Criteria for Consideration

The following comparative criteria were distilled from work performed by AGB consultants, the TRU business plans, the business plan outline, and other deliberations by the University Governance Work Group, and due diligence with other state leaders.

I. Institutional Leadership, Oversight & Accountability
   1. Confidence in executing business plans, monitoring performance, and adjusting course (e.g., changing presidential leadership, and restructuring revenues and costs) in a timely manner if necessary. Of note, this is particularly critical for institutions currently undergoing financial restructurings
   2. Board’s knowledge of institutional strategy, landscape, and ongoing issues
   3. Depth of organizational expertise in higher education (centralized models provide additional professional staff support supporting volunteer boards, whereas the decentralized model relies on campus staff and consultants)

II. Fiscal Implications
   1. Costs at both board and staff levels
   2. Impact of governance on political advocacy and ability to secure state appropriations, as well as brand, enrollment, philanthropy, and other revenues
   3. Net impact on financial sustainability

III. Institutional Mission & Identity
   1. Organizational capacity to develop (in conjunction with the HECC) and implement institutional missions aligned with state (and regional, if appropriate) objectives
   2. Campus esprit de corps and sense of ownership
   3. Community and regional support

Outcomes form the ultimate criteria by which the alternative TRU governance structures should be evaluated. Which structure(s) will best propel student success and increase quality degree output to achieve the state’s 40-40-20 objectives?

Several imminent historic developments alter the answer to this question. First, starting July 1, 2014, the HECC will provide statewide funding and academic strategies formerly provided by OUS. Second, also starting July 1, 2014, the Shared Services Enterprise will enable economies of scale previously provided by OUS. Together, these two developments replace much of the critical non-governance value-added functions previously performed by OUS.

In doing so, these developments largely focus the TRU decision on governance itself, including inter-institution collaboration. The TRU proposals include the formation of a Presidents’ Council to capture collaboration opportunities (questions persist whether such a council, if merited, should encompass
four or seven universities). Otherwise, it is important to note that whatever vote the board takes, the consequences for statewide collaboration will be greatly diminished by the passage of SB 270. With the state’s three largest universities, and the 78% of resident students they enroll, now independently governed, extensive collaboration between three geographically distinct regional schools, and one programmatically distinct poly-technical institution, seems far less consequential to realizing 40-40-20 than effective leadership and financial management at the institution-level. Moreover, with the advent of the OEIB, and its emphasis on regional compacts and P-20 pathways, the focus of collaboration will continue toward communities and vertical partnerships, regardless of TRU governance structures.

Finally, the board is not compelled to force all TRU schools to remain in a system, in the event an institutional board is optimal for some schools but not others. SB 270 would allow the board to endorse some proposals and not endorse others; the long-term governance structures of the non-endorsed schools could be resolved through future legislation as the respective TRU school(s) continues to be governed by the OUS/OSBHE. Also, a proposed amendment to SB 270, should it pass, would allow certain financial and coordination conditions to be attached onto endorsement votes.

Collectively, these developments afford the board far greater flexibility to focus the TRU governance decision on institution-level performance—leadership, fiscal implications, and mission/identity—as the primary means to best achieve statewide goals. At the institution-level, there are significant advantages and disadvantages to both decentralized (i.e., institutional boards) and centralized (i.e., system, affiliation, integrated university) models. The aforementioned decision criteria are intended to spell out these features. The criteria do not include numerical weightings or attempts at a formulaic approach, but rather list the most critical considerations in order to inform the board’s judgment.