

Higher Ed
Works

MAKING GOVERNANCE WORK

Making Governance Work is a series of essays from university, business and political leaders about proper leadership for the University of North Carolina System – the principles, structure, roles and restraint required for efficient operation of our public universities.





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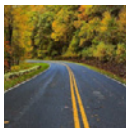
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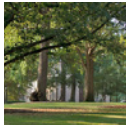
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A discussion of UNC System governance

By Paul Fulton

Our universities have set this state apart. If we don't pay attention to our universities' future, then we're not paying attention to our state's future. They are one and the same.

Today, our universities tell a complicated story with world-class highs, but also headline-dominating lows.

In recent years, the turmoil has risen sharply. The UNC System has seen its reputation tarnished. Good leaders have left and campuses have been upended and distracted from Cullowhee to Greenville to Chapel Hill.

But as we were reminded by our new UNC Board of Governors chairman in November, and as last month's strategic plan update starkly shows, good – even transformative – work continues.

Across the UNC System, enrollments are at record highs and our system-wide graduation rate has soared to nearly eight points above the national average. But much of that progress is happening because of good work and good people at the campus level.

That leaves us with a central question: How can the UNC System provide stability and leadership that empower, not distract, leaders at the campus level? Put differently, how can we improve the UNC System's governance?

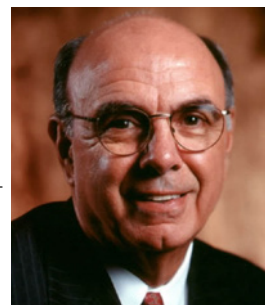
Today, Higher Ed Works is launching a series to begin that discussion. Over the next month, we will feature state and national leaders as they discuss the UNC System's governance challenges.

There's no one answer, no silver bullet. Ultimately, the question of reform is one for the General Assembly to decide. But increasingly, leaders across the state agree that the time for action is now.

This state is at its best when it slowly builds consensus by bringing together leaders from both parties and every corner of the state to talk about the issues that matter. Governance reform is one of those issues.

Starting today, we will publish pieces from thinkers and leaders from every sector, including:

- Two former North Carolina Governors, one a Democrat and one a Republican;
- A sitting U.S. Senator;
- Former Presidents and Chancellors from the UNC System;
- Business leaders from across the state; and
- Education leaders from across the state and nation.



This week will start at the foundation, including a history of the UNC System's governance and a look at peer systems and best practices. Next week, statewide and national leaders will begin to weigh in with their own thoughts.

This is a debate with enormous consequences for our state: Are there structural changes that will make our universities run better? Can we sit down together and decide which changes are right for North Carolina?

We invite you to share your own thoughts and comments below. You can also send us an email at info@highereducationworks.org.

As a state, we must decide if we are willing to make changes to keep our institutions strong, healthy, and growing, for the sake of our state and its future.

Paul Fulton of Winston-Salem is Co-Chair of Higher Ed Works. He is a former President of Sara Lee Corp., former Dean of the UNC Kenan-Flagler Business School, a former member of the UNC-Chapel Hill Board of Trustees and a former member of the UNC System Board of Governors.

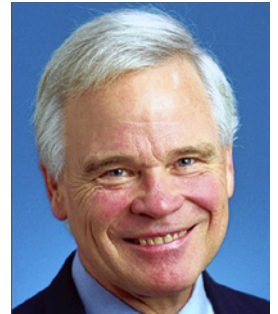


History of UNC governance: 'Lot of cooks in the kitchen'

By D.G. Martin

Former UNC System President Margaret Spellings spoke for many North Carolinians concerned about the state's public multi-campus university when she questioned, "You know, are we organized for success?"

"So we've got a Board of Trustees and a chancellor (on each campus), and a President and a Board of Governors (for the System), and a historical commission and a legislature – so there's a lot of cooks in the kitchen."



So, how did we get from a simple one-campus institution with one governing board to the more complicated situation that worried President Spellings?

Until 1931, the single campus of the University of North Carolina located at Chapel Hill was governed by a 100-person Board of Trustees elected by the General Assembly and chaired by the governor.

The state's other public four-year institutions, including North Carolina State, Women's College (now UNC Greensboro), colleges for teacher training, and minority institutions, were independent and governed by separate boards.

During the Depression, Governor O. Max Gardner recommended that the University of North Carolina (at Chapel Hill), the North Carolina State College of Agriculture and Engineering, and the North Carolina College for Women be consolidated into one entity to be governed by the University of North Carolina's Board of Trustees and administered by one president who, at the time, was Frank Porter Graham.

That recommendation was adopted by the legislature in 1931 and these three campuses became part of the "Consolidated" University of North Carolina.

In 1965, Charlotte College became a part of the consolidated entity as the University of North Carolina at Charlotte. In 1969, Asheville-Biltmore College and Wilmington College became a part of the Consolidated University as the University of North Carolina at Asheville and the University of North Carolina at Wilmington.

Meanwhile, the state's other higher education institutions were growing in student populations and in ambitions to expand their missions. In 1955, the General Assembly created the Board of Higher Education "to promote the development and operation of a sound, vigorous, progressive and consolidated system of higher education in the state of North Carolina."

The Board of Higher Education's oversight and coordinating responsibility threatened the authority of the UNC Board of Trustees to have primary programmatic responsibility for its campuses.

By 1970, according to Rob Christensen in his recent book, *The Rise and Fall of the Branchhead Boys*, "This led to a legislative free-for-all. Individual campuses became increasingly aggressive in lobbying the legislature, seeking new degree-granting programs and new programs and new buildings. Lawmakers often measured their own effectiveness by their ability to deliver for their regional campus."

Gov. Robert Scott, at the end of his term of office in 1971, Christensen writes, "decided to undertake the reorganization of higher education as his political swan song. In doing so, Scott started what he later describes somewhat melodramatically as 'a civil war in higher education.'"

After a bitter battle between Scott's allies and supporters of the six-campus UNC, the legislature passed The Higher Education Reorganization Act. Ten campuses were added to the University of North Carolina. Their Boards of Trustees were retained and the UNC campuses got their own trustee boards. More importantly, a powerful 32-member UNC Board of Governors was created to govern the university, which now included 16 campuses.

The members of the board were initially selected from institutional boards for a transition period. Thereafter, the General Assembly would elect eight members for terms of eight years every two years. Originally, of the eight selected at least one had to be from a minority race, one from the minority political party, and one woman. No member of the General Assembly could serve.

Eight of the members of campus boards of trustees were selected by the Board of Governors and four were to be appointed by the Governor.

Over time, several important changes were made:

- In 1987, the terms of Board of Governors members were reduced from eight years to four years, with a maximum of three consecutive terms;
- In 1991, a student member was added;
- In 2001, at a time when "quotas" were considered controversial, the designated slots for minorities, the minority party and women were eliminated;
- In 2007, the N.C. School of Science and Mathematics in Durham became UNC's 17th constituent institution;
- In 2016, responsibility for appointing four members of the Board of Trustees at each campus was transferred from the governor to the legislature; and
- In 2017, the size of the Board was reduced from 32 to 24 members.

In addition to President Spellings' important points about the complexity of UNC's governance structure, others argue that the legislature's meddling in university affairs has a detrimental impact. They point out that few other states have their university governing boards selected solely by their legislatures.

The University of North Carolina's governing boards have been selected by the legislature from the beginning. There have always been tensions and downsides. But even critics of the governing structure acknowledge that a much-admired higher education system has been the result.

D.G. Martin served the UNC System from 1987 until 1997 as Secretary of the University and as Vice President for Public Affairs.



Principles for governance reform

By Holden Thorp and Buck Goldstein

INTRODUCTION: UNIVERSITIES FALLING SHORT?

We are honored to help introduce an ambitious series of articles on university governance and hopefully begin an important conversation that directly impacts the future of higher education in the United States. Over the last decade, we have been intimately involved in the subject as both authors and practitioners, writing two books on the subject and serving in leadership roles at our universities.



A conversation on university governance couldn't come at a more opportune time. Faith in higher education is eroding at an alarming rate. Some of the reasons for this trend include the following:

Universities are falling short of public expectations. Some of the matters that have produced this impression include the headline-dominating Varsity Blues admissions scandal and the ongoing problems of sexual violence, financial compliance, foreign interference in research, athletic misconduct, and battles over free speech.

Less than 50% of young people believe that a college degree is worth it despite evidence to the contrary. Few schools have fully dealt with the expectation that a college degree should come with both a good education and a good job. Combined with rising debt levels, particularly for students who drop out, too many students and families feel like there is a disconnect between their needs and the college's purpose.

And long-standing ideological differences continue. Colleges have traditionally embraced dissent and protest – which has led to many advances for American society. But as Democrats criticize colleges for the costs and debt levels and Republicans criticize them for campus politics, it is increasingly difficult for higher education to remind the public of its fundamental benefits to society.

The impacts of these trends have been devastating: The average tenure of presidents and provosts has continued to decrease and hardly a week goes by without a high-profile leader announcing their resignation, often in the midst of highly visible public acrimony.

These difficulties are nothing new. Bart Giamatti described his job as Yale President as “no way for an adult to make a living. It’s a nineteenth century ecclesiastical position on top of a 21st century corporation.” But what’s different now is the speed with which governing boards are forced to act and the greatly increased influence of electoral politics in the process.

PRINCIPLES FOR REFORM OF GOVERNING BOARDS

Culture is always more important than structure. You can organize, rearrange, and re-engineer indefinitely, but if the underlying culture of an institution is inconsistent with its mission and aspirations, it will ultimately be dysfunctional. This is true for the internal workings of any college or university, but it is equally important when it comes to university governance.

Aligning culture and structure is difficult, even where there is a common understanding between the administrators and the board about how things work. But universities are far from simple, and the sheer diversity of stakeholders and missions makes it highly volatile.

With that in mind, we offer the following principles for reform for board members to consider when debating and creating university governance structures.

Recognize and Respect Expertise: Governing boards must recognize that higher education is a highly specialized endeavor requiring significant expertise, experience, and understanding. When we asked one long-serving trustee what it takes to understand how a university works, he stated, "I hope I live that long."

The details of very specific areas, such as research compliance, information technology operations, technology transfer, export controls, health care finance, student affairs compliance, take years to master. Beyond that, the fundamental ideals of shared governance, tenure, and academic freedom are indispensable advantages of the American higher education system. Creating structures for educating and preparing trustees about the unique complexities of universities must be a priority.

Clarify the Public Partnership: We understand the fundamental partnership between American higher education and the public as follows: In exchange for extraordinary freedom to teach and conduct research, schools must prepare students for a productive and meaningful life and create new knowledge that benefits their communities, their countries, and the world.

This understanding is highly motivating – though seldom clearly articulated -- for much of the campus community. If a governing board disagrees with this partnership, that must be discussed and debated. Without common agreement on the nature of this foundational partnership, it is impossible to build a high-performing culture that is required for colleges and universities to survive and prosper, and it is assured that major board-campus conflict will ensue.

Embrace Institutional Constituencies: University governance must reflect the constituencies the institution seeks to serve. The charter of the University of North Carolina called on us to "consult the happiness of a rising generation." In today's world, the rising generation is one that is no longer mostly white men.

Effective governing boards must therefore include a significant number of women and people of color if they expect to be treated with seriousness by the campus and the public at large. Governing boards themselves are aware of this problem but corrective action has not been forthcoming. Many of the divisive conflicts over identity politics on campus have been exacerbated by the lack of diversity on governing boards.

Appreciate System Complexity: Any approach to university governance must give attention to the complexity of the governance system. In North Carolina – as in Florida – campus leaders are responsible to two governing boards – one each for the campus and the system – and then to a system president and the elected officials who appoint these members. Simply calling on all of the relevant officials semi-regularly would leave no time for leading the campus.

There must be a clear understanding as to whether the campus leader is primarily responsible for leading the campus or working the political constituencies. All too often, exiting leaders depart with the support of the board and not the campus or vice versa. A remedy for this problem is to set clear and realistic expectations that recognize both internal and external demands. Ideally, the boards are helping the

chancellor with external stakeholders rather than creating additional demands. This requires trust and trade-off that can't be achieved if the board insists on micromanaging campus administrators.

Acknowledge Political Realities: Finally, it is vital for the trustees to create an environment where the high degree of difficulty caused by today's political climate is acknowledged. Too often, a new leader comes in with fanfare and a honeymoon that precludes frank discussion of just how hard it is going to be to succeed in a world where the campus and board are likely to be far apart on many issues. Does the board always expect the chancellor to bring the campus around to their point of view? Is the board willing to defer to the chancellor's expertise when there is an impasse? When the first trial emerges, it is too late to have these discussions. By then, the chancellor must spend all of their time working the phones in an attempt to build consensus. As a result, the crisis worsens. The chancellor must feel comfortable going to the board when a proposed action will be unmanageable with the campus.

PRINCIPLES OF REFORM FOR UNIVERSITY LEADERS

The previous five principles are largely directed at university trustees, and the following are intended for consideration by campus leaders.

Prioritize Board Education: Teaching a governing board the details of how higher education operates is real work. It's no different than teaching general chemistry or a foreign language. If someone doesn't know the jargon or the vocabulary, they need to be given the opportunity to acquire these with a patient teacher. In most cases, this falls to the chancellor themselves to be the professor of higher education policy.

Define Indispensable Principles: We believe the indispensable principles are tenure, academic freedom, shared governance, and the idea that knowledge is a public good. Different leaders could conceivably have a different menu, but we would submit that most of the irreconcilable differences come down to a failure of governing boards to understand that these are 'quitting issues' for most academic leaders.

Recognize the Importance of Identity Politics: The leader needs to understand how important identity politics are and that many trustees will not come to their roles with the same perspective as most folks on the campus. There will be differences that are very hard to traverse and that are ultimately irreconcilable, but at least by acknowledging this divide up front there is an opportunity to develop principles for collaboration. The chancellor should prepare the board for the fact that there will be times when the chancellor is rightfully unwilling to take a given measure to the campus.

Confront Political Realities: Leaders needs to understand that political realities are unavoidable. Public universities are funded by the government and it is unchangeable that elected bodies will have an enormous influence over the operations of the university. The politicization of higher education has not been a good thing for colleges and universities, and even as the level of state funding has decreased, the level of state engagement has not. So, accept this as a fixed reality and try to govern effectively. We believe that it is better to identify the disconnects early rather than hope they don't reveal themselves.

Conclusion

We continue to feel strongly that American higher education is the best in the world and its further weakening will lead to a loss of both competitiveness and engaged citizens. Rising above this will require cool heads, compromise, and a willingness to put the public good ahead of ideology.

Holden Thorp is a former Chancellor at the University of North Carolina at Chapel Hill and Provost of Washington University in St. Louis. He is now Editor-in-Chief of Science Magazine. Buck Goldstein is Professor of the Practice in the School of Education and University Entrepreneur In Residence at UNC Chapel Hill.



Strengthening the UNC System for future generations

By Richard Burr and Erskine Bowles

The University of North Carolina (UNC) System's 17 institutions have given generations of students a top-tier education. Our universities have achieved a standard of excellence at a fraction of the cost of public institutions in other states.

And they have built a bright, talented workforce, as the majority of graduates decide to start their careers or families here in the Tar Heel State. Each year, nearly 80 percent of the 56,000 students who receive an undergraduate or graduate degree from a UNC System school remain in-state after graduation.

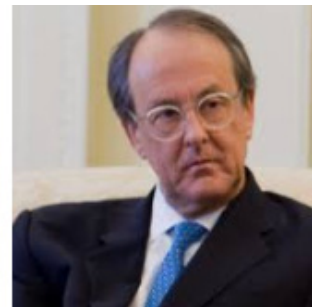
The UNC System as we know it today is the result of decades of work by visionary lawmakers and university leaders, like Bill Friday and C.D. Spangler Jr., who understood the importance of providing students with a great education at a low cost. This generation of leaders shares that passion, but faces an even more difficult task: growing the UNC legacy in an increasingly complex and politically charged world.

As two people who have faced off on opposite sides of the aisle – and occasionally opposite sides of the ballot – we're no strangers to the push and pull of politics. Indeed, we believe that elected officials have an important role in shaping our university system. Elections reflect changing trends and attitudes. They provide universities with guidance on strategic planning, insight into the needs of the state, and instructions that carry the voice of the people.

At the same time, while it is true that "elections have consequences," when it comes to education those results should be positive, not punitive. The UNC System has a long history of sound governance regardless of which party occupies the Governor's mansion or the General Assembly. That's because we recognize that we all share a common goal and that our job as elected officials is to act as good stewards for the next generation.

Universities exist to teach students the lessons that have stood the test of time; as institutions, they should be designed to stand the test of time, as well.

So how can we ensure the UNC System remains as strong as ever for future generations? That is a question we believe should be answered through genuine civil and public debate, one that we expect will focus in part on governance.



First, we should debate how to improve the makeup of the board overseeing UNC schools. Ensuring bipartisan representation would be a good first step toward fostering stability. Additionally, strengthening conflict-of-interest regulations would reinforce the integrity of the board's decision-making process.

Second, we should consider ways to improve clarity around board activity. The decisions made by a \$10 billion public institution are significant and far-reaching. We should look for ways to give the public greater insight into the questions before the board and the opportunity to provide input.

Lastly, and most importantly, we need policies that encourage university board members to shift their focus from short-term wins toward long-term goals. We should remember that the effort we put in today will pay dividends down the line, and that our responsibility lies not only with today's students but also with their children and grandchildren.

This is a time of transition for the UNC System. From the appointment of a new Board Chair, to the hiring of several new chancellors and a System president over the coming year, we believe this transition is an opportunity to revisit how our university leaders are supported and guided by our governance structure. Together, this state can hold a debate and make changes that ensure our public university system continues to stand as one of North Carolina's proudest traditions.

Richard Burr is the senior U.S. Senator from North Carolina. Erskine Bowles served as President of the UNC System and the White House Chief of Staff for President Bill Clinton. The two faced each other in North Carolina's 2004 race for the U.S. Senate.



Building a perfect Board of Governors

By Lou Bissette

I am very proud of the UNC System. Our 17 institutions constitute the finest public university system in the nation. I have been fortunate to serve a combined 17 years, first on the Board of Western Carolina University and then on the UNC System Board of Governors.

Lately, we have seen a lot of headlines about how our universities are led, with a focus on the Board of Governors. Whether you think things are going well or going badly, we can all agree that our leadership quality helps dictate our university quality.

Simply put, we need the best governing boards possible. But I don't think many of us have thought about what that looks like. You can't get somewhere if you don't know where you're going.

So, what would a perfect board look like? I don't have all the answers, but I believe it would focus on three things: diversity, independence, and trust.

First, a perfect Board of Governors is one that looks like North Carolina. This is a diverse state, but we don't have a diverse Board. Of the Board's 24 voting members, only two live west of the Charlotte area, only three are persons of color, and only five are women.

A governing board should reflect the interests of the people it represents. Geographically and demographically, it should look like our student body and the people of our state. That's how we make sure all voices are heard and our policies are broadly supported and sustainable.

A perfect board would have more professional diversity. Speaking as a lawyer, a board only needs a few of us. It also needs educators. It needs CEOs and CFOs. It needs respected civic leaders and credentialed policy wonks.

Some corporate boards have experience targets that they use informally to build the right diversity of skills. That's not a bad idea for a public board as well.

The biggest gap, however, between a board that looks like our state and the current board, is political. When I first started serving, Democrats and Republicans were just about equally represented on the Board of Governors. It functioned effectively. But today, the Board has no Democrats. That is simply not representative of our state and of the citizens we serve.



Second, a perfect Board of Governors is one that is independent, or as close to independent as a public body can be. Our universities should be held accountable, but governing boards do not exist to serve as oversight committees for the legislature.

The University System's Board of Governors owes its fiduciary duty to the System. Its duty of loyalty is to the institution it represents, not the institution that appoints its members, the General Assembly.

Who appoints those members is also important. A perfect board would have its appointment power spread out as much as possible. In the past, the executive branch of our state government had a hand in appointing Board of Trustees members, and most folks agree it was a healthy way to be sure differing views were heard. No single entity should have total control over boards as important as these.

In addition, each member of the Board of Governors must be as independent as possible. They must be able to tell the General Assembly "no" when the University's interests don't totally align with the Legislature's.

That means Board Members' careers and professional interests shouldn't be financially reliant on the General Assembly. If you are a lobbyist, or your business relies on state contracts, you're probably not the best person for the Board of Governors.

No board can be fully independent. After all, the popularly elected General Assembly rightly controls the University System's purse strings. But a perfect board should strive for as much independence as possible.

Third, a perfect board is focused on trust. The processes of the Board of Governors are pretty impressive on paper. Its committee structure delegates tasks, empowers professional staff and the President, and creates a deliberative, data-driven process for making decisions. Problems arise when a board loses trust in the process.

A perfect board trusts its processes and supports its president and institutional leaders. The people who have to implement the board's policies need to buy into the process. When a Board trusts its process, it allows the university community to trust the process as well and work closely with its governing Board.

No board will ever be perfect. But the Board of Governors matters because the UNC System matters. Increasing the Board's diversity, independence, and trust can go a long way towards keeping the UNC System the incredible asset for North Carolina that it must be.

W. Louis Bisette, Jr. is a lawyer in Asheville and a former Chair of the UNC Board of Governors. He has also served as Mayor of Asheville and a member of the Wake Forest University Board of Trustees.



Give our universities room to work

By Hugh McColl

States need certain ingredients to be great. They need globally competitive industries like biotech, international financial centers like Charlotte, and an arts and entertainment community that gives families a reason to stay.

But the most important ingredient is a world-class education system. In North Carolina, that educational excellence has always been led by our university system.

North Carolina has come a long way in my lifetime. We have much more to do. As a society, we've left some people behind. A bold public university system is the linchpin to any strategy to fix that.

But as I've watched the UNC System over the last few years, I see a university adrift. Instead of empowered, strong leadership, I've seen infighting, confusion, and departures by respected education leaders. That has to change.

It's time for state leaders to step in and improve a governance situation that's become unsustainable. We need state leaders to refocus our universities and get them once again making the decisive, visionary actions we need.

That can happen if we just let our universities stick to the good strategies they've already created and stop dealing with the political crisis of the day. The core operations of our universities are strong. Our faculty are excellent. They need room to work.

That means politicians should be less involved in university affairs. Recently, legislators have become more involved in university operations and decisions. I understand why they might want to increase oversight of our universities but it's clear to me that those efforts have backfired. Our universities need less political interference.

It also means Board members, primarily at the Board of Governors, need to interfere less in university operations. Board members are there to hire and fire a CEO. They are there to make and review overall policy. And they are there to work with the CEO on overarching mission so the enterprise is in agreement on the strategic direction.

That's it. Everything else is not part of the Board's job.

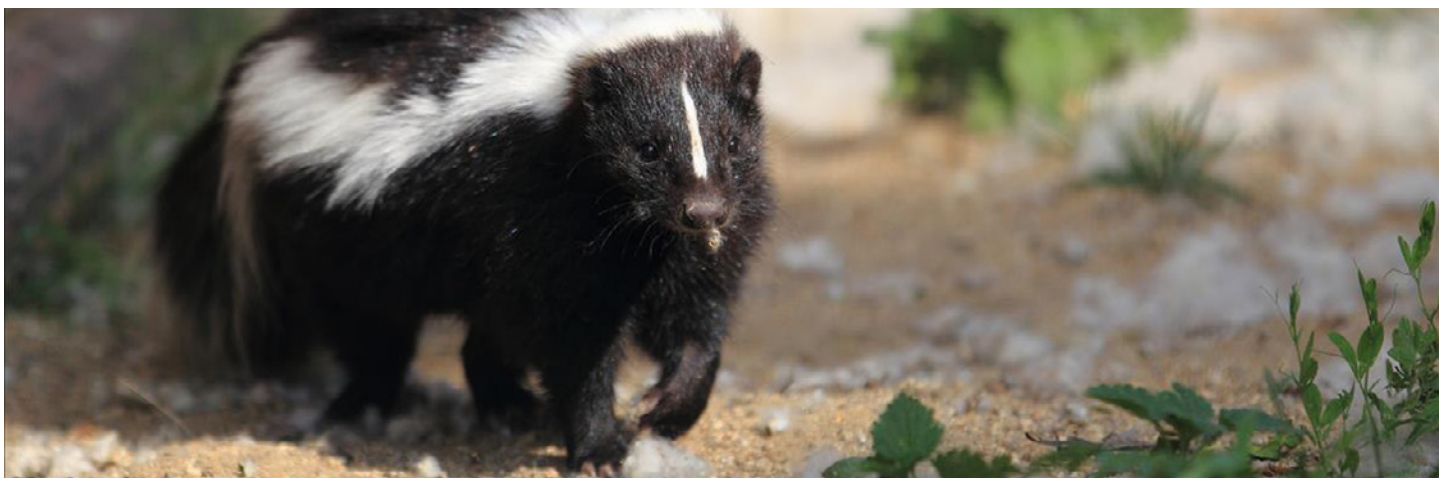


Great companies have boards of directors that know their role. When I was chair of NationsBank, I reviewed our acquisition strategy with the board on a regular basis. I got their feedback on every opportunity and as a result we were able to move forward when appropriate. They never tried to tell me how to do things; they evaluated ideas, provided appropriate guidance and counsel and then let me run with the ball. That's what the Board of Governors for the UNC System should be doing.

The UNC System used to have that culture on its board. It can have it again. But it's clear that that course correction will not happen on its own. Which is why it's time for leaders from across the state to make clear that Board behavior must change and for the General Assembly to think hard about how it can improve the most important board it appoints.

If we don't, we risk losing one of the ingredients our state needs to be great and tackle its challenges in the years to come.

Hugh McColl of Charlotte is the former Chairman and Chief Executive Officer of Bank of America. He is also the Co-Founder and Chairman Emeritus of Falfurrias Capital Partners.



Put the skunk on the table

By E. Gordon Gee

As chief executive at five universities—with five different governing schemes and prevailing philosophies—I have learned one overriding truth about university governing boards: They love you until they don't.

Governing boards typically have power to appoint and to fire presidents and chancellors. Thus, these leaders spend their time trying to avoid the infamous trajectory of one notable university president who was hired with enthusiasm then fired with enthusiasm by the board nine years later.



Perhaps that is one reason higher education's various shared governance models provoke ambivalence on our campuses. Most presidents, however, appreciate the value in governing boards, whose members are living links to the world beyond the ivory tower. In 2013, the Association of Governing Boards of College and Universities surveyed presidents and found that almost 80 percent were satisfied or very satisfied with their boards.

To work well with board members, presidents and chancellors must first understand their own roles. While atop the campus heap, they are accountable to many—students, alumni, donors, the public.

Board members represent the interests of those stakeholders. So, presidents and board members must engage the campus community and the general public in their work. On campus, a board can seem distant and mysterious. Giving campus stakeholders representation helps; at West Virginia University we have a student, two faculty members and a staff member on our Board of Governors.

We also bring board members together with faculty, staff and students at on-campus events so that they develop a common set of conversations.

The general public is most apt to notice boards when prominent people become members. If they see people of real merit and heft in these roles, rather than just a political agenda, it gives an institution more credibility.

Mechanisms for choosing board members vary. Most often, governors appoint them at public universities, although when I served at the University of Colorado, members were elected to the board. At private universities, presidents or governing councils may choose members. North Carolina is somewhat an exception, with its governing board appointed entirely by the Legislature.

The ideal board member is truly concerned about governance, rather than in adding a high-profile role to his or her resume. Successful alumni who devote time to serving on college and department visiting committees are among the best candidates. Public university presidents who have gained the confidence of state leaders can play an active role in recommending talented and engaged people.

A close relationship between the president and board members will help to ensure that their views align regarding the institution's mission, goals and values. On the rare occasions when a board member impedes the university's success and the board's work, the president and other board members should seek consensus and act in alliance to resolve the problem, either by asking the problematic member to resign or by recommending his or her removal to the appropriate authority.

At all times, the board's proper level of engagement should be a robust topic of conversation among members and university leadership.

In negotiating the delicate balance between president and board—between management and governance—a few principles have proved helpful over my four decades in leadership.

1. Put the skunk on the table.

Do not let problems fester. A study by Public Agenda found that university board members become frustrated when they hear spin instead of substance from campus leaders.

Or, in the colorful words of one trustee: "The staff likes to treat you like mushrooms: keep you in the dark and shovel you with manure."

Candor is a better relationship-builder, even when the topics are uncomfortable. Clear the air and move on.

Communication is not just for crises, however. Presidents should regularly inform board members about what is happening on campus but also about their thoughts on general higher education trends.

At least monthly, I write a candid, confidential message to board members exploring everything from fighting the cancer of cynicism to fostering free speech among the so-called "woke" generation.

2. Excuses are for losers.

Excuses destroy organizations. Presidents should not accept them from their staff, and board members should not accept them from presidents.

To build a strong governance relationship, everyone must make the boardroom an excuse-free zone.

3. Avoid looking at the rearview mirror.

Too much backward gazing can only propel leaders off-course.

Presidents must not waste time pining for cozy, comfortable governance and policy solutions that their institutions have outgrown. Keeping leaders slightly off-balance may be a board's most important role. Too often, comfort fosters complacency.

Board members and university leaders work together to shape direction of our universities, our culture and society. Whatever governance model we use, we must all come to the table with high ideals, sincerity and an unyielding impulse toward growth and betterment.

E. Gordon Gee is serving his second term as President of West Virginia University. He has previously led the University of Colorado, The Ohio State University (twice), Brown University, and Vanderbilt University.



Belle Wheelan: Stay in your lane

Proper governance of the University of North Carolina System is not a new issue.

At a July 2017 meeting of the UNC Board of Governors in Asheville, Dr. Belle Wheelan, president of the agency that accredits all 16 public universities in North Carolina, spoke to board members about their role.

"We ask you to make policy. Not to administer policy, but to make policy," Wheelan says in the accompanying video from the meeting.

"When boards start micromanaging, you're stepping out of your lane and it gets my attention. And then I have to come back in a different capacity," she says.

Wheelan cites a case at the University of Virginia where a minority of three board members tried to force removal of the president.

"As an individual board member, you have absolutely no authority as far as we're concerned," she says.

"Your authority comes as the board of the whole. And so we ask you to work together to try to get things done, rather than a small group trying to run stuff."

Lou Bissette, then Chair of the Board of Governors, welcomes Wheelan's guidance.

"I think it's something that all of us need to know and understand," Bissette says.





Accountability, not activism

By Don Flow

The UNC System is the most important institution in North Carolina.

It is the distinctive difference between our state and every other southern state. It sets us apart. It is at the heart of what has enabled us to flourish relative to our neighbors.

But it hasn't achieved its excellence by accident. Our universities have become our competitive advantage because of world-class leadership.



For decades, the UNC System has achieved excellence because of great leaders. The UNC President is often among the state's most prominent and important voices. But good leaders need an environment and a structure that supports them. They need a governance structure that enables visionary planning for the future and bold action in the present.

Corporate boards understand that. Successful company boards empower their CEO, hold him or her accountable, and then focus on their fiduciary duty. That's the same approach we need at our higher education institutions.

To their credit, our state's leaders have pushed and supported our university in transformative ways and our Legislature has led the way. NC Promise is a bold experiment in \$500 a semester tuition that's becoming a national model.

The Legislature's similarly bold fixed tuition policy is a big change from business as usual for universities and is giving students and families unprecedented predictability from normally volatile tuition and fees.

All of this builds on years of legislative support that has built our university system into what it is today while keeping tuition in the bottom quartile of their peers. Graduation rates are now eight points higher than the national average and enrollment is at record highs.

But in spite of the good news, we're seeing troubling distractions and high turnover among top leadership that is unacceptable. It risks undermining the good work happening across the System.

That's why it's time for the Legislature to build on these investments and accomplishments and seek to learn from how the corporate sector has improved its governance model in the last decade.

The first and most important lesson is about focus. A Board must be focused on its fiduciary duty, enabling the institution to achieve its mission. Individual members of a Board must prioritize the mission of the institution over any personal agendas. Every action must be weighed in light of this mandate.

To ensure that every Board member embraces his or her responsibility with this level of fidelity to the mission, we must look at the selection process. If it is not de-politicized, I believe the UNC system will be significantly and permanently diminished. A politicized process creates dual loyalties that result in a lack of institutional alignment.

There are realistic ways to do that. Nominating committees should evaluate candidates with publicly known merit-based criteria. Candidate names should be shared publicly for vetting well before voting. And we should explore banning lobbyists on governing boards and consider other restrictions on how financially intertwined board members can be with legislators and state funding.

These are not radical changes. But they would preserve and even enhance public control of the university while depoliticizing its board.

De-politicization of the selection process must be paired with better governance practices on the board itself. The Board governs, it does not manage the UNC system. When a Board intervenes in management, it drives away executive talent because it diminishes the voice of leadership at each institution.

Any board that engages in operational details will always undermine the President, no matter how good the intentions may be. A President runs the operation, and the Board holds the President accountable. Any other set up is unsustainable and detrimental.

This spring, the UNC System has an opportunity to reset, and make that reset clear. The legislature must clearly signal it is intent on de-politicizing the selection process and the Board of Governors must clearly signal its mission is accountability, not activism.

Talented leaders have options. As a state, we are going to have to work hard to convince premier candidates that our university system is a place where they can thrive and where their leadership can make a distinctive difference.

For the sake of our state, our people, and our economy's competitive edge, it's essential that we do just that.

Don Flow is the Chairman and Chief Executive Officer of Flow Automotive Companies in Winston-Salem. He is a former Chair of the Board of Trustees at Wake Forest University and currently serves as Vice Chairman of the Board of Wake Forest Baptist Health.

A graphic at the top of the page shows silhouettes of four people climbing a steep, rocky mountain. They are holding onto each other and ropes, suggesting teamwork and overcoming challenges. The background is a gradient of orange and yellow.

BOG Governance Committee takes up... governance

By David Rice
Higher Ed Works

CHAPEL HILL (Feb. 20, 2020) – Following scandals involving individual UNC Board of Governors members who intervened in campus decisions and two East Carolina University trustees who tampered with a student election, the Board's Governance Committee launched a discussion of proper governance.



In the first discussion of what Committee Chair David Powers said will likely be a three-month process, a consensus emerged that members of campus Boards of Trustees and the Board of Governors need better training in their roles.

UNC System General Counsel Tom Shanahan told committee members they have no authority over a university as an individual board member.

"It's the board acting together that the authority comes from – not the individual member," Shanahan said. In response to a query from board member Jim Holmes, Shanahan added, "An individual board member is not acting on behalf of the board."

Similarly, he said, the duty of both campus trustees and Board of Governors members is to the institution, not their personal agendas.

"They're expected to act in the interests of the institution, not themselves," Shanahan said.

When problems are reported to board members by students, staff, faculty or the public, a board member's proper response is to report it to leadership – namely the system president or university chancellor, Shanahan said.

The explanation prompted board member Tom Fetzer to say members need to be briefed better on their roles. When he joined the board, Fetzer said, "I don't recall getting a real thorough run-down on all this stuff."

(The Board of Governors did hear similar instructions in 2017 from Dr. Belle Wheelan, President of Southern Association of Colleges and Schools Commission on Colleges, which accredits all 16 public universities in the University of North Carolina System.)

Holmes agreed that the board should add clarity to its rules governing the actions of individual board members.

Currently, the only sanctions the board can impose are removal of members appointed by the Board of Governors itself, or a recommendation to remove members who are appointed by other bodies such as the NC General Assembly, Shanahan said. Such sanctions require a two-thirds vote, or support from at least 16 of the 24 Board of Governors members.

Powers said the board might want to consider creating sanctions short of outright removal and clarify the rules governing individual trustee and Board of Governors member actions.

In a recent case involving two ECU trustees who attempted to convince a candidate to run for student body president and offered to finance her campaign, he said, "We knew somebody had crossed a line. We didn't know where that line was."

When asked about training for trustees, Powers said the UNC System does have training sessions for trustees, but the sessions spend little time on ethics.

"Nor do I think we spend enough time with Board of Governors members on this," he said. "A much more robust on-boarding of our own members, I think, is in order."

In response to a question from UNC Wilmington Chancellor Jose Sartarelli, Powers said campus trustees need to understand it is the chancellor's job to run the university.

"The Board of Trustees is there to advise him," he said.

Similarly, with the Board of Governors, "Our role is not to run universities. Our role is to set policy ... and not run individual universities," Powers said.

Board of Governors Chair Randy Ramsey sat in on the discussion but did not dominate it. Ramsey agreed, though, that the UNC System must improve training for board members.

"We have to do a better job," he said. "We have to define this clearly going forward."

David Rice is the Executive Director of Higher Ed Works.



Stable leadership to move NC forward

By Dale Jenkins and Andrea Smith

North Carolina's not just growing, it's thriving. Ranked by Forbes as the Best State in America for Business in 2019 for the third straight year, and boasting one of the highest net migration rates in the U.S, the Tar Heel State's future is bright.

But we've got work to do if we want our education system and our workforce to keep pace.



Over the last 30 years, we've seen blue-collar jobs vanish. Their replacements – jobs in fields like health care and finance – demand more than a high school degree.

There's plenty of good news. Our unemployment rate consistently remains low post-recession and the demand for talent outpaces the supply. But our talent pipeline is at the tipping point.

Employers in some sectors already struggle to fill vacancies, and as many as half of today's occupations will transform significantly in the coming years and require workers with a broader set of higher education experiences.

To get ready for these changes – and the opportunities that come with them – we must get our education system up to the task. We need strong, stable, independent leadership, with the vision to move our state forward. And we need to do the hard work of identifying our labor market needs and aligning them with our education systems.

Our state is at a crossroads. One path leads us to a North Carolina with empowered and educated individuals living within strong communities and a prosperous economy. The other is characterized by large disparities in opportunity, vitality and competitiveness. Right now, the data are stark. If we do not come together to redirect our state, we will fail to realize a future in which all North Carolinians thrive.

North Carolina's education infrastructure is one of the strongest in the nation with an excellent public university and community college system. But the structure of our systems is inherently fragmented, lacking a natural seamless pathway from one to the other. While there are pockets of excellent work underway across the state, there is no single entity focused on the workforce continuum at the statewide level.

This creates inefficiencies in the system, that if addressed could result in more students obtaining degrees and credentials. Eliminating frictions in the systems could also result in a reduction in expenses incurred from college credits being earned but not consistently transferring between systems.

Recognizing that no one system or organization can tackle this crisis alone, North Carolina's thought leaders in education, business, philanthropy, faith-based and non-profit communities, and ex officio representatives from the North Carolina House of Representatives, Senate, and Governor's Office, came together to form the new non-profit myFutureNC.

Over the last year and a half, research and input from experts across the state helped develop a vision—from preschool through postsecondary to the workforce—for a stronger and more competitive North Carolina. The vision begins with an ambitious goal: 2 million North Carolinians with a postsecondary credential or degree by the year 2030.

We won't meet that goal if we don't evaluate the systemic reasons our education system thrives or falters. We need a system with strong, stable leadership that is committed to an expansive vision of how education can power a state and its economy.

myFutureNC's mission is to prepare our state for the future by empowering individuals, strengthening communities, and ensuring our economic viability in a global economy. State-level leadership is essential, but the work ahead is only possible with local leadership and local ownership.

The same is true for each of the stages of our education continuum – early childhood, K-12, community colleges, and our universities.

myFutureNC is committed to helping provide that. In the months ahead, the non-profit will outline plans to unite the state around its collective goal and align its different sectors to ensure students aren't lost and our state's needs are met.

That includes evaluating and promoting data-driven policies, funding models, processes, and governance structures that move our education systems toward achievement of our 2 million postsecondary attainment goal.

A more prosperous and equitable future lies ahead, if we can all work together to get there.

Andrea Smith is the Chief Administrative Officer at Bank of America. Dale Jenkins is the Chief Executive Officer at Curi. Together with NC Community College System President Peter Hans, they are co-chairs of myFutureNC.

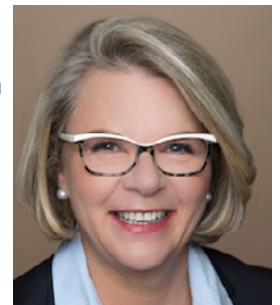


Organizing for success

By Margaret Spellings

North Carolina's competitiveness is rooted in its education ecosystem. The UNC System is the state's most important asset. In just a few months, a new President will be at its helm, and governance – how this massive and complicated enterprise is led and managed – will be one of the biggest issues he or she faces.

I had the privilege of leading the UNC System for three years. Today, I lead Texas 2036, a bipartisan initiative to advance long-term, data-driven strategies on issues like health care, education and infrastructure to ensure Texas' continued growth.



Then and now I think a lot about governance and whether, as I like to say, "we're organized for success." Who is in charge and how they're held accountable matters greatly.

Leaders across the Old North State are thinking a lot about governance too. I make it back to North Carolina often and consider myself a dual citizen. Just last month I returned at the request of a group of prominent business leaders interested in the Texas 2036 model, and what it might offer North Carolina.

I don't have all the answers, but as those leaders and future university leaders move forward, here are four principles for them to consider:

Build Data-Driven Accountability

Accountability matters. If you don't have a strong accountability system that's grounded in good data, then you're destined to lead through micromanagement.

Leaders must collect data that's actionable, comprehensive, and timely. What gets measured gets done and what's not measured gets forgotten. For example, you can't ensure graduates are getting jobs that pay the bills if you don't track income after graduation.

The gap between the goals that leaders claim and the data they collect can be startling. Good governance means matching goals to data.

Localize Strategic Planning

Too often strategic plans have a habit of collecting dust on shelves. We avoided that fate at the UNC System by creating a core strategy and then empowering each of our 17 institutions to localize that planning based on their own needs and opportunities.

We involved our chancellors at every step, created a system-wide goal that linked progress to institution-specific goals, and pushed campus leaders to be aggressive while trusting their on-the-ground knowledge. All of it was made easily accessible through public dashboards that tracked progress.

Our campuses are led by strong leaders and supported by local boards of trustees. When they're empowered around a unified strategy, great things can and do happen.

Today, thanks to continued leadership from Interim President Bill Roper and his team, the UNC System's graduation rate is eight percentage points above the national average, and the system is outperforming its strategic plan goals on nearly every metric.

Sell Your Vision

Leaders say a lot of words and it can be easy to get cynical about their impact. But I've found when leaders consistently and publicly make the case for a compelling shared vision, it raises expectations and keeps organizations focused.

Good governance also means building a coalition of support. The most powerful education coalition is between business and civil rights leaders. In North Carolina, myFutureNC is that coalition. Leaders invested in outreach, and it has produced significant momentum around a bipartisan statewide attainment goal to have 2 million North Carolinians educated with a postsecondary degree or credential by 2030.

Leaders must be public, realistic, and honest. They must make themselves available, inviting public comment and discussion. That's where trust is built and how supportive, lasting coalitions are created.

Organize For Success

Good governance and oversight demand three big things: independent leaders; long-term strategic planning; and a focus on core institutional priorities. We must build our governance structures accordingly.

Comparing Texas and North Carolina shows that there's no shortage of different models to consider.

North Carolina has a unified four-year public university system while Texas has six separate systems and a coordinating board overseeing all of higher education, including its community colleges.

In Texas, a nine-member board appointed by the governor oversees its university systems. Members serve for six-year terms, which means the governor doesn't have a "working majority" until into the second term. In North Carolina, the 24-member university system board is appointed for four-year terms by the Legislature. Within just three years, the Board could completely change membership.

There's no one right answer, but structures lead to outcomes. If university systems are divided, it makes statewide strategies harder to execute. If a board has high turnover, there's greater need for member orienting and onboarding – something the Board of Governors discussed at a recent meeting.

We're all trying to get this right. How we govern our states' most important institutions will determine whether we meet the public's needs. In North Carolina, a strong UNC System is central to that, and I'm excited to see what's next.

With data-driven accountability, long-term strategic planning, vocal leadership, and a governance structure that's aligned with what it must do, we can ensure the system's next President is supported as he or she shapes that next chapter for UNC and for all North Carolinians.

Margaret Spellings, the U.S. Secretary of Education from 2005-09, served as President of the University of North Carolina System from 2016-19. She is now President and CEO of Texas 2036.





Diversity in the classroom and the boardroom

By Jim Martin

Even at its most refined, governance is messy. There's no perfect process that can guarantee the right decision. The closest we can come is to make sure every voice is in the room arguing about what's right.

Diversity of thought is a bedrock principle of this country. Nothing drives discontent more than feeling your voice is excluded from a conversation. When I came of age in a Democratic-controlled, one-party North Carolina, it's what motivated me to enter politics. And as we successfully changed North Carolina into a vibrant two-party state, I learned the reverse; seeing your voice represented in that battle of ideas – in politics – is what gives you faith and trust in a system and an institution.



That's why I'm concerned about one of our state's crucial institutions: our public universities. Our universities are political battlefields. We can't change that and we shouldn't try. Trying to take the politics out of politics is always a bad idea. These are massive public institutions and they need political influence to channel the will of the people into their strategy and administration. No multi-billion-dollar public institution should be run solely by those who get paid by that institution.

But we've reached a point where the politics surrounding our universities have managed to make North Carolinians across the political spectrum believe they are excluded and ignored.

Conservatives have long believed, backed up by data, that they're underrepresented in faculty leadership and to a lesser degree in university administration. You can argue whether universities are "hostile" towards conservatives, but it's undeniable that university faculty – and faculty leadership – lean left. Conservatives have long understood higher education's power in shaping societies so it's no surprise they're concerned these cultural and intellectual engines skew left.

But today, North Carolina progressives also look at our universities and their politically-appointed governance boards and believe – backed up by data -- that these boards exclude their voices. Currently, no registered Democrat sits on the UNC System Board of Governors. That's different than the past. Even when Democratic control of this state was absolute, registered Republicans were still appointed to university boards.

Both of these imbalances – political monopolies within Board leadership and faculty leadership – are urgent problems.

While Republicans control the state legislature, it's proper for university boards to have a conservative majority. And with market and societal forces pushing conservative talent towards professions outside of academics, it appears inevitable that faculty leadership will skew progressive. Majority control, however, is different than majority hegemony. We must ensure there is an eloquent, empowered minority at both leadership levels.

Our universities deserve praise for how they've structured governance over the years, ensuring that chancellors, political board appointees, and faculty leadership all have important roles in leading the university. This diversity of professional perspectives improves decision making.

But a conservative governance board doesn't balance out a progressive faculty. Such a set-up breeds conflict, not balance. We need diversity of thought at each level, not ideologically opposed governing bodies. The quickest correction can happen at the Board level. The majority party in Raleigh must appoint minority party members to our university boards. In fact, we should pass a new law requiring it. An ideal solution would include minority party appointments and at least some consensus appointments made jointly by the minority and majority parties.

Conservatives may argue that there's no easy remedy for progressive domination of faculty leadership which means conservatives must fully control governance boards as a counter weight. I reject that. Conservatives cannot give up the academy! We can and must build better pipelines for young conservative talent into academia and empower conservative faculty to lead from within. Encouraging chancellors to elevate outstanding conservative faculty into leadership roles is a good place to start.

Both sides have carved out their own power base. Both believe at least part of the university excludes them, and so they cling to that power and exclude diverse thinking. Neither side should give up power. But both sides must allow for an eloquent minority that will challenge them on first principles, question the status quo, and ultimately lead to stronger decisions.

Empowering or building eloquent minorities within faculty and board leadership won't overturn many decisions. The majority still rules in these bodies. But inclusive decision making improves public trust. A minority voice gives every North Carolinian faith that their views are being heard.

This is the people's university and both progressives and conservatives should start acting like it.

James G. Martin served as Governor of North Carolina from 1985-93, following six terms in Congress. Martin began his career as an educator, earning a Ph.D. in chemistry from Princeton University and later teaching chemistry at his alma mater, Davidson College.



It's time to reform University governance

By Jim Hunt

Every day during the 16 years I served as Governor, I saw how important the University of North Carolina system is to our state.

But today this great oak of higher education is suffering from a deep and growing disease within: too much narrow, partisan politics.

This is a Democratic and a Republican problem. Both Democrats and Republicans caused it. Democrats and Republicans must come together to fix it.



Our universities are invaluable in recruiting new businesses to North Carolina, promoting good jobs and economic growth in all our communities, fighting disease and poor health, advancing science, developing new technologies, making agriculture more productive, promoting the arts, learning from our history, understanding the world we live in and protecting our air, land and water from pollution.

Above all, our 16 universities educate, train and inspire thousands of people who become successful, productive and civic-minded citizens. The schools make North Carolina a magnet for smart, talented and dedicated people from all over the world.

That excellence is at risk today. The problem stems from how we appoint the Board of Governors – and each institution's Board of Trustees.

The General Assembly makes all the appointments. But the legislature for too many years has been consumed by the bitterly divisive partisanship and polarization that plagues politics.

The partisan poison has spread into the University system. We must root it out.

While I don't know exactly what the new appointment process should be, I do suggest certain principles that might apply.

First, no lobbyists should be on the Board of Governors. They have too many conflicts of interest.

Second, there should be more diversity – racial, gender, geographic and political.

Third, I personally believe the Governor should appoint one half of the members of the Board of Governors and the 16 universities' boards of trustees. The Governor is elected statewide. He or she works every day on issues that affect the entire state. The Governor must take a broader view than legislators, who answer to their 170 districts.

The Governor can best see how the University system meshes with our public schools and community college system. The Governor's involvement also would assure much-needed checks and balances.

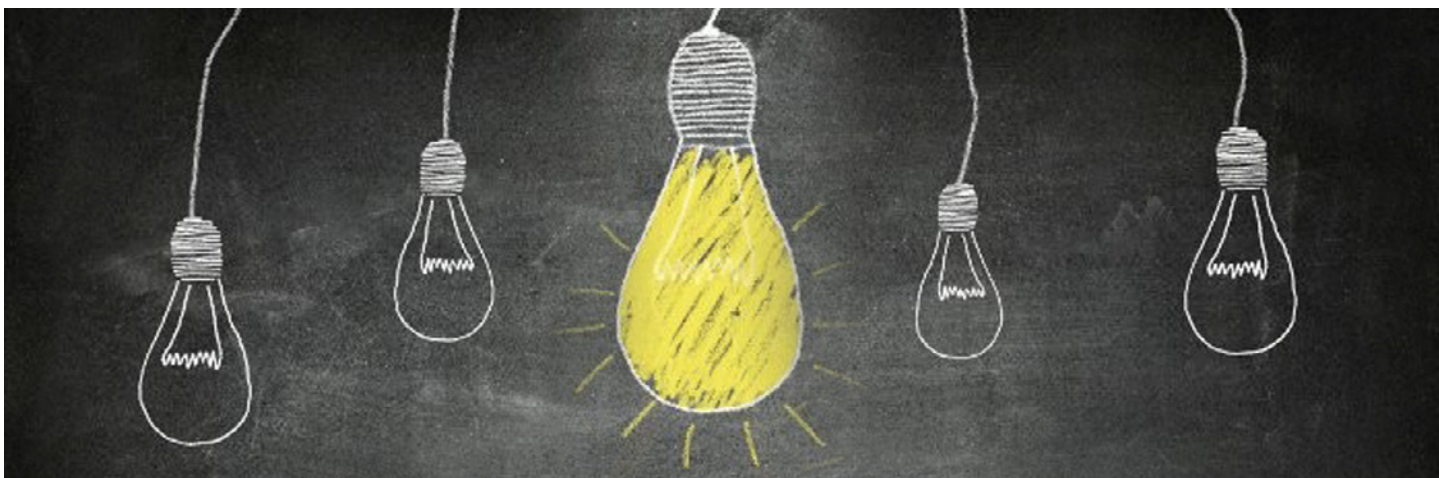
Certainly, there are other good ideas that we should consider and we can begin by studying what other states do.

I don't underestimate how hard it will be to solve this problem in these politically charged times.

But this is North Carolina!

We've solved tough problems before. We can do it here. For our universities' future and for North Carolina's future, we must do it.

James B. Hunt Jr. served as Governor of North Carolina from 1977-85 and 1993-2001.

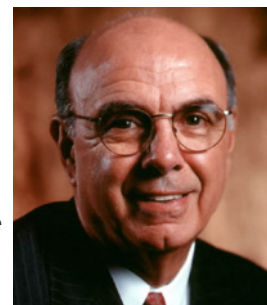


Lots of ideas to make UNC governance work

By Paul Fulton
Higher Ed Works

When we launched our “Making Governance Work” series more than six weeks ago, we said we didn’t intend to stipulate outcomes.

But a bipartisan consensus emerged that we need to pay attention – and possibly make changes – to the boards that govern our public universities. The essays from prominent North Carolinians and education leaders highlighted several themes:



- **Stability**
- **De-politicize appointment process**
- **Improve diversity**
- **Independence**
- **No micromanagement**

• **Stability:** After departures by multiple leaders across the UNC System, institutions need stable leadership to achieve ambitious goals.

“Most importantly, we need policies that encourage university board members to shift their focus from short-term wins toward long-term goals,” wrote former UNC System President **Erskine Bowles** and U.S. Senator **Richard Burr**.

“In just a few months, a new President will be at its helm, and governance – how this massive and complicated enterprise is led and managed – will be one of biggest issues he or she faces,” wrote former UNC System President **Margaret Spellings**.

• **De-politicize appointment process:** The 24-member UNC Board of Governors is chosen entirely by the N.C. General Assembly. Winston-Salem businessman **Don Flow** said politics need to be removed from choosing board members.

“If it is not de-politicized, I believe the UNC System will be significantly and permanently diminished. A politicized process creates dual loyalties that result in a lack of institutional alignment,” Flow wrote.

Gordon Gee, who has served as chief executive at five universities, said that will build public confidence.

“The general public is most apt to notice boards when prominent people become members. If they see people of real merit and heft in these roles, rather than just a political agenda, it gives an institution more credibility,” Gee wrote.

• **Improve diversity:** Former Board of Governors Chair **Lou Bissette** said the current Board doesn't look like North Carolina.

"This is a diverse state, but we don't have a diverse Board. Of the Board's 24 voting members, only two live west of the Charlotte area, only three are persons of color, and only five are women," Bissette wrote.

"... Today, the Board has no Democrats. That is simply not representative of our state and of the citizens we serve."

Former Gov. **Jim Martin** said that just as we need diversity of thought among professors in the classroom, we also need diversity on governing boards.

"A conservative governance board doesn't balance out a progressive faculty...", Martin wrote. "We need diversity of thought at each level."

In his history of UNC System governance, **D.G. Martin** noted that state law once reserved positions on the Board of Governors for women, minorities and the minority political party. But legislators did away with those requirements in 2001.

Former Gov. Martin proposed that we again adopt a law to require minority party representation on governing boards.

Bissette and others said authority for appointing board members should be distributed more broadly.

"In the past, the executive branch of our state government had a hand in appointing (campus) Board of Trustees members, and most folks agree it was a healthy way to be sure differing views were heard. No single entity should have total control over boards as important as these," Bissette wrote.

Former Gov. **Jim Hunt** said the governor should have a voice in appointing the Board of Governors and campus boards of trustees.

"The Governor is elected statewide.... The Governor must take a broader view than legislators," Hunt wrote.

• **Independence:** Bissette and **Belle Wheelan**, President and CEO of the agency that accredits all 16 UNC institutions, both pointed out that board members' duty is to the institution.

"The University System's Board of Governors owes its fiduciary duty to the System," wrote Bissette. "Its duty of loyalty is to the institution it represents, not the institution that appoints its members, the General Assembly."

Bissette and Flow pointed out that lobbyists depend for their livelihoods on the legislators who appoint them.

"Each member of the Board of Governors must be as independent as possible. They must be able to tell the General Assembly 'no' when the University's interests don't totally align with the Legislature's," wrote Bissette.

"That means Board Members' careers and professional interests shouldn't be financially reliant on the General Assembly. If you are a lobbyist, or your business relies on state contracts, you're probably not the best person for the Board of Governors."

• **No micromanagement:** Wheelan, Flow and former Bank of America CEO **Hugh McColl** said board members are to shape broad policy, not manage day-to-day university operations.

"We ask you to make policy. Not to administer policy, but to make policy," said Wheelan. "When boards start micromanaging, you're stepping out of your lane and it gets my attention."

Flow wrote that the Board governs – it does not manage the UNC System.

"When a Board intervenes in management, it drives away executive talent," he said. "... Any board that engages in operational details will always undermine the President."

OUR GOAL HERE was to elevate the discussion of governance of our public universities in North Carolina. The best outcome would be for a commission to study these proposals and others and make recommendations for changes to the Governor and the Legislature.

"It's time for state leaders to step in and improve a governance situation that's become unsustainable," wrote Hugh McColl. "We need state leaders to refocus our universities and get them once again making the decisive, visionary actions we need."

Paul Fulton is Co-Chair of Higher Ed Works.