

MINUTES

SPECIAL MEETING (RETREAT) OF THE BOARD OF REGENTS FOR THE OKLAHOMA AGRICULTURAL AND MECHANICAL COLLEGES

October 22, 2015 – 10:00 a.m.

Notice of this meeting was filed with the Secretary of State on October 12, 2015.

A Retreat of the Board of Regents for the Oklahoma Agricultural and Mechanical Colleges convened on Thursday, October 22, 2015, in 115 McElroy Hall, Oklahoma State University, Stillwater, Oklahoma.

Present: Joe D. Hall, Chairman; Lou Watkins, Vice Chair; Calvin J. Anthony; Douglas E. Burns; Rick Davis; Andy Lester; Tucker Link; and Trudy Milner.

Absent: Jim Reese

Others present: Mr. Jason Ramsey, Chief Executive Officer; Dr. Karen Bearden, Senior Consultant, Association of Governing Boards; Ms. Natalie Shirley, Oklahoma Secretary of Education and Workforce Development and President, OSU-Oklahoma City; and Ms. Shari Brecht, Executive Assistant to the CEO.

The Retreat began at approximately 10:30 a.m. Board Chairman Hall outlined the purpose of the Retreat to be an informative, informal session for discussion among Regents and with Dr. Karen Bearden of AGB and later with Ms. Natalie Shirley as Oklahoma Secretary of Education. No Board action will be taken.

A copy of the agenda for this meeting is identified as ATTACHMENT A and considered a part of these minutes.

AGENDA ITEM (1)

Discussion with consultant from the Association of Governing Boards regarding governance issues in higher education.

Dr. Karen Bearden, Senior Consultant, Association of Governing Boards, introduced herself and expressed appreciation for the opportunity to meet with the Regents today.

Copies of three handouts distributed are identified as follows and considered part of these minutes – ATTACHMENT B is an internal working agenda for the day; ATTACHMENT C is a copy of

the anticipated presentation by Dr. Bearden; and ATTACHMENT D is an evaluation form for use by the Regents at the end of the Retreat to evaluate the workshop.

Topics discussed by Dr. Bearden and the Regents included consequential boards in today's environment, ideas for enhancing board effectiveness, understanding the importance of leadership succession and transition, development of an action plan going forward, challenges confronting higher education and governance, what consequential boards must do, why governance matters, fiduciary duties, high performing/highly effective boards, succession planning for presidents and board leadership, committee structure, future challenges, top strategic issues for boards, and public policy issues.

AGENDA ITEM (2)

Discussion with Oklahoma Secretary of Education concerning Higher Education in Oklahoma.

Topics discussed by Ms. Natalie Shirley and the Regents included the outlook for and challenges facing higher education in Oklahoma, particularly with regard to funding challenges. There were ideas shared regarding ways to best serve students and what actions would need to be taken and changes required to accomplish that goal.

AGENDA ITEM (3)

Wrap up/closing thoughts shared by Regents.

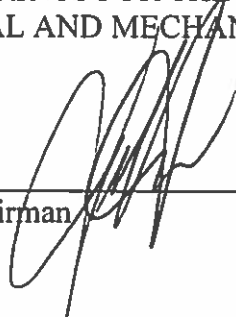
Regents discussed the effectiveness of the Retreat and what next steps should be taken to address focus areas it was desired to pursue in the short-term as well as more long-term actions.

Adjournment

The Retreat adjourned at approximately 4:40 p.m.

BOARD OF REGENTS FOR THE OKLAHOMA
AGRICULTURAL AND MECHANICAL COLLEGES

Joe D. Hall, Chairman



ATTEST:

Jason Ramsey, Chief Executive Officer



Certified correct minutes subject to the approval of the Board of Regents for the Oklahoma Agricultural and Mechanical Colleges on December 4, 2015.

Shari Brecht, Executive Assistant to the CEO



A G E N D A

**RETREAT OF THE BOARD OF REGENTS FOR THE OKLAHOMA
AGRICULTURAL AND MECHANICAL COLLEGES**

October 22, 2015 – 10:00 a.m.*

115 McElroy Hall
Oklahoma State University
Stillwater, Oklahoma 74078

NOTICE OF THIS STUDY SESSION WAS FILED WITH THE SECRETARY OF STATE ON OCTOBER 12, 2015.

Business to be discussed: (No Board action will be taken):

- (1) Discussion with consultant from the Association of Governing Boards regarding governance issues in higher education.
- (2) Discussion with Oklahoma Secretary of Education concerning Higher Education in Oklahoma.
- (3) Wrap up/closing thoughts shared by Regents.

* This is strictly an informal Retreat for those Regents who can attend. The Board will continue meeting over lunch in 265 McElroy Hall, Oklahoma State University, Stillwater, Oklahoma. A tour of various facilities of the OSU Center for Veterinary Health Sciences on the campus of Oklahoma State University, Stillwater, Oklahoma, will follow the Retreat.

Board of Regents Workshop
Oklahoma Agricultural and Mechanical Colleges
October 22, 2015

Facilitator:
Dr. Karen Bearden, AGB Senior Consultant

October 22, 2015

- | | |
|--------------------------|--|
| 10:00 a.m. | Welcome and Introductions |
| 10:15 a.m. | <p>Desired Outcomes for the Workshop</p> <ul style="list-style-type: none"> - Discussion of consequential boards in today's environment - Specific ideas for enhancing board effectiveness - Understand the importance of leadership succession and transition - Develop an action plan going forward |
| 10:30 a.m. | <p>Discussion of Consequential Boards and the Role of the Fiduciary</p> <ul style="list-style-type: none"> - Consequential Boards recommendations - The Role of the Fiduciary |
| 11:15 a.m. | <p>Leadership Structure, Succession and Transition</p> <ul style="list-style-type: none"> - Institutional leadership succession and transition - Board leadership succession and transition - Committee structures |
| 12:00 p.m. | Break |
| 1:00 p.m. | Emerging Trends |
| 1:30 p.m. | Top Strategic Issues and Strategic Thinking |
| 2:00 p.m. | <p>Small Group Report Out on Strategic Issues</p> <ul style="list-style-type: none"> - The value proposition in higher education - Financial viability - The Board's role in educational quality - The Board's role in risk management |
| 2:30 p.m. | Ms. Natalie Shirley, Secretary of Education for the State of Oklahoma |
| 3:30 p.m. | Wrap-up and Adjourn |
| <u>Resources:</u> | |

Trusteeship article by Alice W. Brown "Strategies that Strengthen"
Top 10 Strategic Issues, AGB

Recommended readings:

Effective Governing Boards: A Guide for Members of Governing Boards of Public Colleges, Universities, and Systems (2010). Washington, DC: AGB Press. <http://agb.org/store/effective-governing-boards-guide-members-governing-boards-public-colleges-universities-and-sys>

AGB CONSULTING

Dr. Karen Bearden
Senior Consultant,
AGB

Prepared for the Board of Regents for the
**Oklahoma Agricultural and
Mechanical Colleges**

Objectives

- Discussion of consequential boards in today's environment
- Specific ideas for enhancing board effectiveness
- Understand the importance of leadership succession and transition
- Develop an action plan going forward

Challenges Confronting Higher Education and Governance

1. Making the Case

- Value Perception with the public
- Policy makers
 - Public funding
 - Regulation & compliance
 - Concerns about:
 - Completion
 - Access/Affordability
 - Workforce Preparedness
 - Attainment (International rankings)

2. Change

- Disruptive?
- Higher Education Business Model
 - Iron Triangle: cost (price/expense); access; quality
 - Productivity & Efficiency
 - Formerly:
Productivity ↑ / Cost ↑
 - Today:
Quality ↑ / Cost ↓
 - Academic Quality

Challenges Confronting Higher Education and Governance

3. Economic Realities

- Post Recession economic structural change
 - Employment (& opportunity)
 - Economic confidence
 - Student Aid/Student Debt
 - Permanence of Reduced Public Funding
 - **Performance-Based Funding**
 - Demographic Change
- Competition
 - Other Institutions
 - New Providers
 - New Delivery Models

4. Board Governance

- Threat to Board Independence (External Influences)
- Regulatory
 - State level
- Accreditation

5. Public Policy Issues

- HEA reauthorization
- **The new scorecard**
- CASA
- Athletics
- Regulatory Environment
- Tax Reform
- Federal Budget

Why Governance Matters

- Fiduciary responsibilities
- Decision makers
- Strategic perspective

Consequential Boards Must:

1. Add value and lead a restoration of public trust in higher education.
2. Add value to leadership and decision making through their role as institutional fiduciaries.
3. Address sustainability through financial solvency, providing high-quality education at lower cost.
4. Improve shared governance and board-president relations.

Consequential Boards Must:

5. Strengthen board effectiveness through purposeful member recruitment, orientation, board composition, and removal of members for cause.
6. Focus board time (and structure) on issues of greatest consequence to the institution, reducing time spent on reviewing routine reports.
7. Enforce board accountability, acting as exemplars of the behavior and performance expected of their constituencies.

Fiduciary Duties*

- Duty of Care
 - Act in good faith for best interests of institution
 - Act reasonably, competently and prudently
- Duty of Loyalty
 - Put interest(s) of institution above all else
 - Do not act from self interest; no self-dealing
 - Conflict of loyalty
- Duty of Obedience
 - Obligation to advance mission
 - Duty to act ethically and consistent with mission
- Serve a Public Purpose

*AGB (web), Fiduciary Duties

High Performing Boards

1. Focus on fiduciary principles
2. Build a candid partnership/dialogue with leadership
3. Address issues related to the long-term mission of the institution
4. Actively participate in developing board and committee agendas
5. Engage in constructive dialogue on meaningful issues
6. Support board decisions with one voice
7. Engage in honest and critical self-assessment of the work of the board and individual board members
8. Manage and disclose conflicts of interest

Getting Governance Right: 10 Habits of Highly Effective Boards

1. Create a Culture of Inclusion
2. Uphold Basic Fiduciary Principles
3. Cultivate a Healthy Relationship with the President
4. Select an Effective Board Chair
5. Establish a Strong Governance Committee
6. Delegate Appropriate Decision-Making Authority to Committees
7. Consider Strategic Risk Factors
8. Provide Appropriate Oversight of Academic Quality
9. Develop a Renewed Commitment to Shared Governance
10. Focus on Accountability

Succession Planning: Presidential Succession Considerations

- Follow guidelines established in succession plan policy.
- After appointment, encourage frequent campus visits during interim between appointment and start date.
- If appropriate, plan farewell celebrations for departing president.

Succession Planning: Presidential Succession Considerations

- Clarify role of departing president.
- Plan support for inexperienced presidents (seminars for new presidents; professional conferences; executive coach).
- Revisit board expectations of president regularly in context of institutional culture. Expectations should be shared and agreed upon with president.

Leadership Succession Planning: Board Considerations

- Follow guidelines for board leadership succession.
- Provide feedback to committee and board chairs for development and ongoing improvement.
- Offer mentoring opportunities or incoming and new board leaders.
- Offer development opportunities to newer board members who may be future board leaders (e.g. national conference participation, ad hoc committee participation/leadership).

Committee Structure

- 6 Most Common Public Board Committees (2010):
 - Finance/budget
 - Audit
 - Academic Affairs
 - Executive
 - Education
 - Buildings & Grounds
- How does committee work function?
- Do we have the right committees?
- The right number of committees?

Challenges for the Future

- Are our institutions sustainable/affordable?
- Can we ensure the public trust?
- Does our model of governance work for the 21st Century?
- What are state and federal policy makers most concerned about in higher education?

Top Strategic Issues for Boards

1. The Revenue Model
2. Productivity and Efficiency
3. Student Aid
4. Educational Delivery
5. Student Learning
6. Student Success/Access
7. Market and Mission
8. The Academic Workforce
9. Globalization
10. Institutional Risk

Top Public Policy Issues

- Financial Challenges and Constraints
- College Access and Affordability
- College Completion
- Institutional Performance Metrics
- Sexual Assault
- Increased Scrutiny of Collegiate Athletics
- Affirmative Action
- Data Privacy
- Change in the Regulatory Landscape

Questions/Discussion

1. Questions?
2. Things you'd like to talk about in more depth?
3. Things we didn't talk about?

**BOARD OF REGENTS FOR THE
OKLAHOMA AGRICULTURAL & MECHANICAL COLLEGES
DR. KAREN BEARDEN
OCTOBER 22, 2015**

WORKSHOP EVALUATION

Please take a moment to complete this short evaluation of the workshop so that we might better serve you in future programs.

1. Please indicate your level of agreement with the following statements.

	Strongly Agree	Agree	Disagree	Strongly Disagree
a. My expectations of the workshop were met.				
b. The content of the workshop was relevant to the needs of our board.				

Additional Comments:

2. Please indicate your level of agreement with the following statements.

As a result of this workshop, I...

	Strongly Agree	Agree	Disagree	Strongly Disagree	Not an objective
a. gained a better understanding of the workshop topic and related issues.					
b. gained a better understanding of important higher-education issues.					
c. found solutions and promising practices to consider using.					
d. will change or modify a practice, policy, or process as it pertains to my board or institution.					
e. realized that my concerns were common to those of other boards and institutions.					
f. learned that AGB has additional resources for me and my board.					

3. Please indicate your level of agreement with the following statements:

	Strongly Agree	Agree	Disagree	Strongly Disagree
The consultant was well prepared and organized.				
The consultant was very knowledgeable about the subject matter.				
The consultant effectively engaged the participants.				

Additional comments about the consultant:

4. Overall, the workshop was:

- Very helpful
- Helpful
- Not very helpful
- Disappointing

5. What was the most valuable component of the workshop?

6. How could we have improved the workshop or your experience?

7. Please suggest issues or topics that would be of interest to you or your board:

8. Overall Comments:

Optional:

9. My role is: _____

10. I have served in this role for: _____ (number of years)