



Essays in Perspective

Serving as a Responsible Trustee

by Dr. Drew Miller
Regent, University of Nebraska

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The Institute for Effective Governance is a nonpartisan membership and service organization founded by college and university trustees—for trustees. It is devoted to enhancing boards' effectiveness and helping trustees fulfill their fiduciary responsibilities fully and effectively. IEG offers services tailored to the specific needs of individual boards, and focuses on academic quality, academic freedom, and accountability.

INTRODUCTION

In an era of accountability, what does it mean to be a responsible college and university trustee? What should direct a trustee's actions and what resources are there to enhance and improve trustee performance?

These are just a few of the questions raised—and answered—by Nebraska regent Drew Miller who provides a provocative and personal perspective on lay governance and ways to improve it.

Miller argues that responsible trustees must place the broad public interest first, weigh the costs and benefits of public policies, develop key performance indicators, and challenge the “cheerleader” mentality too often expected of boards. He believes it is incumbent on trustees to cut excessive overhead costs, develop an issues-tracking system, and vote for policies that promote responsible student behavior.

Miller takes to task the Association of Governing Boards for promoting “rubber stamp” boards and argues that, too often, trustees follow administrator/faculty views that are out of sync with taxpayer priorities. He recommends the Institute for Effective Governance as a powerful resource for college and university trustees.

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Through its periodic *Essays in Perspective*, the Institute for Effective Governance seeks to stimulate the discussion of key issues in higher education. The opinions expressed are those of their authors.

Serving as a Responsible Trustee

Dr. Drew Miller

Regent, University of Nebraska

The overall goal of a responsible college and university trustee, or “regent” as we refer to them in Nebraska, is to improve the university he or she serves for the public benefit. While different people might stress different ingredients, to me, being responsible means the following:

1. advocating the broad public interest first (citizens, taxpayers, employers) over special interests within the university;
2. analyzing policies objectively, weighing costs and benefits;
3. pushing for improvements, not just blindly adopting “peer university” or typical college business-as-usual practices;
4. aggressively cutting overhead costs;
5. challenging, not just cheerleading and rubber-stamping administration proposals; and
6. voting for policies that promote responsible student behavior.

In short, the essence of responsible trusteeship requires that one put the public good first, not university administrators or your personal popularity.

While the public and most readers would regard my list of responsible principles as obvious, these maxims are, in fact, frequently contrary to the norms promoted by university administrators

as well as one organization that seeks to shape trustee behavior, the Association of Governing Boards (AGB). In my experience, the AGB preaches that the #1 duty of a board member is to support the top administrator —period. This promotes rubber-stamp boards who cheerlead and fundraise for the school, but don’t truly represent the public interest.

The AGB president recently published his checklist of “effective public boards.” The first principle, “Clarify Board Responsibilities,” makes the point that a board is responsible for governance, not management. What this really means is that AGB wants trustees not to question how university administrators manage or conduct the business of the university. University administrators (and AGB officials) will quickly accuse a trustee who disagrees with a university policy or practice of “micro-managing.” Or if this fails, they will argue that you must never “undermine” the university president by disagreeing with him or her in public. I’ve been told on many occasions: “Your job is to support the administration 100%.”

The AGB list does not call on trustees to analyze policies, advocate improvements, weigh costs and benefits from the standpoint of the broad pub-

lic interest, and certainly not to cut overhead administrative costs. It does, however, encourage boards to “make time to socialize.”

When I was elected University Regent (Nebraska is one of four states that elect higher education trustees) after having served as a County Commissioner, I was amazed at the number of parties, dinners, and social functions that board members attend. The benefit of these events from the AGB/university administrator perspective is very clear: a trustee who becomes friends with administrators is going to be more likely to cheerlead than challenge policies and practices. Few in the public would suspect it, but based on my observations and discussions with trustees from across the nation, most board members spend far more time at social functions than board or committee meetings. I know of a trustee who spent so much time partying with the administrators and their families that he ended up being intermarried. You’re not likely to see City Councilmen, Congressmen, or other public officials socializing and partying with agency administrators the way trustees do with college executives.

The University of Nebraska has very good, decent people in the administration and on the Board of Regents. Yet the standard practice of public university administration, like so many other parts of our system of government, promotes agency interests first, often with policies that fail to enhance the public interest. Some examples:

- Spending over \$3 million to build a storage facility for seldom used books. These books—not historic treasures, but standard books available in libraries across the country—will be stored in better conditions than the books in the University’s regular collection. Despite a presentation by a board member that showed the cost savings of using interlibrary loan and the lack of need for the facility, the administration insisted the facility was vital and the board voted for it, 6 to 2.

- Approving \$3 million for a “hydraulically banked indoor running track system” and other

indoor track improvements at the University of Nebraska-Lincoln sports center. Justification: to build a state-of-the-art, world class indoor track at the Lincoln campus. This at a time when the University was increasing tuition and student fees and lobbying the legislature for more money claiming we do not have enough to pay faculty.

- Repeatedly going to the legislature for big budget increases justified by citing the need to fund faculty salaries when full, honest disclosure shows that only about one-fourth of University personnel are teachers, and that most salary increases go to administrative and support personnel.

- Increasing funding for politically-correct needs-based aid handouts rather than funding more merit scholarships. Expanding our welfare entitlement programs from free K-12 education to free K-16 education for children from low income families rather than offering scholarships for hard work and good performance in high school is bad public policy. We have limited funds, and should put them into merit scholarships to encourage and reward hard work and success in high school—responsible behavior. The success of Asian students in low income families studying and working hard in high school to earn merit scholarships destroys the myth/excuse that children in low income families or minority populations cannot win merit scholarships. Everyone, from the kids receiving the scholarship, the parents, fellow students, teachers, and our society would be much better off if we gave scholarships based on **merit**—the performance of kids in high school.

- Voting \$250,000 for consultants to help minority contractors win more business with the University. While the University already has offices and programs to do this, a new contract was a “politically correct” item to vote for, even though the billing rate for one of the consultants would amount to an annualized rate of \$300,000 per year.

Trustees that are considering the good of the entire state simply would not vote for many of these

spending proposals. However, because trustees are often trained by AGB and pressured by administrators to focus only on the good of the school as measured by the demands of its administrators, they regularly back programs that are a net disservice to the public.

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Having criticized my fellow board members for voting irresponsibly, let me now offer a short case study in which the University of Nebraska Board of Regents took a very courageous and responsible stand in the face of extreme pressures.

In the year 2000 the most controversial public policy issue in Nebraska was fetal tissue research conducted at the University of Nebraska Medical Center (UNMC) using tissue from aborted babies. UNMC is prohibited from performing abortions, but it accepted tissue donations from a doctor who had been awarded “honorary faculty” status. This same doctor had successfully challenged abortion restrictions in the U.S. Supreme Court.

UNMC had not been doing fetal tissue research in secret; faculty had published over fifty papers based on the research. But UNMC did deliberately keep the activity quiet—and this proved to be a big mistake. When the media picked up the issue it was described as “secret research using tissue from aborted babies.” Nebraska pro-life groups immediately condemned the research as immoral. Several of them vowed to defeat any regent running for re-election who supported such research. Since Nebraska is strongly “pro-life,” and right-to-life groups are perhaps the most powerful political force in the state (with voter guides and a large grassroots network, they claim they can swing 5% of the vote in an election), local political watchers assumed that the Board of Regents would quickly cave.

Although the issue was politically charged, the board thoroughly studied and debated the topic, and made the responsible decision. We weighed the overall public costs and benefits, thought through the moral questions, and, against significant threats and pressures, voted 12 to 0 to approve continuing fetal tissue research at UNMC. Recognizing the sensitivities of certain citizens on the issue, the board also directed the Medical Center to try to develop an alternative supply of tissue. UNMC did eventually develop some alternative sources for some of the cells needed, but to this day it continues to use fetal tissue from abortions for some of the cell types since no other source can be found.

We need elected officials and university trustees that will make the tough and sometimes unpleasant and unpopular decisions to pursue the responsible policy, not the politically correct or electorally safe course of action. Making tough calls, saying no, voting against programs that are recommended by administrators or government officials who are your personal friends, is very hard for an elected or appointed governing board member to do; but it is the responsible thing to do. The public interest is clearly served by weighing all the costs and benefits to the public, debating alternatives

openly and honestly, and then choosing the best option. The administration will be advocating what is best for the university from its perspective—it is the trustee’s job at a public university to champion the public’s perspective.

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What are we to do to enhance the performance and responsible decision-making by college and university governing boards in an environment that is dominated by university administrators controlling the information and a board culture that promotes cheerleading rather than responsible governance? Here are 12 proposals:

1. **First and foremost, we need to have our governing boards trained in and constantly encouraged to subject major spending and policy decisions to cost/benefit analysis.** It’s fairly simple analysis, but extremely useful because it forces trustees to consider the disadvantages and the trade-offs. It reminds trustees that when you adopt a program to do some good there may be unintended or harmful side-effects. When they spend a dollar *here*, you don’t have it to spend *there*—so where do we get the most value for our dollar? This is fairly simple, but, in fact, cost-benefit discussions are rare at governing board meetings. Unfortunately, since administrators have the resources to do analysis and don’t like trustees “micromanaging,” the normal practice for board members is no cost/benefit analysis, listen and nod as administrators speak, vote yes, and let the full-time officials explain the policies and decisions.

2. **The board secretary should be hired and rewarded by, and be responsible only to, the board—not the university president or chancellor.** If the board wants to have serious staff work done and someone who can quietly collect information and be responsive to the board, a staff person responsible only to the board is best. Board staff that works for the administration will understandably end up being less than supportive if there is a request for information the administration doesn’t like, or a serious disagreement in policy. But beware. A request to hire a board secretary is often viewed (incorrectly) as an insult and great threat to the president, and will be opposed.

3. **Responsible trustees should insist on real committees and meaningful committee meetings, sessions that tackle issues properly.** Administrators often favor minimal board meetings, and maximum socializing. Similarly, administrators don’t like the board breaking down into committees where they can do even more real analysis and work. Trustees must take charge of their board, organize into committees to get into budget and policies in far more detail than is possible in the full board meetings, and limit the amount of time lost to unimportant university “show” presentations and social events.

4. **Boards should insist on having major “strategic issue” discussions at each meeting to give trustees a better opportunity to shape university policy.** Another way to avoid the tendency to respond to administrator-set agendas and engage in end-of-the-process yes/no votes after most of the analysis and real policy setting has already been done is to set aside a big block of time at each meeting to discuss key strategic issues and provide policy to direct the university. Dedicating the bulk of a full board meeting to tuition policy, recruiting, and other major economic issues has been very effective at the University of Nebraska.

5. The standard practice at board meetings is to have trustees wait in a queue to ask a question,

with no opportunity for follow-up discussion and real debate. This needs to end. **Board members should insist on the right to “have the floor” until they’ve had the time to get all their follow-up questions addressed.** This is how Congressional committees operate, and when a trustee wants to delve into an area, this approach should apply. Again, you can expect many administrators and board members who prefer to serve in the rubber stamp/cheerleading mode to oppose this, since they do not really want to dive into the issues.

6. **To promote better accountability, trustees should insist on and help develop good “outcome measures” and “key performance indicators” for the university.** It would be great for students and taxpayers if public universities required all graduates to complete the GRE or some other relevant professional exam as a condition for graduation. We need this kind of national standard and outcome measure to enable us to judge how well we do in educating our students. We have the incoming measures: ACT and SAT scores. By adopting the GRE or some equivalent standardized test outcome measure, we can compare the value added by our school relative to other schools. This data would allow evaluation of programs and professors—great information for students and those working to improve the university. Work samples and other measures of success can also be used, but trustees should insist on standard, national outcome tests for graduates.

7. Another key component of accountability is reporting on past promises. **Whenever new programs are proposed, accompanied by promises of great results, the board should insist that there be presentations based on the actual results compared to the promises and projections.** I visited the Missouri Board of Curators and found that they followed this practice. For example, they approved a Ph.D. in Applied Mathematics and, in a board review, presented the facts that projected annual student enrollments

ended up far short of projected results. The natural tendency is to hide bad results like this. But the board needs to ensure that problems are disclosed and dealt with, and reviews like this can help. Knowing that the board is going to be looking at promises and projections versus actual results may help deter inflated and overly optimistic projections.

8. **Every few years, the board and administration need to convene a committee to review administrative costs and champion efforts to undertake cost-cutting.** Reducing administrative costs is a “continuous improvement” effort that will often involve personnel reductions and changes to practice that face some opposition. An active, responsible board can help provide the impetus to make these needed changes and administrative cost reductions. In Colorado, one board working closely with the president, was able to reduce the administrative layers and re-direct the savings to instruction. This is a story that should inspire us all.

9. Some of the toughest board decisions involve eliminating programs (or pruning for a slow death, as some prefer). Most public universities have many courses and programs that are not essential for core educational requirements and not in demand by employers. Trustees should **set up a prioritization process with strong and specific criteria that will lead to growth in the most important courses and programs, funded by cuts in programs that are not essential for core education or the state’s economy.** Trustees have an excellent opportunity to review class enrollments, survey businesses and other employers, and use the prioritization process to help focus limited resources on targeted, critical programs of excellence. Eliminating lower priority, unessential programs that do not fit well with the top needs and criteria of the university will help lower operating costs and fund growth in higher quality programs. Since excellent programs attract more students, grants and support, and raise the university’s over-

all quality and reputation, cutting low priority programs is probably the best route to achieve excellence and top rankings. Boards need to ensure that they shape the ranking criteria and keep them short and focused on what the trustees and public most value. Many faculty and administrators will insert criteria so broad that virtually any program can qualify—and little or nothing will change.

10. Trustees must also demand an issues/requests tracking system, so when information is requested or an action is agreed to by the board, the request actually gets done. This is often not the case—especially if the board secretary is responsible to the administration, not the board.

11. Board members must challenge superficial analysis that is often designed to “market” programs to boards and the public, not present an honest assessment of the pros and cons. I’ve often seen—and exposed—reports and analyses that had everything from outright errors in calculations to blatantly biased accounts of program costs and benefits. The board should reject sloppy or deceitful work and insist that the administration come back at the next meeting with realistic and honest appraisals and information that cover all costs and benefits of the proposal.

12. Finally, I recommend that university boards join the Institute for Effective Governance. I’ve attended sessions conducted by the Association of Governing Boards, the only other organization for trustees, and read their materials, and the overwhelming message of AGB is for trustees to back the president 100% and cheerlead for the administration. It’s been my experience that AGB too often adopts the proposition that any disagreement with the administration is micromanaging or intolerable failure to support the president. The best way to adopt better practices is to visit other university boards, attend their meetings and talk with them about differences in practice. The recently-created Institute for Effective

Governance (a group of trustees, not administrators) is a great source of best board practices and the most helpful resource I know for boards of trustees.

While I have great admiration for our current and past presidents, and have supported them on the vast majority of issues, I would never trust anyone with the freedom and blank check that trustees everywhere give their top administrator. Nationwide, university boards simply do not scrutinize the budget the way City Councils, County Boards and Legislatures more carefully examine and limit spending. We have great people on university governing boards, but the system is stacked against change and efforts to cut back spending or say no to new policies that continually lift the burden of responsibility from individuals.

To be a responsible board member, one must ask hard questions, do research, and frequently question and oppose college administrators who, understandably, often focus on the narrower interests of the college/university rather than the broader public interest. In serving as a trustee, if you are not periodically voting “no” at meetings, or preventing some good-for-school/bad-for-public proposals from making it to the board for a vote, then you are not doing the job properly. If you have become such good friends with the school administrators that you find it too uncomfortable to oppose them on a vote, then you’re not serving the public interest. If you’re spending more time attending the athletic events, parties and dinners with administrators rather than researching and questioning, then you are not serving as a responsible trustee. ■



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