

**Joint Oversight Committee on Higher Education Governance,  
Excellence and Transparency**

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**Testimony**

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**Perspective**

- Appointed board member for eight years (two years as chair).
- Most of work over the past 35 years has been with governors and legislators (ECS, NGA and NCSL) to prompt change in higher education
- NCHEMS has been a leader on promoting change:
  - Assessment of student learning
  - Improving productivity
  - Using data/information to focus states and higher education systems on a public agenda
  - Advancing new modes of delivery (e.g., design team for Western Governors' University)

**The issue is not whether change is needed but how to bring about that change**

The key is for external entities to:

- Focus on What, not How
- Make clear the metrics by which success is to be measured
- Use incentives (mainly through finance policy) rather than mandates to stimulate change
- Create an environment for institutional leaders and faculty to carry out their responsibilities

## **Governing boards are an essential and distinctive element of public higher education in the U.S.**

- Even though making governing boards function effectively is a challenge, they are significantly better than any alternative (direct governmental control)
- Critical roles:
  - Establish system and/or institutional priorities and policies taking into consideration and balancing both the perspective of society and the internal academic community
  - Serve as the interface between the internal governance and external societal priorities
  - Ensure accountability to the state and society, while guarding the institution from inappropriate political or ideological intrusion
  - Foster the internal environment and incentive structure for outstanding faculty to pursue teaching and research in a highly diverse range of disciplines and professions

## **Comparative perspective**

- Historically:
  - A distinctive feature of U.S. higher education and countries in the Anglo-Saxon tradition: Boards of governors composed of a majority of lay members
  - In Continental European countries and the former Soviet Union, universities were under the direct control of a state ministry, although academic departments were often granted significant substantive but not procedural autonomy
  - In several traditions (e.g., France and the former Soviet Union) there was a distinct separation between research institutes and universities: most research was conducted through independent research institutes
- The worldwide trend is for countries to:
  - Grant universities significantly increased autonomy
  - Establish Boards of Governors with a majority of external, lay representatives. Examples from OECD and World Bank (cite Europe and India)

- Establish buffer entities similar to the THECB independent from Ministries
- Integrate research as a core mission of universities
- Use finance policy to prompt change
- Increase differentiation (between globally competitive research universities and more regionally engaged institutions)
- Basic lesson: achieving global competitiveness in educational attainment and innovation requires:
  - A long-term, multiple year strategic agenda
  - A policy and academic environment that will attract and retain the best and brightest from throughout the world
  - Consistency and continuity over changes in political leadership
  - Deliberate policies (mainly finance) to link higher education to state and sub-state regional priorities

### **Common problems faced consolidated system boards**

- Focus on the flagship to the exclusion of other components. Board members tend to be alumni of the flagship campus.
  - Prestige (and football tickets) are associated more with one campus than with others
  - Or, board members are advocates only for their regions or specific campuses and not the system
- Focus on How, not What; becoming deeply involved in implementation (micro-management)
- Expectation for top-down, hierarchical implementation
- Advocacy for one-size-fits-all policies:
  - Faculty teaching loads appropriate for one institution imposed on other institutions
  - Expectations for graduation rates that ignore differences in mission and student populations
- Difficulty in differentiating the degree of oversight needed depending on the size and complexity of the institutions:

- Difficulty in ensuring differentiated accountability appropriate to different missions
- Insufficient use of finance policy to leverage system and institutional change (in some cases, boards lack authority to use finance as a policy lever).

### **Particular challenges of complex consolidated systems such as UT and TAMU**

- Formed more by politics than by deliberate design to:
  - Provide institutions with “brand” identification with a major university
  - Counter centrifugal, competing forces
  - Build political coalitions
  - Provide for political and regional balance
- Complexity and diversity of institutional missions (globally competitive research universities, health science universities, as well as universities focused primarily on undergraduate education and limited graduate programs linked to regional priorities)
- Span of responsibility

### **Current US context: Pressures to undermine effective governance**

- Proposing massive reorganization
  - Breaking up systems
  - Eliminating boards and creating single centralized systems
  - Merging and consolidating institutions
- Establishing direct political control in the Office of the Governor
- Deregulating in some states and re-regulating in others
- Appointing board members with explicit externally defined agenda to impose change

### **Cases (in some states) of inappropriate board member behavior**

- Pursing a mission to impose an external agenda

- Ignoring the point that the no member of the board, including the chair, has authority as an individual except through formal action of the board as a whole
- Ignoring established board processes for information requests
- Pursing end runs around the system leadership
- Grand-standing at board meetings and with the media

### **Alternatives**

- Focus on the critical priorities for the future of Texas
  - Knowledge, skills, and competencies of the future workforce
  - Research/innovation linked to the state’s future economy and quality of life
- Make the current governance system and processes work; radical change should be the last alternative
- Adhere to good practice in board member appointment and confirmation process
- Insist on adherence to established Board procedures and system consultation processes
- Insist on board delegation to a system CEO and from the CEO to institutional presidents; support outstanding institutional leadership within framework of state and system goals and accountability

### **Points for multi-campus system boards**

- Insist on a system strategic plan—aligned with the state’s public agenda
  - Developed with deep engagement of external and internal stakeholders
  - Reflecting the diversity of missions
  - Aligned with the state goals (e.g., *Closing the Gaps*)
  - Linked to strategic budgeting and finance policy
- Insist on clear accountability reporting
  - State
  - System
  - Institution-by-institution

- Use the board committees and special task forces (engaging faculty, students, and other stakeholders) to frame policy alternatives and recommendations before final board action
- Give careful attention to processes to:
  - Avoid elevating campus-level issues inappropriately to the system level
  - Avoid imposing or spreading the values and incentives appropriate for one mission to institutions with different missions (research university versus primarily undergraduate teaching university)
- Establish deliberate approaches to understanding and supporting the leadership and strategic directions of each university.
  - Ensuring the autonomy of each institution within the framework of system planning and accountability
  - Establishing clear lines of authority and responsibility from Board, to system CEO to university presidents
  - Requiring differentiated strategic plans and accountability requirements for each university
- Adopt a code of conduct for board members including members' obligations to follow established procedures, processes and protocols
- Use of finance policy to leverage change:
  - Within institutions
  - Between and among institutions
- Establish environment for sustained, long-term improvement and innovation; counter efforts to make sharp right and left turns that send inconsistent signals about core values and priorities.

## **Conclusion**

- Change is important in order for Texas to have a globally competitive higher education system
- But change must take place within the framework of effective statewide, system and institutional governance if Texas is to reach its long-term goals