



# Who Rules the University?

**How Boards of Trustees Shape Higher Ed in Ohio**

Save Ohio Higher Ed

**Eighth Forum  
November 18, 2021, 4 p. m.**

---

# Who Rules the University? and why it matters

**John McNay**  
UC Blue Ash, OCAAUP



# Who rules the university?

Surely people who know something about operating a public educational institution, right?



**Wrong.**

**The majority of public university boards are made up of CEOs, bankers, and lawyers.**



# Why is this a problem?

It deprives the university of needed expertise

Ideas generated are not connected to the central academic mission

Corporate budget models gradually defund academics



# Why is this a problem?

**BOT lacks knowledge needed to push back against flawed administration plans**

**BOT lacks perspective to prevent mission creep.**

**BOT knows little about the working lives of the institution's employees.**



# Why is this a problem?

Administrations are never held responsible

No one works to keep the focus on the academic mission

Debt financing grows without restraint



# Why is this a problem?

Only the instructional departments held to strict financial limitations

Athletic departments become financial black holes

Tuition is set at what the market will bear

OCAAUP report 2017, see p 14



---

# Who Rules the University?

**Cathy Wagner**  
Miami U, Miami AAUP



## Boards of Trustees: A power analysis

“You could not tell a chart of the Columbia trustees from a chart of the New York Central Railroad, or the Remington Arms Company. You could not tell a chart of Harvard University from a chart of Lee, Higginson and Company, the banking house of Boston. You could not tell a chart of the University of Pennsylvania from a chart of the United Gas Improvement Company. You could not tell a chart of the University of Pittsburgh from a chart of the United States Steel Corporation. You could not tell a chart of the University of California from one of the Hydro-Electric Power Trust, one of Denver University from the Colorado Fuel and Iron Company, one of the University of Montana from the Anaconda Copper Company, one of the University of Minnesota from the Ore Trust.”

– Upton Sinclair, *The Goose Step*, 1923



## Boards of Trustees: A power analysis

“No representative of labor has a place on any board, public or private. And...no college professor is a trustee of the college in which he serves...We have allowed the education of our youth to fall into the absolute control of a group of men who represent not only a minority of the population, but have, at the same time, enormous economic and business stakes in what kind of education it shall be.”

–Evans Clark, former preceptor of Princeton, quoted in Upton Sinclair, *The Goose Step*, 1923

**What's changed since 1923?  
Not much.**

---



**Gary R. Heminger, Chair**  
 Former Chairman of the Board and CEO  
 Marathon Petroleum Corp.  
 Committees: Ex-officio member of all committees



**Abigail S. Wexner, Vice Chair**  
 CEO  
 Whitebarn Associates  
 Committees: Academic Affairs & Student Life,  
 Talent, Compensation & Governance, Quality &  
 Professional Affairs, Wexner Medical Center Board



**Brent R. Porteus**  
 Managing Partner  
 Blair Porteus & Sons  
 Committees: Academic Affairs & Student Life,  
 Master Planning & Facilities, Talent, Compensation  
 & Governance



**Erin P. Hoeflinger**  
 Independent Board Director and Healthcare  
 Executive  
 Committees: Audit, Finance & Investment,  
 Research, Innovation & Strategic Partnerships,  
 Wexner Medical Center Board



**Alex R. Fischer**  
 President and CEO  
 The Columbus Partnership  
 Committees: Master Planning & Facilities, Research,  
 Innovation & Strategic Partnerships, Talent,  
 Compensation & Governance



**Hiroyuki Fujita**  
 Founder and CEO  
 Quality Electroynamics  
 Committees: Research, Innovation & Strategic  
 Partnerships, Talent, Compensation & Governance,  
 Wexner Medical Center Board



**Alan A. Stockmeister**  
 Owner and President  
 Foremost Management, Inc.  
 Committees: Legal, Risk & Compliance, Master  
 Planning & Facilities, Quality & Professional Affairs,  
 Wexner Medical Center Board



**John W. Zeiger**  
 Founding Partner  
 Zeiger, Tigges & Little LLP  
 Committees: Audit, Finance & Investment, Talent,  
 Compensation & Governance, Wexner Medical  
 Center Board

Typical: Ohio State University Board of Trustees. 8 more are unpictured; all but one appear to be white, and most are men; all are from business world; plus 2 nonvoting students

**Board members are mostly very rich**

**Boards are not diverse (predominantly white, mostly men)**

**Board members are not required to have experience in or to document their commitment to the public educational mission**



Wealthy boards are likely  
to share the interests  
of their wealthy peers

**Ohio Governor Signs \$700 Million  
Tax Cut in Budget Bill**

*Ongoing tax cuts for the wealthy make  
it increasingly difficult to fund higher  
education and other public goods*

**Ohio tax cuts would go mostly to the  
very affluent**

June 29, 2021

Budget creates major new tax breaks, scraps committee that  
reviews them



## Should people from one social group dominate boards?

### Pros:

- Knowledge about finance, budgets is essential for boards' fiduciary responsibilities
- Access to power and money (legislators, donors)

...but faculty and students may not participate in decision-making over how to use funds, and donations create hidden costs

## Boards & donors

Donor-driven curricular and building decisions create new promotional expenses as well as annual debt costs in the millions, reducing funds available for existing programs

Funding Source	
Bond	\$30,000,000
Gift	\$20,000,000
Total	\$50,000,000

NEWS

## Data Science Building to be named for alumnus Richard M. McVey



The Richard M. McVey Data Science building will house statistics, emerging technology & business and mathematics departments. Photo courtesy of Miami University Advancement.

By **Emily Dattilo** Managing Editor

December 21, 2020 | 12:33pm EST



In October, Miami University's Board of Trustees approved the naming of the future data science building after alumnus Richard M. McVey, who donated \$20 million toward the project.

Construction is scheduled to begin this spring.



# Should people from one social group dominate boards?

Cons:

Current boards lack

- Knowledge about higher education
- Perspective informed by its primary components and beneficiaries: students, faculty, staff, workers, the community
- Perspective informed by a robust number of diverse stakeholders (BIPOC, women)



# Should people from one social group dominate boards?

## Cons:

Values tend to align with backgrounds, so decisions may be driven by values that are not shared by (and may not benefit) a large proportion of the community

Values important for students, faculty and the future of our community may be underserved

- Support for effective teaching
- Academic freedom, research to prepare society for the challenges ahead
- Education that promotes cultural understanding toward a free and equitable society



# What serves the interests of the majority of current board members?

Are CEOs likely to be active advocates for well funded public education that is accessible to people of all incomes and backgrounds and creates an informed and active-minded citizenry?

Or are CEOs more likely to have the interests of employers and wealthy taxpayers at the front of their minds?

The evidence points to the latter. While board members may be well-intentioned and take their role seriously, their decisions are affected by their lack of access to non-wealthy voices.

Board membership also has perks for members — beyond nice dinners and the status boost, it offers access to connections lucrative for private interests.

# Who benefits (and doesn't) from board business connections?

UC's involvement in the Innovation Corridor will create long-term jobs mostly for the affluent and participate in raising housing costs in 90% black, 40% lower income Avondale



10|01

University of  
CINCINNATI

**Total Project Cost:** \$48 Million

**UCI NMTC Allocation:** \$17.9 Million

**Project Investor:** PNC

**UCI Investment Impact:**

- 455 permanent full-time jobs created/retained within three years of project completion
- 180,000 sq. ft. research building located in a low income community
- 1,300 space public parking garage
- Redevelopment of vacant and underutilized properties



The Digital Futures project is a 180,000 sq. ft. office building developed by Terrex Development & Messer Construction. The building will be home to the University of Cincinnati's Digital headquarters for interdisciplinary research in the areas of artificial intelligence, sensors, analytics, education, informatics, simulations, policy, the creative arts and the humanities. UC's

## Strategic Partners



There is little to no evidence that Innovation Corridor partnerships will create revenue that will serve UC's educational mission

The relationship between academic research institutions and private industry has evolved significantly over time and is even more critical today with the rapid pace of change and the challenges with funding research in today's economic climate. Universities bring valuable resources to the table: talent, research, and access to physical assets such as specialized equipment and technology.



# Boards and threats to academic freedom in Ohio

John Carroll University, 2021: Board decided to [abrogate tenure policy](#)\*

Miami University, 2020: Board [refused to delegate tenure policy](#) to faculty

**HB 322 and 327 (divisive content bills):** When will our boards stand up to [stop these bills](#), which will have drastic effects on freedom of teaching, antiracist efforts, and university funding?

*\*Tenure is a means of protecting against unfair dismissal; it is currently the strongest protection for freedom of teaching and research available at most universities. Unfortunately those protections are not available to the new majority of precarious faculty, so either tenure must expand or other ways to protect academic freedom must be found.*

---

# Faculty-Board Relationships

**Brian Boyd**

Ohio Faculty Council, Wright State University

# Board of Trustees, Faculty Relationships

## Trustees

- Appointed by Governor, nine-year terms
- Successful, connected
- Expertise

# Board of Trustees, Faculty Relationships

## Ohio Faculty Council White Paper Categories

- Onboarding
- Meaningful communication
- Presence at faculty governance meetings
- Visibility on campus

# Board of Trustees, Faculty Relationships

## Details at WSU

- Onboarding
  - Faculty leaders part of these sessions
- Meaningful communication
  - Individual meetings
  - Meeting with Senate Executive Committee
- Presence at faculty governance meetings
- Visibility on campus
  - Open House



# Ohio Faculty Council White Paper “Faculty-Board Relations”

## Ohio Faculty Council White Paper: Faculty-Board Relations

### Introduction

In the state of Ohio, the Boards of Trustees for public four-year colleges and universities hold significant fiduciary responsibility for the institutions they govern. Specifically, they employ the president to run the university, and approve all budgetary commitments, programs, degrees, administrative rules, and appointments. Ultimately, they enact all things necessary for the creation, proper maintenance, and the successful operation of their institutions.

During the spring of 2021, the Ohio Faculty Council (OFC) surveyed its members to gain a statewide sense of the relations between the faculty and Boards at each institution. One common element is the lack of robust or even, in some cases, substantive, interaction between the Boards of Trustees and faculty. Healthy faculty-Board interactions and engaged communication promote informed decision making that is in the best interests of the educational mission, including innovative and successful experiences for our students.

Currently, however, and especially as institutions of higher education struggle under budgetary concerns and restrictions, some of the actions taken or approved by the Boards of Trustees are being questioned. These actions include the conversion of

# Boards of Trustees

---

**Alum/Student  
Perspective**

**Jannie Kamara**

Former Student Body President  
Miami University

**Faculty  
Perspective**

**John Martin**

Wright State University AAUP

# What can we do?

---



# Better Boards: Some Pathways

## Educate boards

- Faculty/student supported onboarding
- Board attends governance sessions, visits classes
- Develop meaningful two-way communication channels; invite members to meet regularly with student and faculty leadership

## Reform board selection process; develop criteria for application and selection

- Boards should represent a diversity of stakeholders
- Seek members with experience in diversity and equity work
- Seek members with experience in education and/or academic research

## Create list of endorsed board candidates

- Ohio Faculty Council could create such a list
- May encourage decision-makers to consider the value of employing proposed criteria, regardless of whether they use the list

## Put students, faculty, and community on boards

- The best way to ensure that all stakeholders' needs and values are considered is to give them a voice and a vote