

(Address given by the Rev. Theodore M. Hesburgh, C.S.C.,
President, University of Notre Dame, at the Spring
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In preparation for these remarks, I read Miriam Mason Wood's book on Trusteeship. Earlier, I had been well acquainted with my good friend, John Nason's, book on the same subject.

It is my impression that they have said just about everything that needs saying about Boards of Trustees for colleges and universities.

I can only approach the subject from a personal point of view, as one who has dealt with a Board for thirty-five years. If there is any wisdom in that experience, I can only trust that it will emerge in the telling.

For the first fifteen years of my Presidency, meetings with the Board were rather perfunctory, since the Board was only advisory and, therefore, had no real power of decision. That power had been vested by our State of Indiana Charter (1844) in the founder and his successors. The successors, in fact, were six Holy Cross priests, half of them former presidents of the University.

In 1967, following the admonition of Vatican Council II that laymen in the Church should be given responsibility commensurate with their competence and dedication, the Congregation of Holy Cross decided to turn the University of Notre Dame over to lay governance. This was no small decision. It was thoroughly discussed at the local, provincial, and international level by the Community. The University was then valued at about a half billion dollars. It was probably the largest entity in the Church ever totally transferred to lay control and ownership -- if anyone really owns a university.

The new form of governance was crafted by Mr. Edmund A. Stephan, the then Chairman, who was a Notre Dame undergraduate and a Harvard alumnus, in law.

Not unsurprisingly, the new structure bore some resemblance to Harvard's structure. First, the original six-man clerical governing Board was enlarged to twelve, the six clerics electing six laymen to join them in what was called the Fellows of the University. The Fellows, in turn, elected all of the remaining nineteen lay Trustees of the former advisory board to constitute the new Board of Trustees.

The twelve Fellows had few, but very fundamental, duties. First, they wrote the new Statutes and By-Laws of the University which only they could amend. Incidentally, the Statutes specified for the first time that Notre Dame is and is to remain a Catholic university. This point was not specified in the original State Charter which was crafted by a Methodist Senator of the Indiana Legislature.

Secondly, the Fellows ratify all elections to the Board and elect new Fellows, both of which bodies are self-perpetuating. They also have power of dismissal for cause.

Thirdly, the Fellows guarantee the Catholicity of the University and the dedication of all university resources exclusively to University purposes.

Lastly, all twelve Fellows are ex officio Trustees of the University. Ex officio Fellows are the Chairman and Secretary

of the Board, the Provincial of the Order, the President, Provost, and Executive Vice President of the University.

All other powers of governance are vested in the Board of Trustees, who were soon enlarged to thirty and then fifty members, forty-two of whom are laymen and laywomen, and eight clerics of the Congregation of Holy Cross.

This new form of lay governance, after 125 years of clerical governance, gave the new Notre Dame Board the opportunity of plowing new ground. Its first act was quite unusual. It requested the administration and faculty to develop Articles of Academic Administration. The first official act of the new Board was to confirm these Articles, whereby they provide that the faculty and administration, inter alia, decide the appointment, promotion, and tenure of faculty, all University administrative assignments, except officers, i.e., deans, directors, and chairmen of departments, curricular changes, initiation of academic centers and institutes. The Articles also establish a Faculty Senate, College Councils, and the highest legislative body, the Academic Council, comprised of majority faculty with administrative and student membership as well. The President and Provost are centrally involved in all of these matters. The President chairs the Academic Council. All substantive decisions of the Council, including amendment of the Articles, are subject to the approval of the President and the Board of Trustees. In fact, since the beginning of the Academic Council, all of its decisions have been so approved without exception.

I believe that this first act of the Board of Trustees was creative and constructive. It eliminated in one stroke many of the problems that have plagued Boards and administration in the past, especially when Boards became involved in administration. Our Board retains the residual power of correction if ever needed, but given good internal administration, it has not been needed. The Articles are completely reviewed every ten years, and amended occasionally as required, but, thus far, the Board has been satisfied with this internal control by the faculty and administration which also includes salary decisions without consulting the Board.

The Board only meets semi-annually, in the Fall and Spring, although its committees generally meet more often and report to the whole Board. The committees are the usual: a fairly large Executive Committee which includes all committee chairpersons and which has a leisurely meeting in the South in mid-Winter; a Nominating Committee which is chaired by the Chairman of the Board and includes the President; a Faculty Affairs Committee, always attended by the Provost; a Student Affairs Committee, always including the Vice President for Student Affairs, although he is not a member of the Board; an Investment Committee, including the Executive Vice President, who also attends meetings of the Finance Committee with the Vice President for Business Affairs (also not a member of the Board); a University Relations Committee, also involving the Vice President for University Relations (not a member of the Board); and such special committees

that the Chairman establishes as special needs occur. In this way, the Board and the administration are in constant interaction. There is little of importance in the University that is not thoroughly discussed in these committees which can meet as often as their chairpersons decide. The semi-annual reports of each committee to the whole Board is occasion for further discussion and decisions if required.

One of the great strengths of this Board is its membership. Since Notre Dame is a national and international university, we have Trustee members from all parts of the United States and occasionally from abroad.

We have a majority of Catholic membership, but also Protestant and Jewish members. We have whites, blacks, and Hispanics. Perhaps more importantly, we have over twenty Board members with earned doctorates, and always seven or eight who are or have been presidents of colleges and universities. These latter bring great strength and understanding to the Board. One thinks of special advice and counsel from Rosemary Park (former President of Connecticut College for Women, Barnard, and Vice President of UCLA), Meredith Wilson (President of Oregon and Minnesota Universities), or John Brademas, currently President of New York University, also our former Congressman for twenty-one years. There are, of course, men and women Trustees, increasingly more women once we became coeducational in 1973.

I must admit that I have always encountered great understanding, high standards, and intelligent decisions on the part of our Board. As a matter of Board policy, we do not have student or faculty members, except among the ex officio members who happen to have faculty status. We have recently provided for two three-year term memberships for a man and woman graduate under 30 years of age. Also, as a matter of continuity of institutional tradition, slightly more than half the membership are alumni or alumnae of the University. These also bring a great sense of commitment and dedication to the ethos and spirit of the place.

Each succeeding fund drive begins with a 100% participation on the part of the Board. While this is nominal on the part of our non-affluent members, the current drive began with over twenty million dollars in contributions from the Board. Faithful attendance at meetings is also required. Some very distinguished members were not reappointed because of poor attendance.

When the transfer of governance took place and the new Statutes were written, the Board, not the religious community, provided that the President would always be chosen from the Priests of Holy Cross, the founding fathers. The Board has just appointed their first new President, Father Edward Malloy, effective after this year's graduation, my thirty-fifth and last as President.

The Board's search was a classic example of consultation with everyone concerned, faculty, administration, alumni, students, and the Congregation of Holy Cross. The decision has been universally well received and all, including myself, have high hopes for the future. Father Ed Malloy has his doctorate in Moral Theology from Vanderbilt, two Master's degrees in Theology and English from Notre Dame, is a tenured faculty member and current teacher, besides having been for the past five years, Associate Provost of the University, well-known to all our faculty. If the choice of a new President is the most important act of a Board, they have performed it well in this instance. I should add that there were five finalists in their search, all highly qualified, one of whom will become the new Executive Vice President.

We have had three Chairmen of the lay Board thus far: Ed Stephan, a very prominent Chicago lawyer and alumnus, Tom Carney, an alumnus of Notre Dame with a doctorate in Chemistry from Penn State and a distinguished scientific career with Eli Lilly and G. D. Searle. Our current Chairman is Don Keough, President of Coca-Cola, not an alumnus, but with five children, all Notre Dame alumni and alumnae, who are a good supporting cast. By the way, the reason for three Chairmen thus far is the statutory emeritus status at seventy years of age.

The reason I specifically speak of Chairman is my firm belief that much of the success of this Board is due to the

close personal relationship between the Chairman of the Board and the President of the University. I do not like to be surprised in my duties and neither does the Chairman. Consequently, we confer often, generally by phone because of the distance and often by letter if the matter is more complicated and should be a matter of record.

A president should take very seriously the duty of the Board to establish basic policy for the university. The Chairman leads in this ever-changing endeavor. He cannot lead wisely unless he is always completely informed. He may well wish to confer with other key members of the Board who are especially competent in the matter involved before going to the whole Board or the appropriate committee. He may also wish to confer with the particular officer of the university who is directly involved. But the initial contact is always between the President and the Chairman, and originated from either side.

It is difficult for this balance to work without a close personal and basically friendly relationship between Chairman and President. The Chairman is perfectly free to confer with officers of the university and faculty, too. The President is free to confer with any of the Trustees and should, as occasion indicates. But there has always been a practice between us, President and Chairman, and the courtesy of letting each other know what is happening and generally why, too. Thus grows a relationship of trust and mutual reinforcement in difficult times -- of which there are always an abundance in universities.

This President-Chairman relationship is, I think, at the very heart of a further symbiotic relationship between a university and its Board of Trustees.

Twice, since taking over, the new Board has commissioned a mission statement by the University administration. These statements were thoroughly discussed and approved by the Board. But they did not stop there. They asked us to put dollar amounts on these blueprints for the future. These led immediately to fairly monumental fund raising drives. The one completed and the one in progress will amount to about \$500 million in new funds and an endowment that, during their tenure, has grown from \$ million to almost a half billion dollars. It is difficult to imagine this happening without their inspiration, participation, and leadership. They have literally made our dreams come true.

Neither did they stand aside and let us languish during the student revolution that practically coincided with their initiation. It was a baptism of fire, but they were always there when needed, and we both survived, despite the casualties all around us. It was a proud moment. Also a good, though difficult, initiation for their intimate association with our mission.

The Board was also enormously involved in our transition to coeducation, after 125 years of being an all-male institution. It was a fairly easy transition because they did not rush it or force it, but approved a gradual transition that soon will see a 50-50 men-women ratio at the University with the collaboration

of our sister school, Saint Mary's. The Board also saw to it that Saint Mary's was neither threatened nor hurt by the transition. Together we prospered under the new arrangement. Without the wisdom of the Board, Saint Mary's could have been both threatened and hurt.

Are there no negatives? Not really. I don't want to sound Pollyannish, but the simple fact is that I have not had five minutes of trouble from our Board, nor one. Too good to be true? It is the truth. Thank God for their understanding and help.

In the Spring meeting, the President meets in executive session with the Board to discuss the performance of the other principal officers of the University whom the Trustees appoint. After this discussion, and generally the ensuing reappointment of these officers for another year if all is going well, the President leaves the meeting so that presumably they may freely discuss his performance. This is healthy, since the President later gets a frank play-back from the Chairman and, again, there are no future surprises or sudden declarations of no confidence.

The Board on the occasion of naming the new President, gave him a renewable term of five years and on his suggestion, did the same with his two top officers, the Provost and the Executive Vice President. This effectively put the rumor factory to rest regarding the new administration and, in my judgment, was a wise move for stability and continuity.

We have no lifetime Trustees, although the better ones seem to stay for life as their rotating terms are almost always confirmed.

It has been said that Trustees contribute work, wealth, or wisdom. I would say that ours contribute all three to the extent of their capabilities.

There are also said to be four different kinds of Trustees: the nuts and bolts variety who know very well how things work (or don't) in a university; the personages of power within special fields; the wealthy patrons and elder statesmen. I would be hard pressed to categorize our Board along these lines. There are too many overlaps, although I readily admit that all categories are represented.

Boards are said to operate in one of three different ways: as a ratifier (euphemism for rubber stamp), as a corporate Board on the business model, or as a participatory group. If I had to categorize our Board, I would have to pick the participatory model, although there are always a number of routine matters that just get ratified because the law demands that the Board do so.

The operation of the Board, in my judgment, depends a good deal upon the President's style and the Board's confidence in him and in the leadership of the Chairman. Absent either, the university is at risk, because there are no back-up systems for either presidential or Chairman's leadership.

I suspect that if one goes back far enough in the history of British law, Trustees were invented to assure that a public trust was maintained in its original purpose, despite the vicissitudes of the passing centuries. Universities are essentially a public trust -- no one really owns them or disposes of them at will. Trustees hold them to their original purpose -- to seek truth and to educate in truth. They also maintain the essential academic

freedom and autonomy required for such university purposes, despite changing times and varying pressures from outside the university, be they from state or church or whomever. Trustees then do not just hold an institution and its endowment in trust for the purposes that brought it into being, they are also the guarantors of the conditions required to achieve those purposes.

Trustees then are not just nice to have around, they are essential to the well-being of this somewhat fragile institution called the university. There is not a set and standard plan for the constitution and operation of a Board of Trustees, but their essential purposes are clear, however they are constituted and however they operate.

I have shared with you today some details about one Board of Trustees. There are a wide variety of other kinds of Boards that are equally, possibly more effective. I would only say in conclusion that while one might criticize this unique form of governance for American higher education, it has served us well and however messy its parameters may seem at times, we have yet to find a better arrangement to assure the life, growth, freedom, and permanence of colleges and universities in this land.