

Connecticut General Assembly
Higher Education and Employment Advancement Committee
Legislative Office Building, Room 1800
Hartford, CT 06106
Clerk: Jeanie B. Phillips

RE: H.B. 6403, An Act Requiring Legislative Approval for The Merger or Closing of Institutions Within the Connecticut State Colleges and Universities, and S.B. 997, An Act Concerning an Expansion of the Membership of the Board of Trustees of the University of Connecticut and the Voting Rights of the Faculty Members of the Board of Regents for Higher Education

Dear Chairman Slap, Chairman Elliott, and Ranking Members Witkos and Haines:

On behalf of the Association of Governing Boards of Universities and Colleges (AGB), I respectfully submit this letter in opposition to H.B. 6403, which would grant the General Assembly final authority on merging or closing any of the 17 state colleges and universities governed by the Board of Regents for Higher Education. I also write to voice opposition to language in S.B. 997, which would provide full voting rights to the faculty seats of the Connecticut Board of Regents for Higher Education and add two voting faculty seats to the University of Connecticut Board of Trustees.

The Connecticut Board of Regents is the governing body of the institutions it oversees. It is responsible for everything that happens, or fails to happen, under its purview. Over the next several years, experts predict declining enrollments across the United States, leading many more boards to consider institutional affiliations, mergers, consolidations, and in rare cases, closures. These important discussions will be challenging. Governing boards along with higher education administrative leaders will consider several options before voting for the most viable path that supports state, system, and institutional priorities—mainly student access and success—and that minimizes any potential negative effects on students, faculty, staff, and other constituents. Boards strive to keep their constituents and stakeholders at the heart of all decisions.

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In regard to H.B. 6403, effective boards receive input from a variety of stakeholders and constituents during the decision-making process. Boards discuss different perspectives from constituents, policymakers, and members of the public, especially when the board is voting on a topic as serious as a merger or consolidation. In fact, AGB's 2018 state policy brief, [Guidelines for Reviewing State Higher Education Governance Structures](#), encourages boards and policymakers to "gauge the popular and political support for change" if they are considering a merger or any other kind of restructuring. At the same time, states have an obligation to help set priorities for higher education through a master plan or public agenda that includes industry partnerships, regional workforce development goals, strategies for productivity and cost savings, and goals for student access, completion, and attainment. Broad and inclusive dialogues about these topics should be encouraged. However, H.B. 6403 strips away the independent decision-making authority of the Regents as it pertains to mergers and closings of institutions under their authority. H.B. 6403 can lead to legislative politicking over the fate of a college campus, and this practice should be avoided whenever possible.

H.B. 6403 is problematic because it undermines the Board of Regents' ability to fulfill its fiduciary responsibilities. As noted prominently in AGB's publication [Higher Education Governing Boards: An Introductory Guide for Members of College, University, and System Boards](#), ensuring fiscal integrity and safeguarding autonomy are two of the most fundamental responsibilities of a governing board. The Connecticut General Assembly correctly reinforced that expectation in Chapter 10a-6 when the CSCU System was created by stating that "the policies of the state system of higher education shall be consistent with (1) the following goals: ... (D) to assure the fullest possible use of available resources in public and private institutions of higher education.... [and] (G) to foster flexibility in the policies and institutions of higher education to enable the system to respond to changes in the economy, society, technology, and student interests..." H.B. 6403 undermines the Regents' fiscal integrity responsibilities because it would grant the legislature the power to approve or veto any consolidation efforts that the Regents have already deemed necessary to ensure success toward system and state goals for higher education, in conflict with their fiduciary responsibilities as well as (D) and (G) of Chapter 185, Section 10a-6. Compromising the Board's authority inevitably will lead to a weakened governing system of higher education in Connecticut.

Several other higher education systems, including those in Georgia, Maine, Pennsylvania, Vermont, and Wisconsin have considered similar kinds of restructuring efforts. While not an exhaustive list, each of these states has completed, or is undergoing, a consolidation or merger process for multiple campuses. The choice to consolidate or merge is a responsibility of each state's

respective governing boards. AGB recommends three pieces of best practice for state policymakers, as laid out in our report [Consequential Board Governance in Public Higher Education Systems](#). Policymakers should ensure that the governing board has appropriate financial control (commensurate with high expectations for board leadership); exercise care in shaping the board (in this case, through the four appointments from legislative leadership); and help to prepare governing board members for informed and diligent public service. These practices will advance higher education in the state without encroaching on board fiduciary responsibilities.

I would also like to respond to S.B. 997. AGB urges rejection of this bill because voting faculty representation can be contradictory to the values and best practices of citizen trusteeship. While we recognize that the Connecticut legislature would like to strengthen input from faculty by providing voting power to the two faculty board seats on the Board of Regents and adding two voting faculty members to the University of Connecticut's Board of Trustees, such a decision would significantly undermine effective governance. Citizen governing boards should be composed of citizens who are independent in their individual and collective judgement and unencumbered by any allegiance to internal or external stakeholders. They should serve the people of the state, not segments of the state or special interests. Their primary duty is to hold the university system's assets in trust for current and future generations.

As indicated in AGB's 2010 [Statement on Board Responsibility for Institutional Governance](#):

It is AGB's view that faculty, staff, and students ordinarily should not serve as voting members of their own institution's governing board because such involvement runs counter to the principle of independence of judgment required of board members. Particularly in the case of faculty or staff members, board membership can place them in conflict with their employment status. Even when constituent groups are represented on the board, the board should be mindful that the presence of one or more students, faculty, or staff as members of the board or its committees or institutional task forces neither constitutes nor substitutes for communication and consultation with these constituent groups.

Two faculty members already serve on the Connecticut Board of Regents ex-officio and in a nonvoting capacity, allowing them to share their valuable perspective with their fellow committee and board members without encountering a conflict of interest.

Higher Education and Employment Advancement Committee
March 8, 2021

For 100 years, AGB has been recognized as the nation's trusted advisor on matters related to higher education board governance. AGB's membership includes the governing and coordinating bodies of some 2,000 colleges, universities, and institutionally related foundations. We work with state and institution leaders and their board members to provide education and counsel to more than 50,000 leaders across higher education. AGB has shaped best practices in board governance and is committed to advancing policies that strengthen and improve higher education leadership. I hope you will give my comments serious consideration as you debate H.B. 6403 and S.B. 997.

I urge the Committee's leadership and members not to advance these bills out of the Committee. If you or the Committee would like to discuss these matters, please feel free to reach out to AGB at ctouts@agb.org or 202-776-0845.

Respectfully,

A handwritten signature in black ink that reads "Henry Stoeber". The signature is written in a cursive style with a large initial "H".

Henry Stoeber
President and Chief Executive Officer
Association of Governing Boards of Universities and Colleges