

RECOMMENDATION: MODIFICATION TO BY-LAWS FOR BOARD OF GOVERNORS
SAN JOAQUIN VALLEY COLLEGE PRELIMINARY DRAFT 11-03-2017

RECOMMENDATION TO MODIFICATION OF BOG BYLAWS: RE: WASC INDEPENDENT BOARD

WASC Policy Statement: Independent Board	Rating Scale of 1-5 (1 is low - 5 is high) Options and Recommendations	SJVC Board of Governors
<p>1. A majority of the board members are independent; they are not employed by the institution, are not compensated by the institution, except for modest stipends, and do not have an ownership interest in the institution.</p>	<p style="text-align: center;">Rating: 5</p> <p>For purposes of this review, the Board of Governors will be considered as a primary, serving in the role of the traditional Board of Directors or Board of Trustees.</p> <p>Amended ByLaws brings current BOG to 8 members, with 3 internal and 5 external.</p> <p>RECOMMENDATION:</p> <ol style="list-style-type: none"> 1. The current composition is sufficient for purposes of Eligibility. 2. You may wish to consider expanding membership by 1 or 2 following confirmation of Eligibility. 3. Amend ByLaws to identify “quorum” required for action must be majority of independent members. 	<p>Handbook: Page 7, Management Structure identifies the Board of Governors as comprised of 2 Board members and 5 community members. This has the result of having majority “independent” but there is no state definition of what constitutes “quorum”. Board of Directors is comprised of two members of ownership and the co-founder for the College. It may be that the Board of Directors would serve as an Executive Committee for the Board.</p> <p>Amended ByLaws:</p> <p>Article 1: Section 2. Membership Size BOG composition of CEO plus 2 members BOD, 5 community at large members.</p>
<p>2. Compensation for services for the independent members of the board is modest – not substantial enough to provide an incentive to serve or remain on the board.</p>	<p style="text-align: center;">Rating: 5</p> <p>The Board may wish to consider, with a probably increase in the number of Board members, if it would want to consider reimbursement of travel costs.</p> <p>ByLaws are acceptable as they stand relative to compensation.</p>	<p>Compensation was not addressed in the Board ByLaws.</p>
<p>3. Governing boards have clear, published conflict of interest policies signed by each board member annually and followed.</p>	<p style="text-align: center;">Rating: 5</p> <p>Recommendation is to include the language “each member of the Board will sign a Conflict of Interest annually” be amended to the ByLaws.</p> <p>RECOMMENDATION:</p> <ol style="list-style-type: none"> 1. The current composition is sufficient for purposes of Eligibility. 2. Encourage amended ByLaws adding language provided above, AND to include verification of currency 	<p>Board ByLaws do address Conflict of Interest, both collectively for the Board as a whole, and with a signed statement from each member of the Board.</p>

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	of individual signed Conflict statements at point of submitting for Eligibility.	
4. Governing board members have relevant expertise that qualifies them to serve on the board.	<p style="text-align: center;">Rating: Not Reviewed</p> <p>Recommendation that, at a minimum, detailing qualifications of the members of the BOD be provided to show align with the College itself and to document appropriate expertise to populate the four (4) Standing Committees.</p> <p>RECOMMENDATION: Either, 1. Update Bylaws to include Statement of Mission and expected areas of expertise for each members of the Board; or 2) include an additional Attachment to include a brief bio of Board member qualifications for Eligibility Application. NOTE: Catalog copy is also expected to include brief CV of Board members.</p>	<p>Information submitted for review did not include detailed bio information on each members of the Board of Governors.</p> <p>Amended Bylaws Article 1: 3. Qualifications This document does not include qualifications (bio) of members; it does identify seeking expertise in Higher Education, Finances, Governance.</p>
5. Terms of board service are staggered to promote continuity and independence.	<p style="text-align: center;">Rating: 2-3</p> <p>The difference between BOD/CEO members and Community members relative to terms of appointment, raised questions about independence and also a “class level” difference. CEO/BOD members serve non-expiring terms, where Community-at-large members have term of service of three years, with possible reappointment.</p> <p>RECOMMENDATION: Suggest, prior to submitting for Eligibility, identify and clarify the “staggered appointments” of Board members, for the purpose of maintaining continuity.</p>	<p>ByLaws to not speak to “staggered terms” of either appointment or service.</p> <p>Amended ByLaws Article 1: 5. Terms States BOD/CEO members serve non-expiring terms, with Community Members (Independent) serve three year terms of service.</p>
7. Governing boards have at least four committees: finances, financial audit, academic affairs, and nominations.	<p style="text-align: center;">Rating: 4</p> <p>The current BOG Handbook does not include the Standing Committee structure to address the four requisite committees. Additional committees required,</p>	<p>Handbook: Standing Committee are represented in the ByLaws, but do not include the four (4) requisite Committee as required by the WASC Policy. Standing Committees in place are Academic Oversight, Finance, and Financial Audit.</p>

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	<p>are: a) Financial Audit; and b) Nominations sometimes to include Governance).</p> <p>Amended ByLaws 1. Standing Committees confirms three of the four committees are aligned with WASC expectations, leaving only a committee on Governance/Nominations that could either replace or supplement the Executive Committee.</p> <p>Recommendations: Although recent WASC Commission action has modified this policy requirement, it is still encouraged as a “best practice”. Suggest amended ByLaws include the four committee categories, adding a Committee on Governance/Nominations.</p>	<p>Amended ByLaws Article III, 1. Standing Committees Shows Committees of: Executive; Academic Oversight; Finance, Budgeting and Planning; Audit Review.</p>
<p>8. All board committees have a minimum of three members each, at least two of whom are independent (i.e., a majority are independent).</p>	<p style="text-align: center;">Rating: 3</p> <p>Amended ByLaws Article III Does not state minimum size of committee, other than that two members could be independent, nor require quorum majority of Independents.</p> <p>Recommendations: Amend ByLaws to read: Each Standing Committee will include minimum of three members, with majority being “independent”.</p>	<p>WASC policy requires four (4) Standing Committees, with a minimum of three members on each, and a majority of members being “independent”. While page 13 does state that a minimum of 2 independent members would serve on the two present Standing Committees, there is no direct stipulation to a minimum of three members on each committee, with majority being “independent”.</p> <p>Amended ByLaws Article III, 1. Standing Committees Adds one additional Standing Committee.</p>
<p>9. No one member serves as chair of multiple committees.</p>	<p style="text-align: center;">Rating: Not Rated</p> <p>The current ByLaws does not address who should serve as Chair.</p> <p>Recommendation: Update ByLaws to state no one member serves a chair of multiple committees. NOTE: Suggest this statement have application only to the four Standing Committees.</p>	<p>Handbook: No statement as such in SJVC ByLaws.</p> <p>Amended ByLaws Article III 4. Terms States Committee chairs and members serve at least a two-year term before being considered for election to a different committee, but there is no statement of “no one person serves as Chair to more than one committee”.</p>
<p>10. The governing board is of sufficient size so that all committees can be adequately populated by qualified members without concentrating too much control in a small number of people.</p>	<p style="text-align: center;">Rating: 5</p> <p>Recommendation: Add additional members to a minimum of 10, over time. Current size sufficient for purposes of Eligibility.</p>	<p>Current Board has sufficient number of members for purposes of Eligibility, but with an expectation to add members to a total of at least 10 to adequately populate committees.</p>

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		<p>See Amended ByLaws: 2. Size Current size of BOD is 8</p>
<p>11. The board has clear procedures to select, nominate, remove and replace board members, conforming to the principles of independence.</p>	<p style="text-align: center;">Rating: 2</p> <p>While there is a clear procedure for adding additional members, neither the process detailed by the Handbook nor the Amended ByLaws speaks to the required process of removing members. The fact of a difference in Terms of Appt. (Amended ByLaws 5. Terms) raises questions about a difference for application of this action between independent to internal members.</p> <p>Recommendation: Amend Bylaws to include process for removing members from the Board, perhaps “for cause”.</p>	<p>Handbook: Governors and are responsible for appointing community members to the Board, and Board members may be proposed by any college employee. There is no clear process for removing or replacing Board members, who serve for a minimum of three years and up to three terms.</p> <p>Amended ByLaws 4. Selection of Community-at-Large Members Nominations submitted to Executive Committee with recommendation to full Board.</p>
<p>12. The board has clear procedures for hiring, evaluating, retaining or discharging the CEO that conform to the principles of board independence and responsibilities.</p>	<p style="text-align: center;">Rating: 2-3</p> <p>Handbook: Without specific language giving the Board the right and responsibility to replace the CEO, this can't be ranked any higher.</p> <p>Amended ByLaws – Article IV This responsibility directed by Executive Committee is inconsistent with WASC Policy expectations of Board having independent role.</p> <p>More typically, the assignment of review of the CEO would be under direction of Standing Committee on Governance/Nominations. That body would make recommendation to full Board for action. NOTE: Standing Committees only recommend to the full Board for action; they do NOT take action independent of full Board.</p> <p>Recommendation: Amend Bylaws to state, the Board has responsibility to appoint, review, and/or remove the CEO from position. Actions for evaluation, review and proposal for action</p>	<p>Handbook: The Board does have clear procedures for hiring, evaluating and retaining the President, with considerable input from the Board of Directors, but there is no statement of ability to discharge that individual.</p> <p>Amended ByLaws Article IV: Executive Committee Executive Committee, comprised of Chair of BOG, Vice Chair, CEO and one representative of BOD initiates evaluation of CEO.</p>

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	related to CEO post is within the purview of the Standing Committee on Governance/Nominations, with recommendation to full Board for action.	
13. The powers of “related entities” do not significantly compromise the governing board’s responsibilities and independence.	Rating: Unable to Determine With qualified statement on the part of the reviewer.	Unclear as to whether the intent is to represent the Board of Directors as “Related Entity” to the Board of Governors.
14. The institution’s bylaws and/or other organizing legal documents address the issues described above.	Rating: 3 In the absence of total alignment with WASC policy, unable to rank higher than mid-point. An important issue in question is whether the BOG has responsibility to review the CEO.	Many of the issues identified within the WASC policy statement are represented in the Handbook and in the Amended ByLaws .

* Source Document: WASC Policy on Independent Boards

PRELIMINARY DRAFT