

# **Baylor regents approve governance changes**

February 17, 2017

WACO—Baylor University regents approved governance changes that increase the size of its executive committee, create a task force for regent selection and grant voting rights to regents who represent certain constituencies.

However, the changes did not include opening board meetings to the public or loosening restrictions on what regents other than the chair can say about board meetings.

Regents also heard an update from the search committee seeking the university's next president. Ron Murff, chair of the board of regents, noted the committee hopes to have a candidate to recommend before the end of the semester, and regents hope the new president can begin work by June 1.

Murff characterized the board discussion about the governance proposals, presented by an ad hoc governance-review task force, as "robust" and the vote as "overwhelmingly positive."

"It was in full open session, with both voting and nonvoting regents present, along with members of the administration," he said.

"Combined with the changes we've already taken, these actions today will make Baylor's governance model one of the most responsive and transparent of any major private university."



Gregory Brenneman, chair of Baylor University's governance-review task force, and Ron Murff, chair of the Baylor board of regents, respond to reporters' questions. (Photo/Ken Camp) Gregory Brenneman, executive chairman of CCMP Capital and a non-regent, who chaired the task force, noted the changes give the next president of the university authority to function as chief executive officer.

"We believe these governance changes will built greater trust and confidence within the Baylor community and in the board itself," Brenneman said.

He commended the board for the freedom it granted the task force.

"We were given complete independence and unfettered access to do our work," he said.

Brenneman, lead independent director for Home Depot, noted the changes "take Baylor from where it was to best practices."

### **Bears for Leadership Reform not satisfied**

However, a leader of a group of Baylor alumni and donors who have called

for sweeping reform characterized the changes as “baby steps” that reflect “a continuation of failed leadership.”

“We are deeply disappointed that the Baylor board of regents did not adopt more comprehensive reforms,” said John Eddie Williams, a Houston attorney and leader of Bears for Leadership Reform. “These changes are baby steps, not the real reform the Baylor Family wants or deserves from its leadership in response to this crisis.

“The board of regents is still going to appoint itself. It is still going to operate under a cloak of secrecy and gag rules. And it still has failed to share the facts and details of the sexual assault investigation.

“We are 18 months into this tragic crisis, and there seems to be no end in sight. It’s clear that failed leadership was at the root of this tragedy. This vote is sadly just a continuation of failed leadership.”

### **Regents created task force last November**

The governance-review task force suggested recommendations designed to “help build greater trust and confidence within the Baylor community,” and the board voted in favor of bylaws that reflected the recommendations.

Regents departed from the task force recommendations only at one point. The report recommended two nonvoting student representatives on the board. The board granted voting privilege to the student regent who serves his or her second one-year term.

The board of regents’ governance and compensation committee [established the task force](#) last November to review Baylor’s board structure and practices—including the relationship between the board and the university administration—and to make recommendations regarding “best practices.”

The task force reviewed the university’s and board’s governing documents,

examined reports from other universities that completed similar reviews, surveyed literature regarding governance and spoke with individuals representing various Baylor constituencies.

A six-member task force—three regents and three non-regents—produced [the 27-page report](#) that contains findings and recommendations regarding board composition and procedures, regent selection, board governance and administration, regent giving, the office of the board secretary, and transparency and engagement of the board with key constituencies.

In addition to Brenneman, other nonregents on the task force were Douglas Bech, chief executive officer and owner of Raintree Resorts, and Paul Foster, chair of Western Refining.

The three regents on the task force were Bob Beauchamp, chair of BMC Software; Jerry Clements, chair and managing partner of the Locke Lord international law firm; and Larry Heard, president and CEO of Transwestern.

“At the outset, the task force acknowledged a widely held perception by many Baylor constituents that the board tends to micromanage university administrative matters and that it has not been open regarding how it has made its decisions, selected regents or chosen its leadership,” the report stated.

“The task force recommendations seek to address this perception by promoting greater transparency, openness, and accountability and effective oversight. The task force believes that these recommendations will help build greater trust and confidence within the Baylor community.”

### **Rejected call for open meetings**

The task force rejected a call from Bears for Leadership Reform for the board of regents to open its meetings to the public.

“After extensive deliberations, the task force concluded that the specific recommendations in this report would sufficiently enhance accountability and transparency and that open meetings would risk unnecessarily disclosing competitive information and detract from the free and open exchange of views and robust dialogue that are necessary to fulfill the regents’ fiduciary duties,” the report stated.

Open meetings of governing board for private institutions of higher education are not considered among “best practices,” Brenneman said, adding, “We think it’s a bad idea.”

Regents approved recommended changes to board committee structure that will increase the size of the executive committee from eight members to no more than 15 members.

One key change the board adopted calls on its governance committee to create a task force for regent selection. It will include members of the governance committee, but at least half of its members should be nonregents with expertise in varied professional fields and who have diverse backgrounds and geographic locations. It also will include as nonvoting members the university president and the vice president for advancement and development.

**The board also approved recommendations to:**

- Increase the number of faculty representatives on the board from one to two.
- Grant voting rights to regents who represent the faculty, the Baylor “B” Association of former athletic lettermen and the Bear Foundation fund-raising organization for athletics.
- Continue to increase the overall diversity of race, gender and background of regents.
- Revise the regent removal process, eliminating the clause that

regents may be removed only “for cause” and giving the recommendation of removal of nonalumni-elected regents to the governance committee. That committee would make its recommendation to the executive committee, which would then have authority to make the recommendation to the full board.

- Conduct annual self-assessment of the board, giving each regent the opportunity to suggest ways to improve how the board functions.
- Provide all regents with all board materials, except when dealing with issues of compensation or—in the case of nonvoting regents—information covered by attorney-client privilege.
- Require the governance committee to solicit from all regents recommendations for board chair and vice chair, and expand the number of vice chairs from one to three.
- Require the chair to resign from the board of regents no later than one year after completing his or her term as chair.
- Create a full-time senior position of board secretary who would serve as the principal officer to the board in the administration of its responsibilities. The secretary—who should be an attorney—would be elected by a majority of the board, serve without a fixed term and report directly to the board.

Regents already implemented one recommendation from the governance-review task force prior to the board meeting by creating a board [website](#). It includes biographical information on each regent, governing documents and information about board meetings.

The governance-review task force recommended no changes regarding the board’s 34-member size or requirements that three-fourths of the regents be Baptist, all must be Christians, half must be Texas residents, 10 percent be elected by alumni and up to one-fourth be elected by the Baptist General Convention of Texas, subject to confirmation by the regents.