

**STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA
BOARDS OF VISITORS ORIENTATION
OCTOBER 18, 2016
DRAFT MINUTES**

Mr. Blake called the meeting to order at 3:45 p.m. and Mr. Minor provided a welcome to all new members. He encouraged attendees to ask questions throughout the orientation.

A list of attendees is attached.

Perspectives on Board Service

Secretary of the Commonwealth Kelly Thomasson talked about the process of making board appointments. She indicated that the Administration is careful to look at the big picture and examine the board as a whole to look at current and prospective members to see if all members will complement each other. They consider the needs of the institution and the goals of the Virginia Plan for Higher Education.

Governor McAuliffe spoke about the \$1 billion investment in the higher education system and \$2.2 billion in the bond offering. He advised the board members to bring their expertise and guidance and reminded them of their role as an overseer. The Governor expressed his desire for Virginia to be the center of cybersecurity, both in creating and filling jobs in this area. Workforce development is the key to economic development. Because of his concern to make higher education more affordable and accessible, the Governor's budget excluded reductions to financial aid.

Secretary of Education Dietra Trent talked about Complete College America. Her office talked to each president about setting goals for access and/or completion, asking them to look beyond the boundaries of their own institution and propose how they can meet the challenges

Mr. Brown, Secretary of Finance, asked the members to remember that their institution serves as an economic driver for its region. The Go Virginia program will take strengths of the region, build Virginia from the bottom up, and create jobs. He noted that 70% of the general fund is generated by income taxes. Creating jobs is the Administration's #1 priority and education supports that goal. He reviewed a handout with important aspects of state finance policy and indicated that salaries must be a priority.

The Public Purposes of 21st-Century Public Higher Education – Kim Hunter Reed

Dr. Reed spoke of the challenges that higher education must meet, including graduation rate, drop-outs, and meeting the needs of non-traditional students. Every student must have a credential beyond high school in order to participate in the workforce.

New projects need to be scalable so that more students can be successful. Questions we should be asking include:

- Are we using data to see what is successful?
- How can aptitude tests be used for students to know what careers are possible?
- What is happening when it comes to education vs. incarceration? (There are approximately 700,000 individuals leaving the penal system every year and these individuals require a pathway to education to help them from reentering the system).

Dr. Reed expressed a need for resources to fund our priorities. Regarding diversity and inclusion, in addition to concerns about diversity among students, faculty and leaders, there also is a concern about the dialogue that occurs outside the classroom. This is an aspect of 21st century skills. Companies are hiring people who can deal with these kinds of issues. Dr. Reed answered questions from attendees.

OCTOBER 19, 2016

Mr. Minor welcomed the group and Mr. Blake provided an overview of the agenda. He introduced Susan Whealler Johnston from the Association of Governing Boards (AGB).

Consequential Boards

Ms. Johnston reported that a higher rate of college degree production is key to a higher GDP. Higher education does help make Virginia more prosperous and is a pathway to individual prosperity as well. She informed the group that AGB serves over 1,300 boards.

Ms. Johnson provided a slide presentation that covered a review of basic board responsibilities, including three fiduciary duties: care, loyalty, and obedience, each of which require careful, good-faith decisions in the long-term best interests of the institution.

She stressed the importance of being bold and considering the transformative force of education. Boards need to work at a different level – be consequential. A new kind of governance is needed to address the current environment. She referred to the AGB report that can be found on the SCHEV website.

Ms. Johnson listed the following attributes of a great board member:

1. Study higher and know your university in that context.
2. Know your responsibilities.
3. Know the limits of your responsibilities.
4. Be engaged.
5. Know what guides your work – the students.
6. Focus on what matters.

7. Governance is a team sport.
8. Be a storyteller and advocate for higher education.

Mr. Murray, board member from the University of Virginia, was invited to speak. He said that three things are important for a board member to address – affordability, employability and retention. If there is one thing that we can do for higher education in America, it is to make sure that if they come, they leave with a degree. Think of what you bring to the institution that is not there already. The average board member has a broader experience in business and finance than most people at the institution, and a relationship with the state/politics. He spoke about the importance of philanthropy, loyalty, and autonomy and urged board members to speak up and comment. Mr. Murray indicated that the most common tendency of new members is to micromanage and asked that members guard against this and let the President manage the day-to-day operations of the institution. Ms. Johnson and Mr. Murray answered questions from attendees.

Boards' Roles in Fulfilling The Virginia Plan for Higher Education

Ms. Webb provided introductions and served as moderator.

Ms. Fowlkes, who is a newly appointed member of the Radford board, spoke about the role of the Southwest Virginia Higher Education Center, where she formerly served as executive director.

Senator Stosch, a newly appointed member of the State Board for Community Colleges, said that accessibility and affordability are very important to him and noted that he received the benefit of the GI Bill. As a budget conferee in the Virginia General Assembly, he saw firsthand how the decisions about spending priorities were a balancing act. He said that board members have an excellent opportunity to influence the future.

Delegate Landes informed members that he carried the legislation that requires board members to attend this orientation. He spoke about the budget development process in the General Assembly, pressures related to affordability and access, the relationship between K12 and higher education, and the importance of the four goals of The Virginia Plan for Higher Education. He noted that there is a “disconnect” between legislators and the role of the boards and urged members to contact their local legislators to open a dialogue about constituent concerns related to higher education. The panel answered questions from attendees.

Legal, Ethical and Fiduciary Responsibilities

Mr. Light introduced the panel and served as moderator.

Mr. Wilson, Assistant Attorney General, talked about representation of public institutions by the Office of the Attorney General and its historical context. He advised members to communicate with counsel, but be aware that while conversations are confidential, and advised members not to consult with attorney friends who may not

be familiar with legal matters in the public sector. He spoke about immunities and noted that some are automatic in the role as a public official. The state provides insurance for official acts.

Mr. Oksman talked about the Virginia Conflict of Interests Act and said it can be a sword and a shield. He reviewed prohibited conduct under the Act, including contracts and transactions. Mr. Oksman advised members to seek legal advice from the correct counsel.

Ms. Everett discussed FOIA and showed a video explaining the need for awareness about what constitutes a public meeting and a public record. The panel answered questions from attendees.

Financing Public Higher Education

Mr. Maul from the Department of Planning and Budget served as moderator discussed the state operating budget and higher education programs authorized in the budget. He reported that Virginia ranks 25th among all states in total funding per FTE.

Ms. Sheehy from the University of Virginia said her institution has tried to diversify funding streams as a way to buffer changes in state support. She talked about Access UVA, which provides \$110 million in student financial aid but indicated that both the number of and percentage of students who are eligible for need-based aid has grown.

Mr. Chapman from Virginia Tech talked about tuition increases and the disinvestment in public education. He noted that this causes institutions to look at other sources and unfortunately, the primary source is tuition. He urged members to review their institution's finance committee reports to determine areas in which costs can be reduced. Mr. Chapman spoke about the Fund for the Future at Virginia Tech, which is focused on limiting tuition increases. He advised members that one conversation they should be having is about diversity and inclusion.

Ms. Wagner Davis from George Mason University said that from a financial standpoint, board members must scrutinize everything and make sure money is assigned to the institution's priorities.

The panel also discussed consortia purchasing/sharing of resources, online learning (perception that it would save costs, but it is very expensive to develop), sharing of classes, and in-state/out-of-state mix.

The panel answered questions from attendees.

Effective Institutional Governance

Mr. Ampy served as moderator and asked the panel a series of questions:

What can the board do to work with president effectively?

Mr. Tribble, President of Christopher Newport University, said boards should empower presidents to have audacious dreams. He said the president should set the vision, and board members should support that vision. The vision should be strong, visionary, and courageous and board members should act decisively if the leadership is lacking.

Ms. Wheeler Johnston suggested that board members be supportive without being a bobble-head. She said the board should hear and ask questions and rather than just “going along” should hold presidents accountable for doing their job by implementing a robust system of assessment.

Mr. Reveley IV, president of Longwood University, said while governance by a board was invented by academia and was borrowed by the corporate world, there is no real cookbook for how to do it. It requires a high degree of trust for good information to flow. The goal is to ensure there are no surprises.

Mr. Luke, Rector of Virginia Commonwealth University, said that the board role is to understand the issues of the day and what the president and team are dealing with, e.g., finances, academic quality, and programs. The board should strive to build trust through open communication and transparency.

During your time on the board how did you deal with crises?

Mr. Luke said it is important to ensure that a good crisis management plan is in place that includes a framework around which the board can respond. He also stressed the importance of ensuring that the board react on facts rather than emotions. It is also important to have a single spokesperson for the board and the university.

Mr. Reveley said information flow to the public is imperative in time of crisis and communication needs to be through one spokesperson.

President Tribble spoke about the need to learn what is happening on campus. He also stressed the importance of sexual assault programs and the need to get more serious about protecting the lives of young people who are entrusted to the institutions.

Challenges faced by boards in acting effectively:

Ms. Johnston advised board members to keep their fiduciary duties at the forefront, develop trust, and focus on ethics. She also noted the importance of culture in developing trust.

Mr. Luke added that the board should be open to the perspectives that each new member brings to the board. Panelists answered questions and provided closing remarks.

Adjournment

Mr. Blake and Mr. Minor provided a summary of the session and thanked members for their attendance.

The meeting adjourned at 4:30 p.m. and certificates of completion and Governor's pins were distributed to members by the Secretary of the Commonwealth.

The meeting adjourned at 4:30 p.m.

G. Gilmer Minor, III
Council Chair

Lee Ann Rung
Director, Executive & Board Affairs

Attendees - 2016 Boards of Visitors Orientation

Christopher Newport University

Lindsey Carney
Terri McKnight

The College of William & Mary

Warren Buck, III
Doug Bunch
Sue Gerdelman
Anne Leigh Kerr
Brian Woolfolk

George Mason University

Jimmy Hazel
Tracy Shar
Bob Witeck
Lisa Zuccari

James Madison University

Mike Battle
Maribeth Herod
Lara Major
John Rothenberger

Longwood University

Katharine Bond
Steven Gould
Nettie Simon-Owens
Robert Wertz

Norfolk State University

Deborah DiCroce
Devon Henry

Old Dominion University

Yvonne Allmond
Bruce Bradley
Larry Hill
Toykea Jones

Radford University

Robert Archer
Jay Brown
Krisha Chachra
Rachel Fowlkes
Debra McMahon

State Board for Community Colleges

Nathaniel Bishop
David Broder
Susan Gooden
Bill Hall, Jr.
Walter Stosch

University of Mary Washington

Ted Hontz
Davis Rennolds
Deidre White

University of Virginia

Whitt Clement
Elizabeth Cranwell
Tom DePasquale
Babur Lateef
Jim Murray
Jimmy Reyes
Jeff Walker

Virginia Commonwealth University

Ben Dendy
Ronald McFarlane
Keith Parker
Shantaram Talegaonkar

Virginia Military Institute

Charles Dominy
Scot Marsh
Carl Strock

Virginia State University

Pamela Currey
Paul Koonce
Glenn Sessoms
James Stegmaier

Virginia Tech

Greta Harris
Chris Petersen

State Council of Higher Education for Virginia

Peter Blake, Director
Ken Ampy, Council Member
Dan Gundersen, Council Member
Henry Light, Council Member
G. Gilmer Minor, III, Council Chair
William Murray, Council Member
Thomas Slater, Jr., Council Member
Katharine Webb, Council Member

Governor

The Hon. Terry McAuliffe, Governor of Virginia

Cabinet Members

The Hon. Ric Brown, Secretary of Finance
The Hon. Kelly Thomasson, Secretary of the Commonwealth
The Hon. Dietra Trent, Secretary of Education

Other Participants

Jim Chapman, Virginia Tech
Maria J.K. Everett, FOIA Advisory Council
The Hon. Kim Hunter Reed, U.S. Department of Education
The Hon. R Steven Landes, Virginia House of Delegates
John Luke, Virginia Commonwealth University
Michael Maul, Virginia Department of Planning and Budget
James Murray, University of Virginia
Tim Oksman, Office of the Attorney General
Taylor Reveley, IV, Longwood University
Colette Sheehy, University of Virginia
The Hon. Paul S. Triple, Jr., Christopher Newport University
J.J. Wagner Davis, George Mason University
Susan Whealler Johnston, Association of Governing Boards
Al Wilson, Office of the Attorney General



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