MINUTES

PRESENT: Rector Horace Blackman, Secretary Jon Peterson, Visitors Lindsey Burke, Anjan Chimaladinne, Michael Meese, Dolly Oberoi and Robert Witeck.

ABSENT: Vice Rector Simmi Bhuller, Visitors Reginald Brown, James Hazel, Juan Carlos Iturregui, Mehmood Kazmi, Wendy Marquez, Carolyn Moss, Robert Pence and Nancy Prowitt.

ALSO, PRESENT: Melissa Broeckelman-Post, Faculty Representative; Erin Rogers, Staff Liaison; Ayondela McDole, Graduate Student Representative; Gregory Washington, President; Ken Walsh, Executive Vice President of Strategic Initiatives & Chief of Staff; and Sarah Hanbury, Secretary pro tem.

I. Call to Order

Rector Blackman called this session to order at 12:37 p.m. Rector Blackman noted that the purpose of this session is to provide an additional opportunity to meet the State Council of Higher Education for Virginia’s (SCHEV) continuing education requirement under § 23.1-1304. He stated that this continuing education session has been designed specifically for Mason’s Board with the assistance of the Association of Governing Boards (AGB), and in consultation with SCHEV.

Rector Blackman introduced AGB representative, Dr. Paul Friga, adding that he will present on two topics and after each discussion will follow. Rector Blackman noted that he looked forward to robust conversation on these topics.

II. AGB Presentations and Discussion

Dr. Friga began by thanking the Board for inviting him back this year. He then provided information about himself for those that didn’t attend last year’s session; he is currently a Clinical Associate Professor of Strategy at the University of North Carolina at Chapel Hill with 20 years of experience as a professor, researcher and consultant. He is writing a book on best strategies for higher education transformation and would like to feature Mason in a chapter, given the success Mason has had in this area. Dr. Friga recognized Rector Blackman for joining him as a special guest during a webinar he gave on March 28, 2023 for the AGB on Best Practices on Creating Strategic Board Retreats. The webinar had over 100 attendees from across the country. Dr. Friga stated that if anyone is interested in any of his articles, videos or presentations they are available on his website (https://paulfriga.com/).

A. The Role of the Strategic Board in Creating Realistic Expectations

- The Role of a Higher Education Board:
  - A good starting point would be to review AGB’s guidance for effective boards.
  - Why are you here and what is your responsibility?
  - Noted that Mason has a great mission and president.
  - Support and periodically assess the performance of the chief executive and establish and review the executive’s compensation.
  - Participate in the strategic plan process, approve the strategic plan and monitor its progress.
  - Ensure the institution’s fiscal integrity, preserve and protect its assets for posterity, and engage directly in fundraising and philanthropy.
  - Ensuring the educational quality of the institution.
  - Academic freedom is becoming an increasing important issue for boards.
• AGB released guidance to help governing boards be more effective:
  o Principles of Trusteeship:
    ▪ Understand Governance:
      • Respect the difference between the board’s role and the administration’s role.
        o The board is fiscally responsible for the overall success of institution but is not an operating board. The board should not be involved in the execution of the strategic plan but should be involved in the creation of it and tracking the progress of it.
    ▪ Think Strategically:
      • Focus on what matters most to the institution’s long-term sustainability.
        o Discuss tough topics and offer advice that may lead to major initiatives and changes.
        o This is a long-term conversation of three plus years and not just next year’s operating initiatives.
  o AGB Improvement Opportunities Checklist:
    o Understanding Governance:
      ▪ Respect the difference between the board’s role and the administration’s role.
    o Fiduciary:
      ▪ Honor the academic norm of shared governance, which includes the president, administration and faculty.
    o Team Member:
      ▪ Be humble and respect your partners in governance and leadership.
    o Individual:
      ▪ Provide advice and counsel but leave operational decisions to the administration.
    o Think Strategically:
      ▪ Focus on what matters most to long-term sustainability:
        o Fiduciary:
          ▪ Make decisions based on the strategy and vitality of the entire enterprise.
        o Team Member:
          ▪ Help define what constitutes success for your institutions.
        o Individual:
          ▪ Focus your personal and professional talents on significant strategic issues.
  o Fiscal Forecasting:
    ▪ Many institutions do not think in terms of multi-year fiscal forecasting. Mason does have multi-year fiscal forecasting.
    ▪ The board should be looking out at least three years and have conversations about how will finances look in three years. These conversations should not just be the traditional balance budget at the high level but also think about the net operating margin and return on investment in specific areas.
  o Clarify the Strategy and Differentiation for a Competitive Marketplace:
    ▪ Such as the mission, vision, values and the top proposed priorities.
    ▪ Have a short slogan that recalls where the university is, where the university is headed, what’s important to the university and what are the big priorities for change.
    ▪ The expectation of the board should be to understand the strategy as a starting point for having conversations.
  o Translate Priorities into a Clear Implementation Plan:
    ▪ The following framework was provided as an example: Under each priority there should be few objectives over the next three years and some key initiatives.
• Multi-Year Budgeting of Investments and Returns:
  o Multi-year budgeting of investments and returns are necessary for tracking strategic initiatives.
  o It’s fair for the board to ask how much money is being placed in the priority areas and the expected revenues. This information should be simple and clear.

• Performance Dashboard:
  o A performance dashboard can help the board track the progress of a strategic plan.
  o It is within a board’s scope to check the progress of the strategic plan. The minimum recommendation is checking the progress once a year or preferably twice a year or possibly quarterly.

• Scenario Planning:
  o COVID caused boards to be accustomed to scenario planning.
  o It is a reasonable expectation for the board to ask administration to be prepared should there be a shift in a usual process.
  o The level of state support could be an area of focus for Mason. Lobby and tell Mason’s story about the per student support discrepancy.

• Discussing Key Strategy Initiative Ideas (Mega Checklist):
  o The board should be discussing key strategy initiative ideas with the cabinet.
  o Mason has a robust strategic plan.
  o The board does not create the strategic plan nor implement it but they can make suggestions and ask questions.
  o Items for consideration/examples of strategic initiatives for change.
    ▪ Optimize Administrative Support:
      • Consolidate Purchasing
      • Outsourcing
      • Centralize/Shared Services
    ▪ Increase Academic Program Returns:
      • Measuring ROI on academic programs
      • Increase Student Retention
    ▪ Grow Resources:
      • Development Campaigns
      • Invest in Marking and Advertising
      • Collaboration with Other Universities

• A look at Mason was provided. Significant conversation ensued on this topic.
  o Great Retention Rate
  o A fanatic story of growth
  o Reviewed data, highlighting the funding issues from the state
  o High-level look at financials
  o AGB Benchmarking – Inflation Adjusted Tuition
  o Administrative Cost per Student
  o Student Service Cost per Student
  o Admissions Metrics Comparison
  o Diversity Metrics Comparison
  o Graduation Rate Comparison

Dr. Friga concluded the presentation portion of his first segment and opened the floor for discussion and questions. Significant conversation ensued.

Rector Blackman called for a break and advised the continuing education session would reconvene at 2:05 p.m.

Rector Blackman reconvened the continuing education session at 2:10 p.m.
B. Sharpening the Board’s Strategic Focus: Top Five Issue for Board Leadership

Dr. Friga began his second segment by highlighting the following items:

- **Strategic Planning Framework Priorities for Higher Education:**
  - **Profitability (Long-Term Fiscal Responsibility):**
    - Declining enrollments are on the horizon and is a top micro trend. There will be a 15% decline in college-going students over the next eight years (2025-2029). The decline impacts small to medium sized institutions the most.
  - **Purpose (Mission, Values & Vision):**
    - Changes in purpose for a higher education institution.
  - **Products (Key Offerings for A Modern World):**
    - What new products are being offered moving forward.
    - Will be a dramatically shifting landscape over the next decade. Such as, institutions are well beyond undergraduate degrees as the only offering.
  - **Partnerships (With Companies, Government & Industry)**

- **Graduates & Enrollment:**
  - Declining high school graduates and fighting for enrollments are big issues. There are fewer students available and fewer students opting out of higher education.

- **Declining Enrollments Impact:**
  - The impact of declining enrollments varies across the county.
  - Michigan saw the greatest decline in enrollments overall with at 16%.

- **Graduation Rates:**
  - One or two years of debt without a credential for a student is a terrible ROI.
  - Conversation took place on this topic.

- **The public’s trust in higher education has significantly eroded.**

- **While improving due to temporary government support, high education remains challenged.**
  - S&P global ratings continue to be negative.
  - There are staffing issues.

- **One-third of universities face an unsustainable financial future.**
  - Significant conversation took place on this topic.

- **Private and public institutions face financial deterioration at different rates.**
  - Public universities are in worse shape due to decreasing state support.
  - Private institutions are faring better.

- **In response to a survey:**
  - The largest percentage of institutions felt they are in better financial shape now than in 2019, due to funding from the American Rescue Plan.
  - Conversely, the largest percentage of institutions felt they are in worse financial shape now than in 2019, due to reduced enrollment and the decline of tuition revenue.
    - Dr. Friga’s opinion is that Mason’s tuition is low and a great value.
    - Advised to over communicate Mason’s discounted tuition rates.

- **Seeing boards be more proactive with ad hoc committees that have more board discussions like this session.**
  - Mason is a modern, innovative university, that is about real-world impact.

Dr. Friga concluded the presentation portion of his second segment and opened the floor for discussion and questions. Significant conversation ensued.

III. Adjournment
Rector Blackman called for any additional business to come before the board. Hearing none, he adjourned the session at 3:30 p.m.

Prepared by:

Sarah Hanbury
Secretary pro tem