

Fiduciary Principles and Habits of Effective Boards.

1. The Concept of Fiduciary:

- **One charged with acting beneficently on behalf of those whose welfare depends on the trust.**

The Concept of Fiduciary

- **The three well-established pillars of fiduciary responsibility:**
 - **The Duty of Loyalty**
 - **The Duty of Care**
 - **The duty of Obedience**

2. Features of the environment of public higher education today

- Public concern and skepticism along with governmental scrutiny over the trends, trajectory and practices of our colleges and universities is the environment board members must understand and navigate.

These features include...

- **Cost**
- **Student Debt**
- **Quality**
- **Degree Value**
- **Low student success rates**
- **Disconnect with state work force needs**
- **Lack of transparency**
- **Safety issues – sexual misconduct, alcohol abuse, campus violence**

Other features include...

- **The Attainment Gap**
- **Economic pressures and disruptive technologies**
- **International comparisons**

3. External Influences on Colleges and Universities

- **Independent Boards – A hallmark, historic principle of American Higher Education Governance**
- **As overseers of the public trust, board members must remain open and responsive to external input, listening to all constituencies.**
- **Politics fluctuate – citizen trustees acting independently ultimately in service of their fiduciary responsibility**
- **A sacred trust – requires awareness, engagement, and independence**

3) External Influences – Board Guiding Principles

1. **Preserve institutional independence and autonomy.**
2. **Demonstrate board independence to govern as establish in law.**
3. **Keep academic freedom and due process as central tenants**
4. **Assure institutional accountability to the public interest**

4. Best Practices by Boards: A Colorado Response

- Colorado State University
- Metropolitan State University
- Western State Colorado University

10 Habits of 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 an effective 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.