City College of San Francisco

Board of Trustees Retreat
August 6-7, 2012

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Agenda

DAY 1: August 6, 2012

7:00 – 7:30 p.m.  Welcome and Introductions

7:30 – 8:00 p.m.  Roles and Responsibilities of the Board
Assessing Where We Are
Priorities: What Needs to be in Place
Future Direction

8:00 – 9:00 p.m.  Review of Board Self-Assessment Report
Agenda

DAY 2: August 7, 2012

5:00 – 6:00 p.m.  Roles and Responsibilities of the Board (cont’d)
Building Trust
Reinforcing the Need for Cooperation
The Value of Stability
Policy vs. Administration (Micromanagement)

6:00 – 7:00 p.m.  Creating an Exceptional Board/Chancellor Relationship

7:00 – 8:00 p.m.  Accreditation, Student Outcomes, and Financial Oversight

8:00 – 9:00 pm.  Strategic Planning and Goal Setting
DAY 1
7:30 p.m.– 8:30 p.m.

Roles and Responsibilities of the Board

- Assessing Where We Are
- Priorities: What Needs to be in Place
- Future Direction
DAY 1
8:00 p.m. – 9:00 p.m.

Review of Board Self-Assessment Report
Roles and Responsibilities of the Board (continued)

- Building Trust
- Reinforcing the Need for Cooperation
- The Value of Stability
- Policy vs. Administration (Micromanagement)
Standards of Good Practice

• Derives **authority** from the community and act as an **advocate** on behalf of the entire community

• Clearly defines and articulates the **role** of the Board

• Responsible for creating and maintaining a spirit of true **cooperation** and a mutually supportive relationship with the Chancellor

• Strives to differentiate between **external and internal** processes in the exercise of its authority

• Engages in regular and ongoing process of in-service **training** and continuous **improvement**
Continued...

• Be prepared for each meeting and to debate issues fully and openly
• Vote with your conscience and support the decision or policy made
• Exemplify ethical behavior and conduct that is above reproach
• Endeavor to remain always accountable to the community
• Honestly debates the issues affecting the community and speaks with one voice once a decision or policy is made
Characteristics of a Great Board

• Clear board goals and values
  ▫ “How do students benefit from this decision?”
• Common voice to key questions
  ▫ Why do we care? Why do we exist? What is our dream? How do we behave? What are we willing to risk?
• Live by a strong *Code of Ethics*
• Clear role of board chairperson/ strong board/chancellor relationship
• Clear role of individual trustees
• Participate in professional development
Board Members - Top Rules

1. Follow the Rules
2. Disagree without being disagreeable
3. Debate important issues
4. Reach consensus
5. Voting
6. Parliamentarian procedures
7. “No surprises”
8. Evaluate
9. Future focus
10. Respect and trust
11. You no longer speak as a private Citizen
12. Inform and involve all trustees
13. Respect the Chancellor’s office and team
Hallmarks of an Effective Board

- Clarifies roles and responsibilities
- Focuses time and attention on important issues
- Structures board work to get important things done
- Thinks strategically about board composition
- Uses evaluation to learn rather than criticize
- Has the confidence to take risks
- Cultivates constructive relationships with staff
- Values open and honest communication
- Works together as an effective corporate unit

Excerpted from the Board Source
Key Elements to Successful Trusteeship

- Your first interest is to help the College
- You are in a position of trust
- You are part of a team
- You do not represent special interests
- You appoint, evaluate and support the Chancellor
- You want to learn and be informed
- You work to ensure adequate funding for the College
- You set goals and evaluate
The Role of the Board

- Governing the College on behalf of the community
  - represent ownership of the community
  - voice of the public - not volunteer helpers
  - primary relationship is with the Chancellor
  - wisely defining vision, mission, expectations and standards
  - establish reporting framework to ensure legal and ethical conduct and compliance
A Job Description for the Board

- Meet legal requirements
- Should be representative of community
- Demonstrate commitment and unity in carrying out the mission of the College
- Identify new and emerging educational and social needs of the country
- Strive for quality
A Job Description for the Board

- Employ a competent Chancellor
- Draft position description for Chancellor
- Evaluate and support the Chancellor
- Support efforts to obtain financial support
- Bring about meaningful change and viable educational programs
- Channel all problems through the Chancellor
A Job Description for Individual Trustees

- Possess a sincere desire to provide a public service
- Carry out the legal, ethical, and moral obligations of a trustee
- Freely donate service and time to the College
- Represent all the interests of the community and State
- Do not speak for the board
Nurturing Trustee Development

Point of Perspective:

A high performance board demands individual trustees who understand governance, the role of the college, advocacy and the relationships both within and out of the college.

Facilitating the development of a high performance board
Board Success

• Defend the College and its staff in public; criticize in private, if needed
• Remember the Chancellor doesn’t read minds
• Invest enough time to chair the board well
• Tell the Chancellor when you’re out of time
• Be sure the board gives the Chancellor explicit authority to do his/her job
• Ensure the Chancellor is supported and evaluated
Roles and Responsibilities of the Board:

Ethics and Conflict of Interest
What are Core Ethical Values?

Two perspectives:
1. Public Service Ethics
2. “Pillars of Character”
Public Service Ethics

- Honor
- Benevolence
- Justice

All contribute to the moral foundation of public service

Doing good not for personal gain, but for the satisfaction of contributing to society
“Pillars of Character”
Core Ethical Values

1. Trustworthiness
2. Respect
3. Responsibility
4. Fairness
5. Caring
6. Citizenship
7. Integrity
8. Transparency
Why should the board follow a code of ethics?

- Public expectation of high standards
- Codes or standards define specific expectations
- Requirement of some regional accrediting commissions
- Development of standards is a strengthening exercise for the entire board
- Good guides to inform and build decision-making

NOTE: Do not assume because it is legal it is ethical
What ethical concepts might boards address?

1. Promoting public trust
2. Roles and responsibilities of trustees and governing boards
3. How trustees should treat others and conduct themselves
4. Law
5. Boundaries of legal requirements
6. State guidelines
Promoting Public Trust

- Represent the common good
- Consider special interest
- Open meetings
- Conflicts of interest/personal gain
How things go wrong

- Talking Points
Ethical Dilemmas

- “The Ends justify the Means”
- Multiple loyalties
- Concealment
- No one will know
- Everybody’s doing it
Conflict of Interest

“Fiduciary Duty” and the Trustee

It is a legal concept that attempts to hold certain individuals, because of their status (as trustee) to a higher standard than that of a normal business person.

- Clearly and most simply, “fiduciary duty” means that the board member has to put their own personal interests behind them in favor of the board and college.
- The board member cannot use their position as a board member for personal gain, meaning personal gain to their business.
- The board member has to subordinate their own interests to the board and college.
Defining Conflict of Interest

Conflict of interest is:

- A personal interest that might impair or reasonably appear to impair a board member’s independent, unbiased judgment in the discharge of his or her responsibilities to the institution.

- Association of Governing Boards
Another Definition

A situation in which a personal interest or activity of an officer, volunteer or employee interferes or appears to interfere with the individual’s objectivity in fulfilling his/her responsibility to the association.

- American Society of Association Executives
More than just Financial...

- While financial conflicts in which a board member gains or appears to gain from business conducted with the institution may be the most common, a board should not confine its conflict of interest policy to financial conflicts.

Consider:
- If a board member advances an initiative that is incompatible with the board member’s fiduciary duty to the college
- If a board member achieve personal gain for themselves, friends or associates, by apparent use of the board member’s role at the institution.
Goals of a Conflict of Interest Policy

- Raise board members’ awareness of the possible existence of conflicts of interest;
- Educate board members on the types of relationships and situations that might give rise to conflicts of interest;
- Remind board members of the broader interests of the college or university (for example, protection of its reputation or its assets);
- Establish a regular process to follow when a conflict or potential conflict arises;
- Make clear to regulators and the public that conflicts of interest are disclosed and managed, as well as prohibited when appropriate.
Conflict of Interest: Examples

- When a conflict of interest could lead a trustee to influence the outcome of a decision. It may be best for the trustee to resign from the board.
- Self-dealing transactions: When a decision could confer a personal benefit. It may be best for the trustee to resign from the board.
- Outside employment or affiliation: When the interest of a third party, such as an employer or another association, contradicts the college’s interests. It may be best for the trustee to resign from the board.
- Political gain
- Preferential treatment in hiring
- Executive pay packages
- Foundation loans
Consider the range as your Board refines your policy
Why should you have conflict of interest policies/procedures?

An effective conflict of interest policy can be an important governance tool for a college to ensure the board operates within the bounds of its duty of loyalty standards.

**Board members may be required to**

- Be familiar with the conflict of interest policy.
- Complete and sign a disclosure statement on an annual basis and keep statement up to date as changes occur.
- Declare any and all conflicts or potential conflicts at the beginning of each meeting.
- Committee chairs may be required to sign disclosure statements.
The “Front Page” Test

• If an activity were accurately described on the front page of the local newspaper, would an individual on the board appear to be in conflict? That is, would he or she appear to have given preference to self-interest rather than to the interest of the institution?

• Using this same "front-page test," would the board be satisfied with the way it handled the conflict? Could the institution’s reputation be harmed if the conflict were made public?

www.agb.org
Perceived Conflict of Interest

A situation in which a reasonable individual would think that one’s judgment is likely to be compromised.

- American Society of Association Executives
Potential Conflict of Interest

- Personal Interests
- Personal Values
- Organisational Values
- Professional Values
- Interests of Family & Friends
- Public Sector Government Policy
Potential Conflict of Interest

A situation that may develop into an actual conflict.

- American Society of Association Executives

NOTE:

The existence of a conflict is not in and of itself evidence of wrongdoing by a Trustee.
Disclosure
Abstain
Recuse
Resignation
Trustee General Opinion
Legal Standpoint

Board members, in consultation with counsel, should familiarize themselves with key features of **pertinent state law on trustee conflicts of interest**.
What happens when boards or trustees behave unethically?

• Damage to the college in terms of:
  ▫ Reputation
  ▫ Financially
  ▫ Time wasted
  ▫ Legal involvement
Summary

- Ethical public service is based on a desire to do good for the community.
- Codes of Ethics and Policies for Conflict of Interest define in more detail how public service is best expressed.
- Ethical leadership by trustees makes it more likely that the college will fulfill its mission to the community.
Roles and Responsibilities of the Board:

Policy vs. Administration (micromanagement)
The role of the Board is to Govern, not manage the college, by:

1. Conducting the business of the governing board
2. Establishing policy
3. Running effective meetings to achieve that objective
Effective Meetings:
Basic Board Procedures
Make the best use of the board’s time and talent:

A. Participative but effective (maintaining both order and open discussion)
B. Create positive and welcoming atmosphere
C. Set a positive tone
D. Conduct the flow of business
E. Parliamentary procedures
F. Assure the board has meeting ground rules which govern trustee behavior
G. Use the board’s ground rules to handle the “difficult” trustee who is disruptive to the board’s work
H. Assure that ideas generated by the board have a follow-up plan before the meeting is adjourned
I. Assure that the board operates well within the parameters of the state’s open meetings law
Trusteeship in a Nutshell

• Leads as an Educated Team
  ▫ Requires awareness of issues and trends
  ▫ Board allocates time and resources for development and continuing education
  ▫ Asks key questions and works as a team
  ▫ Engages in critical thinking
  ▫ Acts with intelligence, respect and caring
  ▫ Be future-oriented
How do you run your board meetings?

- Are your rules and procedures clear to everyone?
- Are the purposes of your meetings accomplished in an effective and efficient manner?
What are The Goals?

1. Set the right tone
2. Create effective agendas
3. Have sound meeting practices
4. Hear from the public
5. Follow the ground rules
6. Reports from committees
7. Reflect financial and fiduciary responsibilities
8. Foster substantive policy discussions/debate and appropriate actions
9. Represent the college in the public’s eyes
10. Reflect the mission of the college!
Effective Boards reflect these standards during a meeting

- Act as a unit
- Represent the common good
- Set the policy direction
- Employ, evaluate and support the chief executive
- Define policy standards for college operations
- Create a positive climate
- Monitor performance
- Support and advocates the college
- Lead as a thoughtful, educated team
The Sunshine Act

• A US law passed in 1976, which affects the operations of legally constituted federal and public bodies.
• One of a number of Freedom of Information Acts, intended to create greater transparency in government.
• Provides, with ten specified exemptions, that 'every portion of every meeting of an agency shall be open to public observation'.
Open meetings act

In some cases known as the Public Record Laws

State laws requiring certain meetings of certain public bodies to be open to the public and
• to require notice and the keeping of minutes of meetings;
• to provide for enforcement;
• to provide for invalidation of governmental decisions under certain circumstances;
• to provide penalties; and
• to repeal certain acts and parts of acts.

For example:
In CA, the Brown Act, governs activities of state and municipal meetings, including when to post agendas, and minutes of meetings involving the public’s business.
DAY 2
6:00 p.m.– 7:00 p.m.

Creating an Exceptional Board/Chancellor Relationship
Board/Chancellor Relationship

- Working as a Team
- Leadership Development
- Issues of the Board and Administration
- Organizational Culture/Structure
- Roles and Responsibilities
  - Regulatory responsibilities
  - Governance
  - Coordinating
Board/Chancellor Relationship

- The Board delegates authority to the Chancellor to lead and administer.
- The Board has the authority to set policy.
- The Board should be involved in significant aspects of the strategic planning process.
- Individual members do not speak for the Board.
- The Chancellor provides the Board with comprehensive, relevant, timely information and follows the rule of “no surprises.”
Board/Chancellor Relationship: Board

- Be clear about expectations
- Evaluate
- Understand the difference between policy and operations
- Work with a spirit of harmony and cooperation
- Refer complaints to the Chancellor
Board/Chancellor Relationship: Chancellor

- Provides appropriate (executive summary, relevant, concise, pertinent, big picture, integrated) background information to the board so that they can make informed decisions and provide sound advice
- Utilizes Board expertise and relationships
- Encourages Board development
- Seeks the best thinking of the Board in policy decisions
- Communicates regularly and openly
What the Chancellor Owes the Board

- Valid credentials
- High energy and strong spirit
- Honesty and integrity
- Sound advice
- A passion for the enterprise
- Action that faithfully carries out the board’s will
- Loyalty and respect
What the Board Owes the Chancellor

- Devotion to the college mission
- Willingness to fight for resources
- Cohesiveness as a board
- Disinterest in the nitty-gritty
- Support and trust

(adapted from John Anderson)
Goals

Chancellor’s 2012-2013 Goals
1.

2.

3.

4.

5.

Board’s 2012-2013 Goals
1.

2.

3.

4.

5.
DAY 2
7:00 p.m.– 8:00 p.m.

Accreditation, Student Outcomes, and Financial Oversight
Recommendation 12: Leadership. Governance and Decision Making
Recommendation 13: Governance Structures
Recommendation 14: Effective Board Organization and Operating procedures
### Current Concerns:

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<th>Description</th>
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<td>The Board understands the seriousness of the report from the Accrediting Commission for Community and Junior Colleges.</td>
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<td>There is a clear delineation of roles and understanding of authority for input and decision making.</td>
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<td>The Board understands their defined roles of responsibility and delineated authority in institutional governance and decision making.</td>
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<td>The Board has revised policies and practices for currency, relevance and compliance.</td>
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<td>The Board has an effective system of orientation and development.</td>
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<td>The Board is clear on separating its policy role from that of the administration.</td>
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<td>The Board Self-Assessment process has been utilized to identify strengths and areas for improvement.</td>
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<td>Board members are over actively involved in the operations of the College.</td>
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<td>The Board acts in a manner consistent with its policies, by-laws, and operating procedures.</td>
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<td>The Board Chair works collaboratively to keep all trustees informed.</td>
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<td>Trustees honor and avoid any conflict of interest.</td>
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DAY 2
8:00 p.m.– 9:00 p.m.

Strategic Planning and Goal Setting
Trusteeship in a Nutshell

- Your first interest is to help the College
- Key ingredients:
  - Communication
  - Rules/Cooperation
  - Trust/Faith
  - Integrity/Discipline
  - Standards
  - Don’t micromanage
  - Know the difference between private citizen and board member
Thank you!

ACCT Board Leadership Services
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