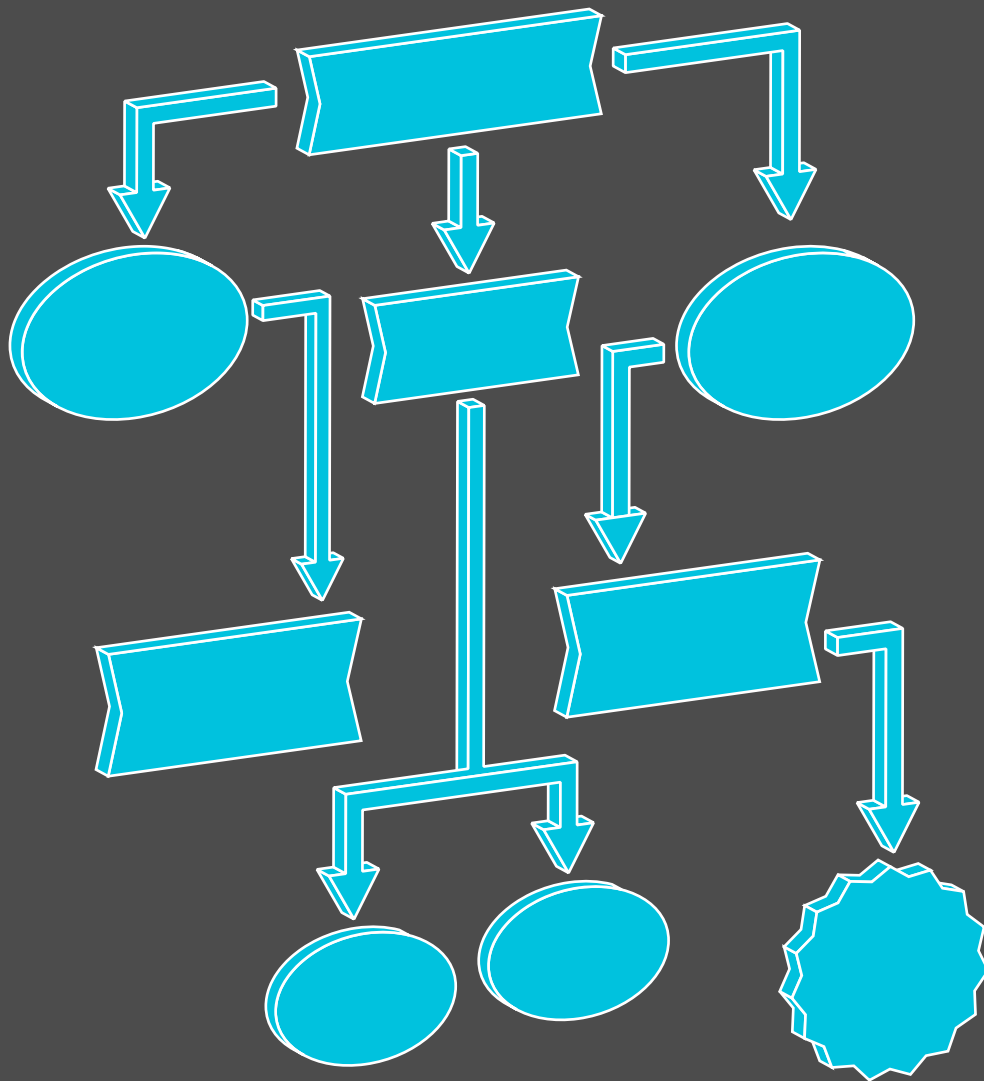


Restructuring Board Committees :

How to Effectively Create Change



A Report by the Association of Governing
Boards of Universities and Colleges

Restructuring Board Committees:

How to Effectively Create Change

About AGB

Since 1921, the Association of Governing Boards of Universities and Colleges (AGB) has had one mission: to strengthen and protect this country's unique form of institutional governance through its research, services, and advocacy. Serving more than 1,300 member boards, 1,900 institutions, and 40,000 individuals, AGB is the only national organization providing university and college presidents, board chairs, trustees, and board professionals of both public and independent institutions and institutionally related foundations with resources that enhance their effectiveness.



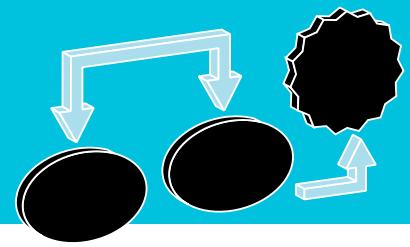
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Table of Contents

Introduction.....	1
Impetus for Change.....	2
Initiating Change: Assessing Current Board Committee Structures.....	4
The Process of Creating Change.....	7
Outcomes of Change.....	10
Examples of Change.....	10
Conclusion.....	13

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Introduction

Governing boards of universities and colleges are facing an unprecedented tidal wave of change that is creating new opportunities, risks, innovations, and disruptions within and beyond the confines of their campuses. A board's ability to be both reactive to these changes and proactive in response will require that they not only have the right members, but that they also have the right committees doing the right work. The report of AGB's National Commission on College and University Board Governance, "Consequential Boards: Adding Value Where It Matters Most," recommended that college and university governing boards adjust their oversight function to focus more on the strategic issues of greatest consequence to the institution and less on day-to-day management and operations. To do so, boards will need to assess their current committee structures to ensure that they are producing optimal opportunities for engagement, yielding strategic discussions and decision making on topics that matter most to the institutions they serve.

The infrastructure of most college and university governing boards traditionally includes board committees that are designed to suit the needs of the institution or system. It is often through these committees that the board conducts most of its work. As a tool for effective governance, committees are a useful vehicle to divide the work of the board, provide opportunity for deeper understanding of specific areas or issues, leverage various board members' expertise, and maximize engagement of individual board members.

Too much board time and attention goes to perfunctory review and routine report-outs, at the expense of a strategic focus on cross-cutting issues and other topics that receive inadequate attention. Most boards spend the majority of their time overseeing institutional operations, typically divided into committees that replicate the administrative reporting areas (academic affairs, finances, facilities, fundraising, and so on).

"Consequential Boards: Adding Value Where it Matters Most," AGB, 2014.

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How to Effectively Create Change

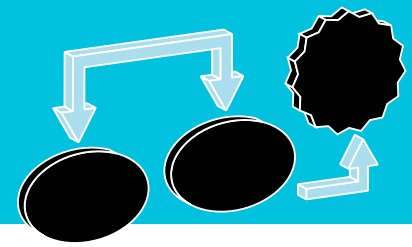
Many boards have completely transformed their committee structures or are considering doing so. In fact, AGB's forthcoming 2016 study of board composition, policies, and practices found that over half of the boards of independent (56.6 percent) and public (51.4 percent) institutions and systems have significantly restructured their committees in the past five years. This restructuring has included a range of changes, from eliminating to combining and adding committees. What's more, for some boards, the process of restructuring has included more than just overhauling their committees; some have made comprehensive changes to their committee schedules and the board's size in tandem with their committee changes.

To understand the rationales, processes, and outcomes associated with these changes, AGB interviewed key board members, staff, and administrators from 19 colleges, universities, and systems whose boards had recently rethought their committee structures. We found that boards typically engaged in a multi-step process that began with an assessment of their current board structures in relation to the future needs of their institution or system. That was followed by the development of a comprehensive proposal for change that resulted in a partial or complete redesign of their committees. Through our interviews, we also identified the key steps that defined this process of change, the various committee structures that emerged, and suggestions for how others might successfully undertake a similar effort.

Impetus for Change

Why are so many governing boards transforming their committee structures? What is the impetus for change? The truth is that boards undertake restructuring for multiple reasons. At the root, however, is often a desire to improve governance in order to better address the institution's or system's strategic issues. By looking inward, boards can assess whether they have the right infrastructure, tools, and key players. Beyond these pragmatic reasons, many of the boards AGB studied had internal and external drivers of change that influenced the board's decision to rethink its structure. Some of those drivers were individuals, while others were policies, legislation, or new strategic plans.

Not surprisingly, many of the individuals initiating the process to redesign the board's committees were board chairs and presidents or chancellors. They initiated important conversations about modifying the governance structures of the board, often against the backdrop of a new strategic plan. These individual drivers of change ultimately shaped the process and end result of the board committee restructuring. In addition to internal influences, in some cases external influences from entities such as the legislature or governor motivated boards to rework their committees to reflect new state priorities.



Before a board embarks on a journey to reorganize its committees, it is vital to ask the questions, why are we doing this and why now? Understanding the drivers for change is as important as having the right process of change. If initiated for the wrong reasons or at the wrong time, or just simply for the sake of change, the restructuring effort may not prove to be beneficial.

External Influences *The Nevada System of Higher Education*

When the state legislature in Nevada proposed a bill that would split the Nevada System of Higher Education board into two separate boards, one specifically for community colleges and the other for four-year institutions, the board decided to proactively add a standing committee devoted to community colleges, to be staffed by a vice chancellor for community colleges. This addition enabled the board to continue some of its existing work and projects for community colleges and to initiate new strategies. One specific strategy for the new committee was to highlight and better promote longstanding relationships between the community colleges and many local industries through the creation of locally empowered community advisory boards for each college. As a result of all of these efforts, the system board was not split in two.

Strategic Planning *The Citadel*

The Board of Visitors (BOV) for The Citadel in South Carolina decided to restructure its board committees to align better with the institution's *2012–2018 Strategic Plan to Promote Leadership Excellence and Academic Distinction—LEAD 2018*. As a result, the BOV went from having 11 very traditional board committees to only five committees focused on strategic areas: communications and community relations; education and leadership development; operations and risk management; strategy, vision, and governance; and executive committee. Each committee has measurable goals that are directly associated with the strategic plan. The result was much more focused, strategic discussions at board meetings.

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Restructuring Board Committees:

How to Effectively Create Change

Initiating Change: Assessing Current Board Committee Structures

Different governing boards look and function differently. Boards of public and independent institutions are quite dissimilar, one from another, but even within these sectors, boards vary according to state requirements, history, culture, and habit. Given this wide variation, there's no definitive way to restructure a board. However, the process should be well thought out from start to finish to ensure that the intended outcome is achieved. Many of the boards AGB studied started with a thoughtful assessment of their current structure, including the number and focus of their committees, committee meeting schedules, and even the size of the board. As a result, they were able to identify what they believed to be the barriers to effective governance and full board engagement. At the root of the problem for many boards was a series of challenges, ranging from board composition to board procedures.

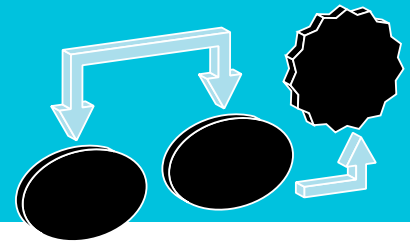
Board Size and Number of Committees

Two of the most common issues to emerge from many boards' assessments of their committee structures were board size and the number of board committees. Several boards reported being too large to work effectively or having too many committees. In both circumstances, the numbers of people and committees made it difficult to prioritize and address the most salient strategic issues. Boards that are either too large or too small can be under-engaged

or stretched too thin to do important work. By assessing how the board's size and the number of its committees influence one another, several institutions were able to downsize their boards and identify the right number of committees to produce ideal engagement to address the needs of their institution or system. Because board size and the number of committees greatly influence how well a board functions and how effectively its committees respond to the most important issues affecting the institution, this right-sizing approach can be particularly helpful for boards considering why and how to restructure.

Number of Board Committees *Wofford College*

When the board of Wofford College in South Carolina assessed its structure, the members realized that they had too many committees. With a total of 14 committees, each of the 31 board members served on three, making it impossible to have concurrent committee meetings. As a result, they put together a task force to streamline the total number of committees so that they mirrored the recommendations of the institution's new strategic vision, which included: educating superior students, preparing exemplary leaders and citizens, recruiting and retaining talented students, strengthening the community, and enhancing the college. The board hoped to implement the recommended reorganization by fall 2015.



Types of Board Committees

Within AGB's sample, several boards reported that, prior to the restructuring process, they had a traditional committee structure organized around administrative areas such as academic affairs, finance, facilities, development, audit, and student life. Although the issues addressed by these traditional committees are important, several boards recognized that matters of significance often fell between the domains of committees and, as a result, sometimes went unaddressed. Issues such as online learning, changing student demographics, reallocation of resources, calls for greater transparency and accountability, and the creation of branch or international campuses require a board structure that allows meaningful discussion and decision making. Boards wishing to be more nimble and responsive to emerging issues found that changes in committee type created that opportunity.

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Types of Board Committees Delaware State University

Like many boards, Delaware State University's board had a traditional committee structure that included seven standard committees such as audit, trusteeship, and educational policy. Through an assessment of how this structure functioned for the board, they realized that it created few opportunities for them to engage in the most important strategic issues facing their institution and could potentially lead to micromanagement if the board focused solely on operations. As a result, they have developed a new committee structure with an eye on key institutional issues and are in the process of moving from seven to three committees: sustainability, student success, and all other issues. With this impending change, they also considered which administrators or staff would support each new committee. In addition, they recognize that they may eventually need to recruit board members with broader skill sets or who can be comfortable with the cross-cutting topics each committee will address.

Restructuring Board Committees:

How to Effectively Create Change

Board Meeting Schedules and Agendas

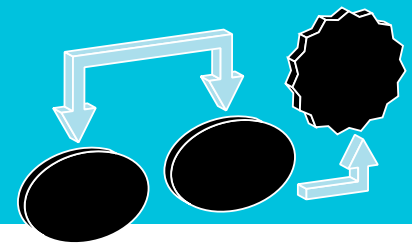
The schedules and agendas for board and committee meetings can pose significant challenges to board member engagement and to the logistics of board meetings. Whether the committees meet weeks in advance of the full board meeting or just hours before greatly depends on the institution or system and the composition of its board. However, all concerned should have a clear understanding of the ramifications of both options as a board begins to rethink its structure. In our study, several boards had a committee meeting schedule that created challenges for effective engagement, in some cases favoring local board members and disadvantaging those who had to travel longer distances to attend meetings. The committee restructuring process for most boards resulted in the adjustment of committee meeting times and frequency so that board members could be more effectively engaged. In addition to reconsidering their meeting schedules, some boards also realized that committee agendas were too often overloaded with staff reports, leaving little time for strategic discussions. For these boards, the redesign process included rethinking committee meeting agendas and the role of the staff or administrators. The goal was to create opportunities for active engagement of committee members.

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Committee Agendas *Azusa Pacific University*

A series of factors, including the institution's new strategic plan and AGB's report, "Consequential Boards: Adding Value Where It Matters Most," led the board of Azusa Pacific University in California to redesign its committees. The board chair appointed a task force to examine the board's structure; it found that board members felt their meeting agendas did not provide enough time for the board to focus on its most important work. As a result, the board worked to limit the number of reports that were presented at both full board meetings and committee meetings. To increase engagement, they explored a "flipped classroom" model based on a 2015 *Trusteeship* article by Cathy Trower, "Flipping the Boardroom for Trustee Engagement: Why and How."¹ Reports were provided prior to board and committee meetings so that time could be used to discuss issues rather than listen to reports.

¹ Trower, Cathy. "Flipping the Boardroom for Trustee Engagement: Why and How," *Trusteeship* (March/April 2015).



Scheduling and Strategic Planning *The University of North Texas System*

The University of North Texas System began reevaluating its board's committee structure following a board retreat in 2014. They recognized that certain key issues such as strategic planning did not have a committee home. As a result, they created one new committee, *strategic and operational excellence*, to address strategic plan oversight, institutional efficiency and productivity, shared services, and customer service, among other topics. As part of their committee restructuring, they also modified the meeting schedule for their board committees so that each committee could meet twice during the full board meeting, once for a strategic discussion and once for business. And they developed an annual calendar for each committee and created committee charters that included guiding questions about the types of issues they were to undertake. All of these changes were designed to deepen board understanding and enhance discussion of key institutional issues.

The Process of Creating Change

Identifying the reasons for change and assessing the barriers to effective board governance are essential steps in restructuring a governing board's committees. However, the process of creating change is just as important. Boards that recognize they have the *wrong* number or types of committees must be able to identify the *right* number and types they need. Among the boards that AGB studied, this process often took from one to several years to implement fully.

Researching Best Practices

Restructuring a board can be daunting, especially if the board has never undertaken a major change. Some board leaders seized the opportunity of restructuring to conduct their own research into peer institutions that had done so successfully. They hoped not only to identify best practices but to understand how to create effective board change. This research provided some board leaders with the needed stimulus for engaging their boards in rethinking how their committees could work better for them. For others, it helped by identifying initial steps in the process of restructuring their committees.

Other board leaders relied on consultants or other resources on board engagement, transformative change, and strategic decision making to inform their initial thinking about how to restructure their boards.

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How to Effectively Create Change

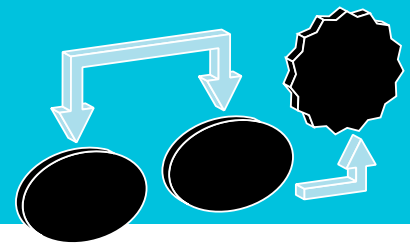
Models of Change *Warren Wilson College*

When the president and board leaders of Warren Wilson College in North Carolina decided they needed to restructure the board to create more effective engagement among its members, they studied the case of Vermont's Middlebury College, which revised its governance structures in 2013. The intention was not to replicate their model, but to understand the process of change, from determining the committees their board needed to gaining buy-in for change from the entire board and other relevant stakeholders, including senior administrators. As a result, the Warren Wilson board created two sets of committees: administrative/core committees and strategic/direction-setting committees. Among the new set of strategic committees were strategy, resources, and innovation and risk. During the process of restructuring, the board also conducted a survey to gauge their views about the committee changes and to garner any additional feedback.

Creating Vehicles for Change

Intentional change requires intentional planning. Boards that were able to reorganize successfully approached the process as a thoughtful endeavor that required clear strategy and timelines, among other important factors. Many institutions formed ad hoc committees or task forces to undertake the heavy work of creating a formal plan and recommendations to restructure their boards. Other institutions designated the trusteeship committee or governance committee as the owner of this process. These designated groups or vehicles for change, often led by the board chair, conducted much of the initial work, including the assessment of the board's existing committees and additional background research. Though these groups were leading the process, they also engaged the larger board in discussions about change to gather their feedback, suggestions, and concerns. While most boards found their members to be supportive of the need for restructuring, in some instances, concerns emerged about either process or outcomes. As expected with any process of major change, there may be some dissent from a few or many board members. It's important for board leaders to anticipate these concerns and to build a strategy for inviting and considering the full range of viewpoints.

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Ad Hoc Committees *Abilene Christian University*

Following the adoption of new governance principles, the board of Abilene Christian University in Texas undertook a comprehensive study of its committee structure. An ad hoc committee started from ground zero and wiped the slate clean. The key question the committee explored was, what committees do we need in order to do our job? The members of the ad hoc committee also educated themselves about committee charters and debated the purposes of each committee they considered. In the end, through the work of the ad hoc committee and board leadership, the board downsized from 10 committees to five: audit, governance, board development, compensation, and core constituents.

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Formalizing Change

One other important component of the process of board restructuring is formally implementing the proposed changes. Almost all of the boards AGB studied formally implemented their board restructuring through revisions to their bylaws and other important governance documents, including committee charters.

Trusteeship Committee *Lakeland College*

The board of Lakeland College in Wisconsin decided to make a deliberate change in its committee structure to better align with the institution's 2013 comprehensive strategic plan. To do so, the trusteeship committee undertook the task of reviewing, discussing, and revising the board's committee design in collaboration with the then-interim president. The result was six new committees: finance/infrastructure/administrative innovations, enrollment and retention, external and community relations, audit, trusteeship, and human capital. Along with these changes, they also had to review or draft each committee's charge and assess its composition. The board now reports that its conversations are much more strategic, with a less managerial focus.

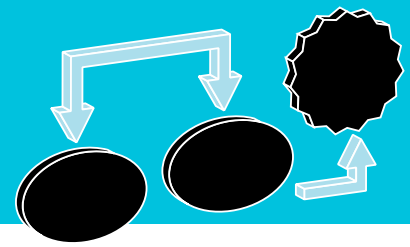
Outcomes of Change

Once a board has laid the initial groundwork for restructuring its committees, the next step is identifying the right committees to help the board accomplish its goals and get its work done. There is rarely a roadmap for this because every board—and the institution it serves—will have different needs and goals. Board committees must be created and established with a number of considerations in mind: the institution’s mission, the board’s responsibilities, the role of staff or administrators who support the committees, and the strategic issues of most importance for the college or university.

The boards AGB studied made significant changes to address their needs. Some opted for a complete overhaul—the blank slate approach—while others modified the number or configuration of their existing committees, a more incremental approach. For most of the boards AGB studied, the strategic plan was the primary point of reference, not only to explain why they needed to restructure but also to help guide how they would do so. Among the top strategic issues that drove how boards reorganized their committees were student success, enrollment, online education, technology, finance, and strategy. While these are not new issues for most institutions, the changes in board size, number and focus of committees, agendas, and meeting schedules resulted in increased board engagement with the topics as well as better use of board members’ time and expertise. While earlier highlighted case studies focused on the process of change, the following are examples of the outcomes once changes were made to committee structures.

Examples of Change:

- ▶ The board of the *University of North Carolina at Greensboro* wanted to align the work of its academic and student affairs committee with the finance committee so that financial decisions and academic decisions would not be made without consideration of the implications for both. After a period of study, it formed a new educational quality and fiscal affairs committee. The cross-pollination of the two issues yielded more robust conversations and greater understanding within the board about the cost of academic programming, among other topics.
- ▶ *Southern New Hampshire University* cut the size of the board in half (from 26 to 13) and eliminated all but three core committees (governance, audit and compliance, and executive) so that the board could operate as a committee of the whole. The result was more strategic and focused discussions. Having a smaller board also allowed them to increase the number of board meetings from two to three and move their meetings around geographically. As a result, board members and the president are more engaged, and all of them are pleased with the change.
- ▶ The new strategic plan of *Saint Joseph’s College* in Maine was an important driver in why and how the board reorganized its very traditional committee structure. Now the board has seven new committees: strategic directions, finance, student life and learning, college environment, audit, mission and legacy, and executive. Integral to the restructuring was also a revamping of the board meeting



schedule. Now the committees meet the day before the full board meeting instead of several weeks before, as had been the case. This was done to ensure that board members who were not local to the institution could attend these committee meetings in-person without as much disturbance to their professional calendars. With these changes, they anticipate greater engagement from board members and more consequential board work and decision making.

- ▶ *Aquinas College* in Michigan reduced the size of its governing board by more than half (from 37 to 15) to increase board engagement and to separate out certain non-governance functions from their board work. They were able to do so by creating a separate foundation board that allowed them to split some of the board's fundraising functions from its governance functions. Based on expertise and interest, they were able to place members on the board that best suited them. Once they reduced the size of the governing board, they also reduced the total number of committees from eight to three: finance, strategic directions, and trustee development. As a result, it's been much easier to engage the entire board at all times.
- ▶ Like many of the institutions AGB studied, the change in committee structure at *Utica College* in New York was driven by a new strategic plan. The process resided with the trusteeship committee, which oversaw all changes. The Utica board now has three major standing committees: educational experiences and programs, finances and resources, and advancement/enrollment and marketing. The

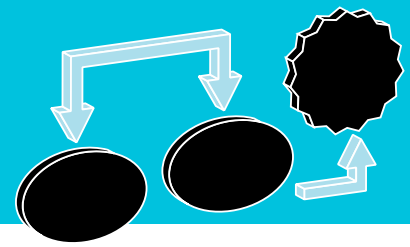
committee on educational experiences and programs also includes a "half committee" that divides the larger committee into two sessions: academic life and co-curricular life. Half of the board members who serve on the larger committee participate in both sessions, so that a core of the total committee membership is learning about, discussing, overseeing, and making policy decisions for both the academic and co-curricular life of the college. The Utica board is no stranger to change. There is a culture of flexibility on the board and within the administration. The board restructured its committees over a decade ago and has made ongoing revisions to its bylaws to keep up with changes that help them work smarter.

- ▶ In an effort to address the increasing importance of online education, the board of *New York University* (NYU), with support from the faculty and president, decided to create an online education committee. The committee began with ad hoc status, meeting with a faculty committee to better understand what was already being done on campus and to develop a series of recommendations about the future of online education at NYU. The committee later became a formal standing committee, and this change was built into the board bylaws. Throughout the process, the committee stayed very engaged with the faculty and was able to leverage the expertise of board members from the tech sector.

Restructuring Board Committees:

How to Effectively Create Change

- ▶ *The University System of Maryland (USM)* takes an organic approach to redesigning committees. As issues become more or less important, the board changes its committees accordingly. For example, the committee on education policy was augmented to include issues on student life because emerging issues overlapped in the two areas. The board also recently created a committee on economic development and technology commercialization to deal with tech-transfer issues. While the decision about which committees to add is often organic, the board follows a formal process to implement any changes to its committee structures. In recent years, the new committees that were established started as work groups or task forces. As the work of these groups evolves, the board of regents determines whether the work group or task force should become a formal standing committee, which is established in the bylaws. This process has enabled the board of regents for USM to add new committees when needed but only if there is a justifiable amount of work for that committee to do.
- ▶ *Gustavus Adolphus College* in Minnesota reorganized its existing board committees into three major groups—board governance, institutional mission, and institutional resources—in the process creating a board that was much more strategic. Within each group are four committees, for a total of 12. The three major groups comprise board members and senior staff, but the 12 committees include a mix of board members, senior staff, faculty, and students. The committees meet one month in advance of the full board meeting, and the three groups meet at the board meeting and report back on the work of the committees within their group. Although this change did not result in fewer committees, it has resulted in a more much strategic board and has allowed more participation by board members.
- ▶ *Moravian College* in Pennsylvania has three boards: one for the undergraduate college, one for the seminary, and a joint board that combines the two. When administrative and trustee leadership changed, there was interest in assessing the boards' structures and in optimizing the time and work of all three boards by better defining their responsibilities. One of the other primary goals was to reduce the size of the joint board from 50 to a smaller, more manageable number so that it could be more effective. This was done to gain better efficiencies of time while promoting a more streamlined body with heightened engagement and oversight.
- ▶ Historically, the board of trustees for the *University of Arkansas System* did not use a committee structure, opting instead to work as a committee of the whole. However, in recent years, the board wanted to create committees in response to new, complex issues that emerged among some of the institutions within the system. There are now seven committees: distance education and technology; two-year colleges and technical schools; joint hospital; audit and fiscal responsibility; buildings and grounds; athletics; and agriculture. Since they've restructured, the board works more often through the committees, with an end result of more productive and focused discussions.



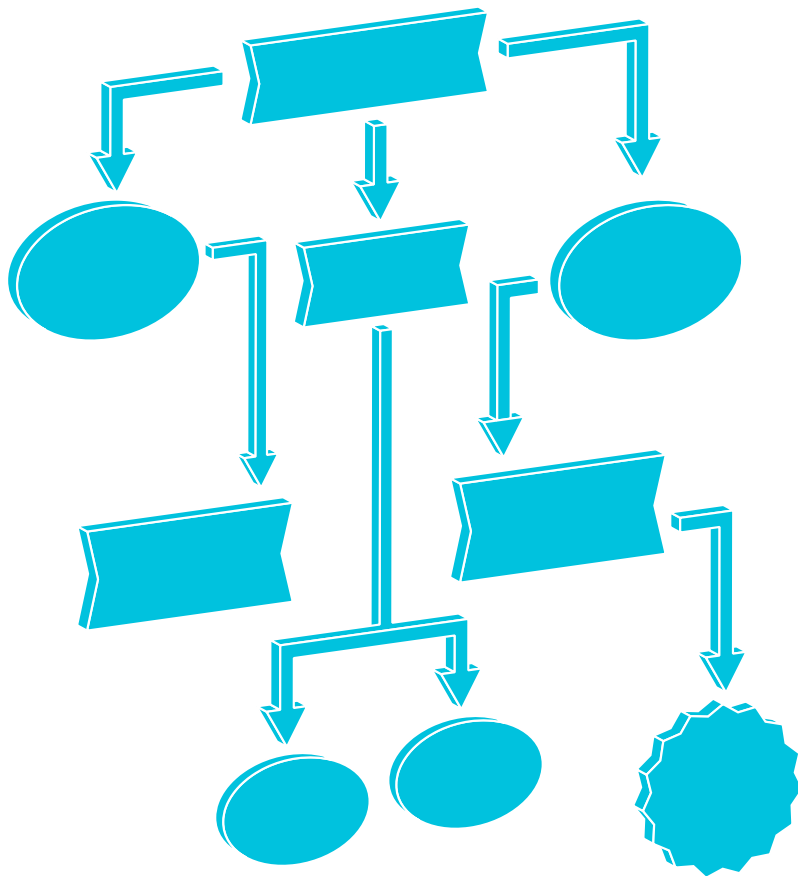
Those charged with driving this kind of structural change should consider the following questions before taking action:

- ▶ Why should the board restructure its committees? What problem will be solved with a change in how we do our work?
- ▶ Is the time optimal for our board to rethink how it is structured, its size, how it spends its time in meetings, and how it accomplishes its goals?
- ▶ Who will lead the process? Do we have an existing group for this work, or do we need to create an ad hoc group?
- ▶ How will we get the buy-in of the entire board, especially if there is a perception of “winners and losers” as a result of proposed changes?
- ▶ What will be the effect of proposed changes on stakeholders? What will changes to board committees mean to our senior staff who currently support our committees? What about any students, faculty, or others who participate in our committees as they are currently structured?
- ▶ What changes do we need to make to our committee structure, and will these changes support the mission and needs of the institution or system?
- ▶ What are the intended outcomes from the process of restructuring our board committees?

Conclusion

The movement among many boards to redesign their committees and other components of their structure is gaining steam, particularly as colleges and universities face increasingly complex and cross-cutting issues. The findings from this study confirmed that, much like any other major reform the board considers, a well-planned and executed process is imperative for a board restructuring of any magnitude.

For most of the boards that restructured their committees and other board components, one result was greater engagement among all board members. That, in turn, yielded more productive discussions. Better committee structure and agendas also resulted in a deeper understanding of critical topics, better decision making, and more effective meetings. An indirect benefit of restructuring board committees was that it focused the board on key policy issues instead of managerial topics, and it helped members to better understand their fiduciary role.



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1133 20th Street, N.W., Suite 300
Washington, D.C. 20036
www.agb.org