

The BASICS of RESPONSIBLE TRUSTEESHIP



NEW EDITION



AMERICAN COUNCIL OF TRUSTEES AND ALUMNI
Institute for Effective Governance

The Basics of Responsible Trusteeship

Congratulations on becoming a college trustee. There are few positions that offer comparable challenges and rewards. But with those rewards comes responsibility. Being a trustee is an honor. But it is more than that. Being a trustee means that you are the steward of public resources and accountable to students, parents, taxpayers, and donors for the wise use of those resources.

You certainly should be loyal and support your institution. But that does not mean you are simply a cheerleader or fundraiser.

The old motto of “go-along-get along” no longer applies. Today, greater accountability is a must. As a trustee, you have the obligation to ensure the academic and financial health of your institution, thus serving the best interests of the public. This brochure will help you fulfill that commitment.

Whom Do You Represent?

The short answer is the public. Trustees should be guardians of the public interest—that of the public, students, and taxpayers. As Henry Clay explained: “Trustees are created for the benefit of the people.” What is true for institutions in the public sector is also true for those in the private, not-for-profit sector, virtually all of which accept federal student aid and sometimes also state funding. Your role is *not* simply to raise funds and support the administration; your job is *not* to represent only a single constituency or a single point of view. Your job is to be an independent arbiter of the overall welfare of your institution and of how well it fulfills its mission, to examine each issue

AMERICAN COUNCIL OF TRUSTEES AND ALUMNI



Launched in 1995, the American Council of Trustees and Alumni (ACTA) is an independent, nonprofit organization dedicated to working with alumni, donors, trustees, and education leaders across the country to support liberal arts education, high academic standards, the free exchange of ideas on campus, and high-quality education at an affordable price.

ACTA's Institute for Effective Governance (IEG), founded in 2003 by college and university trustees for trustees, is devoted to enhancing boards' effectiveness and helping trustees fulfill their fiduciary responsibilities fully and effectively. IEG offers a range of services tailored to the specific needs of individual boards, and it focuses on academic quality, academic freedom, and accountability.

of concern, and to develop your own conclusions. To do that effectively, here are some recommendations.

Know Your Job Description

As a general rule, trustees don't receive job descriptions. That is why it is so important that you independently become familiar with the roles and responsibilities of a trustee. First and foremost: Always look to the law. Obtain any statutes that govern your institution and/or set out your obligations. Locate the college's mission statement, bylaws, and any existing regulations or policies which govern trustee behavior. Identify any applicable statutes regarding conflict of interest, endowments, open meetings, recordkeeping, ethics, and public disclosure. Your responsibility flows from the law and you should be fully familiar with your statutory obligations, whether you serve at a public or private institution. But that is not enough.

A trustee is a fiduciary. And "fiduciary" is a broad, encompassing term. This means more than simple adherence to legal rules and technicalities. It means that you stand in trust for the institution and the public. You are responsible for the college or university's overall health and the wise and effective use of its resources.

Focus on Your Role

Too many boards spend time on fancy lunches and tedious agendas while leaving scarcely any time for discussion of major issues and long-term goals. Don't let that happen to you. Don't allow a prepared "feel-good" presentation of outstanding student or faculty work to substitute for careful, independent appraisal and analysis of the health of the institution. As a trustee, you are legally responsible for your institution. It is important to attend board meetings and to prepare for them in advance. And it's critical for the board itself to determine institutional

priorities, set the agenda, and focus attention on issues affecting the long-term future of the institution.

Don't Micromanage, But Get the Data

As a trustee, you are responsible for the overall policy of the institution. But this does not mean that you manage the day-to-day operations. To the contrary, you must take a look at the big picture and set the direction for the institution. It is not micromanagement, however, to expect your administrative leadership to provide the board—in a timely manner—with the information trustees need to establish the more important policy directives that govern the long-term direction of the university. Issues of educational quality, prudent fiscal stewardship, and responsiveness to the educational needs of students are central concerns if you are to fulfill your fiduciary obligations.

Be Well Informed

Knowledge is power. Everyone respects a trustee who has done his or her homework. So develop as many sources of information as possible. The campus administration is your chief source—but may reflect only one point of view. Listen to other campus and community constituencies. Visit the campus, chat with students and faculty, and subscribe to the college newspaper. Do not get involved in individual complaints or grievances, but listen and learn. Go to the college webpage and to college catalogs. Go to state organizations, coordinating commissions, and the U.S. Department of Education for data and analysis. Go to organizations like the American Council of Trustees and Alumni, www.GoACTA.org, that have a national perspective and can provide significant information on issues affecting higher education across the country. Keep abreast of what is happening on college campuses. Do not let yourself be surprised.

Understand the Budget

As a trustee, you are responsible for the financial health of your institution—not only whether the balance sheets tally, but also whether it uses its funds prudently and effectively. To determine the best use of limited resources, you must have a broad but detailed picture of what the institution is spending and why. If the board is doing its job, the budget will be a reflection of its goals for the institution. The board should not passively accept a budget prepared by the administration without board input. Make certain that you are involved early in establishing the budget priorities—reversing the trend of ever-increasing tuition and fees should be an urgent one. Lawmakers and the public are much more willing to support higher education if they are convinced that increased funding will be used wisely.

Insist on High Academic Standards

In recent years, study after study has shown a breakdown of academic standards, particularly in undergraduate education. From grade inflation to graduation requirements, and especially in curricular requirements, standards have fallen. Instead of receiving a broad foundational education in basic subjects such as English, history, math, and science, students are permitted to pick and choose, in cafeteria-style, from among dozens, hundreds, and sometimes even thousands of courses too narrow or offbeat to be suitable for general education. Studies by the American Council of Trustees and Alumni found that students at most of the top 50 colleges listed by *U.S. News & World Report* can graduate without taking a single course in American history. At all but two of the 25 *U.S. News* top-ranked liberal arts colleges, English majors no longer have to take a course in Shakespeare. The overwhelming majority of history departments at schools that top these elite lists

do not even require majors to take a course in U.S. history.

As a college trustee, you are responsible for the academic quality of your institution. And while the faculty has primary responsibility for the curriculum, the board is responsible for monitoring and ensuring its quality. When it comes to general education requirements, trustees—usually successful individuals with a wide range of experiences—are well positioned to understand what graduates should know if they in turn are to have successful, informed, and thoughtful lives. This does not mean reviewing course syllabi and adding your favorite books. It means obtaining enough information to see what students are being asked to learn and whether they emerge as educated men and women when they graduate. What are the core curriculum requirements that pertain to all students? Are there carefully selected options or too many choices? Are the core courses general or over-specialized? Do students learn to write accurately and effectively? To acquire a college-level competence in math? To understand the heritage of human civilization and the wonders of the natural world?

In short, will all students, regardless of major, be prepared to become engaged and informed participants in the economic and civic life of our society? These are the kinds of questions that a responsible board must ask. If the answer is no, it is up to the board—working closely with faculty and administrators—to establish the framework of a curriculum that will achieve the institution's educational mission.

Defend Academic Freedom

The American system of higher education is premised on the right of faculty and students to explore ideas, wherever the evidence may lead. Intellectual freedom is vital to the life of the mind. As a trustee, there is no value more important for you to protect. Boards

should be aware that the threat to academic freedom does not always come from outside the university. The board should also take steps to protect the freedom of faculty members whose points of view may be unpopular with their colleagues or the administration.

But academic freedom also carries responsibilities. Academic freedom does not mean that anything goes; professors can be held accountable for the appropriate use of limited resources. Academic freedom does not exempt professors from criticism. Professors have an obligation to educate students to think for themselves and not to use the classroom for partisan or ideological advocacy. Trustees should oppose a culture that permits obstruction of campus speakers or the silencing of conflicting points of view. As a trustee, it's up to you to protect the right of students to hear all sides of major issues. The board can and should articulate an institutional position on the inviolability of freedom of expression and ensure its implementation. Look to the University of Chicago's Statement on Principles of Free Expression and Yale's C. Vann Woodward Report as models for institutional steadfastness on this issue.

Feel Free to Disagree—With Civility

As a member of a board, it's important at all times to maintain a civil discourse. But that does not mean going along to get along. Candid give-and-take is conducive to constructive and informed governance. While there may often be pressure to reach consensus, there is absolutely no need for board members to agree at all times. Take a vote and let the majority rule. Remember: Your job is to be an informed and independent arbiter of the welfare of the institution.

Focus on Student Learning

When an automaker develops a new car, performance is the key ingredient. Remarkably,

few colleges ever try to find out what the student has learned and what value has been added during those four years away from home. As a trustee, it is your job to make certain that parents, students, and taxpayers are getting what they pay for. Do students have greater intellectual skills when they graduate than they did before? Can they write cogent sentences and construct a coherent paragraph? These are the kinds of questions that board members should ask. And responsible trustees should insist that the institution use nationally-normed assessments to determine if students are gaining the core collegiate skills they need for future success. You can determine whether your school truly adds the value it should to their intellectual progress.

Select a Strong Leader

A strong, responsible board sets policy, but it depends on the president to carry out its policies. The board needs a strong executive who can articulate a vision and is not afraid to make hard decisions. Some observers fear that the college presidency has become too weak, that presidents spend too much time placating campus constituencies and raising money and merely perpetuating the status quo. When the time comes to select new presidents, boards may need to cast the net more widely to find a strong, visionary leader. Often, boards make critical mistakes in the days following a resignation and before the formal search begins. The board should call on groups like the Institute for Effective Governance that can advise on the intricacies of presidential searches—issues such as the composition of the search committee, whether it is appropriate to use a search firm, and how best to find an outstanding leader. The most important job a board performs is the selection of an excellent president—and it is important to do the job right.

Think Before You Speak

Remember that the president and board chair are the primary spokespeople for the university. If you are contacted by the press, be sure you first know the facts. List the questions being asked and promise to call back. In the interim, check with the board chair and responsible university officials and find out the full story. Then decide if a return call is in the best interests of the institution—and who is the right person to return the call.

What Do You Do Next?

We hope that this guide has given you a start in the right direction. We invite you also to read *Governance for a New Era*, the report of a distinguished committee of educators and policymakers under the leadership of former Yale President Benno Schmidt that ACTA published in 2014. ACTA can provide you with this and other core readings to help you gain perspective on your work as a trustee.

In the months ahead, you will confront situations that will not always be easy. Please feel free to call on us at ACTA's Institute for Effective Governance. We can provide information, advice, and assistance.

ACTA's Institute for Effective Governance

ACTA's Institute for Effective Governance supplies information trustees can use in making decisions for their institutions, including best practices from across the country. Drawing on a broad network of higher education experts, IEG also offers a wide range of services, including orientations and retreats, board management seminars, institutional assessments, and presidential searches and evaluations.

To learn more, go to www.GoACTA.org or call 202/467-6787.



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