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SUMMER 2008

SPECIAL ISSUE

SCHOOL BOARDS III

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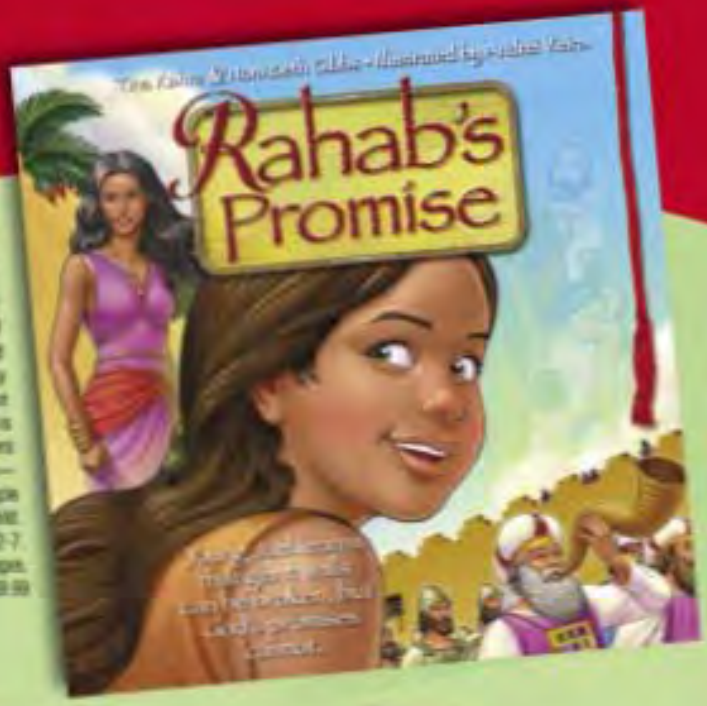

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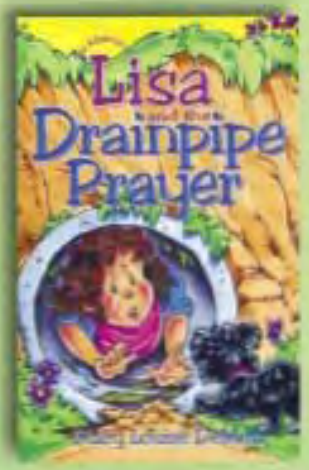

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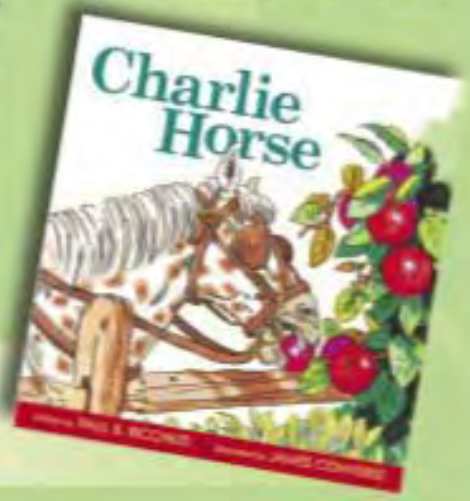

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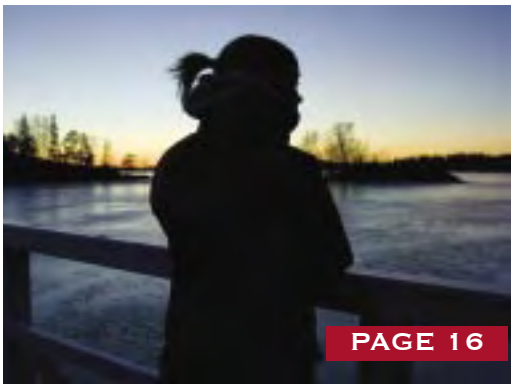

FEATURES

DEPARTMENTS

CORRECTION: The following bibliographic information for one of the dissertations cited in Gus Gregorutti's article in the December 2007/January 2008 issue was inadvertently omitted: Roesel, Paul (1983). *A Study of Selected Factors Related to Enrollment in Seventh-day Adventist K-10 Schools in Pennsylvania*. Unpublished doctoral dissertation, Loma Linda University, Loma Linda, California.

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Professional Trustees Must Demonstrate Leadership


Ed Boyatt

Professional development is a requirement for teacher recertification and an integral part of plans for ensuring quality Adventist education. The JOURNAL'S editorial staff believe that school board members also need to be included in the professional development plans of unions, conferences, and schools. This special issue is the third one in the past nine years dedicated to improving the efficiency and effectiveness of K-12 and university boards. I commend the editor for both her vision for Adventist education and her commitment to improving our schools through educating board members about the solemn responsibility of being a "trustee."

The prior issues on Boardsmanship (December 1999/January 2000 and Summer 2004) were received enthusiastically by administrators and school boards around the world. Many educational leaders continue to order additional copies of Boards I and II for their board members or to download the articles in PDF format from the JOURNAL'S Website (http://education.gc.adventist.org/jae). We hope that Boards III will likewise be used by board members to enhance their role as *trustees*. Board members are *entrusted* with the mission and the delivery of Adventist education. They must be guardians, dreamers, salesmen, recruiters, encouragers, marketers, innovators, and Christian professionals. It is our hope that this issue will help them better understand and fulfill these roles.

Here is a brief preview of the articles that follow. The issue contains provocative articles for both K-12 and college/university board members:

- In my article, I encourage K-12 board members to understand that both management and leadership skills are essential in their roles as trustees.
- In "Memo to Trustees," a college professor requests trustees to take their responsibility as seriously as he takes his.
- Attorney Charles McKinstry explains why boards must employ due process in personnel matters, and points out that treating employees fairly is in everyone's best interest.
- Richard Osborn describes the role of ex officio board members and invitees and offers practical advice on how they can be more effective.
- Karl Kime, an academy board chair, challenges the church's large boards to reorganize themselves into smaller subcommittees that report on a quarterly basis to the full board.
- Recently retired union president and board chair Thomas Mostert gives suggestions on how to be successful and survive as a board chair. His conclusion: The greatest challenge is to keep our boards mission-centered and distinctively Adventist.
- After surveying the boards of four higher educational institutions in North America, Hamlet Canosa discovers that trustees want more training and wish to devote more board time to matters of strategic importance.
- Dave Lawrence's article summarizes the "what" and the "how" of financial communication, warning that accounting jargon must be translated into everyday language.

Continued on page 51

The Challenge to Lead

BY ED BOYATT

The purpose of a school board is to govern. When boards govern, are they leading or managing? Some observers think that many Adventist K-12 school boards over-manage and under-lead. Is this a correct diagnosis of your school board? To assess the accuracy of this statement, it will help to explore some key distinctions between leading and managing.

When boards govern, are they leading or managing?

Leadership and Management

Analysis of management and leadership is a favorite topic in current organizational studies. Some experts believe that leadership and management involve the same behaviors. Others believe there is a profound difference between the two.

Our analysis begins by examining the root meanings of these two concepts. To *lead* means to go, travel, or guide. It implies movement, a venture into unexplored territory with unfamiliar destinations. A leader influences the direction and actions of a group of people.

The root of *manage* is a word meaning "hand." As James Kouzes points out, managing is about "handling" crises, maintaining order, keeping things organized and in control. By handling activities or things, one brings things about; he or she is in charge of or responsible for the completion of an activity.[1]

Thus, there is a critical difference between leadership and management. Management has to do with "handling things," while leadership means "going places."

Let's be clear at the beginning of this discussion that despite the distinction between these concepts, school administrators and boards should value and perform both functions. Without good management, an organization tends to be chaotic, things "slip through the cracks," and resources are wasted. Good management brings order and consistency to the daily operations of a school. Just as children need order and consistency at home, everyone connected to the school benefits from good management.

But leadership is also vital to an organization. Leadership sets goals and establishes a vision and a direction for the school. Leadership challenges the status quo. Leaders are not satisfied with yesterday's success. They always seek to make things and people better. Since continual improvement is the hallmark of excellence, leadership is required if positive changes are to be implemented.

This is why, according to Peter Drucker, both leadership and management are essential.[2] They both have to do with responsibility, accountability, and "getting things done." They are different, to be sure, but in the same way that the right hand is different from the left. They belong to the same body. A school will not be successful without superior performance in both areas.

School boards expect tasks completed on time and on budget. These are management tasks. Constituents expect predictability and order. But they also expect the principal and board to establish direction and to align people with the vision of the school. These are leadership tasks. Leaders motivate, inspire, and energize people.

Managers place a high premium on efficiency. They want to improve performance on tasks that are already being done. They are more interested in the "how" and the "when" than the "why." Leaders focus more on effectiveness. They want to make sure that people are doing the right thing—for the right reason. They value the "what" and the "why" of the behaviors of an organization.

Four Roles of a Board

Best-practices research and the literature agree that successful boards perform several critical roles:[3] They must establish vision, find resources to support that vision, value accountability as they assess progress toward their vision, and be a credible advocate for the schools they serve. This article will review the functions of highly successful boards to show how both leadership and management skills are essential to perform these four roles.

1. *Establishing a Vision*

As noted in earlier boardsmanship articles in this journal,[4] the school principal, along with the school board, must establish a vision or preferred future for their school. Since a quality school is always seeking ways to be more successful, effective school boards set school improvement goals each year. These goals are presented to the board by the principal, based on an annual review of the recommendations from the previous accreditation visit and input from the teachers and administrative team. This is what is required by conference offices of education and school accrediting agencies. Many schools establish a five-year plan of improvement that includes measurable goals each year.

Management has to do with "handling things," while leadership means "going places."

A dilemma for some boards is what to do if the principal does not provide these school improvement goals. This is one of the times when the board must take decisive action. That's why board members are called trustees. The school and its future are entrusted to them. If a principal functions mainly by concentrating on managerial tasks, then the board must "take the lead" and assist him or her through visioning sessions to establish a five- to 10-year plan for the school.

2. *Sufficient Resources*

After deciding on a vision or preferred future for the school, the board must find the resources to accomplish the measurable goals of that vision. For most Adventist schools, the sources of money are tuition, local church subsidy, conference subsidy, and fund raising.

Many schools have discovered that the easiest way to increase their operating revenue is by increasing enrollment. This is why school administrators and boards must demonstrate leadership in this area. Every board meeting should discuss some aspect of student recruitment. What measures can they take to make the school more attractive to Adventist students and parents as well as other Christians in the community?

Recruitment involves both luring new students to the school and retaining the ones already enrolled. While the principal and board demonstrate leadership skills in recruitment, the principal and teachers must demonstrate managerial skills in retaining the students already enrolled. Thus both leadership and management skills are necessary to meet the challenge of increasing and maintaining school resources.

Occasionally, schools have grown their enrollment without concurrently planning for the infrastructure and the availability of teachers to care for the expanding student body. Strategic growth plans must also include capital campaigns. Most Adventist schools have space for additional students and would not have an immediate need for additional infrastructure, but funds for additional teachers may be a challenge.

The board's role of ensuring sufficient resources for the school also includes establishing policies to supplement the division and union conference educational codes. These cover a number of areas, such as items to be included in the student handbook, tuition collection policies, and fees for the use of school facilities. Here again we see the importance of policy in the management of an organization. While it takes leadership skills to discover additional resources, it requires managerial skills to establish and implement policy effectively.

Since one of the board's responsibilities is to increase resources, a word should be said here about fund raising and school

Best-practices research and the literature agree that successful boards perform several critical roles: They must establish vision, find resources to support that vision, value accountability as they assess progress toward their vision, and be a credible advocate for the schools they serve.

development. Many school boards demonstrate leadership by hiring a developer whose main function is to establish contact with alumni and friends in the community in order to provide for the capital needs of the school. The board should consult with the local office of education if it feels it needs someone to perform these tasks. Most schools that hired such a developer saw the institution's future as brighter and more hopeful than if the board expected the principal or a volunteer to serve in that capacity. I challenge boards to show leadership in exploring creative approaches to fund-raising.

3. *Accountability for Progress*

Another major function of the board is to assess progress toward school improvement goals. This ensures accountability to parents, the constituency, the conference, and accrediting agencies. The principal and conference office of education oversee many of these essential assessments. This includes standardized achievement testing and annual evaluations of school employees. Most conferences and principals perform this management function in a professional manner.

School boards should ensure the timely completion of these managerial tasks, but should generally delegate them to school administration. Superintendents generally ask the board to assist in their assessment of the principal's performance, but not in the evaluation of the teachers and staff. If a teacher complains to a board member about his or her evaluation, it is not the role of the board to question the principal's assessment or do its own investigation. The board should request that the superintendent perform an additional evaluation so as to have a second opinion to verify the work of the principal.

Another area where boards and principals show leadership is exploring how to ensure progress on school improvement goals. Annual surveys of parent and student satisfaction can provide valuable information and suggest areas for improvement. Schools should also regularly assess the spiritual climate on campus. The short form of the Valuegenesis Survey is an excellent tool which, if conducted on a regular basis, provides a longitudinal spiritual profile.[5] School boards must demonstrate leadership in achieving this major goal of Adventist education.

4. *Advocate for Adventist Education*

Boards need to take the lead in designing bold initiatives that share the school's story with the constituency and community. The distinction between managing and leading is obvious in this important area of board and school administration. However, most boards would receive a below-average grade on this function. I challenge boards to dream big in this area. Some of those dreams may require additional revenue, but no better investment could be made to grow your school and ensure that members' children are enrolled in Adventist education. Are board members, principals, and teachers reporting to local congregations and church boards the good news from your school? The more widely shared the good news of Adventist education, the more likely parents will value a Christian education for their children. Boards need to find creative ways to take the initiative and demonstrate leadership in this essential role.

School board, Malamulo Secondary School, Malawi.

School board, Conejo Adventist Elementary School, Newbury Park, California.

Both leadership and management skills are essential to fulfill the four roles listed above, which are fundamental for effective school boards. They are the what, the how, the how well, and the marketing of Adventist education. Establishing a vision of a preferred future is the *what*; ensuring an organizational structure to support the vision is the *how*; assessing the progress of the school programs that ensures accountability is the *how well*; and the communication of the importance of our youth and Adventist education to meet their needs is the *marketing* role of each board member.

Both the school board and principal must demonstrate leadership in these essential functions to ensure the development of a quality school.

Valuegenesis²

A Study of the Influence of Family, Church, and School on the Formation of Faith in Seventh-day Adventists

- This project will help church leaders and teachers learn how to strengthen Adventist education and to better understand spiritual values among Adventists. **You are one of those selected to take part, and your cooperation is very important.** We appreciate your help in this survey.
- What you say in this survey is anonymous and confidential. No one will ever be able to connect your answers to your name. We do not ask for your name, and there are no secret codes that can identify you by name.
- When you have finished the survey, it will be placed in an envelope and sealed. It will be opened at the Hancock Center for Youth and Family Ministry, and your answers will be combined with those of many others. After that, the surveys will be destroyed. No one at your church or school will ever see your answers.
- Please answer ALL questions as honestly as possible. Do not ask anyone else how they think you should answer. We want to know **YOUR** feelings, **YOUR** beliefs, **YOUR** opinions.
- Do not spend much time on any one question. Answer each question as seems best, then move quickly to the next one.
- And, **thank you for helping us.**

A Call to Self-Evaluation

Since assessment and accountability are important functions of the board, the members should find ways to evaluate their own effectiveness. In their eagerness to assess student progress and personnel, boards often neglect to evaluate their own work. Referring to the areas highlighted by this article, it would be wise to assess the board's deliberations to determine how much time is spent on management and leadership functions. Such an audit can produce large dividends.

School administrators are hired to both manage and lead in the affairs of the school. Principals are accountable for both managerial and leadership skills. Shouldn't boards be held to the same high standard?

A board self-evaluation can be as simple as asking the following questions:

1. What are our strengths? What is our board doing right?
2. What improvements can we make to become a better board? How can we improve our effectiveness and efficiency?
3. Is the board agenda filled with management or leadership issues? Does the board continually seek to improve its efforts? Or is the board expecting different results while conducting business as usual?

Some Final Thoughts on Leadership

A title does not make a leader. Just because a person has the title of principal or board chair does not guarantee that he or she will act like a leader. Some leadership skills are innate while others can be nurtured and developed. An effective leader needs vision, the ability to motivate people, empathy, the willingness to listen, a strong moral compass, the ability to collaborate to achieve shared goals, and the determination to earn the respect of the team. Hopefully people with a heart and skills for leadership will be elected or appointed to positions of leadership, for most are not born with these skills.

By definition, leadership is a journey and a process, not a position. Effective leaders do not need a title to connect with people and share a vision that inspires them to act. This may be the reason that in many cases, the most powerful or influential person on the board is not the chair or principal. Influence comes with wisdom, vision, and the ability to communicate and inspire—not with position.

It takes a team. It is a grave misconception to think that leadership is a solo act. Leaders and followers engage in the act of leadership together. It isn't "I"; it is "we." True, a leader is the catalyst and cheerleader, but significant accomplishments are the result of a committed team working collaboratively to achieve a shared vision.

Persuade, don't command. Good managers and leaders both listen and use persuasive means for convincing followers. Good leaders know that the group with which they work needs to take ownership of the vision. This is best achieved through persuasion and participation in shaping the vision. Intrinsic and internal motivation always work better than extrinsic and external control.[6] Micromanagement and coercion rarely foster the relationships and climate that produce collegiality and collaboration. Leaders tend to empower the team rather than trying to command and control them. A leader looks for commitment, not compliance. Persuasion always wins out over commanding.[7]

Optimism about the future. Leaders are never satisfied with the present, for they envision a better future. This preoccupation with the future distinguishes a leader

If a principal functions mainly by concentrating on managerial tasks, then the board must "take the lead" and assist him or her through visioning sessions to establish a five- to 10-year plan for the school.

from a manager. An individual may be a person of integrity who takes initiative and demonstrates the courage of his or her convictions; but these are not sufficient to make a leader. A leader is deeply dissatisfied with the status quo and restless for change. According to Marcus Buckingham, optimism is the essence of leadership. To be effective, a leader must be unfailingly, unrealistically, even irrationally optimistic.[8] "This school will become better" is the slogan of a school board that demonstrates leadership . . . followed by "We will do whatever is necessary to accomplish this goal!"

Summary

School boards and administrators require both leadership and management skills. The principals and teachers hired must be strong in both domains. But of the two sets of skills, leadership is the greater need. Most school administrators score above average in management skills, while falling short in the leadership area. It's much easier (and may seem more urgent) to keep busy "putting out the fires" while failing to investigate why so many are occurring—or to plan adequate measures for prevention!

Churches and schools must find board members and administrators who are passionate about school improvement and optimistic about the future. Leaders are needed who will dream big dreams and possess bold visions. This is what students deserve, parents expect, and what will gain God's blessing. ✐

Dr. Ed Boyatt, *Coordinator for this special issue on school boards, is Professor of Education at La Sierra University in Riverside, California, and Dean of the School of Education. He has served as a pastor, secondary teacher, academy principal, college dean of students, union associate director of education, and superintendent of schools.*

An effective leader needs vision, the ability to motivate people, empathy, the willingness to listen, a strong moral compass, the ability to collaborate to achieve shared goals, and the determination to earn the respect of the team.

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2. Stephen Covey, *The 8th Habit: From Effectiveness to Greatness* (New York: Free Press, 2004), pp. 360-364.
3. Sherry Loofbourrow, *Boardsmanship: Maximizing School Board Leadership* (West Sacramento, Calif.: California School Board Association, 1996), p. 10.
4. Ed Boyatt, "The Principal as Board Officer," *Journal of Adventist Education* 66:5 (Summer 2004), pp. 10-14.
5. Learn more about this survey at the Hancock Center Website at http://www.lasierra.edu/centers/hcym.
6. Kelly Bock and Brad Greene, "Lead-Management vs. Boss-Management," *Journal of Adventist Education* 69:3 (February/March 2007), pp. 16-21.
7. William Glasser, *The Control Theory Manager* (New York: Harper Business, 1994).
8. Marcus Buckingham, *The One Thing You Need to Know* (New York: Free Press, 2005).

Additional Resources

Board members should ask their principal or superintendent for information on effective boardsmanship. Most union offices of education have produced guidelines for boards in their territory. The con-

ference superintendent should also have access to the excellent PowerPoint presentations produced in the North Pacific Union, and can refer to the North American Division Website for additional resources: http://www.nadeducation.org.

The National School Boards Association conducts regional and national conferences on boardsmanship, and publishes the *American School Board Journal.* Check it out at http://www.asbj.com.

Many states have a school board association that conducts board member institutes and publishes a journal or newsletter. After you find the association in your state or country, I suggest you check out the California School Boards Association Website at http://www.csba.org.

Ralph G. Lewis and Douglas H. Smith, *Total Quality in Higher Education* (Delray Beach, Fla.: St. Lucie Press, 1994).

John M. Bryson, *Strategic Planning for Public and Nonprofit Organizations* (San Francisco: Jossey-Bass, 1995).

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Boards I and II articles from the December 1999/January 2000 and Summer 2004 issues of the JOURNAL OF ADVENTIST EDUCATION are available in PDF format on the JOURNAL Website: http://education.gc.adventist.org/jae.

Many of the world divisions have developed boards handbooks. Contact yours for further information.

Responsibilities of a College/University Board of Trustees

1. To understand and clarify the mission of the school, making sure the philosophy and goals of the Seventh-day Adventist Church are being met.
2. To review educational and public-service programs to ensure that they are mission-driven; and to approve new degrees and programs.
3. To approve long-range plans (including purchase and sale of property) and engage in strategic planning.
4. To appoint, support, and assess the performance of the president.
5. To ensure the well-being of faculty, students, and staff.
6. To ensure strong administrative and financial management.
7. To hold the college/university in trust for the church.
8. To interpret the campus to the community.
9. To interpret the needs of society and the church to the campus.
10. To occasionally serve as a court of appeal.
11. To assess their own performance, and make modifications as required.
12. To preserve institutional independence in harmony with the policies and goals of the sponsoring organization.
13. To contribute to the school in two or more of the following areas: money, time, talent, and expertise.

Adapted from *Perspectives on Trusteeship: Board Responsibilities in Private Colleges and Universities* (Washington, D.C.: Association of Governing Boards of Universities and Colleges, 1991); John W. Nason, "Trustee Responsibilities" (Washington, D.C.: Association of Governing Boards of Universities and Colleges, 1980); Humberto Rasi editorial, *Journal of Adventist Education* (December 1999/January 2000), p. 3; and with thanks to Gerry Karst, Richard Osborn, Larry Blackmer, Hamlet Canosa, and Ed Boyatt for their input.

Responsibilities of a K-12 School Board

1. To clarify and help implement the mission of the school
2. To work with the conference to find a good principal and teachers.
3. To support the principal.
4. To engage in long-range planning, and approve such plans.
5. To approve the educational program.
6. To ensure financial solvency.
7. To work closely with the principal and the conference in the employment and termination of teachers and staff as outlined in written employment policies.
8. To maintain the physical plant.
9. To enhance the school's public image and help recruit students.
10. To serve as a court of appeal.
11. To stay informed.
12. To contribute to the school in two or more of the following areas: money, time, talent, and expertise.
13. To assess their own performance.

Code of Ethics for Board Members (all levels)

1. To uphold and help enforce denominational policies pertaining to education, and to see that changes are brought about only through appropriate and ethical procedures.
2. To make decisions predicated upon the welfare of staff and students, and that meet the needs of all children enrolled in the school, regardless of their ability, race, sex, or social standing.
3. To confine themselves to policy-making, planning, and appraisal, and to frame policies only after consideration of their potential effects.
4. To support the chief office of the school and the staff while not interfering with the administration of the school.
5. To make no personal commitments nor take any private action that might compromise the integrity of the board or damage the reputation of the school or church.
6. To conduct all aspects of the board's responsibilities in an ethical manner and not use their position or influence in a way that would expose the school or the board to liability or scandal.
7. To maintain confidentiality on all matters discussed by the board in session.
8. To refer all complaints to the president or principal and follow the church's established grievance procedures in major disputes.
9. To support the school program by regularly attending board meetings, religious services, and other school-related functions.
10. To resist pressure by various groups that seek to implement changes in school policy that match their philosophy, that benefit them financially, or that do not conform to church doctrine and policy. ✐

Adapted from the Columbia Union Conference School Board Member Code of Ethics, provided courtesy of Hamlet Canosa.

MEMORANDUM

To: A (present or future) trustee
From: A member of the college/university faculty*
Subject: What I (and my colleagues) need for you to do

As a faculty member, I have a vested interest in the way you function on the board of trustees. To me, you are more than just a "member of the board"; you are a trustee, a person entrusted with the future of the whole educational endeavor on this campus. Your reasoning, judgment, and decisions are important factors in my professional and personal future. I use the first-person singular because, although I believe I represent the attitudes and feelings of many of my colleagues, they haven't authorized me to be their spokesperson and don't know I'm writing this memo.

Unfortunately, I'm not certain that all our trustees are aware of the nature and magnitude of their responsibility. As I understand the process, you and the others get together, usually on campus, for a day or two several times a year. You meet for a few hours in subcommittees—finance, personnel, student life, etc. Then you convene as the full board and listen to reports and presentations, address budget issues, discuss faculty appointments, and approve (or don't approve) recommendations from our administration. Then you disperse. As a rule I don't see you, and you don't see me.

While in a sense trustees and faculty are "all in this together," the relationship is far from symmetrical. How you trustees think and what you decide about what happens on the campus matters a great deal to me because my professional life is centered here. What you do as a trustee affects my working conditions, my enthusiasm, my effectiveness as a teacher, my productivity as a scholar, and my overall well-being as a person. No matter how seriously you take your role, what you do as a trustee is even more important to me than it is to you. I don't affect you in anything like the same way. What I do as a faculty member may gratify, surprise, puzzle, or disappoint you, but I don't make much overall difference in your life.

Because of this asymmetry, I've decided to presume on your patience and share with you my perspective on your role as a trustee, and ways you can fulfill this role in order to be most helpful to the campus and to me personally. I will put my convictions in the form of seven things I as a faculty member need for you to do as a trustee.

1. Understand the nature and scope of our educational enterprise.

This means knowing the various kinds of things that happen here, including how my colleagues and I spend our time. In your scheduled meetings you can't possibly learn all you need to know, so you have to spend time on the campus.

You can walk around, visit departments, talk to administrators and faculty in our offices, sit in on some of our large lecture classes and small seminar discussions, observe lab sessions, and maybe even go on a field trip. I would welcome a chance to tell you what I do and why I love doing it, how I am trying to get my students excited about learning, what my favorite subjects are, what kind of research I'm doing, and what sort of dreams I have for the future.

You have to listen to our students on the campus and in the dining halls, and maybe stay overnight in one of the residence halls. (You might plan to come a day early for one of the scheduled board sessions. After recovering from their amazement at this unusual request, the administrative staff would be delighted to make the necessary arrangements.)

Another thing you have to do is read. You have to read all that material you get from the president's office before you come to board meetings. You have to read the introductory sections of the academic bulletin(s) and get familiar with the rest, so you can have some idea of the nature and scope of the educational operation entrusted to your care. Since we're in an era of assessment in higher education, I'm tempted to suggest that once in a while you should take a quiz on these materials!

Of course, all this is going to involve lots of time. But how else are you going to know who the faculty and students are and what we're doing here? And if you don't know us and what makes us tick, how can you make the best decisions for our future, for my future?

2. Be a cheerleader for the work my colleagues and I are trying to do.

Although I sometimes object to the paternalistic and condescending attitude of some trustees I've known, there's a certain usefulness in thinking of our relationship as analogous to that of a huge—my students would say "humungous"—family. It's a three-generation campus family of parents, adult children, and young-adult grandchildren. We'd all agree that it would be highly improper for grandparents to complain publicly about their children or grandchildren.

But once upon a time I knew a trustee who went throughout the constituency telling people what terrible things were happening on the campus, and then came back and reported with great seriousness that the church members didn't have much confidence in the place. If there were such a thing as "trustee malpractice," that behavior would certainly qualify. If you can't be a cheerleader for the campus and its work, you can't be a good trustee, and you should invest your time in a place or project you *can* cheer for.

This is not to say you shouldn't think critically about the work we're doing here. All families, including healthy ones, have dysfunctional aspects. No place is perfect, and I know this campus isn't. My colleagues and I need, and at least in our better moments actually want, the benefit of your informed and thoughtful feedback. We want to know what you think and what you hear, and what you think about what you hear. But please, when something causes you concern, when you hear of a situation where someone here has messed up and ought to do better in the future, talk to us, not about us. If you don't feel comfortable talking to one of us personally, talk to our president, who'll get the word to someone who can try to fix the problem.

3. Respect me professionally.

For most members of the faculty, this institution is not the employer of last resort. In fact, there is an ongoing interchange of personnel not only between this campus and other Adventist campuses, but also between this place and comparable public institutions. Given the difference in pay, the surprising thing is that talented, experienced people

leave more lucrative positions to come to work here. At the same time, some of us have worked here and/or on other Adventist campuses for our entire careers because we believe in the mission of places like this and want to be part of it.

To invoke the parental analogy again, we all know that parents of adult children do not relate to their offspring as "children" who need instruction and discipline. Indeed, the parents of adult children often need the children more than the children need the parents; wise parents recognize this and function accordingly. The analogy is obvious. While administrators, trustees, and students are all essential in an endeavor like this, it is the faculty who are most responsible for the teaching, research, and service that are the primary tasks of higher education. We typically stay here longer than do our students, and—like our administrators—we have invested more of ourselves than our trustees can.

4. Rise above any conflict of interest.

Because being a trustee is not a full-time, paid position, you necessarily have other commitments, which may not always be compatible with the best interests of this campus. This is the case especially if you're professionally connected to another church or educational institution. But when you participate in a meeting of our board of trustees or one of its committees, or in any other way function as a trustee, your first loyalty has to be to this place and its mission. This is a matter of personal integrity.

Once upon another time, I encountered a trustee of a General Conference-affiliated university and asked how he understood his function. Without any hesitation he answered, "Protecting the interests of my union conference." I thought at the time, and am now more convinced than ever, that he was simply not able to function with integrity as a trustee.

Whatever your other personal and professional responsibilities, loyalties, and commitments (all of which I expect you to have), when you are meeting with our board of trustees, and at any other time when you are functioning as a trustee, your primary responsibility is—and so your primary loyalty and commitment must be—to the fulfillment of the mission of this campus. No other stance is ethically acceptable.

5. Think broadly and strategically.

At meetings of the trustees, you and the others have to spend much of your time addressing immediate challenges, principally related to matters of budget and personnel, and sometimes academic programs or curriculum ideas. But you need to think also about the long-term future (if any) of Adventist higher education in general and this campus in particular.

The parenthetical "if any" may disturb you, especially when you discover that it's not just a rhetorical ploy to make sure you're still paying attention. I want you to be disturbed because this issue is as crucial as it is unrecognized. As the cost of higher education increases at something like twice the rate of the general cost of living, we all need to address the question whether Adventist higher education will continue to be economically viable or will sooner or later "price itself out of the market." How long will Adventist families believe the product is worth the cost?

An accreditation team visiting our campus once asked, "Why are you here? What are you doing that can't be done just as well by the neighboring community colleges and state university?" Contrary to a common Adventist assumption, the team's concern was not that we were too different from secular campuses, public and private, but that we were not different enough to justify our existence. What makes Adventist higher education authentically and irreducibly Adventist? It must be something far more profound than having Adventist teachers and staff, recruiting mostly Adventist students, and requiring that students take

courses in religion and attend scheduled religious services. All these may be necessary components, but Adventist education must also entail the intelligent and effective incorporation of Adventist values into courses throughout our various curricula.

Ellen White's great axiom, "Higher than the highest human thought can reach is God's ideal for His children" (*Education*, p. 18). is often quoted but seldom applied to academic standards. Although no one dares to say so openly, the reality is that current Adventist higher education is designed primarily for average and marginal students. As one of my senior colleagues observed sadly but for the most part accurately, "Adventist higher education talks quality and practices mediocrity."

I wonder about the implications of another Ellen White conviction as well: "God requires the training of the mental faculties. He designs that His servants shall possess more intelligence and clearer discernment than the worldling, and He is displeased with those who are too careless or too indolent to become efficient, well-informed workers. If placed under the control of His Spirit, the more thoroughly the intellect is cultivated, the more effectively it can be used in the service of God" (*Christ's Object Lessons*, p. 333).

If we in Adventist higher education take this advice seriously, we have our own ethical choice to make: Do we urge the most intellectually gifted Adventist students to settle for an academically second-rate education on an Adventist campus, or do we encourage them to go to some other campus where the intellect can be cultivated "more thoroughly" and thus result in "more intelligence and clearer discernment"?

The present situation on Adventist campuses forces too many of the most capable Adventist students to choose between academically excellent education and Adventist education. Should providing excellent education for the best-equipped Adventists students be an explicit part of the mission of some Adventist campuses? Is this not merely a strategic option but the fulfillment of an Adventist obligation to these students and to the Adventist future?

Evidently not everybody thinks so. After I gave a presentation about forthcoming curriculum changes on our campus at a meeting of Adventist secondary-school administrators, a principal came to me with this advice: "You shouldn't worry about the best students. You've already lost them. Your job is to provide a college education for Adventist students who can't get in anywhere else." Is it significant that he didn't say "*We've* already lost them"?

6. Ask whether Adventist colleges and universities should try to be alike.

Can any college or university campus—public or private, secular or religious—meet the needs of the entire range of students who seek an Adventist education? Apart from our location, should we be different from other Adventist campuses? Or should every campus be (or try to be) the "right" place for every Adventist student? Should prospective students have reasons other than geography and social relationships for choosing a particular Adventist campus?

A team of consultants on our campus once asked, "What kind of Adventist students should not come here?" This came as a surprising question. Most of us had supposed that "here" was the right place for every Adventist college student in the United States! But could the consultants' question be a good one? If so, I hope you and our other trustees will press the question, "What are we doing, and what should we be doing here that can't be done or isn't being done just as well on other Adventist campuses? Should we be specializing in certain academic areas (like architecture at Andrews University or engineering at Walla Walla University)? If so, which areas? And why? Should we be trying to attract certain kinds of students? If so, which students? And why?"

7. Finally, be hopefully realistic.

Or perhaps I should say "be realistically hopeful." No matter. My point is that, to adapt an old line from the philosopher Immanuel Kant, hope without realism is empty, and realism without hope is blind. Hope sees the possibilities of the future; realism takes seriously the facts of the present. Hope is the motivation of our commitment; realism is the justification for "putting our money where our mouth is"—for us faculty members continuing to invest our lives, and for Adventist families and constituencies continuing to invest hundreds of millions of dollars in higher education.

I realize that all this constitutes a tall order. And I know you don't get paid for the time and effort you invest several days a year as a trustee. If you're an ex officio trustee, it's one more responsibility in an already over-filled role in the church; if you are an elected trustee, it's purely a labor of love. In either case, my colleagues and I want you to know that we appreciate your investment.

On the other hand, if you don't have the interest, time, and energy to take on this responsibility, you have no moral obligation to do so. If for whatever reason you can't make the necessary commitment, I hope you excuse yourself from the responsibility of trusteeship and let it be filled by someone else. If your position as a trustee is ex officio rather than elective, such a move may be awkward; but in that case you have to make a moral choice: either you reorder your other responsibilities and priorities to allow you to fill your role as trustee properly, or you sacrifice your integrity.

You may suppose that I'm exaggerating, and maybe I am. But I don't think so. As I said, it's my professional and personal existence that you deal with and affect. As long as I work here, I'm committed to giving this place my very best efforts, and I need you to take your responsibility just as seriously. ✐

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* For some years, the author has been involved in teaching, administration, and research on three Adventist campuses in North America.

THE FIRING OF MARY MEDIOCRE

THE CASE FOR DUE PROCESS AT THE SCHOOL BOARD

BY CHARLES MCKINSTRY

Mary Mediocre[1] has had a 20-year career at several Adventist elementary schools. For the past four years, she had taught grades 4-6 at Valley Adventist School, a three-teacher school, but last spring, her contract was not renewed. She was not dismissed because she lacked specific teaching skills, although parents had expressed dissatisfaction with some of her practices. She lost her job primarily because she did not relate well with others. Parents complained that Mary was gruff and unapproachable, and the other teachers regarded her as unfriendly. Last school year was particularly difficult as Mary had trouble relating with her students, some of whom told their parents they were afraid of her.

As the year progressed, the mothers of several of Mary's students became increasingly concerned. As they began to share their complaints on the telephone and at parent-teacher meetings, their dissatisfaction intensified. By the time they approached the board chairperson, they had decided that personnel changes were necessary. It was February, and staffing decisions for the next school year would need to be made soon. The board chair invited three of the dissatisfied parents to attend the next board meeting. They provided specific examples that they felt illustrated Mary's failures.

After a lengthy discussion, the board voted not to renew Mary's contract for the following year. No one notified Mary about the board's decision. She heard about it through the grapevine and angrily called the board chair. After being told that a final decision had been made, she began to gather support from her friends and other parents. Soon, the community was split into opposing camps.

Mary demanded to speak to the school board. The board chair reluctantly agreed to let her attend the next meeting. There was no conference representative at the meeting because no one had notified the educational superintendent about this agenda item.

Before Mary was allowed to enter the board room, the chair briefed the members about the situation, advising that they listen to Mary but not interact with her. Mary had brought nine supporters. The chair, not knowing what to do with so many people, at first tried to limit the number allowed to accompany her, but eventually let them in.

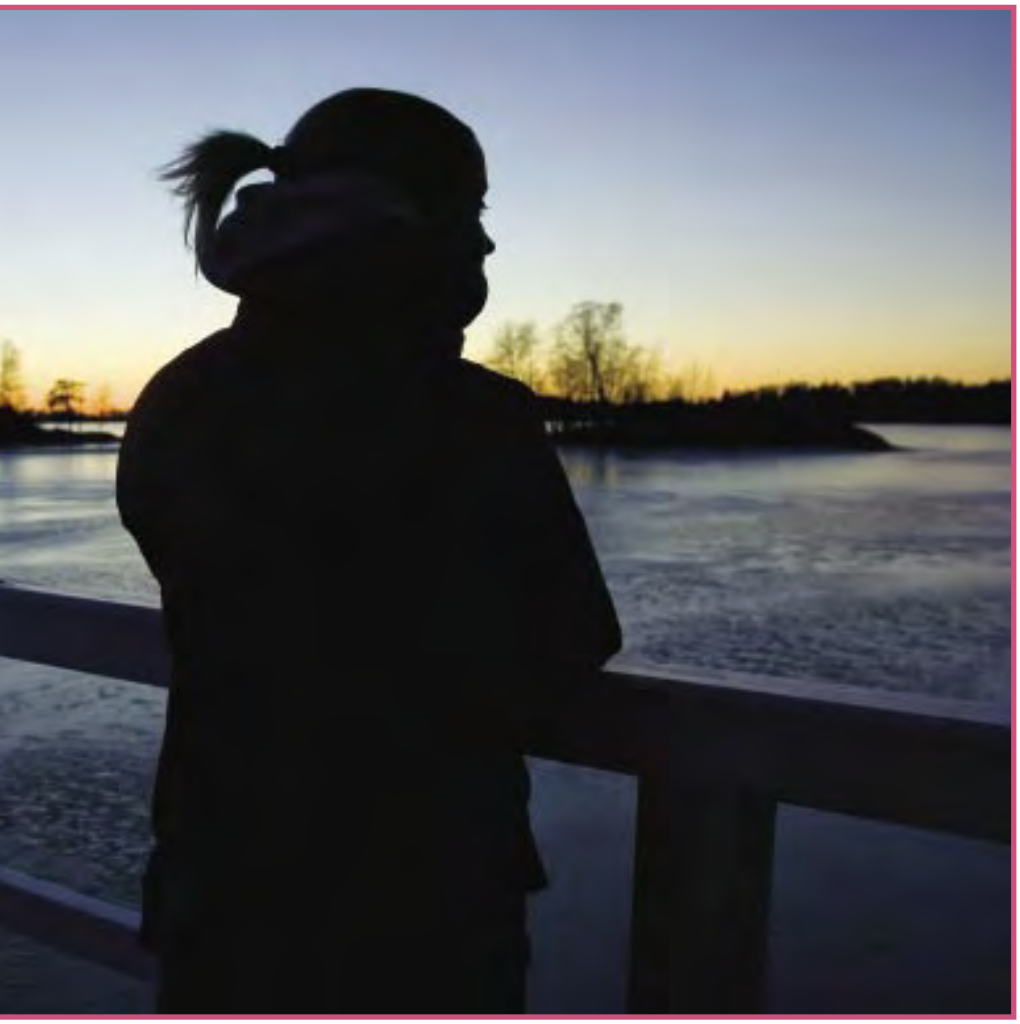
In a lengthy and rambling presentation, Mary unloaded her frustrations. At one point, she waved several sheets of paper, claiming they were her last three evaluations and that they had all been positive. Mary made veiled threats about legal action if the board did not continue her employment. The board listened silently. Eventually Mary finished, after which her supporters demanded to address the board. Confused, the board chair asked them to limit their comments to three minutes each, a request they ignored. After three hours, Mary and her supporters finally left.

In the subsequent discussion, alarmed board members sought ways to fend off this attack. One of the concerned mothers was also a board member, who continued her accusations with several new stories. Another board member asked about Mary's evaluations, but neither the board chair nor the teaching principal had reviewed them.

About midnight, after two hours of discussion, the board voted to ratify the earlier action not to renew Mary's contract. They did so without consulting the school's lone dusty and outdated copy of the union education code.

Sound familiar? This hypothetical story illustrates a common, if perhaps a bit exaggerated, example of board incompetence.

Due process is a legal concept embedded in the United States Constitution, as well as the laws of many other nations. It is based on the idea that fair procedures should be instituted before removing or altering the rights of an individual.



The Due Process Concept

Due process[2] is a legal concept embedded in the United States Constitution, as well as the laws of many other nations. It is based on the idea that fair procedures should be instituted before removing or altering the rights of an individual.[3] Due process is a continuum of procedures, not an immutable list. The specific procedures vary according to seriousness of the interests at stake. The process that must be used to convict a person of violating a parking ordinance are much different than what is required before sentencing a person to death for murder.

The United States Supreme Court in a landmark case entitled *Goss v. Lopez*[4] ruled that public schools must provide the core requirements of due process, i.e., notice and hearing, before suspending students from school. *Notice* means that the person must be told what he or she is accused of; while a *hearing* means the person has the right to hear the evidence presented to the decision maker(s) and to give his or her side of the story. In the academic setting, the discipline or termination of a teacher would require the following due process elements:

1. Following the written policies of the union education code.

2. Notice to the employee, which includes:

a. The action being considered.

b. A summary of the facts supporting the action.

c. Providing the employee access in advance to relevant records and written evidence, including his or her personnel folder.

d. Advising the employee of the procedures to be used at the hearing, including his or her right to attend and present evidence.

e. Allowing the employee adequate time to prepare for the hearing.

3. A hearing by either the personnel committee or school board, which includes:

a. The superintendent or his or her associate chairs the hearing.

b. The employee is present while all the evidence is presented.

c. The employee is allowed to ask questions.

d. The employee is allowed to present evidence, including witnesses.

e. The employee can give his or her side of the story.

f. Non-committee members are excluded. Witnesses are present while they are presenting evidence.

g. The decision is made by unbiased members based on the evidence presented at the hearing. Board member(s) involved in the complaint must disqualify themselves from the deliberation process and from voting.

4. An appeal process to a higher body that allows review rather than simply repeating the hearing.

Putting Due Process Into Practice

Any time an employment status change is being considered, the superintendent or associate must be involved. Notice should given in writing, stating what action is being considered and why. This letter should be written by the superintendent or his or her associate. Using our example above, Mary's notice would look like this:

Dear Mary:

On March 12, the personnel committee of the school board will review your re-employment for next year. At the last meeting, concerns were raised about your ability to relate well with others. Specifically, it was alleged that (1) you lack warmth toward the students, (2) some students are afraid of you; and (3) some parents believe you are gruff and unapproachable. We listened long enough to realize that this constitutes a serious issue. At that point, we voted to invite you to attend a meeting of the board that will address these issues.

The meeting will be held at 6:30 p.m., January 17, two weeks from now, in the library. We invite you to be present at this hearing so you can participate. You will be allowed to listen to the specific concerns and to ask questions of those who are testifying. After the concerns have been presented, you will be given an opportunity to explain things from your perspective.

Because the school board may consider recommending that the conference end Mary's employment, other due process protections should be used. Mary must be allowed to participate in a meaningful way in the process. The committee must obtain accurate and balanced information before making a decision. Mary should have prior access to all information to be presented so she can prepare. This would include, for instance, letters or summaries of complaints (if such exist), access to her personnel file (including prior evaluations), and records of prior problems (if any). She should be given a copy of the sections of the education code governing the hearing and change in employment status.

In the letter giving notice to Mary, a summary of this information might look like this:

Because there is the possibility that this could lead to a change in your status as a teacher such as probation or non-renewal of your contract for next year, we want you to have ample opportunity to prepare for the meeting. The teaching principal has your personnel file, which you may review by arranging a time to look through it. We have received two letters of complaint, copies of which are included with this letter.

Even though you already have these policies in your teacher handbook, I am enclosing a copy of the _____ Union Conference Education Code sections that talk about status changes and hearings. Please note that the final decision is made by the conference board of education, not the school board. If there is other specific information that you need, please request it from me.

Tom Fairworthy
Principal, Valley Adventist School

At the hearing, Mary should be allowed to present evidence. In addition to telling her side of the story, she should be allowed to bring people who have specific knowledge about the concerns. If, for instance, Mrs. Smith regularly volunteers as an aide in Mary's classroom, Mary could ask her to come to the hearing. This is not the same as bringing friends who do not have information about the specific concerns. A hearing could easily turn into a parade of persons for and against the individual, which is not its purpose. The notice to Mary should describe this also.

At the hearing, you will be present when any evidence is given regarding your employment. You will be allowed to ask questions and given time to present your side of the story. If there are people you believe have relevant information about these issues, you may ask them to speak to the committee. These persons should have specific knowledge about the issues to be discussed, not just individuals who want to advise the committee what it should do. They will be invited in at the appropriate time. Please call me by the 15th to confirm that you plan to attend. At that time, we can discuss how the meeting will proceed. I plan to be present and to chair the meeting.

Employment decisions are made by the conference board of education after reviewing recommendations from the local school board. The conference superintendent or his or her associ-

ate must be present at any school meeting where employment recommendations are made.

Conducting the Hearing

Planning the hearing requires the balancing of competing interests. The chair must ensure due process procedures for the employee while keeping the meeting focused on obtaining evidence, not just the polarized opinions of supporters and detractors. The committee may set reasonable guidelines for the meeting, including time limits. The hearing should be chaired by the conference superintendent or his or her associate.

A summary of a hearing might look like this:

1. The chair arranges for Mary and any witnesses to remain in a private room until the meeting begins. When a quorum is present, the chair briefly informs them of the agenda. They do not discuss the evidence at this time.

2. The chair announces that the hearing has begun, and Mary is invited into the meeting. Only members of the committee are allowed to be present. If others have come to address the personnel committee, they must wait in another area until called.

3. The chair confirms that Mary has received the letter giving notice of the hearing and explaining due process protections.

4. The chair summarizes the procedure to be used for the meeting.

5. The person who has been designated to present the evidence against Mary is asked by the chair to speak first. In schools with a principal, this is the principal. In schools without a principal, it can be another board member. This person describes the complaints and concerns that have arisen, being careful to be as factual as possible. Witnesses, if any, are called in, one at a time. No documents are presented that Mary has not reviewed in advance.

6. After each presentation, Mary is given a chance to ask questions. The committee members may also ask questions.

7. After all the evidence has been presented, Mary is allowed to present evidence and to speak on her own behalf.

8. After all the evidence has been given and Mary has addressed the committee, she is dismissed from the room. *No additional evidence may be presented in Mary's absence.* The committee discusses all the evidence and reaches a recommendation regarding Mary's employment.

9. Mary is told orally of the decision of the committee by the chair after which a letter is sent to her summarizing the decision and explaining the procedure for appeal. The chair reminds the members that board deliberations and actions are not to be discussed outside of the meeting room.

If the committee recommends a status change, the recommendation of the personnel committee must be presented to the school board and then forwarded to the conference board of education. A second hearing is not necessary by the school board. Repeating the hearing undermines the work of the smaller committee and may produce confusion. In schools where the board is small or is inclined to revisit all decisions, the original hearing should be scheduled at the school board meeting.

If the school board votes a change in a teacher's status, the education code provisions regarding review by the conference board of education should be followed. Only the conference board of education has the jurisdiction to make final employment decisions. Ideally, the union education code clearly delineates the role of the conference in such cases. The review by the board of education should not be a repeat of the original hearing. The board of education should review the process followed by the school to ensure that it was fair and that proper procedures were followed.

The board of education should review a summary of the evidence to ensure that there is substantial evidence to support the decision. The review should ensure that the vote complies with the education code provisions regarding an employment status change. It should also consider whether the decision was made in an unbiased manner or as the result of pressure. If the decision passes these tests, the conference board of education should approve the recommendation of the local school board. The conference board of education should guard against substituting its judgment for that of the local board, which listened to live testimony.

In Summary

Treating teachers fairly is in everyone's best interest. By using appropriate procedures, the school board is more likely to get accurate and complete information, and thus to arrive at a good decision. The procedures help protect against a poorly informed judgment in the heat of emotion. If the decision goes against the teacher, he or she may not like the outcome but appreciate receiving a fair hearing. Fair-minded onlookers will appreciate the careful process and hopefully give the school the benefit of the doubt. Employee morale is enhanced because teachers know they are protected against unfounded and precipitous board actions. If the issue ends up in litigation, the school is in a much stronger position because of having followed due process procedures. Most important of all, in its decision making, the school has met the higher demands of the law of righteousness. ✐

Charles McKinstry *is an attorney who has spent 34 years in the church's educational system, including 17 years as a conference superintendent of education. Currently he serves as General Counsel for the Southeastern California Conference of Seventh-day Adventists in Riverside, California, and teaches school law at La Sierra University, also in Riverside.*

NOTES AND REFERENCES

1. The scenario and people named in this article are fictional. It is based on the laws of the U.S. School boards in other countries should consult legal advice and local laws to determine how to proceed.

2. Due process is required before government can take a person's life, liberty, or property according to the fifth and 14th amendments to the U.S. Constitution.

3. As a technical matter, due process applies to the actions of government, not private individuals or businesses. As a practical matter, employees are employed by contract. Contracts contain an implied covenant of good faith and fair dealing that resembles due process. For simplicity's sake, the term *due process* will be used in this article. Although the implied covenant of good faith and fair dealing may not be as clearly defined as due process, the church as an employer should provide fair procedures to its employees. In doing so, schools do well to model the requirements of due process.

4. 419 U.S. 565.

Why Ex Officio Board Members and Invitees Are Essential

And How to Help Them Be as Effective as Possible

BY RICHARD OSBORN

The boards of most Adventist schools are made up of combination of regularly elected lay persons, ex officio members, and invitees. (See sidebar on page 21.)

Ex officio board members and invitees are essential for the success of every Seventh-day Adventist school, from K-12 through university level. Unfortunately, for a variety of reasons, many lay members view them in negative ways. They accuse ex officio members of not showing up regularly enough to get involved in board deliberations or to understand the issues being discussed. In some cases, ex officio members don't regularly donate their time, expertise, or resources to ensure the school's success. A few give an impression of superiority or disdain. Boards with many ex officio members can become too unwieldy to function efficiently. The biggest problem, however, is the potential conflict of interest that can occur because many of these individuals serve on or chair multiple boards with competing interests. In spite of these potential problems, ex officio members constitute a precious resource for the boards on which they serve.

What roles do ex officio board members and invitees play? Often an institution's bylaws designate by title the church official who will serve as chair or vice chair of the board of trustees. In other instances, various church officials, such as the conference presidents in a tertiary institution's territory, have traditionally had regular status as voting members.

In spite of [some] potential problems, ex officio members constitute a precious resource for the boards on which they serve.

Invitees usually attend board meetings as advisors, often with voice but no vote. Sometimes invitees are permitted to speak only when called upon, although many boards allow them full privileges of speaking. Their tenure can be temporary or long-term. When the board goes into executive session, invitees are usually asked to leave, but on occasion if the person represents a higher level in the church's hierarchy such as an officer, he or she is allowed to stay.

On many boards, these out-of-town ex officio members constitute more than one-third of the members. When combined with invitees, this often produces a board meeting with 50 or more members in attendance, the majority being ex officio members or invitees.

For more half of my 37-year career in Adventist education, I have spent much of my time as an ex officio board member. As a conference superintendent of education, I was an ex officio member of every K-12 school in the conference, in addition to being a regular invitee to the conference executive committee. As a union vice president for education, I served as an ex officio member on all senior academy boards, the

two college boards in our territory, and the union executive committee. As a division vice president for education, I served as an ex officio member or invitee to all of the 15 college and university boards in the North American Division. As a college president, I serve on the board of the conference boarding academy and the conference, union, and division executive committees.

Lay board members are understandably concerned about the problems mentioned earlier, but they need to understand that ex officio trustees are essential members of the team. These members help ensure the unity of the Adventist educational system by providing the "big picture"; that is, reminding boards that they are part of something much larger than themselves. They help provide a broader perspective than might be possible if the board members focused only on their own institution. Their role as advisors also provides needed expertise on difficult issues. Since issues of ascending liability are often at stake in even the decisions of local boards, ex officio members provide important links to and advice about church policy.

Ex officio trustees . . . . help ensure the unity of the Adventist educational system by providing the "big picture"; that is, reminding boards that they are part of something much larger than themselves.

Much of our colleges' operating subsidies come from entities represented by ex officio members, which could be jeopardized if they did not participate in the board. Some colleges are actually incorporated by the sponsoring union, whose by-laws mandate a clear corporate connection.

Invitees such as students and faculty/staff members can provide valuable perspectives but should not distract the board from focusing on recommendations and counsel from the institution's administration as their primary source of information. When the views of invitees conflict with administrative perspectives and recommendations, the board may be tempted to give more credence to invitees. To ensure proper governance, that must not be allowed to happen.

So how should boards relate to ex officio members and invitees, and help both groups better fulfill their responsibilities?

Advice to Boards

Boards can help make the work of ex of-

How Board Members Are Chosen

K-12 and college/university boards are chosen in a variety of ways:

Regular board members *on local church school boards* are typically chosen through the same methods by which all local church positions are filled. The church nominating committee recommends names to either the church board or the entire church for a set term of office. The board chair is often designated through the same processes but can in some cases be elected by the board itself. *Conference-sponsored senior academy boards* are usually chosen by the conference constituency meeting for a set term of office. For *higher education*, each school's by-laws specify the method for choosing/electing board members. In many cases, the college/university constituency chooses regular board members, who serve a five-year term. In the case of a *union-sponsored college*, the election usually takes place at the time of a union constituency meeting. Several *General Conference (GC) institutions* have recently implemented somewhat similar procedures for choosing boards—a governance committee that reviews desired criteria for trustees and sends a list of names to a nominating committee of the constituency, from which members are recommended for election. Between constituency meetings, vacancies are filled by board appointments based on recommendations from the governance committee.

Ex officio members serve on boards because of provisions in the school constitution or by-laws, by virtue of their position in the church's leadership structure. They have no set term other than their tenure in office. If they retire, take another job, or are not re-elected, their successor assumes their position on the board. For a *local church school*, ex officio members might include the conference superintendent of education, the pastor(s) of the sponsoring church(es), the home and school leader, and the principal, who is often designated as the school board secretary. *Conference-sponsored academy* ex officio members usually include the conference president as the designated chair, along with the superintendent of education for the conference and the director of education for the union. Often the president of the alumni association is an ex officio member, but may be an invitee. In a *union-sponsored college/university*, ex officio members include the union president, who is designated as the board chair, and the conference presidents of the sponsoring institution. The president of the college/university is designated as the secretary of the board. For *General Conference-sponsored universities*, the GC appoints one of its vice presidents as board chair. The GC director of education is always an ex officio member (or advisor), along with a certain number of the union presidents in the division in which the school is located.

Invitees serve because of ongoing tradition and often include the institution's key administrators such as vice principals, vice presidents, and/or deans, faculty/staff and student representatives, alumni officers, church officials or health-care administrators, and a few academy principals or conference superintendents of education. On occasion, people with special expertise are asked to attend for a limited time to help the board deal with a specific problem or project.

ficio board members and invitees more effective in several ways:

1. *Treat ex officio members and invitees the same as any other board member.*

a. The same materials should be sent to all board members and invitees, making no differentiation unless legal contracts prevent disclosure to other than certain specified persons.

b. If the board room is large enough, choose a seating arrangement that integrates the members and invitees. Some boards place invitees at the periphery as spectators; but important invitees can be intermingled with board members in a mixed seating arrangement. Use of different-colored name plates can differentiate between types of board appointments.

c. Encourage invitees to participate. Sometimes student invitees need to be encouraged to speak up. Valuable insights and discussion can result when students feel they have a voice in the overall governance process of the school.

d. Provide the same Christmas gifts and other "perks" to regular invitees and ex officio members as to regular members.

2. *Provide orientation for all ex officio members and invitees.* It's sometimes assumed that since these individuals are career board members or "just invitees," they don't need an orientation, but it's just as important for them as for any other board member. This orientation can provide needed perspectives about the role of a board and how the culture of the local institution functions. In the case of student or employee invitees, each one needs to understand the importance of the board's receiving its primary counsel and recommendations from the institution's administration, as well as the function of the board, which is to be primarily a policy making and strategic planning body rather that an entity that manages the day-to-day affairs of the institution. For student invitees, such training helps prepare them for leadership responsibilities in their careers and in the church.

3. *Do as much of the board work in open session as possible.* Generally, each time they meet, boards need to briefly go into executive session (a time when only members are present), but must try to avoid giving the impression that the really important work of the board takes place in private. Boards will, of course, need to schedule executive sessions to deal with sensitive issues such as personnel recommendations, confidential legal contracts, or providing time for the president to talk about issues he or she doesn't want conveyed in an open session.

Invitees such as students and faculty/staff members can provide valuable perspectives.

4. *Assign every member and invitee to a board committee.* Many boards use committees to do most of their work. When they function this way, the board meetings consist mostly of reports from administration and committees. If some of the members or invitees do not serve on a board committee, they can get the impression that the board meeting is just "window dressing." By assigning them to a committee, you avoid that impression but more im-

Elder Dan Jackson, president of the Seventh-day Adventist Church in Canada and chairman of the Canadian University College board, participates in a fundraising concert, Heart and Soul for Kenya.

portantly, you gain valuable input from their area of expertise or interest.

Advice to Ex Officio Board Members and Invitees

Ex officio board members and invitees can improve their service to the board in several ways:

1. *Take an active interest in the deliberations of the board.* Make sure the other members sense that you are truly dedicated to the welfare of the institution. You can help by:

a. Reading all board materials thoroughly before each board meeting so that you're well informed and others recognize that participating in the board is a priority on your schedule.

b. Use language such as "we," "us," and "our" rather than "you" or "yours." This gives the board the sense that you really are involved with the school rather than that board membership is just one more meeting to attend.

c. Attend all meetings and committees; be sure to be punctual and well prepared.

d. Let the administrator know when you cannot attend.

e. Accept special assignments from the institution.

f. If possible, attend campus functions so that the students and employees know of your commitment, and so that you become better acquainted with the culture of the campus.

2. *Avoid situations that pose potential conflicts of interest if you serve on the board of more than one school.* If there is an action where the interests of the multiple boards on which you serve could conflict, recuse yourself from voting and inform the board chair of the potential conflict of interest.

3. *Do not share "insider" information with other boards or individuals unless you have been authorized to do so.*

4. *Make regular donations to the institution.* Some officers serve on so many boards that the donation may of necessity be small. Some officers receive money from their organization to give as contributions; however, you should add a small amount of your own funds to show your commitment to the school. Fundraising experts emphasize the importance of having every board member make a contribution so that prospective donors can be informed about the unanimous support by the board. Remember that giving generously of your time and expertise are just as important as donating money!

5. *Be a team player.* Listen respectfully to the remarks of other board members and invitees. Do not use your position for status or influence. Stress the importance of ideas and relationships.

6. *Ask yourself, "If my child or grandchild attended this institution, what would I want?"* When I had to attend many board meetings, this question helped to give a sense of immediacy to all of my comments and deliberations.

7. *Stay in regular contact with the institution's administrators by e-mail or phone so they will know that you are there to support them.*

Not only does Pacific Union College trustee Larry Provonsha have a perfect attendance record at all board meetings and committees, he also has led out in raising funds for the college's Albion Field Station and has spent thousands of hours as a volunteer, overseeing renovations at the site.

Members of the Southern Adventist University (SAU) board of trustees pose after playing a baseball game with a team of SAU students. University President Gordon Bietz is second from the left in the front row.

Conclusion

One of the reasons Adventist K-12 schools and higher education institutions have been effective is because of ex officio board members and invitees. By focusing on improving their relationship and contributions to our institutions, our schools will benefit mightily. ✐

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Streamlining the Adventist School Board

BY KARL W. KIME

Although most Adventist K-12 schools in North America are smaller than SDAA, the problems of board governance tend to be the same, regardless of size.

Adventist K-12 schools are overseen by large boards whose members are drawn from churches and institutions in the local school community, as well as ex officio members from conference and union headquarters. Considering that the denomination currently has elementary and secondary schools worldwide, it is remarkable that laypersons play such a prominent role in the governance of this system.

Nevertheless, this system can be improved. It's not unusual for people with relatively little commitment to the task to be appointed or elected to school boards. Many members attend meetings sporadically, if at all. Because service is voluntary and unpaid, members may view the position as requiring little work or commitment. Active engagement in the strenuous tasks of fundraising and strategic long-range planning is not required for board membership, and hence is not a priority for many board members.

At the opposite pole is the tendency of many boards to micromanage the school's day-to-day operations. Both problems are exhibited in both small and large schools—occasionally at the same time!

This article explores one school's attempt to cure board dysfunction. The author is chairman of the board, a lawyer, and a member of the school's constitution and by-laws committee. Under the leadership of the principal and other members of the constitution and by-laws committee, the institution has embarked on an ongoing experiment in restructuring its board. In just one and a half school years, the results have demonstrated that the experiment is headed in the right direction.

The new arrangement has shifted the power from the 70+ member school board to a smaller management committee. This has resulted in a significantly more efficient board—so much so that the next step in the constitutional experiment may be to permanently replace the board with the management committee. A smaller board would more closely resemble the boards of secular schools and corporations, which typically include a limited group of individuals with a strong personal and professional stake in the success of the organization. Although such boards are far from perfect, they do exhibit the advantage of efficiency and responsiveness to the interests of the larger communities they serve.

Background of Experiment

For the purposes of this article, the school where this structural change has been made will be called "SDAA," short for Seventh-day Adventist Academy. Use of this generic term underscores the fact that this structure could be adopted by a variety of Adventist schools. SDAA is a large, 100-year-old, K-12 school located near an Adventist hospital and conference office in a highly urban area. It is supported by 20 constituent churches, each of which, whether or not any of its student-age members attends SDAA, is required to pay a subsidy based upon the size of its congregation.

Although most Adventist K-12 schools in North America are smaller than SDAA, the problems of board governance tend to be the same, regardless of size. Thus, the structure being implemented at SDAA may be applicable in other Adventist schools as well.

The Advantages of Small Group Governance

SDAA's attempt to improve its board's functioning began with rewriting the constitution and by-laws of the school. This was

done in response to recurring problems in board functioning. Occasionally, a few members with a particular passion dominated debate, excluding others from board discussions. Many board members became disengaged to the point of ineffectiveness; they assumed that "someone else" would do the work and therefore did not participate in board deliberations. Debate was sometimes nonexistent, sometimes shrill, and only occasionally helpful. There was nothing particularly unusual or unique about the SDAA board; these tendencies exist in many boards. In response to the need for change, the constitution and by-laws committee undertook a serious effort to modify the structure of the board. The rationale for the changes was simple: Small groups operate more efficiently.

The decision to vest power in the hands of a smaller, core management committee was based on the model of public school boards and corporations. Despite their shortcomings, U.S. public school boards usually have some members[1] who have to face public elections. Because their size is limited, public school boards tend to acquire a higher degree of concentrated expertise, and thus can delegate tasks to lower levels within the hierarchy. Board members who face public scrutiny at election time generally take their tasks seriously. Of course, this is not to imply that public school boards do not have problems, among which one might count the impossible task of pleasing a radically diverse population, along with the sometimes corrosive effects of injecting electoral politics into what should be positions dedicated to the education of American children.

By contrast, Adventist school boards tend to be very large. The board at SDAA has more than 70 members. But only about 20 show up for the regular meetings, in large measure because the enormous membership creates redundancies and causes members to think that their opinions don't matter much.

Large boards rarely function well. One root cause may be analogous to the problem political scientists see in representative government. A well-functioning democracy has leaders at various levels who can distill the disparate viewpoints of their constituents, debate those viewpoints, and then engage in negotiation and compromise to achieve a set of shared goals. A small governing body fosters these qualities by keeping members involved. Each member of a small group must "own" the position he or she takes and cannot hide in the anonymity of a large group. Social sanctions are more effective in small groups. The member with an idiosyncratic view "sticks out" more, causing members to focus more acutely on the need for unity and agreement. Small group debate thus tends to be more "on point" and productive.

The governing board should be large enough to represent the views of the wider constituency, but small enough to provide an effective forum for debating disparate points of view. SDAA's experience indicates that groups begin to lose their effectiveness when they exceed 15 members.

In rewriting the SDAA's board's constitution and by-laws,[2] the subcommittee se-

riously considered reducing the size of the board to the number of people who usually attend—15 or so. But we were concerned that because there was already such poor attendance, reducing the large board's size might mean that even fewer people would show up. We also confronted the issue of political legitimacy. If the board size shrank precipitously, constituents might think their views were not properly represented. Paradoxically, small group government is *more* effective in representing views than large, unwieldy groups, as explained above. But convincing those in the Adventist school community of this takes time. Therefore, we have kept the general board size the same. This is something we can revisit in future years.

Maintaining Representation While Vesting Power in a Small Board

The unique feature of the new constitution is that the school drastically cut the number of full board meetings and vested greater power in the management committee. The board now meets only five times a year (instead of 10 times). The 15-member management committee (known in some schools as the "finance committee") meets every month. Virtually all significant board actions are drafted in the management committee and come as recommendations to the full board.

Meetings of the full board now consist primarily of discussions regarding the management committee's recommendations. Because members of the smaller committee are also board members, they are able to address the questions posed by the full board. This has improved the quality of debate in board meetings. Board members have the right to discuss actions that have been voted by the management committee, and must ratify its recommendations. But placing the rough work of deliberation in a smaller forum improves the quality of debate in the full board sessions.

The Role of the "Constituency Board"

The primary stimulus for the change in SDAA's structure was the problem caused by the so-called "constituency board," which meets once every spring. Many Adventist schools may have a structure similar to this; even small church schools associated with a single congregation. Yet even relatively small constituencies may exhibit the same problems found in larger institutions.

SDAA's constituency meeting is a very large, "super" board event that includes delegates from the 20 constituent churches in addition to the entire standing board and members of the faculty. The meeting is so large that it has to be held in the chapel. It frequently attracts as many as 100 people, particularly when the agenda includes "hot" issues. But the role of the constituency board was ill-defined in the prior constitution. Its few enumerated powers included voting on subsidy increases, major capital projects, and changes to the constitution and by-laws of the school. Beyond that, only tradition reigned.

Part of that tradition, for reasons shrouded in historical mystery, was voting on the school budget. The old constitution did not actually specify this power; rather, it was a function gradually assumed by the constituency board over the years. No one, even the "old timers," could explain the basis for the tradition or recall when it began.

This "ultimate veto power" was problematic for the elected board. The constituency board, whose many delegates had very little connection to the school or knowledge of its problems, could undo in one vote months of budgetary planning by the elected board.

The most problematic aspect of the constituency's traditional power was its ability to veto proposed tuition increases. For months, the board and management committee, in conjunction with the school financial staff, would work on the budget. Tuition increases, of course, are inher-

Because service is voluntary and unpaid, [board] members may view the position as requiring little work or commitment.

ently double-edged. Raising tuition allows the school to expand its educational programs, but may prevent some families from enrolling their children. Increases are therefore proposed only as a last resort. Before the annual constituency board, the SDAA elected board thoroughly debated proposed tuition increases. Under the old system, budgets with tuition increases were voted by the elected board and sent to the constituency board for final approval.

The constituency meeting occurred late in April, after all the work on the budget had been completed by the elected board. When tuition increases would be proposed, delegates from some of the churches with large numbers of economically challenged families would come for one purpose: to vote down the increase. Regardless of how compelling the financial need, some delegates would consistently oppose any tuition increase. If the nay vote was successful, the elected board would be forced back into emergency sessions during the summer to cut the budget. The situation was occasionally so serious that the school had to terminate full-time employees under the "financial emergency" provision of their contracts.

The desire to keep tuition costs down is natural and understandable. But those involved with the operations of the school have a better understanding of what is required to keep the institution operational. In general, board members are parents whose children have been, or will be, enrolled in the school; thus they are sensitive to the hardships caused by tuition increases. This should provide sufficient representation for the interests of parents in the wider school community.

Under the new constitution, the management committee develops the budget, and the elected board has the final word.[3] The constituency no longer has any say over the school's budget or the tuition increases contained in it. The rationale is that the elected board is a representative body whose members come from the churches and speak on their behalf. If a church wishes to take a position, it can do so through its representatives on the board. SDAA is trying to balance the interests of the larger community with the needs of the school, a daunting task in this era of diminishing student population and increasing educational demands.

The Small Board as a Deliberative Body—Why Dissent Is Good

Ideally the board should provide an arena that encourages spirited, rational discussion and dissent. In fact, dissent is

The governing board should be large enough to represent the views of the wider constituency, but small enough to provide an effective forum for debating disparate points of view.

the essential ingredient in any deliberative body. According to Cass Sunstein, of the University of Chicago School of Law:

"Organizations and nations are far more likely to prosper if they welcome dissent and promote openness. Well-functioning societies benefit from a wide range of views."[4]

There is a statement attributed to the 18th century Scottish philosopher, David Hume: "Truth springs larger from argument amongst friends."[5] Apocryphal or not, the observation does point to a truth about the way groups function best. Sunstein writes that "the goal should be optimal conflict, not as much conflict as possible."[6] This is achieved only through committed members directed by a leader or leaders who are neither overbearing nor uninvolved.

The real-world example with which the author is most familiar is the jury system. It exhibits the polarities of small group dynamics. Contrary to conventional wisdom, a jury goes awry when it deliberations are unduly constricted. The jury works best when the members carefully consider all views, appropriately and temperately expressed in an environment of trust and cooperation.

For this reason, the primary characteristic that I use to eliminate jurors is the apparent tendency to lead too much—the domineering personality, seen in persons whose job description requires quick decisions and a high degree of independence. Strong opinions are fine, if counterbalanced by a willingness to listen to others and elicit as many opinions as possible. The free expression of views should be followed by a methodical consideration of all evidence in some kind of logical progression. Even if the conclusion of a legal case is fairly clear, agreement is best achieved through group deliberation.

The jury process produces less than optimal results when most members become disengaged and allow a conclusion to be reached without adequate airing of viewpoints. This problem, which some theorists have described as "groupthink,"[7] is destructive to proper jury function. With so much at stake—whether "mere money" in a civil case, or one's life or liberty in a criminal case—everyone involved hopes that the jurors will take their task seriously. School boards can suffer from similarly debilitating polarities—ineffectiveness born of indifference or of single-mindedness in a strong-willed subgroup. Yet the outcome of their decision-making is no less important than the result of a jury trial.

The larger the governing body, the more it tends to foster polarities in group debate—vigorously antagonistic nay-saying, driven by a few mavericks; or routine yea-saying, with diversity lulled into passivity by a lack of dissent. Neither constitutes effective board behavior. A school board, appropriately invigorated by reasonable dissent, is vital to a well-functioning school. Without dissenting voices, bad ideas will go unchallenged, and good ideas will not be polished and refined.

Trends

SDAA's official elected board remains the size as it was before the constitutional change two years ago. But the management committee functions so well that the role of the large school board is becoming less clear. A secondary effect of placing so much power in the hands of the management committee is that as time passes, fewer members are attending sessions of the elected board.

Thus we appear to be on a short path to another decision point: whether to keep the full elected board, or replace it permanently with one the size of the current management committee. The advantages of a smaller operating board are numerous, as described above. The negatives are primarily "political"—the impression that the board is "less representative" of the wider church community, or that a smaller board is a cabal, driven by the will of a few. Some may feel that these are reasons enough to maintain a larger board.

But these potential problems can be addressed through transparency regarding the board processes, inviting community members to attend board meetings, and frequent reports to the constituent churches and their own boards. The best argument for eliminating the large school board is the success of the small management committee. Our experiment in governance is ongoing, but the advantages of the new system are clear. Small governing bodies provide for direct, expeditious decision-making while still using representative, deliberative procedures. Projecting current trends into the future, it seems likely that this model for school board structure will be beneficial. ✐

> The unique feature of the new [SDAA] constitution is that the school drastically cut the number of full board meetings and vested greater power in the management committee.

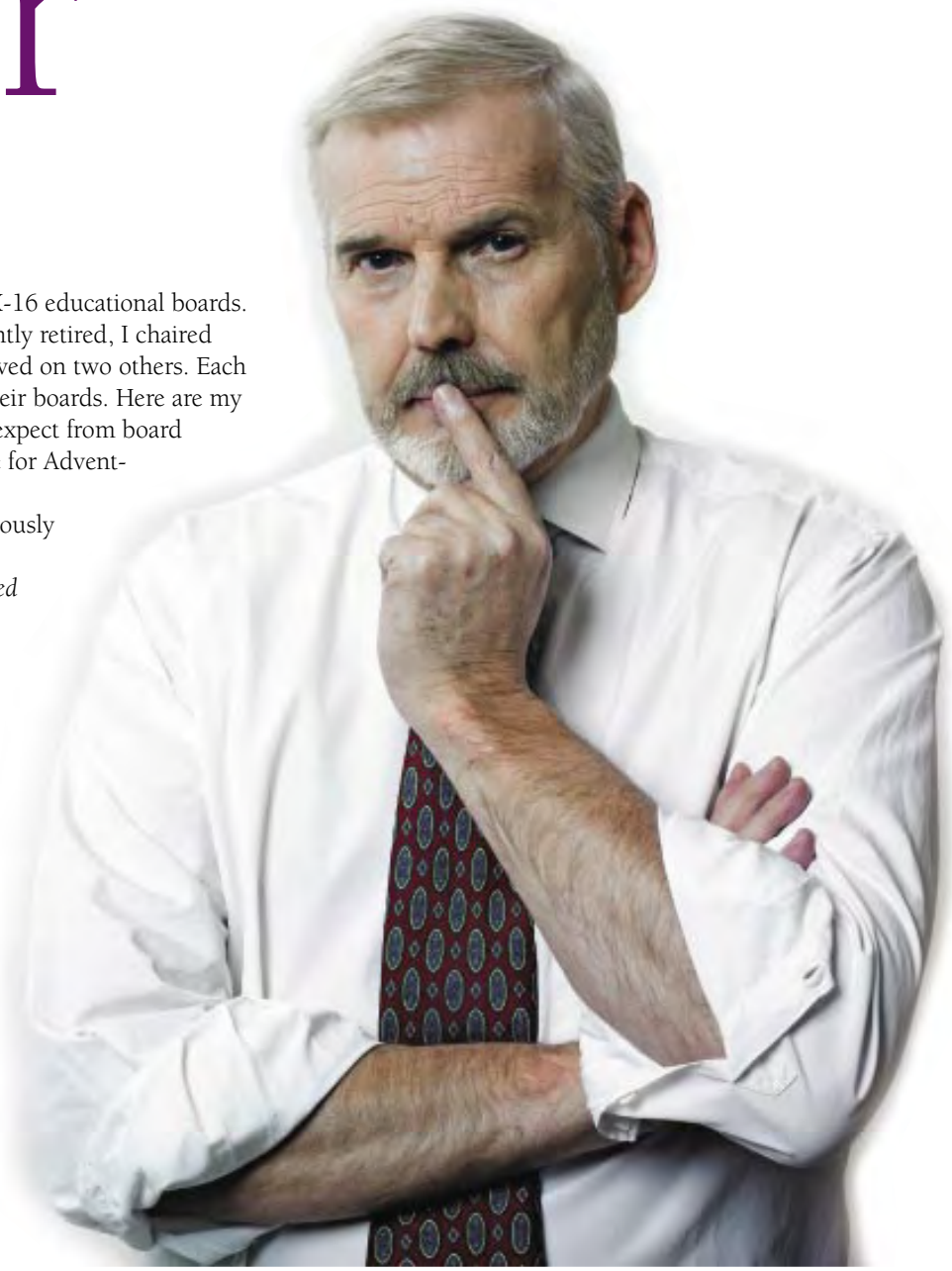
Karl W. Kime *is Chairman of an Adventist school board in southern California. He earned a B.A. in Religion from Loma Linda University (now La Sierra University), and an M.A. in the Philosophy of Religion from Claremont Graduate University. He received a J.D. from UCLA School of Law and practices law in Los Angeles. He is a Lecturer in Law & Ethics at the La Sierra University School of Business and a member of the Southern California Conference Board of Education in Glendale, California.*

NOTES AND REFERENCES

1. Los Angeles Unified School District, for example, is the second largest in the United States, with more than 700,000 students, but it operates with only seven elected members of the school board and one superintendent. See http://www.lausd.net.
2. The modern practice, at least for small nonprofit institutions, is to place these in a single, two-part document.
3. It still retains the power to vote on church subsidy increases, major capital projects, and changes in the school's constitution and by-laws. Even if the current board is eventually replaced by a smaller operating board of 12-15 members, a constituency meeting would remain necessary to ratify these types of proposals, since they directly affect the larger church community.
4. Cass R. Sunstein, *Why Societies Need Dissent* (Cambridge, Mass.: Harvard Univ. Press, 2003), pp. 210, 211.
5. From http://www.wisdomquotes.com/000476.html (accessed March 4, 2008).
6. Sunstein, *Why Societies Need Dissent*, op cit., p. 137.
7. James Surowiecki, *The Wisdom of Crowds* (New York: Doubleday, 2004), pp. 36-39.

The Challenging World of a Board Chair

BY TOM MOSTERT



For nearly 30 years, I chaired K-16 educational boards. For the 21 years before I recently retired, I chaired two university boards and served on two others. Each institution is unique, as are their boards. Here are my thoughts on what we should expect from board chairs in this challenging time for Adventist education:

A board chair must continuously interact with five diverse groups:

• *The constituents, who have distinct and varied ideas about the way the institution should be run and how it should relate to a multitude of issues*. If not satisfied, they withdraw their financial support or vote you out of office at the next constituency meeting.

• *Parents and students, who have their own agenda*. If it is not met, they vote with their feet. Since enrollment is everything, this group has tremendous clout in the direction schools take.

• *Faculty who are paid to think, explore, challenge, and debate*. If they are restless or upset, nothing on campus will go well. Yet every day on campus, someone is going to say or do something with the potential to create controversy.

• *School administration, led by the president, who are constantly under even more pressure than the chair*. They must decide what needs attention now or can wait until later; what can be decided internally,

and what needs board approval.

• In addition to listening to and interacting with the four groups listed above, *the governing board is charged with the responsibility of decision making.* Leading out in that process is the chair, who may or may not have experience in this unique role. (It is unfortunate that there is not more training available in this area.) Since all these publics have varying ideas, forcefully held, the chair will constantly receive conflicting advice, demands, and complaints.

Here are my seven suggestions on how he or she can function most effectively:

First, accept that it is impossible to please all the different groups, and expect to be criticized for whatever direction you lead or don't lead. Try not to take it personally. But at the same time, counsel with these groups widely and often so you are not alone in your thinking or actions.

Second, provide leadership in goal-setting for the institution, holding campus leaders responsible for performance and resolving problems. Nothing is more frustrating than a chair so political that he won't take a stand or express an opinion. All of your publics need to know where you stand and why. Without leaders at every level who are willing to stand up—and speak up—for what they believe, institutions drift. Consult often with the president/principal to be sure you agree on the direction the school should take.

Third, make sure the board understands the issues so they can make intelligent decisions. At the same time, they need to avoid micro-management of the day-to-day affairs of the school and must not inject themselves into student, faculty, and administration relationships. It is up to the board, with leadership from the various constituencies, to set the overall direction, and then leave it to the administration, faculty, and staff to make it happen. This is especially difficult for lay members who run their own business or medical practice and are used to being in charge. It can also be difficult for church leaders who are used to the participative governance system of the church rather than the presidential system of educational institutions.

Being a good board chair means knowing what is happening in the various publics that interact with the institution, and clearly understanding the mission of the Seventh-day Adventist Church and its institutions.

Fourth, watch out for board members who want to dominate the discussion and set the school direction according to their own personal ideas. Many times, the wealthy members unconsciously feel they should have more than their one voice or vote. The chair must make sure all members are treated equally and fairly. It goes without saying that he must also be careful not to dominate the discussion. I have found that humor can break up tense confrontations, especially when you remind the group that we all win some and lose some in the course of debates.

Fifth, develop a cordial working relationship with the president or principal. Don't micro-manage his or her responsibilities, but give do the president your cell phone number and invite contact at any time 24-7. Personally, I have always asked for and promised two things to maintain a good working relationship with the president: First, we must always be honest with each other and never lie. We must maintain trust. Second, we must keep each other informed about of significant events and problems. No one likes surprises. It is much easier to be supportive if both know the facts before a major crisis breaks.

Sixth, pray before and during every board meeting that God will give you personal peace and inner calm. Few things are worse than the chair losing composure during a board meeting. If things get too heated, take a break so people can move around and calm down.

Seventh, and most important of all, have a clear

idea of what God wants for this institution. After all, it is His. We operate it to accomplish His mission. Constantly bring the board back to the big issues, and make sure all decisions are in harmony with the principles of heaven. As a chair, spend quality time learning and expanding your understanding of mission. It is amazing how often this key point gets lost in the midst of "urgent" matters being discussed.

Here are some concepts I have found helpful to keep in mind when leading a board:

• Because the institution is a church entity, the chair of the board of trustees needs to have a broad knowledge of church objectives, principles, and operating policies, and the ability to interpret them to the board. This is a complex responsibility because not every operating policy can be applied with precise uniformity to every type of activity.

• Educational institutions are an integral part of the conference or union, so they have a shared mission.

• To be an integral part of the church means the institution's first priority is to provide Adventist education to Seventh-day Adventist youth. For a university, that means the top priority is not research or being known as a "premier university," although we need to be the very best we can be. The university does not revolve around the collective vision and desires of the faculty, administration, or board, but around the mission of the church. Its primary purpose is to educate Adventist youth in an atmosphere that both nurtures and develops faith.

• History has shown that schools established to nurture youth in a spiritual atmosphere while they gain an education have usually come under increasing pressure to diminish this emphasis, focusing instead on learning and research. For this reason, most of these schools have changed their focus and become more interested in academics than in spiritual life. It will take constant dialogue and energy to maintain our Adventist purpose. There are those on nearly every campus who do not support this focus. They are constantly seeking ways to remove the restraints imposed by a pervasively religious worldview and church involvement.

To be an integral part of the church means the institution's first priority is to provide Adventist education to Seventh-day Adventist youth.

• When Adventist higher education first began, Ellen White reminded its founders of the need for it to be different: "To give students merely knowledge of books is not the purpose of the institution. Such an education can be obtained at any college in the land" (*Christian Education*, p. 36).

• The board of trustees is not elected to serve only the faculty and administration. They are to manage all the temporal activities, business, and affairs of the university in accordance with the principles of the Seventh-day Adventist Church.

• One important way we ensure the campus does not stray from its purpose is to employ faculty who share the Adventist worldview. While it may be necessary to temporarily employ some who have not embraced our worldview but are sympathetic to it, they should be replaced as soon as possible by Seventh-day Adventist faculty.

The Seventh-day Adventist Christian worldview, while respecting the views of other religious bodies, is totally unique. It involves an understanding of Revelation 14 and 18 that ends up calling other Christians out of their churches. You simply can't subscribe to another worldview and effectively communicate the Adventist message and culture to students. Preferential hiring is not discriminatory, so long as non-Adventist faculty members and applicants are aware of the limitations. It is absolutely necessary to have fellow believers in charge of maintaining our Adventist identity and thinking. That is why this should be a non-negotiable matter for the board and the constituency.

In my opinion, being a good board chair means knowing what is happening in the various publics that interact with the institution, and clearly understanding the mission of the Seventh-day Adventist Church and its institutions. If the board chair keeps those areas always in mind and seeks divine guidance, God will surely bless his efforts. ✐

Tom Mostert (right), the author of this article, addresses the La Sierra University (LSU) trustees at his final meeting as board chair in November 2007. Seated next to him is LSU President Randal Wisbey.

At the time this article was written, **Thomas Mostert** *had been President of the Pacific Union Conference in Westlake Village, California, for 21 years. During that time, he was the board chair for La Sierra University (Riverside, California) and Pacific Union College (Angwin, California). Elder Mostert has also served as a pastor, conference ministerial director, and president of three North American Division conferences. He recently retired and lives in Gresham, Oregon.*

SEVENTH-DAY ADVENTIST HIGHER EDUCATION GOVERNING BOARDS: A Snapshot

BY HAMLET CANOSA

The challenges facing public and private institutions of higher learning are myriad and complex. They include scarce financial resources, escalating operational and capital expenses, erratic annual enrollments, increased competition for faculty and administrators; and rising costs of evolving technologies. Despite their religious affiliation, North American Division (NAD) Seventh-day Adventist colleges and universities are not exempt from such problems. Given these realities, how well does each institution's governing board, through its group practices and behaviors, address such challenges?

Do the practices and behaviors of our institutions' governing boards facilitate institutional mission, or do they give evidence of (to borrow a phrase from a Harvard Graduate School of Education professor) "manifestations and permutations of dysfunctional governance"?[1] Do these boards enhance the vitality of their respective institutions, or do they "add too little value too much of the time, . . . micromonitor rather than microgovern, and . . . mistake misgovernance for mismanagement"?[2]

It should not be surprising that some educational researchers question the efficacy of governing boards, whose trustees have usually had little formal training for this role. *The Chronicle of Higher Education's* recent sampling of 1,478 trustees from both public and private four-year colleges indicated that nearly 60 percent had not previously served on a tertiary-level board. Less than 15 percent of the respondents indicated they felt "very well" prepared for their first college or university board membership.[3] Trustees, it seems, get mostly "on-the-job training."

It should not be surprising that some educational researchers question the efficacy of governing boards, whose trustees have usually had little formal training for this role.

There are significant costs for boards and the institutions they serve when board members are unprepared for their duties. According to one *Chronicle of Higher Education* survey, in addition to feeling less connected to the institution's president, trustees who report a lack of readiness for board service are "more likely to feel unfulfilled and less valued and to say they [are] not interested in serving again." Clearly, trustee preparation must be considered an imperative for all higher education institutions.[4]

For more than a decade, I have had the privilege of serving as an ex officio trustee of two college boards in the Columbia Union Conference. Witnessing how these boards function, both in times of success and challenge, has contributed to my interest in boardsmanship. So, with encouragement from Richard Osborn, president of Pacific Union College and former education vice president of the North American Division, I decided to survey trustees of four Seventh-day Adventist higher education institutions in the NAD.[5] My research would assess the demographics of board membership and explore trustees' perceptions about the

extent to which their respective boards employed preferred group practices and behaviors identified by Chait, Holland, and Taylor in *The Effective Board of Trustees*.[6] When they interviewed 108 board members including trustees and presidents of 22 independent liberal arts and comprehensive colleges, these researchers concluded that there were "specific characteristics and behaviors that distinguish strong boards from weak boards."[7] They identified six fundamental areas where contrasts could be made between strong and weak boards. The competencies were noted in (1) contextual, (2) educational, (3) interpersonal, (4) analytical, (5) political, and (6) strategic dimensions.[8]

Eighty-four trustees from four Seventh-day Adventist higher education institutions geographically dispersed across the United States responded to a 64-item survey about the six competencies identified in the Chait, Holland, and Taylor construct.[9] The study's variables included church affiliation, gender, age, race/ethnicity, and primary occupation. The study sought to determine any notable distinctions in responses that might exist between (1) older and younger trustees, (2) males and females, (3) trustees of different races, and (4) trustees who were employed by the church and those who were not.

There was no notable difference in perceptions of board best practices between age groups. Moreover, there was general agreement between male and female trustees, with several exceptions relating to board development. Females were more inclined than males to say that their respective boards (1) used board retreats to examine board performance, (2) set board-specific goals, and (3) used brainstorming sessions to seek creative approaches and solutions to problems. Responses to the item that asked about setting board-specific goals as opposed to organizational goals also produced a notable difference in perceptions between church-employed and non-church-employed trustees.

In only one item was there a notable difference in perceptions between white and non-white trustees: how often and to what extent the organization's values were discussed at board meetings. Non-whites said such discussions took place with greater regularity than did their white counterparts.

Board Composition

All 84 respondents were members of the Seventh-day Adventist Church. This was not surprising as it is church policy for trustees to be members of the sponsoring denomination.[10]

The respondents' gender, race, and ethnicity contrasted significantly to those in recent broad-based surveys of board membership in U.S. public and private four-year colleges and universities. Of 1,478 trustees responding to *The Chronicle* survey referred to earlier, 36.2 percent were female.[11] This percentage exceeds that found in the research of Schwartz and Akins in which 28.2 percent of 354 respondents from 543 independent colleges and universities were female.[12]

Although my total sample size was small, only 14.5 percent of the respondents were female. The sample also revealed (1) very few non-white females (none of African-American or Hispanic descent); and (2) no church-employed females.

In a study of 415 trustees of public and private higher education institutions in Ohio, Michael and Schwartz found that female respondents were more inclined to take visible and active roles as trustees, attaching greater importance than male

subjects to such activities such as (1) soliciting support and resources for their institutions, (2) developing new education vision, (3) soliciting donors, (4) cultivating the media, and (5) providing academic leadership.[13]

One wonders if the Adventist boards may not have fully capitalized on the rich, substantive, and varied perspectives females might bring to board discussions and decision-making.

Of the 84 persons who responded to my survey, one chose not to mark any demographic items, while another did not identify his or her gender, age, or race/ethnicity. Of the 82 subjects who responded to the item about age, 48.8 percent were under age 60, including half of all identified female respondents. Of the 83 subjects who responded to the question about primary occupation, 47 percent said they were church employees.

Interestingly, the racial and ethnic makeup of the total sample in my study was largely consistent with that found in broader-based studies regarding the predominance of Caucasians on college boards. White males dominated, but African-American (13.4 percent) and Hispanic (4.9 percent) representation of my total sample was higher than the percentages of those ethnic groups in *The Chronicle* survey. When compared to the findings in *The Chronicle's* survey, the respondents to my survey were more ethnically diverse than their counterparts in *The Chronicle* survey, a finding that speaks well for the church.[14]

Trustees' Perceptions of Board Practices and Behaviors

Board-specific results were provided in reports to each of the presidents of the institutions participating in the study. Such reports included commentary about the respective boards and the study's general recommendations.

A number of study findings are noteworthy. Generally, trustees perceived that their respective boards, to varying degrees, did not employ practices that ensured that all board members were well informed about their respective organization; the professions of other trustees on their board; and the board's roles and responsibilities, including board education and development.

[My] respondents' gender, race, and ethnicity contrasted significantly to those in recent broad-based surveys of board membership in U.S. public and private four-year colleges and universities.

Most of those responding to my survey said that the following recommended practices did not regularly occur on their board: (1) board discussions with new members about their roles and responsibilities, (2) acknowledgement of the board's responsibility for ill-advised decisions, (3) discussion about what could be learned from mistakes the board had

made and what should have been done differently, (4) provision of helpful feedback for individual members regarding their performance, and (5) assignment of mentors for new board members to help them learn how the board operates.

Recommendations

1. *Seventh-day Adventist board chairs and college/university presidents, working together, should provide systematic provision of board education, and develop strategies to enhance board members' service.*

Education and development improve board function and are especially useful for new members, giving them a better understanding of the board's culture, work, roles, and responsibilities. Some boards may not provide in-servicing because (1) they think there is insufficient time, (2) they do not see it as necessary, or (3) they have a disdain for (or fear of) accountability. Correcting this problem should strengthen overall board function and enable members to more effectively contribute to the board's work.

Boards that employ effective strategies for board education and development often gain significant advantages over those that fail to do so, including (1) trustees who experience greater satisfaction in board service, (2) more meaningful and productive discussions and decision-making processes in board meetings and committees, (3) more successful dissemination of substantive information to stakeholders, and (4) higher levels of board credibility among faculty and stakeholders. If consistently and efficiently implemented, retreats, formal annual or semi-annual evaluations of board performance, and orientation for and mentoring of new board members can be effective methods of board education and development

2. *Board members, in collaboration with their chair, should set goals that promote stronger group dynamics.*

When asked if their board had adopted goals distinct from the goals of the organization, the majority of my survey respondents said no. The lack of goal-setting might have occurred for several reasons, not the least of which is the limited amount of time available at regularly scheduled board meetings. Board retreats provide an ideal setting and ample time for goal-setting, as well as opportunities for enhancing personal relationships between board members, fostering cohesion, and strengthening group morale.

3. *Board chairs should construct agendas that devote more time to matters of strategic importance—particularly items that focus on ensuring the institution's long-term viability.*

Sampled trustees indicated that they spent more time at board meetings addressing current issues rather than matters of strategic importance that could affect the institution's future. Boards need to find the right balance between addressing current concerns and doing strategic planning for the institution's future.

The board's allocation of time in session determines, in large part, the extent to which members actively engage in its work. Inadequate meeting time (both frequency and duration), poor planning, the nature and severity of current issues faced by a board, and the perceived political interests of internal and external stakeholders are some of the reasons cited by respondents to my survey for member disengagement from discussion and decision-making. Even though they obviously need to address current, urgent

Chait, Holland, and Taylor . . . . concluded that there were "specific characteristics and behaviors that distinguish strong boards from weak boards."

concerns, boards should ensure that strategic planning and implementation are also included in the agenda.

Recommendations for Future Research

There are very few formal studies of the performance of Seventh-day Adventist higher education governing boards. Much more research is needed, given the ongoing challenges faced by our institutions. Such research could be sponsored by a division or by the General Conference, and would make an excellent topic for doctoral dissertations. Such broader-based studies would provide a clearer and more substantive picture of how our governing boards perform, and suggest strategies for improvement. ✐

Hamlet Canosa, Ed.D., is *Vice President of Education for the Columbia Union Conference in Columbia, Maryland, where he carries K-16 responsibilities and serves as a trustee for two colleges in his field. This article is based on his dissertation: "Perceptions of Governing Board Performance Held by Trustees of Four Adventist Colleges: Select Group Practices and Behaviors in Six Competencies" (La Sierra University, 2005).*

NOTES AND REFERENCES

1. R. P. Chait, "Why Boards Go Bad," *Trusteeship* 14:3 (May/June 2006), p. 8.
2. Ibid., p. 9.
3. "The Chronicle Survey of College and University Trustees," *The Chronicle of Higher Education* LIV:1 (August 31, 2007), p. 28.
4. J. Selindo, "Trustees: More Willing Than Ready," ibid., LIII:36 (May 11, 2007), p. A12.
5. The author wishes to express his sincere appreciation to La Sierra University and W. G. Nelson (chair), Ed Boyatt, and Robert Cruise, committee members, who facilitated his research.
6. R. P. Chait, T. P. Holland, and B. E. Taylor, *The Effective Board of Trustees* (New York: Oryx Press, 1991).
7. Ibid., pp. 1, 2.
8. Ibid., pp. 2, 3.
9. The survey had a response rate of 70 percent (84 out of 120 possible trustees) in the four NAD institutions to whom forms were sent.
10. Some tertiary boards in the North American Division diligently seek to identify a limited number of non-Adventists who might, in addition to financial resources, provide more expansive political, social, and intellectual capital as a way to drive institutional mission; explore advantageous strategic partnerships, and enrich the school's "footprint" or impact in the local community and beyond. Most of these institutions appear to be convinced that the possible advantages of a small number of carefully selected non-Adventist members outweigh the potential risks of such an infusion to board membership.
11. *The Chronicle* survey (August 31, 2007), op cit.
12. M. P. Schwartz, and L. Akins, *Policies, Practices, and Composition of Governing Boards of Independent Colleges and Universities* (Washington, D.C.: Association of Governing Boards of Universities and Colleges, 2004), pp. 4, 8.
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Communicating Financial Matters:

Expectations of the School Business Officer

BY DAVE C. LAWRENCE

When people are asked what a K-12 business officer does, they probably think of accounting, budgeting, cash flow, facilities, risk management, and payroll. However, at the heart of his or her work is the responsibility of balancing the core business of instruction with the fiscal operation of the school. Because he or she serves many publics (students, teachers, parents, administrators, boards, local businesses, colleagues, and regulatory agencies), it is not surprising that the school business officer often shoulders a heavy load of expectations. To be an effective team member, the school business officer must be acutely aware of the expectations of the office and skillfully craft his or her responses to the different audiences served.

The business officer is responsible for every aspect of the school's fiscal operations: developing the budget, monitoring cash flow, and reporting about the school's financial situation to administrators and the school board. These responsibilities must be effectively accomplished while adhering to high ethical standards. Accountability to the governing board and strict scrutiny by external financial auditors help ensure professional and ethical standards.

The expectation of all, even those who are not quite clear about the role of the school business officer, is that he or she will consistently behave in a principled way.

The business officer is responsible for every aspect of the school's fiscal operations: developing the budget, monitoring cash flow, and reporting about the school's financial situation to administrators and the school board.

Financial Reporting

The most important responsibility of the school business officer is to effectively communicate financial information to the school's constituency. He or she must interpret complex financial information for school administrators and constituents. This is a challenging task in the best of times. In bad times, effective communication is both more difficult and more vital. A bad financial year, for example, often has little to do with poor planning and a lot to do with the lack of effective communication. Those charged with making strategic decisions for the school must be armed with clear, concise, and relevant information about the school's finances.

It is best for the role of school business officer to be performed by trained individuals whose primary focus is the financial administration of the school. In smaller schools, particularly at the K-8 level, the school business officer may be a volunteer from the local church or someone who also serves as principal. Though dedicated, these workers often possess more will than skill. The governing board must be proactive in making sure that the business officer takes advantage of professional development opportunities. The training should extend beyond accounting techniques to effective communication of financial matters.

Financial reporting does not have to be boring or laden with jargon. Simply communicating accurate financial information is not enough. Imagine sitting at a school board meeting and hearing the following: "The excess of actual over budgeted expenditure on HVAC consumption for P02 of FY07-08 compared to FY06-07 is consistent with the projected budget deficit due to cyclical variations in consumption which is known to inflate related costs." This is quite likely an accurate statement. However, it is not effective communication because it is loaded with jargon and gibberish. The average board member simply will

not understand what the financial officer is talking about.

This kind of talk causes listeners to lose concentration, daydream, and drift off on "mental vacations" during the presentation of financial reports. It may even keep them from listening carefully to subsequent presentations. And it may cause board members to make significant decisions without adequate information. In the end, the core mission of the school is compromised, and everyone loses.

Effective Communication Is Good Business

Increased scrutiny of non-profit financial reporting by regulatory agencies and external financial auditors has added many layers of complexity to financial reports. Schools have not escaped the consequences of highly publicized U.S. scandals that have scarred the public accounting profession in recent years. School business officers are being held to new and increasingly stringent standards for reporting their work to constituencies.

Even for small institutions, simple and effective communication is good business. Private and parochial schools must be sensitive to the need for effective communication: Their livelihood comes from precisely articulating a mission that persuades patrons to enroll their students and pay significant amounts of tuition. Donors and volunteers are motivated to get involved and give when the financial story of the school is accessible and clear.

Constituents of private non-profit educational institutions are increasingly demanding to know how their contributions and tuition dollars are being spent. School financial reports can provide insight into the answers to questions they are asking. Here are some questions that a top-rate financial report should seek to answer:

- Is the organization carrying out its mission in a fiscally effective and efficient manner?
- What portion of tuition and contribution dollars is being used directly in mission-focused programs?
- Does the organization have enough assets in reserve to maintain its program if a financial crisis arises?

Supporters of private non-profit schools are perhaps the most important users of the organizations' financial reports. They expect concise, accurate, yet clear financial reports on the fiscal efficiency and effectiveness of the school. The data reported to the school administration and board should be reliable and comparable. A clearly communicated financial report will produce many positive dividends for the organization, including a boost to its bottom line.

What Should Be Communicated in Financial Reports?

There is no ironclad rule about what should be communicated in financial reports, especially for private schools. The expectations of administrators and boards will often dictate their content. The school business officer's awareness of these needs will enhance the effectiveness of his or her communication with the administrators and the school board and will drive the design of the financial report.

A financial statement must clearly communicate the fiscal health of the organization. The school business officer

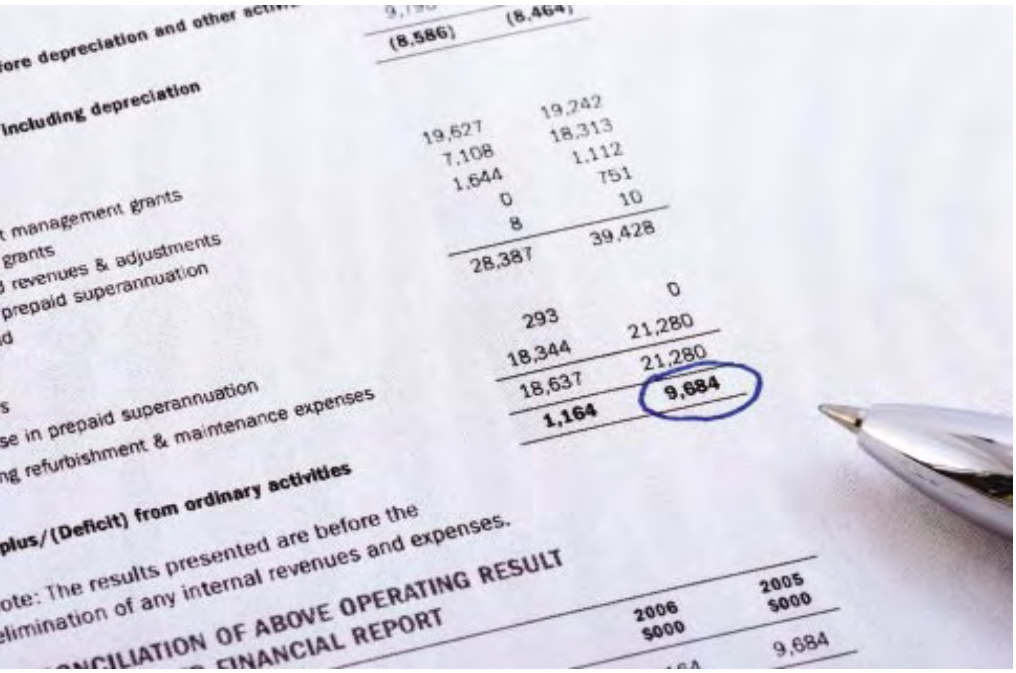
needs to translate the statement into everyday language, keeping in mind the need of the users. The raw data, no matter how well constructed, will need interpretation to make it accessible to administrators, boards, and donors. The objective is to make the statement user-friendly.

While there is no catechism or edict of financial reporting practices or standards, there are inventories of best practices that have been developed through observation, practice, and consensus. In a vast majority of cases, the question to be answered in deciding on the "how" and "what" of financial reporting is this: What is the condition of the organization's financial health? This can be subdivided into two categories: efficiency and adequacy.

• *Efficiency* – getting the most output from the least amount of financial resources. For example, how much is it costing to educate each student? How much does it cost to generate one donated dollar?

• *Adequacy* – The financial resources of a school directly influence the quality of its educational program. The school must possess or be able to obtain adequate financial resources to support its core programs and further its mission.

In order for the communication to be effective, these elements must be reported and discussed in very clear language. Financial statements already have enough numbers for users to contend with. To make them more user-friendly, the business manager can develop a narrative report form to present along with the financial statement.



It is best for the role of school business officer to be performed by trained individuals whose primary focus is the financial administration of the school.

Financial Statement Narratives

The fundamental reason for assessing a school's financial performance is to determine how well it is fulfilling its core mission. Simply reporting cash flow is not sufficient. The raw financial numbers cannot answer this important question. Through his or her presentation of the financial report, the school business officer can provide additional insight into the sources of funding, the cost of educating students, and the school's ability to continue its operations.

A short narrative should highlight what a financial statement does and does not show. A well-written narrative:

• Shows important trends and risks that have shaped the school in the past or are likely to do so in the future.

• Discloses events or uncertainties that might have had an impact on the reported financial information.

• Helps administrators and the board understand the school's financial condition, changes in financial condition, and the results of operations.

• Enables users of the financial statements to see the organization through the eyes of those responsible for day-to-day operations and provides a context for the financial statements.

• Clearly and concisely communicates relevant information from the school business officer to the school's administration and school board.

• Should rarely ever be more than one page in length.

Sample Narrative – Ragged Mountain Academy

Narratives come in different forms and can be transmitted in various ways. The heterogeneity of schools, including classification, access to financial resources, and size, means that different kinds of financial statement narratives will be beneficial for different types of institutions. For example, consider the case of Ragged Mountain Academy (RMA), a fictitious K-12 academy that has risen from near bankruptcy to relative solvency in just a few years. The school business officer at RMA has chosen to do a one-page narrative that combines text and numeric highlights (Figure 1). This format is designed to serve the needs of the board as expressed in interviews with the school's administration and board members. From their perspective, three things are important: bottom-line performance compared to budget, adequacy of financial resources, and the indebtedness of students and constituent churches. An array of historical events at the school has influenced these concerns. The board believes that insight about these three areas will equip them to make wise decisions.

By combining a verbal description and numeric highlights, the report meets the needs of those who are mathematically oriented as well as those who prefer to read

Figure 1

Ragged Mountain Academy

Summary of Financial Report

June 30, 2007

SUMMARY OF INCOME AND EXPENSE

The school year 2006-2007 ended on a positive note. The previous year's net loss has been erased, and we have added $55,000 to the bottom line. This was possible despite the fact that we were significantly over budget in all expense areas. Financial assistance from both church and conference is to be credited for the positive conclusion to the fiscal year. Each year, the conference pays more than $600,000 in expenses on behalf of the academy. To make our financial statement accurate, we recorded this activity both as income and expense; hence the increase in subsidy income as well as payroll expense. The non-payroll expense increase of $133,000 is due to summer maintenance projects that were incurred before the end of the fiscal year.

Income	Budget	Actual
Tuition & other income	$2,791,905	$2,979,261
Church subsidy	292,686	310,532
Conference subsidy	628,558	1,265,885

Expense	Budget	Actual
Tuition & other income	$2,791,905	$2,979,261
Church subsidy	292,686	310,532

Liabilities	2006/07	2005/06
Student credits	$34,101	$14,647
Due to conference office	16,483	8,196
Unpaid payroll exp.	109,457	96,925
Due to clubs/orgs	58,194	40,913
Due to vendors	71,416	76,492
Other misc. bills	52,601	28,069
	$342,252	$265,242

Cash	2006/07	2005/06
Operating cash	$174,075	$56,495
Agency funds	58,194	40,913
Summer reserves	380,625	161,717
Restricted cash	432,155	326,251
	$1,045,049	$585,376

SUMMARY OF LIABILITY AND CASH POSITIONS

The school's cash position is 78.5 percent higher, compared to the same period last year. This is a reflection of a calendar anomaly that caused July 1 to be a payday. Much of the restricted cash is for unfunded payroll salaries, taxes, and other expenses. The calendar anomaly also accounts for the unusually high liabilities when compared to the same period last year. The June 30 cash includes advance payments made on students' accounts for registration fees, comprehensive fees, and summer school. In all, the organization's operating expenses for the year were covered by funds generated during the same year. This translates to the maintenance of a debt-free position and a positive cash flow. Funds reserved for summer payroll and other expenses stand at $380,625, which is adequate. Comparing what we owe to our cash position, we have enough funds to cover all our outstanding bills as of the statement date.

ACCOUNTS RECEIVABLE AGING REPORT

Amounts owed by current students represent less than 1 percent of total tuition billed for the fiscal year. It is also 32 percent lower than the same period last year. Amounts owed by past students increased somewhat and have already been placed into Phase II collection mode. We continue to be impressed by the participation of our constituent churches, which have kept up with their account balances and in some cases have increased their subsidies. The new church subsidy plan is obviously working, and we are grateful for our partnership in preparing young people for the kingdom of heaven.

	Current	30-60	60-90	90+	2005/06	2004/05
Current students	13,181	2,564	2,259	8,391	26,395	38,740
Past students	0	930	571	35,940	37,441	20,669
Churches, other	5,821	1,960	0	26,780	34,561	61,304

text. This narrative is the cover sheet of a four- to five-page financial report that is handed out to the board. The additional pages are the basic financial statements: balance sheet, income statement, cash flow, and any other statements that might be relevant to the school, e.g., an investment earnings report.

There are three parts to this narrative; each is equally important but reveals a different aspect of the financial health of the school.

Summary of Income and Expense

The income statement (or Statement of Activities and Changes in Net Assets) is

to show whether the school was profitable during the period of time covered by the report. The income statement may be for a month, a quarter, year-to-date, or for the entire year. It summarizes this very important report in plain English, free of accounting jargon. Everyone can understand what is meant by "a positive note," for example. The narrative does more than comment on the numbers; it provides context by explaining material variances and by anticipating questions board members may ask. For example, why would the school budget for conference subsidy be only half of the actual subsidy received? The narrative anticipates this question and provides the answers. Or, why are the budget payroll expenses $600,000 over projections? Any irregularities or material variances in the income statement line items should be anticipated and explained in this section.

Summary of Liability and Cash Position

This section reports on the balance sheet

Constituents of private non-profit schools are increasingly demanding to know how their contributions and tuition dollars are being spent.

(or Statement of Financial Position). A balance sheet is a "snapshot" of the school's financial condition on a given date, typically the end of a semester or fiscal year. Users of the financial report look at this section of the narrative to find out if the school is financially able to meet its obligations. For example, a positive statement would show cash balances that exceed current debts. Where shortfalls are noted, the school business officer should disclose the contributing factors. In much the same way that shortfalls will cause concerns, windfalls should raise questions. For RMA, the cash position at year end was twice as good as the previous year end. The accumulation of cash is generally good but could also mean that vital services were not provided as planned; hence, an explanation of the excess cash is warranted in this narrative section.

Accounts Receivable Aging Report

While the previous two sections of the narrative are really requirements, this section on receivables is optional. Replacement reports might include an enrollment report, fund-raising reports, investment report, or building projects report. The receivables aging report is very important to the RMA board. High levels of receivables mean that amounts billed for tuition and subsidies have not been received by the school. Two primary sources of income are highlighted: students and churches. The school operates on an accrual accounting system. This means that when students and churches are billed for tuition and subsidy respectively, the billed amounts are immediately recognized as income. However, it may take time for payments to come in. The receivables aging report tracks the outstanding balances and indicates how many days it has been since the bills were sent out to students and churches. This information is generally not readily accessible from even the best-prepared financial statements.

In order to enhance comprehension, it may be helpful to show how statements are linked. An income statement alone, for example, is grossly inadequate to reveal the availability of current resources. A school that conducts financial recordkeeping on an accrual basis will report tuition revenue as billed (without regard for collected portions of the billed amounts). In this case, it would be necessary to look at the income statement in conjunction with the balance sheet or a receivables aging report. Alternately, a school might choose to report as income only cash that is received by the treasury. Users of the statements need to know the accounting basis used in order to get a complete picture. It is the duty of the school business officer to help users understand the nuances of statement interpretation and reporting.

Conclusion

Now, more than ever, financial reporting is vital to the existence of organizations, especially private non-profit schools. The business officers in these schools are held to very high expectations in this regard. The school business officer must clearly and concisely communicate school financial information. This can be achieved by combining a narrative with financial statements, and making sure it is written in plain language, free of accounting jargon. The narrative highlights and explains important information in the financial statements that would be inaccessible to the untrained eye. Everyone will benefit from effective communication of financial information, and the school's fiscal position will be enhanced. ✐

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PRESERVING THE IDENTITY OF THE GOVERNANCE PROCESS

BY CARLOS A. ARCHBOLD

The board of trustees of the local Adventist college had just returned from their annual retreat. On this occasion, the board assessed its own performance and the relevance of the institution's vision and mission statements to its various constituencies. As the trustees reviewed the school's updated strategic plan, the duties of some board committees were adjusted to serve the institution more effectively. The institution as a whole welcomed the board's initiatives and embarked on a new academic year with a renewed sense of achievement.

Why do some institutions experience the blessings of a committed board while others do not?

A number of Adventist institutions experience this sort of commitment from their boards through the governance process. Unfortunately, at other schools, the boards do not function as well. Why do some institutions experience the blessings of a committed board while others do not? This is not an easy question to answer. Usually, when a school board is ineffective, people blame the members. Under some circumstances, they may be responsible, but they may be confronted with challenges that negatively affect their performance.[1]

What exactly is the role of a higher education board? From one perspective, it is management; from another it is governance. Quite often the difference is evident only in which responsibilities belong to the administration and which to the board. School management functions have been studied and analyzed, but governance functions have been somewhat neglected in research. A quote from *Boards That Make a Difference* highlights the situation of some governing boards: "where opportunity for leadership is greatest, job design is poorest."[2] Since many administrators also lack for-

mal training for governance, Adventist educational institutions, particularly in developing countries, may grapple with a number of issues that impede board performance.

1. An Unfamiliar Process

In a few places within the Adventist educational world, board members receive a thorough orientation about their role and responsibility as a trustee. Although this clearly enhances board performance, is not the common practice in many Adventist educational institutions. In fact, there is little understanding of terms such as "trustee," "governance," or even "governing board." In many countries, governance is confused with administration. Many people join a school board with the firm conviction that their primary responsibility is to "administrate." Unfortunately, many institutions have an ill-defined and poorly understood administrative and governance model, so individuals who serve on their boards receive little guidance regarding their duties and responsibilities. Many times those who need them most cannot obtain even the basic guidelines of how board governance works for non-profit organizations and educational institutions because of technical difficulties in accessing the information, language barriers, and administrative resistance to incorporating new ideas that could threaten traditional practices and ideas about leadership.

In many countries, governance is confused with administration.

It is generally assumed that individuals who serve on the board of an educational institution volunteer their time and effort because of some level of commitment to the cause. In some parts of the Adventist world, however, except for a few lay representa-

Lowell Cooper, Loma Linda University board chair, congratulates Ruthita Fike (CEO of the Loma Linda University Medical Center) and Richard Hart (then CEO of Loma Linda University, now president of Loma Linda University Adventist Health Sciences Center), with Lyn Behrens (former president of LLUAHSC) in the background.

tives, the board members are individuals who, by virtue of their administrative position in the church structure, inherit a position on the governing board. This can create varying perceptions of board members' roles. It is possible that laypersons who are asked to serve as volunteers perceive their role as "ownership," while those who inherit their positions view theirs as "helpfulness interest," or vice versa. It is therefore extremely important for all board members to receive adequate orientation regarding the role of the trustee and how the governance process differs from church administration.

2. Mixed Identity

Another problem that contributes to poor board performance is the application of church board procedures in meetings of college trustees. Many church leaders have to wear different hats. Usually the board chair of an educational institution is the highest-ranking official of the church system in that region, and the majority of board members are administrators of sub-structures of the regional organization. Using the customary church board procedures instead of governance procedures could cause the board to mismanage its function and lose its identity.

Having served on boards for many years, I remember

The board of the Bulgarian Theological Seminary, Sophia, Bulgaria, in September 2007.

Many people join a school board with the firm conviction that their primary responsibility is to "administrate."

West-Central African Division Universities Council meeting at Valley View University, Accra, Ghana, in February 2008.

many times being a participant in the school board version of musical chairs. One minute we were in a union committee meeting, a few minutes later we had converted into a college board meeting, then back to the union committee meeting to give final approval to an item relating to another part of the organizational structure.

Some may argue that since the majority of members belong to both entities anyhow, this simply saves time and expedites the decision-making process. However, the practice diffuses the identity of the governing board.

A board decision is the collective voice of a group of people who arrive at a consensus on a particular issue, and after adequate research and consultation, create a policy to address the issue. This task is often difficult; and if in addition they cannot stand on their own, they easily succumb to pressure from the other levels of the church organization or special interest groups. Board members need to give their full attention to the best interests of the institution while they are in session. Closed sessions attended by only school trustees offer the members an opportunity to be candid and to explore a variety of options without fear of pressure or retribution.

It is . . . extremely important for all board members to receive adequate orientation regarding the role of the trustee and how the governance process differs from church administration.

3. The Approval Syndrome

When members of a governing board are unclear about their

Walla Walla University board in session, March 2007.

A recent board of trustees meeting at Oakwood University, Huntsville, Alabama.

responsibilities, the built-up frustration can cause them to lose interest and commitment to the task. Instead of functioning as a policy-formulating body, they become overwhelmed with non-essential issues. Quite often this produces the "rubber-stamp syndrome." After much nitpicking and lengthy discussion, they approve everything, even items belonging to administration, if they happen to get on the agenda. In Carver's words, "the governance process becomes ritualistic, trivializing, and bottlenecking."[3]

These three scenarios are closely related. Lack of adequate information on process can lead to confusion of roles and poor performance. They are also related to the administrative practices of the church and can be corrected if church leadership becomes aware of these scenarios, recognizes the need for a legitimate governance process, and facilitates its implementation.

Understanding the Governance Process

Throughout the world, the Adventist Church uses a system of boards and committees for decision making. As its educational system developed, the trustee-governing board model was adopted, but in many locations was not fully implemented. In this model, the governing board is at the top of the institutional pyramid. It is therefore of crucial importance that this entity function effectively and provide adequate support to the administrators and teachers to enable the institution to successfully meet the challenges of the present and future. Even if an institution has supportive alumni, a loyal student body, a committed faculty, and capable administrators, it still needs an effective board

When members of a governing board are unclear about their responsibilities, the built-up frustration can cause them to lose interest and commitment to the task.

to maintain the course charted by its mission and vision statements.

In the trustee-governing board model of educational administration, the board is the owner "in trust" of a larger group of stakeholders—church members, parents, and supporters. Because board members are accountable to the constituency, the governance process must adhere to certain specific parameters.

The literature attributes the following responsibilities (known in some circles as "the reserved powers"[4]) to the governing board:

Appoint and dismiss the president
Sell or purchase property
Approve long-range plans
Ensure the well-being of faculty, students, and staff
Ensure strong administrative and financial management
Review the mission statement
Interpret the campus to the community
Monitor its own performance

Even though these are vital tasks, Adventist boards have another responsibility that is just as important and necessary. According to Kerr and Gade, board members are "guardians" of the most important trust, the values and integrity of the sponsor-

ing organization.[5] A quote from Ellen G. White about the spiritual responsibility of the trustee illuminates this point.

"The trustees should ever realize that they are under the divine eye, and act with a continual sense that, as finite men, they are liable to make mistakes in laying plans unless they are closely connected with God and are seeking to have every deficiency removed from their characters. The divine standard must be met. Everyone who serves in board meetings needs to seek most earnestly the wisdom from above. The transforming grace of Christ should be felt in every meeting. Then the influence of the spirit of Christ upon the hearts of those present will place a right mold upon their work."[6]

In the trustee-governing board model of educational administration, the board is the owner "in trust" of a larger group of stakeholders—church members, parents, and supporters.

From this perspective, governing boards can become the ethical and moral conscience of the institution. "Guarding the trust" is more than "fiscal responsibility;" it is also "spiritual leadership" and an opportunity to incorporate the integration of faith in policy design and decision-making processes.

In their role as guardians, board members can craft policies that influence the total corporate structure of the institution and secure the support and loyalty of those constituencies that the institution serves. The board should avoid the extremes of appearing too strong, and thus becoming a watchdog, or being too weak to achieve its goals, and thus becoming irrelevant.

- The board will ensure that the institutional image is a model of integrity and Christian values.
- It will weigh all functions and decisions against the standards set by the fundamental beliefs of the church.
- It will address controversial issues and threats by being proactive rather than reactive.
- It will recognize the importance of effective use of time and design its decision-making process accordingly.
- It will monitor the performance of the administrative team as it provides the maximum support to these individuals.
- It will monitor the level of satisfaction within the institution to secure and maintain a highly motivated and committed teaching and support staff.

The board must walk the delicate but important fine line between being involved enough to know what is happening in the

General Conference Vice President Ella Smith Simmons conducts board training in the East-Central Africa Division in November 2007.

institution and yet maintaining its distance to avoid involving itself in management functions. In everything it does, the governing board must keep the mission and vision statements alive and visible.

Streamlining the Governance Process

Once the trustee/governing board model is adopted, a major task of the board must be to determine whether its composition and internal structure are adequate to perform these duties. Normally, each member of the governing board is assigned to one or more board committees. These committees are vital to the success of the governing board. If they are empowered to actually perform their duties within the assigned parameters and without external pressures, the board will function more effectively. Consider, for example, two important committees: the Trustee Selection (or Governance) Committee, which is responsible for selecting new board members; and the Search Committee, which selects candidates for the presidency of the institution. A brief discussion of the responsibilities of these committees will illustrate the point.

The Trustee Selection Committee

Fundamental to the success of a governing board is its ability to harness the individual views and opinions of each member so that this synergy will set the standard of operation for the board and for the institution as well. In addition to overcoming the barriers previously discussed, the board will also need to have the right combination of people for the process to work. A major role of this committee is to find the proper mix and to provide appropriate orientation to all new board members—those who have been appointed as well as those who have inherited a seat on the board. Once the board has been properly constituted, this committee must monitor the group's efficiency and effectiveness as a governing body, and work with members who need to improve their performance. This can be both a very sensitive and ambitious task; however, if both the board and church leaders are aware of the trustees' role as guardian of the organizational values, the process will be welcomed.[7]

The board should avoid the extremes of appearing too strong, and thus becoming a watchdog, or being too weak to achieve its goals, and thus becoming irrelevant.

The Presidential Search Committee

The search for a college or university president is an important milestone in the history of the institution. The board and administration will need to collaborate on this aspect of governance.

Before a search committee is appointed, the board should be quite clear on the purposes of the committee and the qualities its members should possess. The process for selecting members should be carefully thought out. The size and composition of the

A Certificate of Participation awarded to an attendee at the East-Central Africa Division Board Members' Seminar in November 2007.

committee will depend on the nature of the institution. Members should not be selected for political reasons, or out of fear of retaliation by influential people who were not selected. The composition of search committees, as Birnbaum has noted, often represents "a tacit negotiation that reflects the balance of influence on campus."[8] This is an opportunity for the board and administration to learn how teachers and staff actually feel about the institution. It is also an occasion for constituents to have their voices heard.

Another benefit of the search process is the knowledge that the board will gain about the institution's current and projected needs. The search committee must understand the job requirements before they can assess the qualities of a possible president and make the right selection. If all this is done right, it will send a positive message to the constituency about the board's integrity in the governing process.

If board committees work well, the board as a whole will work well, and the institution will reap the benefits.

Many Adventist educational institutions around the world are facing tremendous challenges with finances, staffing, and the upholding of church principles. It's time for the church leadership to take a second look at how the "governance process" is interpreted and implemented worldwide, and facilitate the changes that will improve board performance where this is needed. ✐

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Continued from page 5

• Carlos Archbold speaks from a global perspective as he encourages trustees to ensure that the institutional image is a model of integrity. He also reminds boards that the education of trustees is mandatory.

The writers for this special issue on boardsmanship hope that it will inspire and help trustees to be more professional and passionate in their leadership of Adventist K-16 educational institutions, as they seek to fulfill the educational mission of Jesus.

Dr. Ed Boyatt *is Dean of the School of Education at La Sierra University in Riverside, California, and Coordinator for this special issue. The* JOURNAL'S *editorial staff express their gratitude for his ongoing commitment to enhancing Adventist board service, and his assistance in preparing the Boards I, II, and III issues.*

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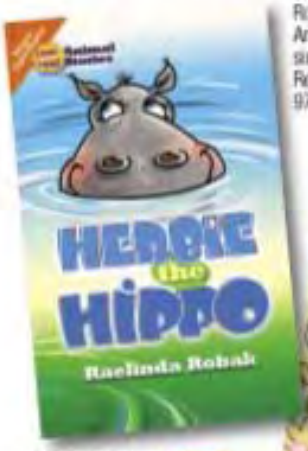

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