

# National council raises concerns with HSU trustees

April 2, 2020

A national organization committed to academic freedom and institutional accountability has raised questions about rising administrative costs, perceived lack of shared governance and possible violation of donor agreements at Hardin-Simmons University.

“Highly informed and highly engaged trustees are essential for Hardin-Simmons to move forward in what appears in the media to be a most perilous financial and reputational crisis,” the American Council of Trustees and Alumni wrote in a March 27 [open letter](#) to the HSU board of trustees.

Noting that a university’s ability to access Title IV federal aid and subsidized student loans depends on regional accreditation, the council emphasized “trustees must be vigilant to prevent even the appearance of operating outside of accreditor standards.”

Trustees have a fiduciary responsibility to “ask the questions that need to be asked and exercise due diligence,” the council’s letter stated.

“Decisions regarding school restructuring, program prioritization and termination, tenure and faculty management have lasting effects on the school community and its reputation,” the letter stated. “While delegating management and implementation to the administration, an institution’s governing board still has the ultimate legal authority behind these choices and responsibility for them.”

ACTA serves a watchdog role, regularly communicating with university administrations and trustees concerning academic freedom issues and best practices regarding governance.

HSU issued this statement April 1 in response to questions about the ACTA letter: “The topics raised in the letter sent to the trustees are important, and that is why we have been engaging all of our stakeholders about the changes the university has announced. In the coming days and weeks, we’ll be sharing more about how our strategic plan will benefit not only our HSU family, but also the communities in which we live and serve, as we stand united in our mission of providing an education enlightened by Christian faith and values.”

The HSU board of trustees on Feb. 7 voted to [close Logsdon Seminary](#). It was part of a reorganization that also involved [cutting faculty](#) and eliminating 11 of the university’s graduate degree programs, five undergraduate majors, four undergraduate minors and two certificate programs to address a more than \$4 million operating deficit.

## Questions raised about costs

HSU President [Eric Bruntmyer told](#) the Baptist General Convention of Texas Executive Board on Feb. 17 the school’s administration had spent four years examining all university programs to determine their financial sustainability prior to the trustees’ action at their February meeting.

While ACTA said HSU “made some laudable efforts to articulate to stakeholders the financial exigencies that necessitate its recent restructuring decisions, the information that is publicly available gives an understandable basis for skepticism,” the council’s letter to trustees stated.

The council specifically pointed to rising administration costs and a significant spike in management, business and financial operations salary expenditures, particularly compared to faculty salaries.

The ACTA letter to trustees cited statistics from the human resources survey in the National Center for Education Statistics’ Integrated

Postsecondary Education Data System. HSU employed 48 administrators in management, business and financial operations in 2012-13 at a cost of \$2.66 million. During the next five years, salaries grew a modest \$219,550, or 8.2 percent.

However, in the subsequent two years, annual salary outlays in those categories jumped an additional \$861,401—a 29.9 percent increase, the letter stated.

In a seven-year period, annual salary outlays in management, business and financial operations categories increased by 40.6 percent—more than \$1 million, ACTA noted. During that same timeframe, expenditures on faculty salaries increased 3.5 percent, from \$8,520,525 to \$8,819,531.

“While year-to-year fluctuations in reported data may occur for a variety of reasons, they are nonetheless worth investigating,” the letter stated.

The letter to trustees added the stated figures do not take into account the elimination of faculty in the 2020 and 2021 fiscal years, “which will almost certainly push salary outlay for faculty well below its 2012-13 level.”

The council’s letter to trustees also pointed to a 2018 finance survey that indicated construction in progress at HSU was valued at more than \$11.8 million, noting expenditures on building projects “merit the board’s scrutiny.”

## **Questions about lack of faculty input**

The ACTA letter also raised serious questions regarding whether the HSU faculty was given sufficient opportunity to participate in decisions regarding the process of evaluating academic programs for possible elimination.

“Campus perception seems to be that the processes developed to assess,

revise, prioritize, and, in some cases, close academic programs (including HSU's general education program) did not appropriately encourage faculty participation," the letter stated. "It would be wise for the board to address this perception by communicating clearly with the community at large and describing in detail the board's deliberative process for academic program review."

The letter cited examples of how other institutions that faced massive budget deficits demonstrated "a high level of transparency" by hosting open forums and engaging faculty in decision-making.

"Best practices require engaging faculty at every step so that they understand the need for the program prioritization. Working closely with faculty also raises the level of confidence and buy-in for the resulting recommendations," the letter to HSU trustees stated.

"We encourage board members to ensure that the recent assessment and prioritization of academic programs, and ongoing revisions to HSU's general education program, not only adhere to accreditor standards but also reflect best practices."

The ACTA letter acknowledged the challenge in "maintaining high levels of faculty morale in times of financial pressure," but the council insisted "hardly anything ... is more vital to the university's success."

"When institutions of higher learning face daunting challenges, especially budget challenges, university leaders must work to strengthen shared governance. This requires a high level of transparency about the problems facing the institution, persistent communication with stakeholders, and the diligent adherence to established policies and procedures," the letter stated.

Failure to explain decisions well or appearing to veer from established policies not only causes faculty morale to deteriorate, but also endangers

academic freedom, the council asserted.

“Academic freedom and an engaged professoriate are the lifeblood of a university. As such, we strongly encourage HSU’s leaders—senior administrators and board members—to attend assiduously to cultivating norms of shared governance and raising faculty morale,” the letter to trustees stated.

## **Questions about honoring wishes of donors**

The ACTA letter also raised concerns about relations to donors and a perceived lack of adherence to honor the wishes of donors, particularly in regard to Logsdon Seminary.

[Two former deans](#) of the Logsdon School of Theology—Vernon Davis and Don Williford—have asserted the HSU trustees’ actions in closing the seminary and scaling back the remaining undergraduate religion programs appear to contradict the original intent of donors who established the theology school and seminary.

“As I know you are aware, some donors believe that HSU’s closure of the Logsdon Seminary, in conjunction with its choice to retain the corpus of funds that constitute its endowment, runs contrary to the terms of donors’ gift agreements with HSU. This perception on the part of donors and friends of the University is a matter that calls for close board attention,” the letter from ACTA stated.

“Proper stewardship of these gifts—and even returning them if the terms of the gift agreements can no longer be met—will reflect on the values of your institution. It is also sacrosanct to the notion of trusteeship, which is why ACTA’s Fund for Academic Renewal exists to advise higher education

donors on how to safeguard their intent.

“I urge each board member, if you have not done so already, to review the exact terms of any gift agreements connected with the Logsdon Seminary so as to ensure that HSU will always be viewed by its donor base as the most dependable of partners.”

Leaders of the “Save Hardin-Simmons” group expressed appreciation to ACTA for writing the university’s trustees.

“This letter highlights so much of what inspired the group Save Logsdon Seminary, and now Save Hardin-Simmons. HSU’s survival is in question unless further action is taken,” an April 1 news release from the organization stated.

The group noted the trustees’ actions “blindsided students and faculty,” and it affirmed ACTA for pointing out it is “imperative for trust between the university and donors to make sure agreements have not been breached.”

With respect to the concerns ACTA raised regarding rising administrative costs and construction expenditures, the news release stated: “Save Hardin-Simmons has repeatedly asked for a forensic audit with the results released to the public. The financial numbers do not add up. We will continue to ask for financial transparency from HSU administration.”