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The Honorable Michael O. Moore, Senate Chair
Joint Committee on State Board of Higher Education
State House, Room 109 B
Boston, MA 02133

The Honorable Tom Sannicandro, House Chair
Joint Committee on State Board of Higher Education
State House, Room 472
Boston, MA 02133

Re: House 14, *An Act Relative to Higher Education Boards of Trustees*

Dear Chairman Moore and Chairman Sannicandro:

Thank you for your consideration of House 14, *An Act Relative to Higher Education Boards of Trustees*. I write in support of this legislation, which ensures that boards of trustees for state colleges and universities understand their legal, fiduciary and ethical obligations to the institutions they serve. A university or college board of trustees must oversee the institution's operations, yet many board members do not fully understand their responsibilities, including their duty to ensure that the institution's funds are spent appropriately. The Office has identified this problem in other types of boards as well, such as education collaboratives and housing authorities. This bill helps to address that problem.

Specifically, this legislation amends the statutes governing the boards of trustees for public institutions of higher education. The legislation requires the Department of Higher Education to develop a training program on topics critical to the proper oversight of a public institution of higher education, including fraud prevention, the open meeting law, fiduciary responsibilities, ethics, and procurement and state finance law. The legislation also requires every board member to complete the training within six months of being appointed and then every two years thereafter.

In the *Review of Spending Practices by Former Westfield State University President Evan S. Dobbelle*, issued on July 31, 2014, the Office reviewed several aspects of Westfield State University's financial affairs and examined former president Dobbelle's actions with regard to credit card abuse, excessive and lavish travel, and other areas of inordinate spending. No public employee, including a university president, is entitled to waste or abuse public funds under any circumstances. Furthermore, no public employee is entitled to use taxpayers' funds to subsidize vacations or other leisure and entertainment activities. As documented in the report, however, the

Office found that Dobelle knowingly disregarded University policies and misled the University's board of trustees. The Office also found that board members were unaware that they had both the right and the responsibility to question Dobelle's expenditures and conduct.

Dobelle's blatant use of University funds for personal purposes over several years highlights the need for every state college and university to have a strong and informed board of trustees. This includes making sure that board members understand that the president reports to and is accountable to the board; that board members have fiduciary duties to protect college and university funds; and, that the president must abide by the institution's policies and must be held accountable for any violations.

In voluntary trainings my Office organized with the Board of Higher Education this spring, board members indicated that they want and need training. They expressed uncertainty about their duties, including their role in examining and approving significant budget expenditures. Increased education will fill this important need and will empower board members to fulfill their fiduciary, ethical and legal responsibilities. Furthermore, making the program mandatory will ensure that *all* board members – not just those who recognize the need for training – are properly trained.

In sum, House 14 is an important step towards ensuring that board members understand the full extent of their roles and have the tools to oversee public institutions of higher education. This will help to protect universities and colleges from fraud, waste and abuse by a president or other administrator; it will also assist in ensuring accountability, transparency and reliability in a system that serves to educate our children.

I strongly urge the committee to report this bill out favorably. As always, if you have questions, please feel free to contact me. Thank you.

Sincerely,



Glenn A. Cunha
Inspector General

Cc: The Honorable Eileen M. Donoghue
The Honorable Benjamin Downing
The Honorable Kathleen O'Connor Ives
The Honorable Richard J. Ross
The Honorable Sean Garballey
The Honorable James Arciero
The Honorable Thomas J. Calter
The Honorable Stephen L. DiNatale
The Honorable Carmine L. Gentile
The Honorable William Smitty Pignatelli
The Honorable Denise Provost
The Honorable Jonathan D. Zlotnik

The Honorable David K. Muradian, Jr.
The Honorable Timothy R. Whelan