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July 6, 2012

Dear Dr. Martin:

The recent events at the University of Virginia—in which the board asked the president to resign after only 22 months in office and then, after much tumult, reinstated her—have made headlines on front pages around the country. The crisis has raised major issues and heightened public interest about the governance of higher education in ways that extend far beyond that one university. While the board's reinstatement of the president has resolved the immediate situation, I am certain that what occurred in Charlottesville will have long-term consequences for how we all do governance going forward.

Although I don't normally publicly discuss members, the UVA story points to some important lessons. I would like to share with you the enclosed AGB "Statement on Board Responsibility for Institutional Governance," approved by the AGB board of directors in 2010, which seems especially relevant to the issues raised by the crisis at UVA. The statement delineates eight fundamental principles of effective governance. It calls on boards to be "accountable for the mission and heritage of their institutions and the transcendent values that guide and shape higher education," yet it adds that boards "are equally accountable to the public and their institution's legitimate constituents."

The UVA situation has been about the balance between board oversight and today's increased public expectations for transparency and candor—including between the board and the president. It reminds us that although boards hold ultimate decision-making authority over institutional policies, they must respect the values of shared governance—and understand that their decisions will typically affect faculty members, students, and many other constituents. Boards must take into account the impact of their decisions on the entire institutional community and be prepared to inform that community of the rationale for their actions, especially those related to leadership decisions.

AGB's statement encourages boards to "establish effective ways to govern while respecting the culture of decision making in the academy." Boards should have a healthy understanding that top-down corporate governance doesn't work in the often frustratingly slow pace of a higher education institution, even in times like these that seem to mandate prompt responses. That doesn't relieve a board from its duty to ask hard questions and share its concerns candidly. But shared governance is a team sport; boards have ultimate authority, but the field on which they make their decisions has many other players.

The AGB statement also reinforces the importance of ongoing communications between the board and the president, and the need to develop a candid working relationship that ensures that the board's agendas and priorities are focused on strategic priorities and that expectations are clear. Neither the president nor the board should surprise the other with new goals or objectives that aren't fully considered. Trust, honesty, and respect are important values for board/president relationships in all colleges, universities, and university systems.

In addition, presidents have a right to expect regular board assessments of their performance, allowing for candid discussions of priorities and a review of performance metrics. Those assessments might include, for instance, an informal annual review and a more comprehensive evaluation every several years.

For its part, a board certainly has the right to make a leadership change, if necessary. But process counts. Boards have authority as a group, not as individual members. A board's actions should be informed by the collective wisdom and diversity of opinions of all of its members. Effective board engagement involves members in meaningful ways, in appropriate issues. Effective board chairs facilitate, rather than dictate, board action.

These are just a few of the basic principles of governance contained in the AGB statement that the UVA crisis encourages us to revisit. As the statement notes, "A board must clearly convey the responsibilities it expects the president to fulfill and hold the president accountable, but it must also establish conditions that generate success for the president." We hope that this statement will help guide you in the hard yet crucially important work that goes into being a successful board and board member.

We can all learn from what happened at the University of Virginia. Let's commit to getting governance right.

Sincerely,

A handwritten signature in black ink, appearing to read 'Richard D. Legon', followed by a long horizontal line extending to the right.

Richard D. Legon
President

Encl.