal and State Policy

Over the past few years, HBCUs have been hit hard with changes in federal and state policies. While public policy has always had a strong presence in the lives of HBCUs (even launching many public HBCUs under the terms of the 1890 Morrill Land Grant Act), the current generation of state and federal policies signals troubling shifts in direction. At the federal level, HBCUs have been affected by a litany of direct and indirect policy changes including sequestration, changes in the Pell Grant, changes to the federal Parent PLUS Loan Program, and potential implementation of a federal college ratings system. Also on the policy agenda are items such as securing Title III-B funding, expanding the HBCU Capital Financing Program, increasing the maximum Pell Grant, and increasing investments in STEM education at HBCUs.

A specific, recent example of the challenges related to public policy is the fallout from the Parent PLUS Loan Program. As was mentioned earlier in the section on enrollment, the new policy provisions implemented by the Department of Education made it harder for parents to be approved for these loans. Steep drops in enrollment were the most visible consequence of this change, and the significant loss of revenue for many tuition-dependent HBCUs has had an indelible impact on their financial well-being. The changes affected HBCUs across the country and translated into loan volumes dropping by 36 percent, or more than \$150 million. For example, according to a June 2013 *Washington Post* article, Howard University in Washington, D.C., saw a decrease in tuition revenue of over \$7 million from Parent PLUS during the 2012-13 academic year; many other institutions saw large proportions of their admitted incoming freshman class find themselves financially unable to enroll.

The proposed federal college ratings system is also an issue of great concern mentioned by many presidents in their survey responses. The ratings system is scheduled to be launched in the fall of 2015 and is intended to provide students and their families with more transparent information about the “value” and “affordability” of individual colleges and universities. The ratings would use a score to convey an institution’s status on these criteria and would allow for comparisons of what the U.S. Department of Education considers like institutions. Many HBCUs are especially concerned because their limited resources and the types of student populations they serve greatly impact easily quantified outcomes such as graduation rates that may be used as variables in the ratings system.

At the state level, some HBCUs are finding themselves under attack from state policy leaders. In some instances, lawmakers are proposing legislation that would study the closure or merging of institutions that don’t meet certain criteria; many of these institutions are HBCUs. Over the past few years, states such as South Carolina, Mississippi, Louisiana, and Georgia have all examined the idea of merging HBCUs with other institutions. Although many of these proposals are considered strategies for budget cuts or reductions, some board members and presidents advocate that these cuts not be made at the expense of HBCUs.

Finally, for public institutions, university systems, and state higher education boards, board member appointments are important governance decisions. Typically, governors appoint and legislators confirm members to public institution, university system, and state boards. While many accomplished

individuals are selected to serve as trustees, some may not fully appreciate the unique missions and plans that HBCUs pursue, which can have unintended consequences on governance and leadership. Building and sustaining effective public governing boards and governance structures in public higher education can be challenging; but having the “right” board(s) with the “right” members in place can help create a responsive and accountable higher education system, strengthen the public higher education–state government partnership, and lead to the successful pursuit of a state strategic agenda.

“Beyond limited resources and draconian policy shifts, HBCUs are watching with a great deal of trepidation as discussions ensue on the impending college/university rating system. While HBCUs are firmly committed to accountability and transparency, we are deeply concerned about the ability to develop a rating system that is sufficiently nuanced to tease out the often subtle differences within and among institutions, particularly as it relates to entering student characteristics and their impact on traditional measures of success. Such a rating system can have a devastating impact on HBCUs, which serve predominantly first generation, low-income, minority students.”

—Dr. Roslyn Clark Artis, president, Florida Memorial University



Issue Seven: Governance and Leadership

At every type of institution, governance matters have a resounding impact on institutional well-being and strength. Over the past few years, a number of HBCUs have faced governance difficulties that have garnered substantial national press for issues ranging from highly scrutinized presidential searches and compensation, to loss of accreditation and financial difficulties. It has never been more important for HBCUs to understand and practice the principles of good governance. When asked about this topic, presidents’ responses focused on three broad themes: board engagement and leadership, board development, and presidential leadership.

One main aspect of governance identified by presidents as important was that of board engagement and leadership. For many HBCUs, there is clear distinction between an under-engaged board, an over-engaged board, and an appropriately engaged one. As one institutional leader mentioned during the national conference, an under-engaged board doesn’t ask enough of the right questions, which can lead to neglect of the institution, and an over-engaged board asks too many of the wrong questions, which leads to boards managing the institution instead of governing it. Furthermore, the relationship at the top—between the president and the board chair—sets the tone for governance. When the president and his or her board chair have a transparent and collegial relationship, the vision for the university can be more fully and readily realized.



One of the most frequently identified responses from the survey of presidents was the need for board development, including better board recruitment, retention, and training about board roles and fiduciary responsibilities. At AGB's national conference, many presidents and trustees stressed the importance of selecting the right board members, especially for private HBCUs. By attracting the right kind of individuals, an institution is able to drive its mission, be agile, and be innovative. It was also stressed that for HBCUs to accomplish this, their boards must be diverse; that means diversity in race, ethnicity, religion, professional background, and age.

Another key aspect of board development is creating an effective board culture. While the right people matter, the right environment in the board room may matter more. Do boards spend their time on the right topics and at the right level? Do board members come prepared to meetings? Are board meetings organized around strategic goals? Does the board monitor its own behavior? Does the board focus on consequential matters and allow for differences of opinion? One of the most referenced points in the survey was that of a culture of board philanthropy. A majority of presidents stated that boards have to set an example of giving, and that goes back to board recruitment and selection. The annual expected giving level for some boards ranges from \$5,000 to \$50,000, but for other boards there is no support for philanthropy. As one president stated, "think of the impact it could have on an institution if every board member was able to secure a \$10,000 donation?"

Effectively leading HBCUs is not only about the board, but also about the president. Many presidents point to the lack of a presidential pipeline. One public president stated during the national conference that high presidential turnover and the general instability of the HBCU presidency

is quite concerning. Another president from a private HBCU also mentioned that HBCU boards need to be more effective in the presidential search process and clearly articulate what they are looking for in a leader. For example, when presidential vacancies arise, some HBCUs choose to rely only on internal candidates and do not hire a search firm. And yet during the national conference, other board members also mentioned that doing such searches internally immediately limits the pool of candidates, which can weaken the results of the search.

Boards have to look both at themselves and the presidency to build and sustain effective institutional governance and leadership. They must ask the important questions: To move our institution forward, what kind of board and board members do we need? Does our board ask the right question, and receive the right data, to make the right decisions? Is our board agile enough to make decisions at the speed with which they need to be made? Do we lead effectively?

"The president/board of trustees relationship must be transparent, collaborative, and supportive. While most would agree that these are key descriptors, they are easy to say and harder to practice. Boards and presidents must be intentional about building and sustaining a shared vision for the institution... Engagement breeds commitment. This is a hallmark of good institutional leadership/governance."
—Dr. Roslyn Clark Artis, president, Florida Memorial University



Conclusion: Charting a Path Forward —The Future of HBCUs

Charting a path forward for HBCUs is not going to be easy, but it is necessary for the future of the sector. HBCUs have a special and important place in the fabric of higher education in the United States and bear a legacy like no other set of universities. They continue to serve as centers of diversity and access for low-income, first-generation college students. They are also symbolic of the African-American quest for educational excellence and social equity. For many, there is no question about the importance of HBCUs.

It is imperative that institutional and board leaders understand the intersection of these strategic issues and how they contribute to the sustainability and vitality of their institutions. These strategic issues overlap and connect. Leaders must understand that a delicate balance exists between how each issue influences the others. Making progress on one may depend on progress on the others, as well. Boards may face not a single heavy lift, but many.

The elements in this report are intentionally identified as strategic issues, not challenges. While each is a challenge, to view them only this way would be shortsighted, for they also provide a set of opportunities for HBCUs:

- To rethink the way they recruit and reach out to students;
- To reexamine the types of academic programs they offer and how they deliver them;
- To reimagine the idea of what student success looks like;
- To reengineer the current business model;
- To repair aging infrastructure and develop the physical plant and technological infrastructure to best support their missions;
- To reassert themselves into national and state policy conversations to the benefit of the students they serve; and
- To reinvest in their approach to governance and leadership.

AGB has developed this document as a way to lay the foundation and contribute to a national dialogue that examines the unique strategic issues of HBCUs. AGB has made and will continue to make a significant investment in HBCU programming and services and is dedicated to supporting the sustainability of HBCUs through effective governance and leadership. HBCUs are currently at a crossroads, but they have an opportunity to select a path that reinvigorates them, institution by institution, as well as across the entire community.



AGB has made and will continue to make a significant investment in HBCU programming and services and is dedicated to supporting the sustainability of HBCUs through effective governance and leadership.





Top Strategic Issues Facing HBCUs, Now and into the Future

A Report by the Association of Governing Boards of
Universities and Colleges



AGB ASSOCIATION OF
GOVERNING BOARDS
OF UNIVERSITIES AND COLLEGES

1133 20th Street, NW, Suite 300
Washington, DC 20036
www.agb.org