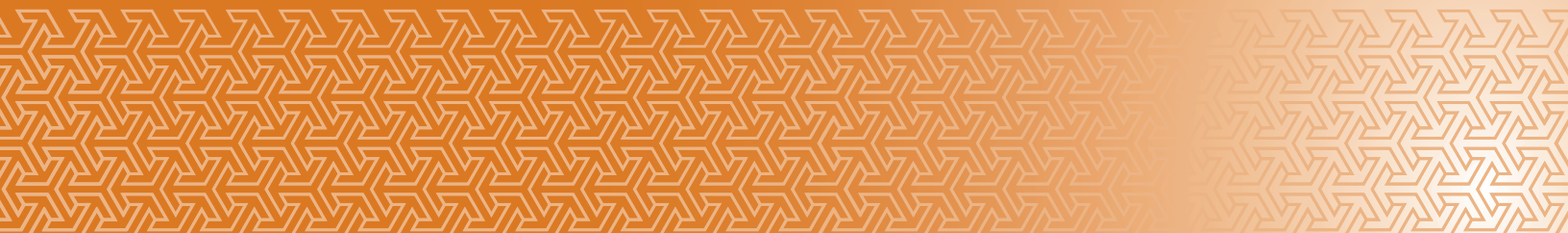


Consequential Boards

Adding Value Where It Matters Most

*Report of the National Commission on
College and University Board Governance*

AGB ASSOCIATION OF
GOVERNING BOARDS
OF UNIVERSITIES AND COLLEGES



Executive Summary

The value of American higher education faces multiple risks, and changes in governance are needed to address them. At risk are accessibility and degree attainment for current and future students, institutional fiscal sustainability, educational quality, economic development and social equity, service to communities, and knowledge creation.

Leadership for change is more important than ever, and the choices ahead are more urgent and complex than those in the past. In this demanding environment, the structure of governance itself should not be an additional risk factor for the sector. Yet, too often it is. Board-president relationships are strained, the traditions of shared governance are fragile at best, and boards themselves too often fail to add value to institutional decision making. Governance processes are cumbersome and inwardly focused, roles and responsibilities among multiple actors are contested, and information for decision making is poor. Signs of pressure on governance are everywhere: polarized boards, rapid presidential turnover, faculty votes of no-confidence, and heightened scrutiny from accreditors, to name just a few. Dysfunctional governance contributes to the erosion of public trust in the ability of institutions to make choices that contribute to the public well-being.

Higher education cannot expect to return to the traditions that worked happily 50 years ago, when mostly honorific boards concentrated on selecting prominent leaders and on fundraising, and in which state and federal governments did not ask many questions about performance. In the future, higher education must be reconfigured to recognize new student populations, altered educational delivery methods, basic changes in financing, and rising expectations from the public. Boards must be at the forefront of those changes, because their fiduciary role requires them to focus on strategic long-term issues and the intersection of internal and public interests. Presidents and faculty will not be able to lead such changes on their own.

Boards are not the source of all of the governance challenges in higher education, but they can play a critical role in improving decision making within the sector. We offer seven recommendations aimed at boards in support of the distinct role only they can play in improving institutional value through more effective governance.



**Consequential
Boards**
*Adding Value Where
It Matters Most*

1. *Boards must improve value in their institutions and lead a restoration of public trust in higher education itself.*
2. *Boards must add value to institutional leadership and decision making by focusing on their essential role as institutional fiduciaries.*
3. *Boards must act to ensure the long-term sustainability of their institutions by addressing changed finances and the imperative to deliver a high-quality education at a lower cost.*
4. *Boards must improve shared governance within their institutions through attention to board-president relationships and a reinvigoration of faculty shared governance. Boards additionally must attend to leadership development in their institutions, both for presidents and faculty.*
5. *Boards must improve their own capacity and functionality through increased attention to the qualifications and recruitment of members, board orientation, committee composition, and removal of members for cause.*
6. *Boards must focus their time on issues of greatest consequence to the institution by reducing time spent reviewing routine reports and redirecting attention to cross-cutting and strategic issues not addressed elsewhere.*
7. *Boards must hold themselves accountable for their own performance by modeling the same behaviors and performance they expect from others in their institutions.*

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