

# THE WALL STREET JOURNAL.

**August 1, 2003**

## **Review & Outlook**

### **In Trustees We Trust**

In an age where the misdeeds of the Enrons and MCIs and J.P. Morgan Chases still compete for daily headlines, Americans have learned much about the critical role of corporate governance. Now a new institute hopes to bring the spirit of accountability to another arena of American life where it is sorely needed: higher education.

Today the Washington-based American Council of Trustees and Alumni will announce the formation of the Institute for Effective Governance. Its mission is simple: to help university trustees avoid becoming a rubber stamp for the status quo.

That may sound uncontroversial. But as governors around the country find when they turn their attention to the public colleges and universities in their states, all too often the education establishment comes to the table with a profound sense that it is above the accountability demanded of others. And it's especially egregious coming from state institutions whose shareholders are the taxpayers.

Certainly that attitude shines through a recent Chronicle of Higher Education article penned by two authors from the Association of Governing Boards of Universities and Colleges. The article begins with a sneer, imagining a "newly minted governor who has run for office as an agent of change" ("don't they all?" the article asks) and who then seeks to advance that vision through his trustee and regent appointments. In contrast, the article proposes a model where only "seasoned partners" are appointed trustees. If this had been written about a Fortune 500 company, it would sound a lot like code for someone who's not going to ask uncomfortable questions about the corporate jet.

"You can always call an appointee a 'crony' and look at elections as 'politics,' " says Jerry Martin, chairman of the American Council of Trustees and Alumni. "But in a democracy that's how you get the job done." Governors, at least, can be held accountable at the election booth.

Kathleen Pesile, a trustee of the City University of New York and a member of the new institute's advisory board, says that trustees aren't there to micromanage; they're there for oversight. Certainly that includes asking questions about, say, the \$165,000 that the new president of the Sacramento campus of California State University spent for renovating his office at a time of huge state cutbacks, or the flights and other non-business-related items that the president of the University of Tennessee -- paid \$733,550 a year -- apparently expensed to the university.

But oversight is about far more than money. It's about ensuring that school policies uphold the integrity of the university mission, on everything from grade inflation to the quality of a university's degree. At George Mason University, trustees helped spur a toughened core curriculum that included American history. And wouldn't it be nice to read of some university trustee who proposed to meet shrinking state funding by investigating ways to boost professorial productivity?

No management really likes an independent board. That's natural, but it's also exactly why we need them. We hope that the new Institute for Effective Governance will give conscientious university trustees something too many of them now lack: the support and resources they need to ask the tough questions.