Wise Stewards Guide

The roles and responsibilities of boards in theological education

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About the *Wise Stewards Guide*

Wise Stewards Guide: The roles and responsibilities of boards in theological education outlines the characteristics of exemplary governance in theological schools. This document addresses board members in various settings, including freestanding seminaries, advisory groups that oversee university-related theological schools, and boards assisting church authorities. Discussion questions are provided after the description of each of six essentials of good governance.

The **Case Scenarios** (located in the appendix) provide board members with an opportunity to dig deeper into the meaning and practical implications of the six essentials of exemplary governance through the stories and actions — some good, others less so — of fictional institutions. Each of the case scenarios comes with suggested discussion questions.

An expanded "**Facilitators' Edition"** of the *Wise Stewards Guide* is available from the In Trust Center. It has an extra section with instructions on leading board development sessions, as well as printable worksheets, based on the case scenario discussion questions. To request this edition, contact the In Trust Center at resources@intrust.org.

Introduction

Defining governance

Governance is the means by which people with appropriate authority establish an institution's strategic vision, plan for its future, develop policies, make decisions, authorize actions, and assess outcomes — all with the goal of fulfilling the institution's mission and sustaining its financial vitality.

Shared governance balances the roles of authority in a way that is unique to higher education. While governance systems vary widely from one school to the next, usually the responsibility for governance is shared by three groups:

- **The board**, which either holds final authority or acts in concert with those who do.
- **The president** (or other chief executive), who provides executive leadership and whose authority is delegated by the board (or by a bishop or a university president).
- **The faculty**, which generally establishes educational requirements and also implements and assesses the educational program.

For schools operated by, or closely affiliated with, churches, denominations, colleges, or universities, additional lines of authority can make governance more complex.

A board that tends a theological school is a steward of the institution's core mission. Within the context of a theological school, the board's role in governance is more than a legal requirement — it is also a

practice of faith. And when approached with ministry in mind, governance can also be a powerful instrument for action.

What is taught and learned, prayed and sung, practiced and preached by theological schools matters profoundly, and that makes the risks and rewards of governing high. Board work is engaging and influential, but it also can be tiring and perplexing. How well a theological school is governed is key to the institution's overall effectiveness and its fidelity to its mission. In the midst of change and discontinuity, the governing board is the steward that nurtures the purpose and vision of a theological school across the span of time.

Three key terms

- **President:** The head of a theological school is usually called the president but may alternately be known as the dean, principal, or rector.

- **Governing board:** Most freestanding theological schools are governed by a board of trustees. In some cases, this group may be called a board of directors, governors, regents, or a similar name. In a university context, an advisory board, advisory council, or seminary committee may oversee the activities of the theological school under the ultimate authority of the university's governing board.

- **Theological school:** Theological schools are institutions of higher learning that prepare graduate students for Christian ministry, as well as for other forms of service in academia, the church, and the world. More than 260 are accredited by the Association of Theological Schools in the United States and Canada (or are candidates for accreditation). Theological schools are sometimes called seminaries, theological colleges, or other similar names. Those that operate as schools within larger universities are often known as divinity schools or schools of theology.

The context of governance in theological education

Discussions and decisions about the future of a theological school are conducted within the context of significant changes in church and society. Some of these include the following:

A shifting religious landscape

Church attendance in Canada and the United States is in decline, and not just among young adults, who are often identified as less interested in the institutional religious practices of earlier generations. Older cohorts are also participating in religious life with less frequency. As the number of people affiliated with formal religious bodies shrinks, the cultural influence of ordained clergy wanes as well, as does the once-privileged place of churches within civic life.

About half of regular church goers attend the largest 10 percent of congregations, and these large congregations often offer extensive programming led by multiple clergy and lay staff, not all of whom have been educated in theological schools. At the same time, smaller congregations, which offer smaller salaries, sometimes struggle to attract leadership — especially seminary-trained clergy, who may have debt and may therefore gravitate toward higher-paying positions in larger congregations. In congregations large and small, lay people are stepping into new positions of leadership.

Significance for boards: Clergy, congregations, denominations, and the theological schools that serve them are redefining and re-establishing their place within an unsettled religious environment — an environment in which the value of graduate-level theological education is not universally acknowledged. While some denominations or church bodies face a clergy shortage, others have too many clergy for the number of open positions in established congregations.

Additional resources:

- "Sobering enrollment figures point to overall decline" by Anthony T. Ruger and Barbara Wheeler (*In Trust*, Spring 2013)
- American Theological Library Association
- Center for Applied Research in the Apostolate
- Hartford Institute of Religion Research
- Pew Forum on Religion and Public Life

A changing student profile

In earlier years, most seminarians had deep roots in specific religious communities, and most were preparing to be parish ministers, priests, missionaries, or educators. Today, however, many students at theological schools have looser connections or shorter histories with established communities of faith. When prospective students are deciding which theological school to attend, they may consider geographical location, convenience, academic reputation, and other factors before denominational affiliation or theology.

Many students' view of ministry has expanded beyond the confines of full-time pastoral work in a parish. For some, theological education is a step on a personal spiritual journey, or it is a way to incorporate ministry, service, and faith into a career in education, business, the nonprofit sector, or another field. Americans of all ages increasingly see religious life as a journey with multiple stages rather than a permanent affiliation.

Significance for boards: By necessity, theological schools are taking on new obligations toward their students, helping them to meet their spiritual needs and discern their vocational callings, even when that discernment process leads students *away* from full-time ministry. Wise boards are attentive to institutional culture and seek ways to facilitate an open, inviting environment for a diverse student body.

Additional resources:

- "Pathways to seminary: Where the best students come from" by Barbara Wheeler (*In Trust,* Autumn 2013)
- "The ones who got away" by Barbara Wheeler (*In Trust*, Summer 2016)

- *Bright spots in theological education* (Auburn Studies, 2016)
- *On our way: A study of students' paths to seminary* (Auburn Studies, 2014)
- *Theological school enrollment* (Auburn Studies, 2013)

Institutional financial stresses

Financial issues facing theological schools and their boards have intensified in recent years. Institutional costs are high and growing: Students expect more services, like personal counseling and career services. Campuses suffer from deferred maintenance, which drives up long-term costs. In addition, at many institutions, an aging workforce translates into higher salaries and more costly benefits.

At the same time, income is flat or shrinking at many schools, with flat headcount enrollment over time and declining full-time-equivalent (FTE) enrollment, which translates into fewer tuition dollars. Denominational support at most seminaries is also flat, declining, or nonexistent.

In recent years, the bright spot for seminary finances has been individual giving, but many theological schools have nevertheless been compelled to increase tuition, and the availability of student loans has enabled students to take on debt. Thus the financial burden of theological education has shifted increasingly to students. Most observers believe that this financial model cannot continue in this way into the future.

Significance for boards: With financial issues at a critical stage, boards, presidents, and ecclesiastical leaders are considering untried and unusual ways of providing and funding theological education — new avenues of ministerial preparation that have the potential for replacing or re-visioning traditional models.

There is little room for error in decisions about resource allocation, and it is not enough to call for a balanced budget. Board members are challenged to give attention to enrollment management, internal and external economic trends, and connections with congregations, donors, and church bodies. In addition, leaders in theological education must be alert for opportunities to collaborate with both like-minded peers and unlikely partners.

Additional resources:

- *Great expectations: Fundraising prospects for theological schools* (Auburn Studies, 2009)
- *Bright spots in theological education* (Auburn Studies, 2016)
- *(Not) being there* (Auburn Studies, 2017)
- *Through toil and tribulation: Financing theological education, 2001–2011* (Auburn Studies, 2014)

An epidemic of student debt

With denominational support waning, more than half of seminary students borrow money to fund their educations. Many seminarians also have credit card debt or accumulated academic debt from their undergraduate education. It is not unusual for students to enter seminary already owing tens of thousands of dollars. Others delay attending theological school because of personal and academic debt and then never get around to applying.

Significance for boards: Increasingly, theological schools are taking on the obligation of offering financial counsel to students. In addition, schools are limited in their ability to raise tuition, recognizing that

student debt can impede the future ministry of graduates. A few institutions are responding by offering free tuition to some or all students, but this usually requires significant fundraising.

Additional resources:

- "Rising student debt" by Jo Ann Deasy (*In Trust*, Autumn 2015)
- *A call to action: Lifting the burden* (Auburn Studies, 2014)
- Economic challenges facing future ministers (Association of Theological Schools)
- "Higher calling, lower wages: The vanishing of the middle-class clergy" by David R. Wheeler (*The Atlantic*, July 22, 2014)
- *Taming the tempest: A team approach to reducing and managing student debt* (Auburn Studies, 2014)
- *The gathering storm* (Auburn Studies, 2005)

The shift away from full-time faculty

Theological schools are staffed increasingly by part-time and nontenured faculty with other jobs. Some of these faculty members have limited time or energy for engaging with students. The shift in the direction of part-time faculty also is detrimental to shared governance. In most cases adjuncts have more tenuous institutional knowledge, multiple institutional commitments, and less ability to contribute to institutional decision making. The adjunct model rarely includes participation beyond the classroom.

Significance for boards: With the shift toward part-time faculty, an ever-smaller cadre of full-time professors may struggle with the weight of academic governance. The board, administration, and faculty members (full- and part-time) must work together to update and streamline traditional structures for new realities.

Additional resources:

- "In all fairness" by Kathleen Henderson Staudt (*In Trust*, New Year 2016)
- *A portrait of part-time faculty members* (Coalition on the Academic Workforce, 2012)
- "Tenure and other faculty facts at ATS member schools" by Tom Tanner (Association of Theological Schools, 2015)

Enhanced public scrutiny

Accountability in higher education is an increasingly significant issue for U.S. and Canadian institutions, including theological schools. Not only do seminaries comply with standards set by accrediting and governmental bodies, but they are expected to demonstrate improvement in key areas (including learning outcomes) and compare their performance with peer institutions.

Efficiency is also a focus for many oversight agencies. In particular, institutions are under pressure to control costs, eliminate duplication, and, in some cases, cut unique offerings (such as church music) that are perceived to be too costly.

Significance for boards: For theological education to respond fully to the demands of stakeholders and the public at large, board members must continue to ask the question of what difference a seminary education makes. As fiduciaries of the mission and reputation of a theological school, board members

must ensure that the institution is achieving its mission with integrity, transparency, and fiscal responsibility.

A variety of educational models

Theological schools have long provided education in a variety of formats — daytime courses during the week for on-campus students; evening and weekend courses for part-time working professionals; and online and hybrid courses for students who can log in from anywhere in the world. Today, the options are more numerous than ever before, and many theological schools are trying new alternatives in order to serve different groups of current and potential students.

Some schools emphasize the residential experience, with all students living in campus housing. Others focus on "contextual" education, in which students work in full- or part-time ministry while taking courses on weekends or during short, intense academic terms. Still others have moved toward competency-based education, in which students master a set of skills and areas of knowledge. And still others have formed educational partnerships with other institutions in order to provide completely new options, such as a series of weekend courses in one location followed by low-residency intensive coursework taken through a school in another state.

Significance for boards: As in all matters, boards must remain focused on the school's mission and financial vitality. In some cases, this means first clarifying what the mission actually is. In many cases, boards are being called on to move beyond managing and protecting the best of "what already is" — the faculty, campus, relationships, and other current assets — and to help the school move carefully into "what can be" — the as-yet-unrealized future in which a theological school can fulfill its mission in new and financially sustainable ways.

Additional resources:

- Educational Models and Practices in Theological Education (Association of Theological Schools)
- "To create the future, selectively abandon the past" by Robert S. Landrebe (*In Trust*, New Year 2014)
- "Creating your future seminary" by Robert S. Landrebe (*In Trust*, New Year 2017)

Six Essentials of Wise Governance

For three decades, the In Trust Center for Theological Schools has studied, informed, and encouraged boards and other leaders in theological education. Based on this experience, we have identified six essentials for exemplary board governance.

1. Respect for the past and the future

As a wise steward, the board balances respect for the way things have been with a robust anticipation for what yet can be.

A school's history, tradition, theological roots, and spiritual values are rich treasures that board members should know and celebrate. The board's responsibility is to tend the institutional story and

watch over the school's mission. At the same time, the board looks forward with eyes firmly fixed on the future to which God is calling the school. It's the board's responsibility to determine what from the past should be carried forward and what is best left behind.

In partnership with the president, the board is responsible for creating and communicating the need for change within the school — for instilling a sense of urgency and purpose for what is necessary and for overcoming institutional inertia. In addition, this role necessitates identifying areas of resistance and applying appropriate incentives and pressure. Above all, the board must lead by example in order to build credibility and trust, aligning its mode of operation and the issues it addresses to the anticipated direction of the school.

Because the issues with which boards must deal are complex and often have no single obvious solution, ample time should be allotted during meetings for discussion and learning. Board members should be provided with opportunities to grow in their understanding of the school, the wider world of theological education, and the present realities of the churches and communities served by the institution. Information is the board's most important resource — both *internal* information, including longitudinal data collected within the institution itself and theological insights from the religious tradition that underpins the school, and *external* information, including the contextual data that is available from accrediting bodies.

Discussion

- How are board members familiarized with the institution's mission and its history? How are key groups such as faculty, staff, and students taught the institution's theological heritage and defining characteristics? In what ways does a shared commitment to the school's story and values shape strategic decisions?

- What are the core values of the school? What does the school do? For whom does the school do what it does? What demonstrable benefits do constituents of the school receive from this educational experience?

- What is the school's definition of quality, and how does the board know that the institution is living up to its rhetoric of excellence? What are the benchmarks by which the board tracks the school's performance? How does its performance compare with that of peer theological schools?

Additional resources

- "Creating your future seminary: What are you doing today to create the theological school of the future?" by Robert S. Landrebe (*In Trust*, New Year 2017)
- "The board and the spirit of the school" by Katheryn Leung (*In Trust*, Autumn 2015)
- "To create the future, selectively abandon the past" by Robert S. Landrebe (*In Trust*, New Year 2014)
- Case scenario 1: Respect for the past and the future (See page 16 in the Appendix)

2. Commitment to board development and growth

As a wise steward, the board takes responsibility for its own readiness to govern well.

The most precious gift the board brings to an institution is good governance, so paying attention to the board's development should be a priority for board leaders. The president is a critical partner in building a strong board, but the president's involvement is not a substitute for the board's attention to its own readiness to govern well. Whether recruiting, orienting, or educating board members for more effective and faithful service, responsibility for making it happen rests with the board.

The primary criterion in the selection of new members — and the basis of evaluation for continuation on the board — must be the member's commitment to the mission and ministry of the theological school. However, other issues must also be considered, including the need to fill gaps in the expertise, life experience, and connections already available to the board. Diversity within the membership brings richness to boardroom discussions and enhances the quality of the board's decision making both in the present and in the future.

The goal is a board that operates as a smooth-functioning team whose members ask tough questions, challenge decisions, and engage in healthy argument. Good governance demands transparency, good communication, trust, and accountability, and openness starts with the board chair and president. There is no place for self-serving agendas or conflicts of interest within theological school boards that are determined to govern well.

Discussion

- What have been the two or three most helpful forms of self-care for this board over the past few years? How did the board change when it invested in its own development? What were the benefits to the institution?

- Name the two or three most pressing issues facing the school within the coming years. How should boardroom discussions be shaped to ensure the board is addressing these issues?

- How does the board acknowledge the differing points of view of its own members and demonstrate respect for dissenting opinions?

Additional resources

- "A blueprint for a better-than-ever board" by Robert S. Landrebe (*In Trust*, Spring 2018)
- "Effective leadership for theological schools" by Barbara Wheeler (*In Trust*, New Year 2015)
- "Formation for the board" by Charles Bouchard (*In Trust*, Spring 2016)
- "Strong boards, strong schools" by Rebekah Burch Basinger (*In Trust*, Summer 2016)
- "Two patterns of good governance" by Helen Ouellette and Barbara Wheeler (*In Trust*, Spring 2015)
- Case scenario 2: Commitment to board development and growth (See page 18 in the Appendix)

3. Responsibility for effective institutional leadership

As a wise steward, the board assumes responsibility for hiring, caring for, and evaluating the president.

Recruiting and hiring the president is another of the board's top responsibilities. No activity, other than the board's attention to its own readiness to govern well, is of greater consequence to the institution's future. A presidential search, however, is simply the first step in a mutually reinforcing leadership relationship. Starting with the vote to accept the search committee's recommendation and continuing throughout the president's tenure, the board plays a critical role in his or her success.

The board demonstrates its care for the president by providing an annual evaluation of the president's work, with a more thorough review every three to five years. In turn, the president should encourage the board to engage in its own regular self-assessment. In these ways, the board and president model for others within the institution the importance of assessment and accountability.

Between meetings, the board relates to the president primarily through the board chair. Individual members should be free to communicate with the president about issues of general interest to the school, but requests, concerns, and critiques of the president's work should go first to the chair, who determines what to pass along and how. The primary goals of the president/board chair relationship are twofold: (1) the smooth functioning of the institution and its governance structures and (2) no surprises.

For both emergencies and natural transitions, the board should have in place a well-documented plan for succession. Orientation of new board members should include a review of the transition plan.

Discussion

- What did the board learn about its own performance through its most recent evaluation of the president's performance? Did the evaluation uncover potential problems or threats to smooth-running governance of the school? How has the board used what it has learned in identifying and addressing potential problems?

- What are the ways in which the board is providing support and constructive feedback to the president? How often is the president evaluated, formally and informally, with reference to the institution's strategic goals? How is the president tracking learning after the evaluation process?

- If the board was required to select a new president within the near future, how prepared would it be to provide the selection committee with a well-defined mission statement along with goals, objectives, and a plan for implementation?

Additional resources

- "Board leadership that works" by Barbara Wheeler (*In Trust*, Spring 2011)
- "Effective presidents" by Barbara Wheeler (In Trust, Summer 2010)
- "How to undermine your president" by Matt Forster (*In Trust*, Autumn 2014)
- "Toward a Fuller future" by David L. Beré (*In Trust*, Spring 2015)
- Case scenario 3: Responsibility for effective institutional leadership (See page 20 in the Appendix)

4. Vigilance for mission and economic vitality

As a wise steward, the board actively pursues the goal of mission fulfillment with economic vitality.

Governing boards operate in a creative tension that comes with seeking to preserve and further the educational purposes of the school while also attending to fiduciary matters. As described in the accreditation standards of the Association of Theological Schools: "As fiduciaries, the governing board should commit themselves loyally to the institution, its purpose, and its overall well-being. . . . They should lead by affirming the good that is done and by asking thoughtful questions and challenging problematic situations." How these dual ends are achieved is unique to each institution.

As a body, the board is responsible for ensuring the school's readiness and worthiness to receive the gifts and goodwill of constituents. Included among the board's roles is the need to understand the costs and requirements of a well-run fundraising program, to monitor the use of funds entrusted to the school, and to expect full compliance with financial and legal requirements.

Beyond the boardroom, the boundary-spanning aspects of board service challenge the members to tap into the faith commitments, wisdom, and fiscal resources of constituents of the school. As individual board members commit themselves to specific actions on behalf of their schools, they extend the reach of the institutions far beyond what is possible through staff contacts alone. Members are called to be advocates and ambassadors for their schools, sharing the mission.

Membership on a governing board carries the responsibilities of giving generously and asking boldly. Board members set the pace for other donors to follow. They should be open-handed in personal giving and in sharing the connections they bring to the school. Board members who are adequately prepared to communicate the challenges and accomplishments of the school to church bodies, donors, and other constituents are invaluable resources to their institutions.

Discussion

- How does the board balance attention to the school's economic vitality and attention to mission fulfillment through its educational programs?

- What information and/or education do members of your board need in order to understand and respond more effectively to the financial situation of the school?

- Give an example of good news about the school heard during the board's most recent meeting that board members can share with friends of the institution.

- How satisfied are you with the level of board members' commitment to the school's fundraising program? What information and/or education would maximize board members' contributions — time, talent, and treasure — to the advancement of the institution?

Additional resources

- "Fulfilling our mission with economic sustainability: seven questions about the future" by G. Douglass Lewis (*In Trust*, New Year 2012)
- "Governing in the midst of climate change" by Larry Perkins (*In Trust*, Autumn 2012)
- Case scenario 4: Vigilance for mission and economic vitality (See page 22 in the Appendix)

Governance in special cases

It is essential to good governance that the bylaws of the school are clear about the role of the board, that members act in accordance with their role, and when they don't, that the board itself has the authority to monitor itself.

The accrediting standards of the Association of Theological Schools include discussion of the special cases of schools that are embedded in colleges or universities, and those operated or controlled by bishops or church bodies.

General Institutional Standard 7.1.2.2

Schools where authority is limited by or derived from their relationship to a college or university shall identify clearly where the authority for maintaining the integrity and vitality of the theological school resides and how that authority is to be exercised in actual practice. Schools within universities or colleges should have an appropriate advisory board whose roles and responsibilities are clearly defined in the institution's official documents.

General Institutional Standard 7.1.2.3

Schools with authority limited by their ecclesiastical relationships shall develop, in dialogue with their sponsoring church bodies, a formal statement concerning the operative structure of governance for the institution. This statement must make clear where the authority for maintaining the integrity and vitality of the school resides and how that authority is to be exercised in actual practice. In schools of this type, the authority of the governing board shall be clearly specified in appropriate ecclesiastical and institutional documents.

5. Commitment to shared governance

As a wise steward, the board establishes structures of leadership and governance that invite members of the campus community to contribute to the vitality of the institution.

The board's oversight does not occur in a vacuum; it is deeply rooted in the school's community. The board's stewardship of the school shows in its commitment to planning, in caring for the people who have chosen to align with the institution, and in nurturing the reputation of the academic program.

The goal of shared governance is to involve all appropriate people in the educational mission and achieving economic vitality. Shared governance communicates the understanding that parties other than the board and president can and should speak wisdom into institutional processes and decisions. Its success is predicated on trust and communication.

For shared governance to run smoothly, the roles and responsibilities of the board, administration, and faculty must be clearly defined and mutually understood. Typically, the board delegates authority over day-to-day operations to the president, who in turn delegates authority over certain parts of the

school's management to other administrative staff — for example, to the dean, as chief academic officer, the authority over academic personnel and programs.

The board has the ultimate responsibility for mandating, authorizing, and delegating responsibility. The faculty brings competency and educational qualities necessary to fulfilling the educational mission. And the president, assisted by the administrative team, carries significant responsibility for creating an environment in which shared governance can flourish.

The board should ensure that the school's policies related to faculty selection, promotion, professional development, and resolution of grievances are up to date and in compliance with the law. The board should take care that its decisions are communicated to other stakeholders, including advisory councils, church bodies, faculty, staff, students, and alumni. Although others contribute to institutional governance, the board is ultimately accountable for the policies and decisions made by those to whom it has delegated authority for aspects of the school.

Discussion

- How is "shared governance" defined in your institution? Can it be mapped? Who are the stakeholders? What are the distinct roles of the board, president, faculty, and others within the specific context of your school? How well do all shared governance partners understand their roles? In what ways do you tend to shared governance?

- How have changes in employment patterns affected the faculty and staff in their support for the school's mission? How are part-time faculty members engaged in the structures and processes of shared governance?

- How does the Christian concept of striving toward the unity of the Spirit while acknowledging differences show itself within the governance structures of the institution? Discuss the board's responsibility for modeling such unity.

Additional resources

- "Beyond the conflict" by Emilie Babcox (*In Trust*, Summer 2015)
- "The role of faculty in shared governance" by Jay Blossom (*In Trust*, New Year 2016)
- Case scenario 5: Commitment to shared governance (See page 24 in the Appendix)

6. Implementation of planning and assessment at all levels

As a wise steward, the board models an institutional culture of collaborative goal setting, continuous planning, and hard-nosed evaluation.

The board's role in planning begins with the desired end and circles back to the question of resources — both present resources and those that will be needed in the future. In between, the board's role is to monitor progress. Planning is not about producing a product. It is an ongoing process with adjustments, refinements, and occasionally new directions as unanticipated challenges and opportunities emerge. The board should cultivate and concentrate on processes that sharpen institutional priorities.

Wise boards engage in strategic thinking, planning, and institutional assessment. These boards work in partnership with the administration and faculty to sharpen the school's priorities through careful goal

setting and a clear delineation of institutional objectives. They are co-creators of the school's future, even as the board safeguards the present. Boards, administrators, and faculty should come to an agreement on measures of quality that flow from the institution's mission and core values.

Despite the desire in some academic circles to constrict the board to narrow spheres of influence, board members must not hesitate to claim their place as full participants in the process of envisioning and shaping institutional direction. Whether the school faces danger or opportunity, the board should stand ready to assist administrators as they take strong, decisive action. A board should consider issues carefully before they become crises, recognizing that planning is an essential task. Furthermore, the board should take advantage of the budget process to consider the most effective allocation of available resources to achieve the school's mission. In some instances, this may include pursuing creative collaborations, partnerships, or even mergers with other institutions.

Discussion

- What are the three to five strategic priorities of the school over the next three years, and how are they used to frame the board's work? How does board orientation ensure that new members are familiar with the reasons behind those priorities and the measures that are being used to accomplish them?

- What systems or safeguards are in place to warn the board when the school is edging toward danger? How does the board monitor the safeguards to ensure that they are working? Describe and discuss a time when the safeguards spurred the board to an early response to a possible threat.

- Is adequate time reserved in meetings for strategic thinking and discussion of priorities and strategic indicators?

- For schools with denominational affiliations, in what ways may changes in denominational and/or other church relationships affect the future of the school? What is the board's role in negotiations with denominational representatives or other church bodies? How does the board handle sensitive conversations about relationships when major players from the church body are members of the board?

Additional resources

- "Creating your future seminary" by Robert S. Landrebe (*In Trust,* New Year 2017)
- "Fulfilling our mission with economic sustainability" by G. Douglass Lewis (*In Trust,* New Year 2012)
- "Is strategic planning a waste of time?" by Robert S. Landrebe (*In Trust,* Summer 2011)
- "Planning as a work of faith" by Donald Senior, C.P. (*In Trust*, Spring 2004)
- "Seminary governance in challenging times" by Eliza Smith Brown (*In Trust,* Autumn 2017)
- "The issue now is strategy, not governance" by Robert S. Landrebe (*In Trust,* Summer 2012)
- "To create the future, selectively abandon the past" by Robert S. Landrebe (*In Trust*, Spring 2014)
- Case scenario 6: Implementation of planning and assessment at all levels (See page 26 in the Appendix)

Conclusion

It is not the board's committee structure, its term lengths, or the frequency of its meetings that sets high-performing boards apart from others. Rather, it is their capacity for inquiry — especially vigorous and disciplined discussion of the critical questions surrounding institutional purposes — and their actions. A healthy board culture that is open to dialogue and capable of making necessary midcourse adjustments in strategic direction is foundational to institutional effectiveness. This level of engagement makes a demonstrable difference for the school and for the churches served by it. Within the context of the theological school, religious motivation and a deep commitment to God's church are foundational to board service. When faith is put to work in governance, the calling of the board as a wise steward of all of God's gifts for ministry can be fulfilled.

Appendix

Using the case scenarios

For three decades, the In Trust Center has studied, informed, and encouraged boards and other leaders in theological education. Based on this experience, the In Trust Center has articulated six essentials for exemplary board governance for institutions engaged in theological education. These are:

- Respect for the past and future
- Commitment to board development and growth
- Responsibility for effective institutional leadership
- Vigilance for mission and financial vitality
- Commitment to shared governance
- Implementation of planning and assessment at all levels

But what do the essentials look like when put into practice? A series of case scenarios follows, one for each essential of wise governance. Through the stories and actions of fictional institutions — some serving as good examples, others less so — board members can dig deeper into the meaning and practical implications of the essentials.

Case scenario defined

A case scenario uses a fictionalized real-life situation or imagined scenario that is used as a teaching tool, inviting readers into the story through discussion questions designed to enhance understanding of wise practices. In this way, a case scenario is like a parable — a story told to teach, a tale that challenges the readers to dig through the details for meaning and application to their own situations.

Board members identify and learn from the actions, both wise and foolish, of governance characters. Real-life readers may wish to propose strategies that differ from those taken by characters in the case scenario, or test assumptions about the role and reach of a board. Case scenarios improve a board's learning experience by fomenting participation and encouraging application of newly acquired insights.

Case scenario 1: Respect for the past and the future

From the past, a new future for Hilltop Theological Seminary

Ted Mann, president of Hilltop Theological Seminary for the past eight years, led the school's trustees and faculty on a solemn walk through the campus. They paused at aging dormitories and historic classroom structures — each soon to be demolished — and shared prayers of gratitude for the people who once lived and worked there.

"There wasn't a dry eye among us," recalled Dan Carter, who chaired the governing board. "Some were tears of loss; others, tears of joy. Yes, nothing would ever be the same again for Hilltop, and, yes, it was going to be fantastic — although it took us a while to come to that realization."

The complex deal-making that led to the sale of all but a corner of the campus had been several years in the making, and not without considerable conflict and second-guessing. For more than a century, Hilltop had provided ministerial education for the school's parent denomination. Affection for the rolling, tree-lined campus ran deep among alumni and the churches they served.

However, as discussions dragged on in the boardroom, in administrative meetings, and within the faculty, the proverbial handwriting on the wall became impossible to misread. "To put it bluntly, Hilltop had come to the end of the line for the *status quo*," President Mann said.

Mann had been recruited to the Hilltop presidency because of his reputation as a turnaround guru, having "snatched two of the denomination's colleges from the jaws of death," as Chairman Carter described Mann's past work. However, the seminary's situation was worse than the new president had been led to believe — or worse than the board understood.

"Financial reserves had been depleted. Several million dollars had been borrowed from the endowment, including from restricted funds. Faculty and administrative salaries were at the bottom of our comparison group. And deferred maintenance was killing us," Mann recalled.

The school's 1950s residence halls and apartment buildings, once a reliable auxiliary income stream for Hilltop, were in particularly poor condition, and more than half of the units were vacant. And with changes in student demographics, there wasn't much hope of filling the buildings again, even if repairs were made. The sons of the school's parent church who in years past had arrived on campus with families in tow had been replaced with mostly local students — female and male — for whom access to parking mattered more than on-campus housing.

"We had become an ethnically and denominationally diverse commuter seminary long before we faced up to the shift," said Chairman Carter, a veteran board member who agreed to serve another term to help the school navigate the sea of red ink. "We don't need eight acres and a bunch of ramshackle buildings. Three acres, two buildings, and a parking lot are enough."

Still, winning support for selling off most of the school's acreage took several years of conversations, ranging from coolly pragmatic to hotly emotional. "We worked hard to achieve consensus by listening to all kinds of alternatives," President Mann recalled. "No one was shut out of the process. The board, our alumni, our faculty, and especially our students had a voice at the table."

“Discussions dragged on longer than many on the board thought was necessary, but now that we’re finally moving forward, everyone — OK, almost everyone — agrees it was right to put in the time,” Chairman Carter said.

A particular sticking point was the board’s decision to retain the historic Mary Roe Library. “Blending the old with the new challenged our architect and added to construction costs, but we think it was worth the money and effort. We wanted people to know that we’re not abandoning Hilltop’s history. Rather, we’re taking a symbol of our past with us into the future,” explained Amanda Brown, chair of the board’s facilities committee.

The commitment to the school’s theological and denominational pedigree also showed in curricular revisions of recent years. “It wasn’t just the physical plant that suffered from deferred maintenance. Our academic programs were equally out of date and run-down. Our programs — the master of divinity degree in particular — didn’t support the needs of 21st-century seminarians,” said academic dean Marcia Little. “We’ve dropped courses, updated others, and added new ones, all without sacrificing the distinctiveness for which Hilltop is known. As I tell faculty, it’s not *where* or *how* we teach that matters most, it’s *what* we teach that makes Hilltop unique,” Little said.

Although the future looks promising for Hilltop thanks to the courageous and careful work of the past decade, President Mann knows that the challenges facing theological education are ongoing. “Someone once said that the difference between a church and a cathedral is that a cathedral is never finished. Seminaries have to be like that. They’re never finished. Hilltop isn’t finished,” he said.

Discussion questions

1. Identify the major characters in the case and describe the role that each one played in the transformation of Hilltop Theological Seminary.

2. What were the primary issues that the Hilltop community had to address?

3. What is your response to the solutions that the Hilltop community chose?

4. In light of the school’s financial difficulties, what do you think of the board’s decision to spend more money than might have been necessary by holding onto the historic library building? How would your board respond when faced with this or a similar situation?

5. Based on the information you’ve been given about Hilltop’s situation, to what other issues do you feel the board, administration, and faculty should give attention?

6. What could have been done differently by the Hilltop administration and faculty to avoid the sorry situation in which the seminary found itself?

Case scenario 2: Commitment to board development and growth

Board building at Praxis School of Theology

"Careless or bad governance can do real harm to a theological school.
Good governance is an impetus for even greater mission effectiveness by the institution.
A theological school will be only as strong as its board — at least in the long-term."

These words from an *In Trust* article linking the strength of the board to institutional performance pricked President Mark Proctor's conscience. He was well into his third year as president of Praxis School of Theology but hadn't yet made good on the pre-appointment commitment he had made to himself to keep the board high on his agenda.

Not that there weren't other claims on Proctor's time. From day one of his presidency, there had been one crisis after another demanding his attention. Truth be told, the mostly absentee board had seemed a blessing — "one less thing to worry about," he told himself.

But with Praxis on a smoother keel, the time seemed right for a focus on board-building. Proctor included the link to the *In Trust* article in an email message to board chair Mary Franklin, along with the words, "Let's talk about this during our phone call next week."

"Great!" Franklin replied immediately. "I've wanted to encourage board members to be more engaged, but I've not known where to start. I'm happy for your help."

"So much for my assumption of satisfied disengagement on the part of the board," Proctor thought.

From that call on

The usual half-hour phone call between the president and board chair stretched to two hours as Proctor and Franklin shared ideas, hopes, and concerns about strengthening the school's lackluster board. "We covered everything from board member recruitment, to orientation, to board self-assessment, and reaching out to former directors," Franklin said. "As a chair who hadn't had much to do up to this point, the ideas that we discussed that day were overwhelming, but also exciting."

For his part, President Proctor felt as though a wearying weight had been lifted from his shoulders. "Even before anything had actually happened, just knowing that Mary bought into the board strength/institutional strength correlation was a tremendous encouragement," he said.

The pair also recognized that they couldn't — in fact, *shouldn't* — attempt building the board on their own. Franklin reached out to the executive committee of the board, recruiting them into the work. To her delight, and mirroring her response to the president, they replied with an enthusiastic "we're in!"

Proctor alerted his team to changes ahead in the way board members would interact with the school. "I was 100 percent convinced that a more engaged board would be a good thing for Praxis, but there was the very real possibility that board members could overstep and administrators could misunderstand or mis-respond," the president said. "One of the most important things that we did, administration and board executive committee together, was to clarify up front the 'terms of engagement' between the

board, individual board members, and the campus community — including me. This saved us from a world of trouble."

As a first step toward strengthening the board, the nominating committee was renamed the governance committee and was handed an expanded portfolio that included everything related to the life cycle of a successful board member. "We went from our usual end-of-year struggle to identify and recruit a few new board members to a full-blown board recruitment and nurture program, and all in six months' time," governance committee chair Paul Lehman explained. "It was like going from 0 to 60 in a few seconds flat — exhilarating and scary."

Yvonne Jones, dean of the seminary, and chief financial officer Oscar Landerson assisted the academic affairs and finance committees in developing a learning plan for the board that mirrored the school's strategic plan. The agenda for each of the board's three meetings a year began to include an educational session that was team-taught by one board member and one administrator, working together.

"We didn't need a final exam to determine if board members 'got' what was taught," said Jerry Ross, chair of the academic affairs committee. "The proof came in richer boardroom discussions and greater confidence in assessing ideas that came to us for consideration and vote."

The institutional advancement committee, in consultation with the vice presidents for development and enrollment management, created a commitment form that board members were asked to sign and against which their annual performance may be assessed every year. An immediate result of the annual commitment was 100 percent participation by board members as donors to the school, with gifts totaling $115,000 the first year and increasing every year thereafter.

With each new emphasis, the president and board chair reminded the board that the desired end of the added effort was even greater mission effectiveness by the institution. "Committing to providing Praxis with good governance demanded more of board members — time, talent, and treasure, all three. Mary and I recognized that in order to keep board members engaged, it was essential to provide concrete examples of how attention to strengthening the board was strengthening the school. In other words, to connect the dots for board members," President Proctor said.

Nodding in agreement, the board chair added, "It has taken a couple of years and more than a few changes in board composition to get us to this point, but I can honestly say that every member currently serving agrees that there's no more important work than building up our own strength."

"Ours was never a bad board, but there was room for improvement. We've come to understand that taking care of ourselves is the board's best gift to Praxis School of Theology, our students, and God in whose name we serve."

Discussion questions

1. Name the characters in the case and talk briefly about the role each plays in the action.

2. What was the issue that President Proctor wished to address, and what is your response to the approach taken?

3. Which of the strategies employed at Praxis to strengthen the board would be helpful to your board? What modifications would be needed?

4. What are features of your school's governance structures (e.g. denominational input in board member selection) that will need to be considered when seeking to build the strength of your board? How might you address those features?

5. What other steps could the president and board chair take to strengthen the effectiveness of the board without disempowering the campus community?

Case scenario 3: Responsibility for effective institutional leadership

The inexperienced president and over-protective chair at Rocky Ridge School of Theology

Success in wooing New Testament scholar and fast-rising academic star, Dan Webster, as the 13th president of Rocky Ridge School of Theology was hailed as a coup for the small interdenominational school. After several years of declining enrollments and operating deficits, most everyone agreed that the 65-year old institution was in need of a turnaround.

Despite not having held a senior administrative position, Dr. Webster was deemed the person to make it happen. As board chair Christine Goodling put it, "The administrative stuff can be learned."

Exhausted from the presidential search, board members were happy to turn the school over to Webster. "Do what you need to do to right the ship," the new president was encouraged, "and don't let us get in your way."

As hoped, Webster hit the road running, tackling financial and enrollment issues head on. Within months of arriving on campus, he commissioned a feasibility study for a $12 million major gifts campaign. When the report came back suggesting $6 million as a more reasonable goal, Webster fired the consulting firm and then pushed the board to approve a $14 million campaign effort. Soon after, the vice president for advancement left for safer pastures.

A few months later, Webster replaced the long-time director of admissions with a colleague from his former institution. Although most people recognized that the ousted director hadn't been up to the job, faculty bristled at the new director's use of marketing language and enrollment management strategies that seemed too hard-driving for Rocky Ridge. With a reported uptick in applications, however, the campus community adopted a wait-and-see stance. As long as the president's attention was "out there," they could live with the changes.

After one year, board members were even more convinced that Webster was the right man for such a time as this. He had proved he could make tough personnel decisions. He was gutsy, and he wasn't easily deterred by setbacks, which showed in his response to the campaign consultant's report. "We expected a few bumps along the way, but already we see that the school is headed in the right direction," Chairwoman Goodling stated, while assuring the board again that she had her eye on the president's activities.

Rock slide

Early in his second year in office, President Webster turned his attention to the academic program. He tasked Robbie Michaels (the academic dean) and the faculty curriculum committee with completing an overhaul of the school's degree programs in six months' time. He based his request on survey data that showed declining customer interest in the traditional master of divinity degree.

Faculty members, some of whom had been at the seminary for their entire careers, felt as if they were being asked to plan away their jobs. This was the last straw. Tempers flared and complaints picked up in hallways and faculty offices. Urged by their colleagues, the curriculum committee demanded that Dean Michaels "talk sense to the president" about what they saw as a wrong-headed, market-driven abandonment of the school's historic mission. They threatened to go straight to the board if he didn't do as they asked.

Desperate for advice, and with a board meeting less than a week away, Dean Michaels telephoned Pastor Luke Thurman, chair of the board's academic affairs committee. That's when things began to unravel at Rocky Ridge.

From day one of his presidency, Webster had been careful to discuss his ideas about change with Goodling, his board chair. The two spoke several times a week by telephone, and the chair was a frequent visitor in Webster's office. Goodling's advice to the president was not to "bother the board with administrative details." She even edited Webster's reports to the board, telling the president that other trustees didn't want or need to hear the complaints of "campus malcontents."

In her own communication with the board, Goodling highlighted progress and ignored growing unhappiness within the campus community. As a result, the dean's call took Thurman by surprise.

Thurman arrived on campus two days in advance of the board meeting and made the rounds of faculty and administrative offices. Although Webster's appointees, the fundraising staff reluctantly admitted that the capital campaign was not progressing well, and was eroding support for the annual fund. The chief financial officer, after assurances of confidentiality, told Thurman that the school was facing a $1 million shortfall as it headed into the final months of the fiscal year. The director of admissions refused to talk with Thurman, but an admissions counselor shared a status report that showed a sharp downturn in applications for the coming year. And after meeting with faculty, Thurman said he had never encountered morale this low.

When board chair Goodling got wind of Thurman's investigation, she shot off an angry "cease and desist" email message. But Thurman had heard enough to know he had to take action. When the board convened in executive session, he rose to his feet and addressed his governance peers. "Ladies and gentlemen, we have a problem."

Discussion questions

1. Identify the major characters in the case and describe the role that each one played.

2. What was the issue that the Rocky Ridge School of Theology had to address, and what is your response to the approach taken?

3. How would your board respond (or has responded) when faced with this or a similar situation?

4. What safeguards are in place to ensure the president's best leadership for your school?

5. Based on the information you've been given about Rocky Ridge's situation, to what other issues do you feel the board, administration, and faculty should give attention?

6. What do you identify as a particularly helpful insight for your board from this case scenario?

Case scenario 4: Vigilance for mission and economic vitality

Financial vitality by the books at Southside Theological Seminary

In the school's beginning, Southside Theological Seminary was the brainchild of entrepreneurial pastor and founding president, John Anderson, and his friends at the region's largest foundation. During Southside's first decade, the foundation had underwritten operating costs with a series of multiyear grants. Although nothing was in writing, board members assumed that similar support would continue beyond Anderson's retirement, and the presidential search committee communicated as much when wooing Sandra Diaz as the school's second president.

However, just two months into the job, Diaz received word that the foundation's support would end with the current grant. "Nothing personal," program officer Bill Wilde explained. "It's just that the board's priorities have shifted away from theological education. They might reconsider, but I wouldn't count on it if I were you."

This wasn't what the new president wanted or needed to hear. Making matters worse, when Diaz spoke with board chair Michelle Sullivan a few minutes after talking with Wilde, she learned that the board had never talked about what to do should the school lose the foundation's support. "John assured us that Southside was a long-term commitment for the foundation, with or without him at the helm," Sullivan said. "So we didn't worry."

Fortunately, with three years remaining in the current (and last) grant, the seminary community had time to prepare for life after foundation funding. And as Diaz reminded Sullivan when reporting the message from Wilde, key indicators of institutional health were strong for Southside, including steady growth in student enrollment and early success in attracting support from individuals who appreciated the school's "big tent" approach to theological education.

Diaz's next conversation was with Charles Long, the vice president for finance, and Henry Rutherford, the academic dean. A few days later, and with Long and Rutherford at her side, the president met with faculty and other staff to share the news. In concert with the on-campus communication, Sullivan reached out to her executive committee and then to the full board.

Throughout the fall semester, work teams comprised of board members, administrators, and faculty members scoured the seminary's budget, evaluated the school's programs and services, and reached out to sister seminaries for advice on how to streamline operations. "We scrutinized every program, position, and priority. No sacred cows. No stone unturned — everything was on the table, and with intentionality," Diaz stated.

Under the CFO's watchful eye, the budget was adjusted from $1.9 million annually down to about $1.5 million, with a portion of the savings reallocated for fundraising and marketing. "It took some explaining for people to understand why we were hiring advancement officers even as we were making cuts," Long recalled. "But in the end, we arrived at an agreement."

With a modest endowment of about $400,000 and an immature fundraising program, the board felt it was important to secure a line of credit as a safety net in case of operational deficits. "We needed time to accomplish our goals in a way that wasn't just immediate cuts, left and right, that would leave us reeling," board chair Sullivan said. "We needed time for a well-planned, systematic approach."

Board members also got behind the school with multiyear commitments of their own totaling $250,000. In addition, they devoted a half day at their January board meeting for training in fundraising, an investment of time that paid off almost immediately in first-time gifts from potentially significant donors.

The most radical idea for Southside's future — merging the seminary's library with that of another institution — came over coffee between academic dean Rutherford and his counterpart at nearby Big State University. "We weren't sure how the idea of sharing library services would sit with the Association of Theological Schools (ATS). We didn't want to jeopardize Southside's accreditation," Rutherford said. "We were relieved to learn that ATS standards focus on access to resources for students and faculty rather than on the size of a book collection. There wouldn't be a problem with sharing library resources with another institution."

From there, it was full steam ahead. A library task force, co-chaired by Rutherford and Derrick Lowe, Southside's librarian, considered several scenarios, including retaining the seminary's library on site, with another institution owning and maintaining it. "In the end, the preferred option was to take Big State up on the offer to acquire our library," said Rutherford. "The amazing thing was Lowe's enthusiastic endorsement, even though moving in that direction would cost him his job."

"Our collection of 30,000 volumes became part of a far larger, far superior library system. That's more than we ever could have dreamed to have on our own," said Diaz. Under the agreement with Big State, Southside students and faculty could use the university's library system. Moreover, because of statewide sharing agreements, students were given access to the libraries of other state-owned schools.

For Big State's part, assuming Southside's library helped the university toward its goal of establishing a full religious studies program. "Our library was a very important acquisition," Rutherford said. "It's been a win for all involved."

"When I first presented the idea for closing the Southside library to our board of trustees, I said this is one of those rare times in life that you actually can make lemonade out of lemons — that we actually will end up with a far better library resource for students and faculty, and with the elimination of all sorts of costs to the seminary," said Diaz. "This move alone hasn't made up for the full loss of grant funding, but it is a strategic move in filling the gap."

As a fortuitous bonus, Southside's librarian was hired by Big State University as a resource to the school's expanding programs in theology and religious studies. "Another check mark in the plus column," Diaz reported.

Discussion questions

1. Identify the major characters in the case and describe the role that each one played.

2. What was the issue that the Southside community had to address, and what is your response to the approach taken?

3. How would your board respond (or has responded) when faced with this or a similar situation?

4. Based on the information you've been given about Southside's situation, to what other issues do you feel the board, administration, and faculty should give attention?

5. What does the case scenario suggest about the relationship of Southside's board with the president — past and present? What lessons do you think members of Southside's board should have learned?

Case scenario 5: Commitment to shared governance

Restoring peace at St. Luke's Theological Seminary through shared governance

Following a contentious meeting during which trustees and faculty clashed over who had the greater say in setting program priorities for St. Luke's Theological Seminary, board chair John Meyers presented President Tom Alvarez with a challenge: "Create a task force for the purpose of clarifying what we mean by shared governance at St. Luke's. We can't have another meeting like the one we just had."

Soon after, Alvarez appointed a six-member task force, with two members from the faculty, two from the board, and two from the administration. Soon after that, they got to work, selecting Mary Byler, chair of the board's academic affairs committee, and Harold Cyrus, dean of the seminary, as co-chairs. They also established three goals for themselves: educating the seminary community about shared governance, suggesting appropriate roles for board and faculty in the development of academic programs, and recommending ways to improve shared governance practices — all to be accomplished within the six months leading up to a mid-October joint meeting of the board and faculty.

The task force selected 10 items from a lengthy list of articles, books, and online resources that Byler and Cyrus had identified in a review of the literature on shared governance. Using the winnowed list, faculty member Francine Schultz created a syllabus complete with learning objectives, a timeline, and assignments to guide the group's work.

In addition to several articles from *In Trust* magazine and a longer piece from *Theological Education*, required reading for the task force included a report from the American Association of University Professors (AAUP) and the statement on institutional governance from the Association of Governing Boards (AGB). "The AAUP and AGB reports weren't the most exciting documents," Byler commented, "but they are foundational to any discussion of shared governance, so we knew we had to include them in our study."

The task force found *The Art and Politics of Academic Governance*, a concise and easy-to-read book by long-time higher education professionals Kenneth Mortimer and Colleen Sathre, to be particularly helpful — so much so, in fact, that they recommended the book as a common reading for the joint board/faculty meeting.

"Although we hoped folks would read the entire book, we assigned three chapters for the October meeting: Chapter 1, which explored changes pressing in on traditional models of shared governance; Chapter 4, which addressed governance of programs and the curriculum; and Chapter 7, which provided a defense of shared governance," Dean Cyrus stated.

"Given the brouhaha that brought the task force into existence, we bumped a review of the seminary's traditional approach to curriculum development to the head of the line of issues to be tackled," Byler said. Following that, the task force looked at the seminary's shared governance practices, tweaking some and suggesting others. "We weren't able to agree on how best to involve faculty in budget building, but it's probably not a bad thing that we left a few issues for continued conversation," Byler said.

The task force met four times on the campus, logged an additional 70 hours in lively online discussion, and individually put in many more hours on the assigned readings. The president and board chair read along with the task force and participated in several of the online exchanges. President Alvarez also attended two of the task force's campus meetings.

Show time

An initial finding of the task force was that shared governance works best in a culture of trust and transparency. So when planning the agenda for the October joint meeting, they made a priority of creating opportunities for faculty and board members to become better acquainted. And it worked. In fact, as Carrie McDonald, a faculty member on the task force, recalled, "The conversation was so energetic, we frequently had to call 'time' so we could move on."

The October meeting concluded with everyone pitching in to identify next steps for continuing to strengthen shared governance at St. Luke's. "We didn't have to prime the pump. Faculty and board members gave the task force lots of great ideas with which to work as we prepared our final report," Byler said.

McDonald added: "We didn't worry about missing a few ideas, because our report wasn't the end of the discussion. Rather, it was the beginning of a new way of deciding, and leading, and serving together" – an assessment with which board chair Meyers agreed.

"There will be challenges ahead, but the work of the task force and the October meeting was a notable start. No one thought we had solved every governance issue or that the board and faculty left the meeting in lockstep alignment," Meyers said. "Time will tell how significant this turns out to be, but it felt like we had reached a transformational point in the life of St. Luke's Theological Seminary."

Discussion questions

1. Identify the major characters in the case and describe the role that each one played.

2. What was the issue that the St. Luke's community had to address, and what is your response to the approach taken?

3. What factors could have derailed the plan for strengthening the commitment to shared governance with St. Luke's community? Where was the process most vulnerable?

4. How would your board respond (or has responded) when faced with this or a similar situation?

5. Based on the information you've been given about St. Luke's situation, to what other issues do you feel the board, administration, and faculty should give attention?

Case scenario 6: Implementation of planning and assessment at all levels

Aldersgate Theological Seminary and the runaway gift horse

With the dedication of a beautiful 10-unit apartment building less than a week away, this should have been the best of times for Aldersgate Theological Seminary. At least that's what the board of the 64-year old school had in mind when, 12 months prior, they approved a collaborative venture with the Summit Health Care System Foundation.

The foundation's offer to underwrite an apartment building adjacent to the campus had seemed too good to let pass. Aldergate's location in a high-rent neighborhood made affordable housing almost impossible to find, especially for students with families. The proposed building would increase by a third the number of reasonably priced apartments available through the seminary. "And without a capital campaign!" added Larry Murphy, chair of the board's advancement committee.

In fact, the only downside, as board members had seen it then, was the speed at which the foundation wanted to move. With excess funds needing to be allocated by the end of their fiscal year, the foundation board was pressing for an answer from the seminary within the week. So, after less than a half-hour discussion, and brushing aside concerns voiced by several members about limited time to align the foundation's offer with the seminary's recently completed strategic plan, board chair Sam Cho had called for a vote on the "once in a lifetime opportunity."

"We can walk through the door now or watch it close to the school — probably forever," Cho had said.

Now, a year later, unanticipated consequences of the board's hasty decision weighed heavily on President Darrel Proctor's stooped shoulders. In fact, the day had been one of the toughest in his nine-year tenure at Aldersgate, and he didn't anticipate better days anytime soon. "Maybe the proverbial door should have shut," Proctor muttered to himself, recalling the chair's words to the board.

The president's bad day had begun over breakfast with Cho and board treasurer John Long. The men expressed surprise at the impact of the new building on the school's operating budget. "I know I voted to take the foundation up on its offer, but in hindsight, I wish someone would have cautioned us to look this gift horse in the mouth. Now we're stuck with feeding the animal," Long complained, looking Proctor straight in the eye.

“I agree,” Cho said. “We’ve shot the middle out of the budget scenarios undergirding the strategic plan. What are *you* going to do about the money problem?”

The chair’s use of “you” wasn’t lost on the president — nor was his emphasis on the word. Proctor said that he and the vice president for advancement were working on it.

From there, President Proctor moved on to a meeting with Larry Young, director of building and grounds for the school. Usually a congenial guy, Larry was tired, frustrated, and looking for answers. “I’m as happy as anyone that we’re able to provide housing to more student families, but with the new apartments comes added work for my already overtaxed team,” he said. “We’ve had to delay renovations to the library and classroom building that were in the strategic plan. What do you want us to do about those projects? Can you get us some help?”

“I’ve talked with board members about the problem. We’re on it,” Proctor said, trying to sound optimistic but again without details.

Academic dean John Little showed up at the president’s door just as Proctor was finishing off a quick lunch at his desk, and he didn’t look happy. Waving the memo he’d received from the president earlier that morning, Little snapped: “I can’t believe the position in practical theology is off the table — worse, that it’s the victim of overspending on that apartment building. As if faculty weren’t already cynical about the strategic plan, this will really do it. How am I going to explain this to them?”

“Hold off a couple of days. We may still be able to find a way to make the position happen,” the president replied with the last bit of optimism he could muster.

A few minutes later, Proctor’s phone rang. “Now what?” he sighed as he picked up the receiver.

“Hi, Darrel,” shouted the foundation’s president, Jerry Langford, into his ear. “My board and I are looking forward to meeting the student families who will move into *our* apartments. Can you shoot their names to me in advance of the ribbon cutting? We have housewarming gifts we want to wrap.”

“Yeah, right,” Proctor muttered as he hung up the phone. “I’ll do that — tomorrow.”

Discussion questions

1. Name the characters in the case and talk briefly about the role each plays in the action.

2. Had you been present at the initial board meeting, how would you have responded to the board chair’s description of the foundation’s offer as a once-in-a-lifetime opportunity and his call for a quick vote?

3. What would be your counsel to President Proctor at the end of his bad day?

4. What two or three next steps would you suggest to the board of Aldersgate Theological Seminary? To President Proctor?

5. What do you identify as a particularly helpful insight for your board from this case scenario?