NYSAIS
GOOD GOVERNANCE
BY THE NUMBERS

Dr. Harry Bloom
Senior Vice President, Client Solutions, Measuring Success

September 18, 2017
AGENDA

TOPICS

- What is Good Governance at your School? Why is this Good Governance?
- How Do You Assess ROGI?
- Governance Needs of Alpha Beta Day School
- Schools of Thought About Good Governance
- An Alternative Data-Enabled Perspective
- Implications
PERSONAL BACKGROUND

Corporate Work: P&G, McKinsey, GE

Doctorate in Education + MBA

Director of IA and Consultant to Schools and School Leaders

Dr. Harry Bloom
Senior Vice President of Client Services, Measuring Success

Harry.Bloom@Measuring-Success.com
617-212-4910
#MeasuringSuccess
MEASURING SUCCESS, FOUNDED IN 2003, WORKS WITH OVER 1,500 SCHOOLS AND THEIR ASSOCIATION PARTNERS

Harness the Power of Data Analytics

To Move the Needle on School Outcomes

Data Platforms
Analytics
Implement Change through DDD

1. Perceived Quality & Impact
2. Enrollment
3. Fundraising
4. Financial Sustainability

Clients Include:

Greenhill School
ENSWORTH
ULVER
PACIFIC RIDGE SCHOOL

EST. 2007
CASE STUDY
Alpha Beta Day School
STRATEGIC CONDITION

Alpha Beta Day School in a Nutshell

- Nursery-12th Grade; 50+ year old school
- **Competition**: Robust independent school and pockets of strong suburban public schools
- Revered, **veteran Head of School** who carefully cultivates heavy-hitter Board leadership
- **Increasing percentage** of families receiving tuition assistance, negligible growth in Net Tuition Revenue
- **Rising attrition rate** as students depart for better local public schools and superb local independent schools
- **Lackluster development performance**; static annual campaign; benchmark performance in lowest quartile
ALPHA BETA IS FOLLOWING ALL OF THE ADVICE OF LEADING GOVERNANCE EXPERTS. BUT IT IS NOT IN GOOD SHAPE? WHAT IS WRONG?
WHERE ELSE DO WE SEE THIS PHENOMENON?
ALTERNATIVE PHILOSOPHIES OF GOOD GOVERNANCE

Which comes first? The Chicken or the egg?

Educational quality drivers
Strong financial vital signs
Robust Financial Resource Development participation

PRINCIPLES OF GOOD GOVERNANCE
* WISDOM FROM WISE PEOPLE

GOVERNANCE THAT HELPS ACHIEVE POSITIVE SCHOOL OUTCOMES

* WISDOM FROM WISE PEOPLE

WHICH COMES FIRST? The Chicken or the egg?
MY DOCTORAL DISSERTATION JOURNEY

Amass the Wisdom of Experts

NAIS
ISACS
BOARD-SOURCE
ISM
CYRIL HOULE
PETER DRUCKER
RICHARD CHAIT
PAT BASSETT
Key Factors: 7 Areas
1. STRATEGIC PLANNING FACTORS

1. Our Board has developed a vision that describes the desired state of the school 3 to 5 years from now.

2. Our Board has developed a strategic plan that defines actions, responsibilities, and timetables for achieving the school’s vision.

3. Our Board has developed a financial plan that defines how the school will fund its operations over the next 3 to 5 years in terms of student enrollment, tuition levels, financial aid, debt, expense levels and fundraising targets.

4. Our Board establishes annual goals for itself that are consistent with the strategic plan.
2. BOARD COMMITTEE FACTORS

5. Our Board has chartered committees comprised of lay leaders and school professionals to carry out specific responsibilities related to executing the school’s strategic and long range financial plans.

6. Our Board committees work between Board meetings to accomplish tasks that help achieve the school’s Vision.

7. Our Board meetings are predominantly focused on discussions and decision-making relative to committee recommendations on strategic issues (not on day to day operating issues).

8. Our Board’s finance committee develops the school’s annual budget based on the long range financial plan.

9. There is a Board committee that is focused year round on identifying and recruiting future Board members with the specific skills, wealth, and connections needed to help achieve the Vision.
Our Board has implemented programs to help Board members understand the school’s programs and its budget.

Our Board engages in annual self-assessment relative to how well it has achieved its annual goals.

Board self-assessment findings are used to improve Board operations.

Our Board works with the school administration to ensure there is a clear, documented delineation between the appropriate roles of the school administrators relative to those of the Board.

Our Board receives regularly scheduled formal education during the year to make Board members more aware of their role and more capable of fulfilling that role.
Board members sign annual agreements to abide by specific conflict of interest rules.

Our school’s finances are audited annually by an independent accounting firm.

Our Board maintains strict confidentiality relative to all Board discussions and deliberations.
5. BOARD/HEAD OF SCHOOL RELATIONSHIP FACTORS

18. Our Board has chartered a committee (sometimes called the Head Support and Evaluation Committee) that supports the Head of School with confidential advice and with communications support relative to key constituencies.

19. Our Board has established written annual goals for our Head of School.

20. Our Board provides written summative feedback to our Head of School relative to his/her performance in accomplishing annual goals.

21. Our Board President and Head of School meet regularly – including before Board meetings – to ensure they are in alignment about strategic and operational direction for the school.
6. BYLAWS PERFORMANCE FACTORS

- **22** Our Board implements programs to ensure all Board members understand the provisions of our school's bylaws
- **23** Our Board specifies limits on the number of consecutive terms a Board member can hold
- **24** Our board specifically limits the percentage of Board member slots which can be held by parents
7. FUNDRAISING & ADVOCACY PERFORMANCE FACTORS

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<thead>
<tr>
<th>Rank</th>
<th>Statement</th>
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<tbody>
<tr>
<td>25</td>
<td>Our Board members give our school one of their top annual philanthropic gifts</td>
</tr>
<tr>
<td>26</td>
<td>All Board members attend and generate financial support for all school events</td>
</tr>
<tr>
<td>27</td>
<td>Board members participate in major donor identification and cultivation</td>
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<tr>
<td>28</td>
<td>Our Board has an active Development Committee that sets fundraising policy and provides active fundraising leadership in support of the various campaigns of the school</td>
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<tr>
<td>29</td>
<td>Our Board members actively communicate the school’s value and contributions to the community to prospective families, community leaders, and donors</td>
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WHY DO WE CARE ABOUT GOVERNANCE?
DEPENDENT VARIABLES

EDUCATIONAL EXCELLENCE

Systematic formative assessment of faculty

Systematic summative assessment of faculty

Codification of scope and sequence of curriculum
DEPENDENT VARIABLES

FINANCIAL

- Operating income per student
- Net tuition per student
- Hard income ratio
DEEPENDENT VARIABLES

Give one of top philanthropic gifts
Support school events
Help identify and cultivate major donors
Advocate and ambassador for school
WHAT GOVERNANCE PRACTICES CORRELATE WITH GOOD EDUCATIONAL PRACTICES

- Strategic planning
- Board meetings focused on strategic (not operational) issues
- Clear delineation of role of professionals relative to board
- Board maintains confidentiality
- Head of School Support and Evaluation Committee
WHAT GOVERNANCE PRACTICES CORRELATE WITH FINANCIAL SUSTAINABILITY INDICATORS

- Strong Board committee practices
- Adherence to good Board-Head of School relationship practices
- Board education, role clarification and assessment
- Strong performance on fiduciary responsibility, e.g., conflict of interest, term limits
WHAT GOVERNANCE PRACTICES PREDICT STRONG FUNDRAISING AND ADVOCACY

- Board meetings focused on strategic (not operational) issues
- Board helps members understand school programs and budget
- Board regularly receives formal education
- Board provides HOS with written summative feedback
- Board members sign annual conflict of interest agreements
# SYSTEMATICALLY IMPROVING GOVERNANCE

The outline for successful Board interaction and strategic planning

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<tr>
<th>Step 1</th>
<th>Step 2</th>
<th>Step 3</th>
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<tr>
<td>Strategic visioning, planning, and long range financial planning</td>
<td>Board committee practice strengthening, with focus on committees that achieve the strategic plan, including Committee on Trustees</td>
<td>Board education, role clarification and assessment</td>
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- Higher net tuition per student, operating income per student
- Stronger educational practices
Vision Goals Should Drive Strategic, Financial, and Operating Agenda

The Mission
Why this unique organization exists?

The Vision
What Will Be True about Us In 3-5 Years?

The Strategic Plan
How Will We Get from Today To Our Vision?

Long Range Financial Planning
The Financial Model

Annual Plan
This year’s Installment Of Long Term Plan

Board Profile
Board Committees and Their Charters
WHAT GOVERNANCE IMPROVEMENT SHOULD YOUR SCHOOL’S BOARD FOCUS ON TO ACHIEVE HIGH ROI? AND, HOW WILL YOU KNOW IF IT IS WORKING?
THANK YOU

Contact us:

📍 1875 K Street NW, Suite 850
   Washington, D.C. 20006
📞 202.684.7024
✉️ Harry.Bloom@Measuring-Success.com