

Commission for Arts and Culture

# About Commission Committees

November 15, 2017



# Scope of Commission's Responsibility

- The Commission's purpose and 19 duties and functions are established in the municipal code [SDMC 26.0701 et seq.](#)
  - Purpose: "To serve in an advisory capacity to the Mayor, City Council and City Manager on promoting, encouraging, and increasing support for the region's artistic and cultural assets, integrating arts and culture into community life and showcasing San Diego as an international tourist destination." [SDMC 26.0701](#)
  - "The Commission will meet monthly" [SDMC 26.0708](#)
  - "Eight Commissioners shall constitute a quorum to transact business." [SDMC 26.0710](#)
  - "The Commission shall adopt rules consistent with laws for the governance of its business and procedures" [SDMC 26.0704 \(s\)](#)



# Framework for Committees

- The Commission has adopted *Rules and Regulations*, including committee descriptions [Rules and Regulations](#), Section XV
- The Commission has historically grouped its 19 duties and functions by subject matter and formed committees to help the Commission work efficiently  
APPENDICES1-5
- There is no mandate for the Commission to have committees SDMC 26.0701 et seq.
- The Commission cannot delegate its authority to any committee (e.g. Executive Committee) SDMC 26.0701 et seq.



# Factors Affecting Committees

- Vacancies and timing for Commissioner appointments or reappointments SDMC 26.0707
- Attendance and making quorum Rules and Regulations, Sections XII & XV, APPENDIX 6
- Committee member term limits Rules and Regulations, Section XV
- Regular rotation of committee officers Rules and Regulations, Section XV
- Commissioners with remote conflicts of interest cannot serve on committees for advocacy work or policy work re: budget/funding CA Gov Code Section 1090 et seq.
- No committee can have more than 7 Commissioners CA Gov Code Section 54590 et seq.
- Limits on meeting locations CA Gov Code Section 54590 et seq.
- Labor limits on staff support City's MOU with Municipal Employees Association



# What Problems Are We Solving?

1. Dissatisfaction about “too many meetings”
2. Dissatisfaction about the effectiveness of some committees
3. Dissatisfaction that the amount of attention expended on the Funding Programs doesn’t respond to the full range of the Commission’s duties and conveys a lack of awareness and concern about the arts and culture ecosystem as a whole
4. Misperception that the Executive Committee has exclusive authority and the members have more power
5. Concerns about the expense of producing meetings APPENDICES 7-8
6. Dissatisfaction about the delay to productivity and waste of resources when planned meetings are canceled due to attendance shortfalls
7. Gaps in Commissioner engagement



# What Do We Want to Achieve?

1. Maximum effectiveness
2. Continued compliance with applicable laws and policies
3. Development of leadership and engagement in all Commissioners
4. Focusing our thought-leadership on significant systemic improvements and impacts instead of administrative tasks
5. Appropriate expenditure of time and money
6. Reputation for competence, trustworthiness and effectiveness
7. Reputation for awareness of and connectivity to diverse communities



# Why Now?

1. “The functions, structures, memberships and officers of the Commission committees will be reviewed and updated by the Commission at least once per year.” Rules and Regulations, Section XV.
2. “During each year in which a Commission Chair is to be designated, the Chair will cause the functions, structures memberships and officers of the Commission’s committees to be reviewed, updated and approved by the Commission no later than 60 days after taking office.” Rules and Regulations, Section XV.
3. Terms for some Public Art Committee members are expired
4. The Commission should be organized to be effective advocates in the City’s budget season, which is starting

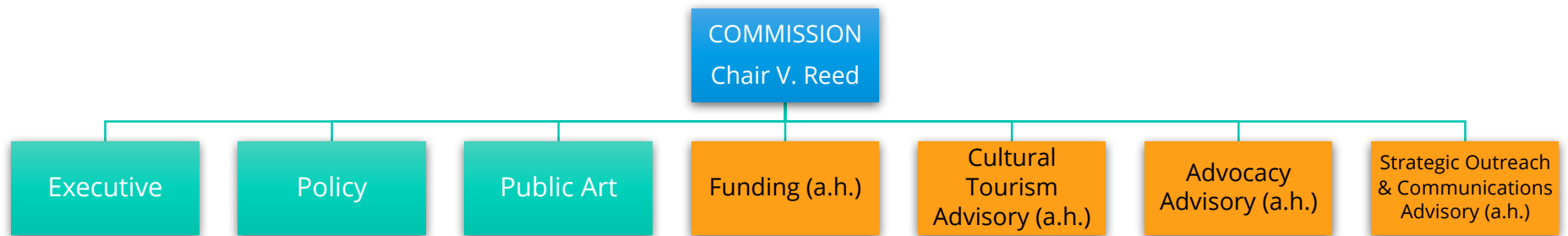


# What Next?

1. Commission decides and votes on how to update committee structures and functions (NOV)
2. Staff edits the *Rules and Regulations* to codify the approved committee structures and functions, then Commission reviews and confirms the edits within 30 days (DEC)
3. Members and officers are appointed (DEC)
4. Committee business gets underway (JAN)
  - Creating Commission work plan for 2018 (Dec prep/Jan start)
  - Updating dates/times for 2018 regular meeting recurrences to support maximum Commissioner participation (Dec prep/Jan start)

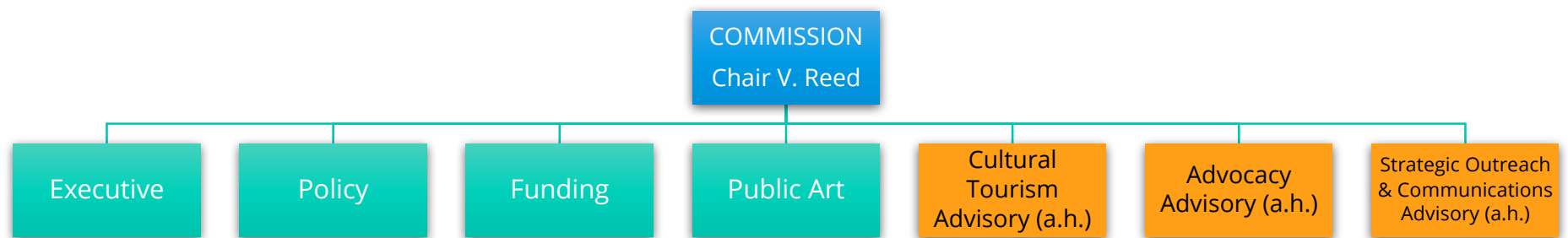


# 2010–2012 Committees



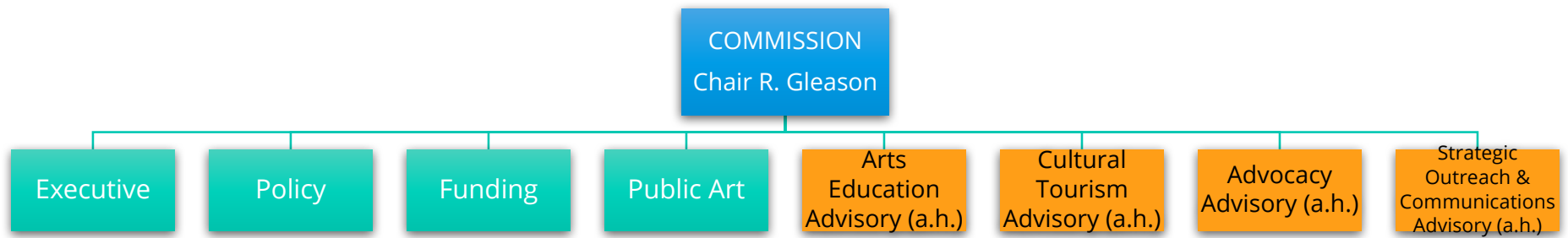


# 2013 Committees



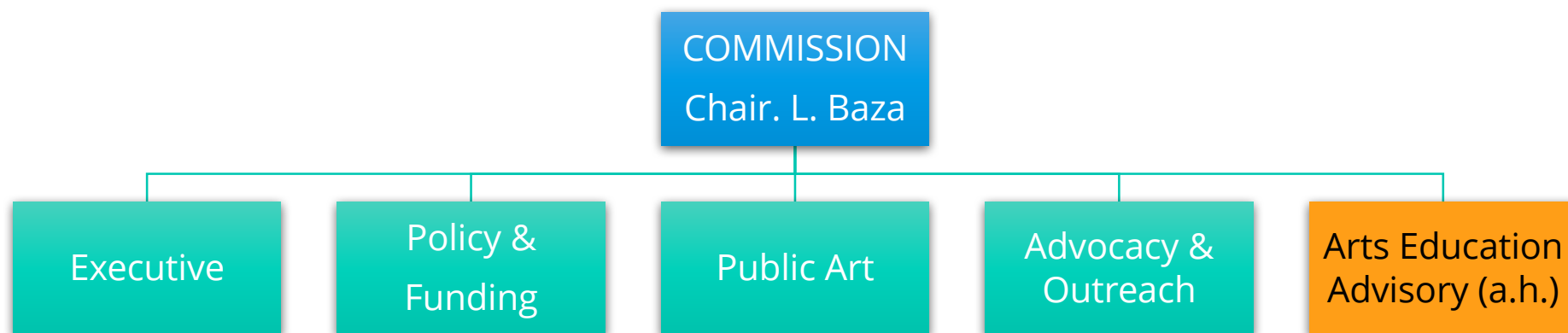


# 2014 Committees



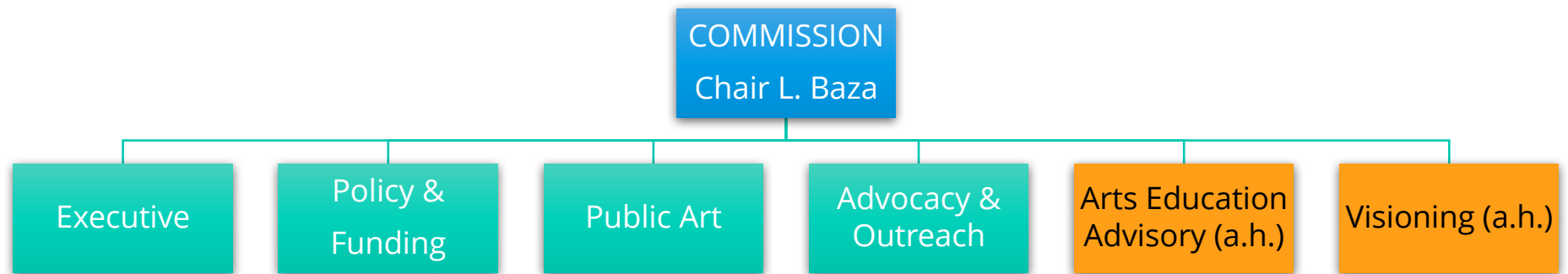


# 2015 Committees



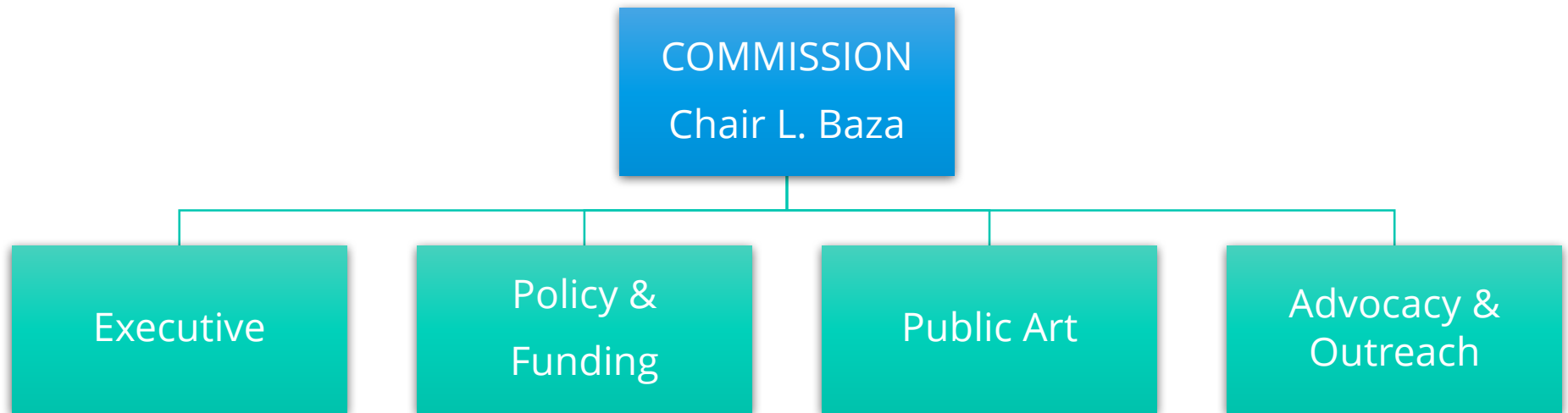


# 2016 Committees

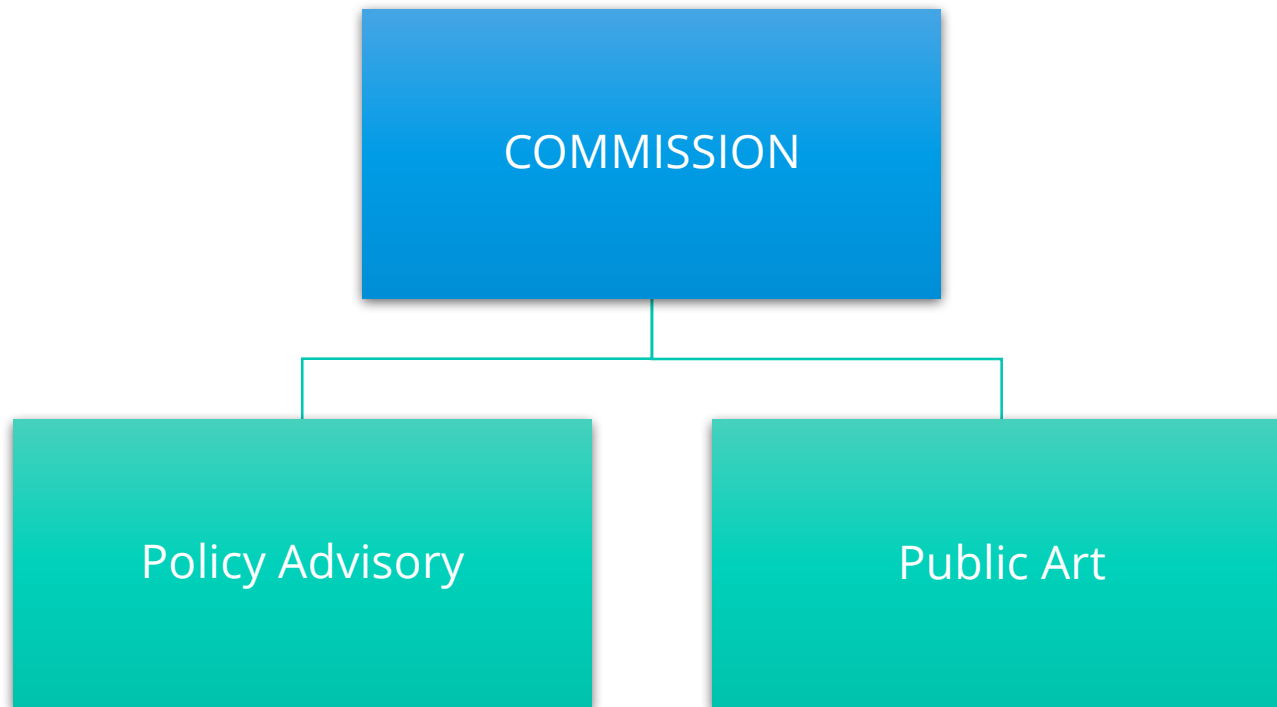




# 2017 Committees



1,968 volunteer hours  
972 staff hours



1,584 volunteer hours (20% dif.)  
624 staff hours (36% dif.)

1. To advise the Commission on its 19 duties and functions, group the duties and functions by subject matter and assign to two standing committees: 1) Policy Advisory and 2) Public Art
  - Subject Matter for Policy Advisory: Budget, Compliance with Council Policy 100-03 (Funding Programs), Advocacy Campaigns, Community Engagement Initiatives, etc.
  - Subject Matter for Public Art: Compliance with Council Policy 900-11 (2% for Art in CIPs), Compliance with Art In Private Development Code, Developing, Interpreting and Exhibiting the Civic Art Collection, etc.
2. Seven voting Commissioners per standing committee
3. Commission Chair can observe any committee, but only in accordance with the Brown Act



# Chair's Proposal – Continued

4. Move the Executive Committee's current functions to Policy Advisory Committee, except setting the Commission meeting agenda Appendix 9
5. Authorize the Chair to set the Commission meeting agenda referencing existing guidelines and input:
  - Annual Commission work plan adopted by the Commission in December/January
  - Input from the Mayor, City Council, DCOO and Executive Director
  - Input from the committee officers
  - Input from community stakeholders communicated during public comment at the Commission's standing meetings
  - Guidelines per Brown Act
  - Guidelines per municipal code
  - Guidelines per pertinent Council Policies
  - Guidelines per *Rules and Regulations*
  - Milestones established by the City for City business (e.g. budget development)

6. Revert the Advocacy & Outreach Committee's current functions to the full Commission, which may appoint ad hoc committees to address short-term campaigns or projects within a specified time frame Appendices 10-11
  - Ad hoc committees are opportunities for diverse and dynamic leadership among all Commissioners
  - Potential ad hoc committee assignments
    - Create a Goodwill Visit Program
    - Create a plan for additional "Community Conversations"
    - Research and develop a "micro-granting" program
    - Evaluate the impact of the Arts Education Enrichment Initiative
    - Plan a Commission retreat

7. Appoint four community-based, public art experts to serve as voting members of the Public Art Committee
  - Seven Commissioners + 4 community members = 11 voting members

## 8. Use best practices for noticing meetings

- Distribute back-up materials with the meeting agenda
- Post the back-up materials to the website with the meeting agenda
- Post meeting minutes to the website after being approved
- Run analytics after a year to see whether these materials have a significant audience

## 9. Update the *Rules and Regulations* to address accountability for attendance

- Refer this item to the Policy Advisory Committee
- Decide on an attendance tracking and reporting methodology
- Define allowances for absences
- Define consequences for absences
- Define the processes for implementing allowances and consequences

## Keep a standing Executive Committee with modifications

- Executive Committee members include Commission Chair, Commission Vice Chair, and the Chairs and Vice Chairs of each standing committee (not to exceed 7 Commissioners)
- The function of the Executive Committee is to monitor the overall progress of the Commission's adopted work plans through a holistic lens
- Regular meetings are set to occur bi-annually (two times per year)

## Keep a standing Advocacy Advisory Committee with modifications

- The function of the Advocacy Advisory Committee is to plan and evaluate the Commission's advocacy campaigns year-round
- Decouple the Commission's outreach ("listening") objectives from advocacy ("talking") objectives. Outreach objectives can be carried out by the Commission or ad hoc committees, as assigned.
- Regular meetings are set to occur quarterly (four times per year)

Commission deliberates and decides on how to update committee structures and functions



# Commission's 19 Duties & Functions

1. (a) Advocate for the role and value of arts and culture in civic life.
2. (b) Promote greater public participation in, and access to, arts and culture.
3. (c) Evaluate the City's allocation of TOT funds for arts and culture and strongly advocate for increasing arts and culture funding to levels which measurably support the vitality and stability of established arts and cultural organizations and which foster an environment attractive to and nurturing of emerging arts and cultural organizations.
4. (d) Advocate for and explore alternate sources of arts and culture funding including, but not limited to, grants, donations and corporate sponsorships.
5. (e) Advise on the development, implementation, evaluation and/or change of the City's arts and culture public policy, legislation, programs and services.
6. (f) Advocate for City public policy, legislation, programs and services that foster a wide range of arts and cultural offerings which engage a diverse public audience.
7. (g) Review the annual proposed budget for the Commission as prepared by the Executive Director of the Commission and provide recommendations, as appropriate.
8. (h) Advise on the administration of the budget for the Commission, and the arts and culture allocations within TOT funds including, but not limited to, the Special Promotional TOT Revenue and the Arts, Culture and Community Festivals category.
9. (i) Oversee and, when appropriate, participate in an open and impartial process for evaluating TOT funding applications from local, non-profit arts and culture organizations.
10. (j) Recommend to the Mayor, City Council and City Manager the fair distribution of TOT funds to non-profit arts and culture organizations to support local arts and culture programming
11. (k) Advise on collections management activities and public art project management activities pertaining to existing and proposed artworks in/proposed for the Civic Art Collection, or contracted for, exhibited on, or erected on public places.
12. (l) Advise on allocations to and from the Public Art Fund.
13. (m) Advise on the policies and processes whereby artworks are included in Capital Improvements Program projects and Redevelopment Agency projects and ensure that artists are involved as early as possible in the pre-design or design phases for each project.
14. (n) Advocate for the fair distribution of arts and culture amenities across each City Council district and throughout the City's neighborhoods.
15. (o) Participate in the initiation, implementation and/or sponsorship, alone or in partnership with other public agencies or private organizations, of programs and services to support local arts and culture organizations and individual artists.
16. (p) Serve as the City's advocates for arts and culture within the City Council, as well as the private sector, local, regional, state and federal governments, and international entities, such as Mexico, Canada, Japan and other Pacific Rim countries.
17. (q) Advise on other arts and culture issues as directed by the Mayor, City Council or City Manager.
18. (r) Hold regular public meetings and keep written records of the proceedings which shall be public records.
19. (s) Adopt rules consistent with laws for the governance of its business and procedures.

SDMC 26.0701 et seq.

- **Function:** Advises the Commission on the development, implementation, evaluation and/or change of the City's arts and culture public policy, legislation, programs and services; advocates for City public policy, legislation, programs and services that foster a wide range of arts and cultural offerings which engage a diverse public audience; reviews the annual proposed budget for the Commission as prepared by the Executive Director of the Commission and provides recommendations; advises on the administration of the budget for the Commission, and the arts and culture allocations within TOT funds including, but not limited to, the Special Promotional TOT Revenue and the Arts, Culture and Community Festivals category; oversees and participates in an open and impartial process for evaluating TOT funding applications from local, non-profit arts and culture organizations; recommends to the Mayor, City Council and City Manager the fair distribution of TOT funds to non-profit arts and culture organizations to support local arts and culture programming; advises on allocations to and from the Public Art Fund; considers recommendations for policy changes from all Commission committees as well as from Commission advisory panels; analyzes public comments received by the Commission at regular Commission meetings, in final performance reports from Allocations Program contractors, and through other avenues in order to advise the Commission on appropriate courses of action when necessary; tracks the Commission's progress on its Diversity Initiative and its Arts Education Enrichment Initiative. Rules and Regulations, Section XV



## Current Advocacy & Outreach Comm. (b. 9/23/16)

- **Function:** Advises the Commission on advocating for the role and value of arts and culture in civic life; evaluates the City's allocation of TOT funds for arts and culture and strongly advocates for increasing arts and culture funding to levels which measurably support the vitality and stability of established arts and cultural organizations and which foster an environment attractive to and nurturing of emerging arts and cultural organizations; advocates for and explores alternate sources of arts and culture funding including, but not limited to, grants, donations and corporate sponsorships; advocates for City public policy, legislation, programs and services that foster a wide range of arts and cultural offerings which engage a diverse public audience; advocates for the fair distribution of arts and culture amenities across each City Council district and throughout the City's neighborhoods; serves as the City's advocates for arts and culture within the City Council, as well as the private sector, local, regional, state and federal governments, and international entities, such as Mexico, Canada, Japan and other Pacific Rim countries; interfaces with the San Diego Regional Arts and Culture Coalition; promotes greater public participation in, and access to, arts and culture; participates in the initiation, implementation and/or sponsorship, alone or in partnership, with other public agencies or private organizations, of programs and services to support tourism for the benefit of local arts and culture organizations and individual artists; interfaces with the San Diego Tourism Authority, the Tourism Marketing District and other hospitality industry associations; recommends methods for increasing the visibility and presence of the Commission in the arts and culture community and the San Diego region at large; advises on the connections between the Commission, arts and culture organizations and the business community; interfaces with the San Diego Regional Chamber of Commerce; tracks the Commission's progress on its Visioning Initiative. Rules

and Regulations, Section XV



## Current Public Art Committee (b. 9/23/16)

- **Function:** Advises the Commission on collections management activities and public art project management activities; advises on the policies and processes whereby artworks are included in Capital Improvements Program projects; interfaces with the Port of San Diego and its Public Art Department; interfaces with the San Diego Public Library and its arts and culture exhibitions programs; advocates for public art programming throughout the San Diego region. Rules and Regulations, Section XV

- **Function:** The Executive Committee meets prior to each regular Commission meeting to take action on setting the Commission meeting agenda. The actions recommended by each Commission committee are submitted to the Executive Committee for decision about which recommendations will be placed on the Commission's regular meeting agenda. The Executive Committee does not take action to approve the actions of the other Commission committees, but rather takes action to determine which committee recommendations will go forward to the Commission for action. The Executive Committee has the authority to refer items back to the submitting committee or other committees. All actions taken by the Executive Committee will be reported at the next regular meeting of the Commission. Additional functions of the Executive Committee include reviewing requests for endorsement and guiding the planning efforts of the Commission. Rules and Regulations, Section XV



# Achieving Quorum

- Commission: Quorum = 8 voting members
- Committees: Quorum = majority of voting members
  - Members who recuse themselves from a vote are not voting and, therefore, do not contribute to the quorum for any given action item being voted upon.

## What is the difference between abstention and recusal?

Abstention is a vote to express no preference for yea or nay. Abstaining occurs during a vote after the action item has been discussed and the abstainer has been present and may have participated in the discussion to influence the vote.

Recusal is total removal from the business at hand. Those who recuse themselves should do so before discussion of an item begins. Leaving the room during the action is recommended.



# Costs Associated with Meetings

- Hard costs
  - Paper and ink
  - Parking stamps
  - Mileage reimbursement for staff
  - Attorney's hours
  - Venue rental fees
- Soft costs
  - Volunteer hours
  - Staff hours
  - Consultants' hours

- Example - Meeting Minutes (minimum 2 staffers)
  1. Training on operating recording device
  2. Training on how to perform records management from City Clerk
  3. Listening to the recording and typing minutes
  4. Researching unclear issues
  5. Proofreader #1
  6. Proofreader #2
  7. Final edits
  8. Distribute for review and approval by Commission
  9. Archive
  10. Training on uploading documents to website
  11. Upload to website
  12. Monitor the document online per records management policies

## Executive Committee

- Between July 1, 2015 and November 9, 2017 (28+ mo.), 22 committee meetings were planned
  - 9 times when the Commission meeting agenda proposed by the Chair and Executive Director was edited by the committee (41%)
  - 4 times when the committee took up an action other than approving its minutes and approving the Commission meeting agenda (18%)
  - 4 meetings canceled due to no quorum (18%)
  - 1 time when a request for endorsement was considered (5%)
  - 0 times when a committee recommendation was sent back

## Advocacy & Outreach Committee

- Between July 1, 2015 and November 9, 2017 (28+ mo.), 10 committee meetings were planned
  - 2 times when the committee took up an action other than approving its minutes (20%)
  - 1 cancellation due to no quorum (10%)

- A temporary advisory committee composed solely of less than a quorum of the legislative body that serves a limited or single purpose, that is not perpetual, and that will be dissolved once its specific task is completed is not subject to the Brown Act. Temporary committees are sometimes called ad hoc committees, a term not used in the Brown Act. [Open & Public V: A Guide to the Ralph M. Brown Act](#)
- A temporary advisory committee composed with members outside of the legislative body is subject to the Brown Act.

FY17 Commission Attendance Record

Voting Members		JUL 05/16 PAC	AUG 05/16 PAC	AUG 09/16 Vision	SEP 02/16 PAC	SEP 16/16 Exec	SEP 19/16 Exec	SEP 23/16 COMM	OCT 21/16 Exec	OCT 28/16 COMM	NOV 04/16 Policy	NOV 09/16 Advoc	NOV 09/16 Exec	NOV 18/16 COMM	NOV 18/16 Policy	NOV 28/16 COMM	DEC 05/16 PAC	DEC 07/16 Exec	DEC 16/16 COMM	DEC 16/16 Policy	JAN 18/17 Advoc	JAN 20/17 Policy	JAN 20/17 Exec	JAN 27/17 COMM	FEB 03/17 PAC	FEB 17/17 Policy	FEB 17/17 Exec	FEB 22/17 Advoc	FEB 24/17 COMM	MAR 03/17 PAC	MAR 06/17 PAC	MAR 10/17 Policy	MAR 10/17 Exec	MAR 24/17 COMM	APR 07/17 PAC	APR 21/17 Policy	APR 21/17 Exec	APR 21/17 Advoc	APR 28/17 COMM	MAY 19/17 Policy	MAY 19/17 Exec	MAY 28/17 COMM	MAY 31/17 Advoc	JUN 19/17 Policy	JUN 19/17 Exec	JUN 23/17 COMM			
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18	NOTES	Cancelled b/c No Quorum				Cancelled b/c No Quorum					Cancelled b/c No Quorum			Cancelled b/c No Quorum	Cancelled b/c No Quorum												Cancelled b/c No Quorum																						
21	Present/Non-voting																																																
22	Present/Voting																																																
23	Absent/Voting																																																

# FY18 Commission Attendance Record

	Voting Members	JUL 07/17 PAC	JUL 21/17 Policy	JUL 21/17 Exec	JUL 28/17 COMM	AUG 04/17 PAC	AUG 18/17 Policy	AUG 18/17 Exec	AUG 25/17 COMM	SEP 15/17 Policy	SEP 15/17 Exec	SEP 22/17 COMM	OCT 06/17 PAC	OCT 20/17 Policy	OCT 20/17 Exec	OCT 27/17 COMM
1	Commissioner	●	●	●	●			●	●		●	●			●	●
2	Commissioner		●		●		●		●	●		●		●		●
3	Commissioner	●			●	●			●			●	●			●
4	Commissioner			●	●			●	●		●	●			●	●
5	Commissioner	●			●	●			●			●	●			●
6	Commissioner	●	●		●	●	●		●	●		●	●	●	●	●
7	Commissioner				●				●			●				●
8	Commissioner				●				●			●				●
9	Commissioner		●		●		●		●	●		●		●		●
10	Commissioner	●			●	●			●			●	●			●
11	Commissioner	●		●	●	●		●	●		●	●	●		●	●
12	Commissioner		●	●	●		●	●	●	●	●	●		●	●	●
13	Commissioner		●	●	●		●	●	●	●	●	●		●	●	●
14	Commissioner		●	●	●		●		●	●	●	●		●	●	●
15	Commissioner		●		●		●		●	●		●		●		●
16																
17	NOTES			Canceled b/c No Quorum											Canceled b/c No Quorum	
18																
19	Present/Non-voting	●														
20	Present/Voting	●														
21	Absent/Voting	●														

# The Executive Committee: Roles, Uses, and Abuses

BARRY S. BADER, PRESIDENT, *BADER & ASSOCIATES, INC.*

“Our board’s executive committee is critical to its success. It gives me a small, cohesive group of our board’s leaders that I as CEO can go to for quick feedback on matters that aren’t ready for formal, full board deliberation. It also serves as our governance and executive compensation committee. We wouldn’t do without it.”

—CEO, *Hospital A*

“We used to have an executive committee. The other board members resented that an in-group knew more than they did; all decisions appeared to have been cooked at the executive committee before the board got them. The other board members felt like second-class citizens. The board abolished it and has said, ‘Never again.’”

—CEO, *Hospital B*

**T**HESE TWO WIDELY DIVERGENT views illustrate the different experiences with executive committees that exist among hospitals and health systems—and other organizations as well. To paraphrase Shakespeare, some praise it, others would bury it.

Executive committees are a subset of the board that generally includes the board’s officers and sometimes the chairs of its standing committees. Used appropriately, they enable a board to conduct urgent business when a regular meeting isn’t scheduled and the full board can’t readily be convened, and they provide the CEO with a confidential sounding board for insights and advice from trusted leaders.

At the same time, executive committees are intrinsically exclusionary and, as such, they can devolve into a powerful clique that makes other trustees feel like second-class citizens.

## Meeting As Needed or Regularly

Generally speaking, there are two different types of executive committees: those that meet only as needed, and those that meet frequently, often on a regular schedule. The right model depends on a variety of factors:

- **Frequency of regularly scheduled board meetings.** The more often a full board meets, the less it needs an executive committee that meets regularly. Boards that meet monthly generally don’t need executive committees to meet regularly between meetings—doing so

allows a small group to supplant the full board’s role. Conversely, boards that meet less often, especially quarterly, may benefit from an executive committee to handle routine business, exercise oversight, and engage with senior management in months when the full board doesn’t convene.

- **Size of the board.** As a board’s size increases, it becomes more difficult to schedule unplanned meetings on urgent matters on short notice. This can delay important, unexpected matters. Larger boards also tend to have less interaction at full board meetings and rely on working committees. Larger boards may not be good forums for early stage discussion of certain issues such as mergers and acquisitions. Such matters cut across committee lines and require confidentiality, so an executive committee that includes the board officers and the chairs of the finance, strategic planning, and quality committees could give broader-based counsel to the executive team than any single committee could. Executive committees can also increase the efficiency of the full board by handling routine matters that take up time on the full board’s agenda.
- **Geographic dispersion.** Boards whose members live across a region, the country, or internationally tend to meet less frequently and can’t convene unplanned meetings in person quickly, so they are likelier candidates for an executive committee that meets regularly between board meetings.

- **History and culture.** If a board or community has an unhappy history of small elites controlling the hospital and perhaps other local institutions, then trustees may have a well-founded aversion to a powerful, active executive committee. However, taken too far, a rigid “no executive committee” posture may prevent a board from making appropriate use of an executive committee in specific circumstances.

For a typical community hospital or health system board (13–15 members) that meets at least six times per year, and whose members live close enough together to convene quickly on an urgent matter, the executive committee usually can just meet on an “as needed” basis. Boards with approximately 16 to 20 members fall in a grey area where multiple factors must be considered in deciding how to use an executive committee.

The Governance Institute’s latest research (2009) on the prevalence of executive committees sheds some light on their use (see Table 1). The “as needed” model is the most prevalent. Some 58.7 percent of executive committees meet as needed, 25.2 percent meet monthly, 6.9 percent meet bimonthly, 5.6 percent quarterly, and remainder just once or twice a year. However, most common doesn’t mean best for all. Boards should pick the model that fits their principles of good governance.

**Table 1. How Often Does the Executive Committee Meet?**

Executive Committee	Overall	Systems	Independent	Subsidiaries	Government-sponsored
<b>Total responses</b>	740	126	301	133	180
<i>Respondents with this committee</i>	552	105	250	101	96
Monthly	25.2%	17.1%	27.2%	14.9%	39.6%
Bimonthly	6.9%	11.5%	4.0%	14.9%	1.0%
Quarterly	5.6%	6.6%	5.6%	5.0%	5.2%
Semi-annually	2.3%	4.8%	1.6%	1.9%	2.1%
Annually	1.3%	1.0%	1.2%	1.9%	1.0%
As needed	58.7%	59.0%	60.4%	61.4%	51.1%
<b>Respondents with this committee</b>	74.6%	83.3%	83.1%	75.9%	53.3%

Source: 2009 Biennial Survey of Hospitals and Health Systems, The Governance Institute (forthcoming, November 2009).

**Table 2. Responsibilities and Authority of Executive Committees**

Total Responses	Overall	Systems	Independent	Subsidiaries	Government-sponsored
	740	126	301	133	180
<b>Respondents with this committee</b>	74.6%	83.3%	83.1%	75.9%	53.3%
<b>Responsibilities/authorities of the executive committee</b>					
<i>Total responding in each category</i>	552	105	250	101	94
Executive compensation	41.3%	22.9%	50.8%	31.7%	47.9%
Board member nominations	19.7%	10.5%	16.4%	39.6%	18.1%
Board member selection	11.6%	7.6%	10.8%	21.8%	7.4%
Advising the CEO	67.2%	61.0%	70.4%	63.4%	71.3%
Emergency decision making	77.9%	81.0%	80.0%	77.2%	71.3%
Decision making authority between full board meetings	74.1%	82.9%	76.0%	82.2%	51.1%
Other	8.0%	12.4%	6.0%	10.9%	5.3%
<b>What level of authority does the executive committee have?</b>					
<i>Total responding in each category</i>	539	104	244	100	91
Full authority: the executive committee can act of behalf of the board on all issues	51.0%	55.8%	53.3%	57.0%	33.0%
Some authority: the executive committee can act on behalf of the board on some issues (e.g., executive compensation), but not all issues	25.6%	32.7%	21.3%	30.0%	24.1%
All executive committee decisions must be ratified by the full board	23.4%	11.5%	25.4%	13.0%	42.9%

Source: 2009 Biennial Survey of Hospitals and Health Systems, The Governance Institute (forthcoming, November 2009).

## Authority and Responsibility of Executive Committees

As Table 2 shows, about half of executive committees have the authority to take final action on behalf of the full board, but this doesn't mean they necessarily exert that power

regularly. Some possess but never or rarely use this authority.

About a quarter of executive committees may take final action only when the full board cannot be convened on an urgent matter between scheduled board meetings. About a

quarter may take action subject to ratification by the full board at its next regular meeting.

Some executive committees may act on *any* matter with the full authority of the board. Others are restricted by their bylaws from taking final action on certain matters such as

changes of ownership of the organization or subsidiaries, acquisitions, facility closures, election and removal of directors, CEO removal and selection, and amending the bylaws.<sup>1</sup>

About two of three executive committees have the informal responsibility of serving as sounding boards for their CEOs. Some CEOs use the executive committee extensively for this counsel; others rarely convene it.

About four of 10 executive committees also function as an executive compensation committee, and about one in five serves as the nominating committee and as a formal or *de facto* governance committee.

For some boards—and this is not a prescription for all—the executive committee meets shortly before regular board meetings. Its purpose is to help organize the full board meeting agenda and it may even handle routine business that then goes to the board in the form of a consent agenda. It may provide informal feedback to the CEO. Some boards that meet every other month have an executive committee meeting in some or all interim months. Some boards find these approaches enhance the full board's efficiency. However, as already noted, they can also create an “in-group” that diminishes the full board's engagement, effectiveness, and enthusiasm.

Some boards have eliminated a strategic planning committee, instead making strategic planning a full board responsibility. With this structure, there may be concern that oversight of progress against strategic plan goals would either bog down full board meetings in details, or alternatively, be lost altogether amidst the full board's agendas. So these boards use their executive committee as a quarterly “strategic plan update committee.” In such circumstances, the committee must take care to limit its work to oversight, bring major variances or other issues to the full board's attention, but not usurp the strategy setting and evaluation roles of the full board and senior management, working together.

The most critical thing a board should do is to clearly define in the bylaws and board policy exactly what the executive committee's authority is, its relationship to the full board, and when it may take final action or only discuss and make recommendations. Ambiguity leads to disfunctionality.

## Good Governance Guidelines

Though one model of executive committee doesn't fit all boards, the following guidelines can be used to optimize the use of an executive committee.

1. **Avoid the elitism pitfall.** The biggest misuse of executive committees occurs when they become too powerful. This can happen when a critical mass of board members meets regularly and often, and thus becomes the primary place where the CEO takes everything important. When issues and decisions come to the full board, other members think these are “pre-cooked”—and they are expected to be rubber stamps. This dynamic can destroy the commitment and engagement that should come from *all* board members. To avoid inadvertently allowing the executive committee to take on too much responsibility, the board should use the self-assessment process as a check and balance, asking if members are satisfied with the role and reporting of the executive committee. In addition, the executive committee itself needs to be sensitive to the risks of becoming an in-group.
2. **Committee charter.** All board committees should have charters that describe their responsibilities, membership, meeting frequency, and the information they regularly review. Often, the executive committee is overlooked; it either has no separate charter, or the charter just restates the bylaws, leaving a full explanation of the committee's role ambiguous. If the executive committee has some specific roles, such as serving as the CEO's sounding board on certain matters, acting as the

governance committee, or recommending executive compensation, these responsibilities should be specified in its charter. Any limits on its authority also should be specified.<sup>2</sup>

3. **Scheduled meetings for specific functions.** If an executive committee meets only as needed between board meetings, but is also responsible for executive evaluation and compensation, or for governance and nominations, or both, it should have a minimum number of scheduled meetings for those purposes. These are important functions with foreseeable, critical actions to be taken each year. For example, executive evaluation and compensation responsibilities often require the committee to: 1) evaluate the CEO's performance, 2) approve/update the senior executive compensation philosophy and plan for submission to the full board, 3) meet with the external compensation consultant, 4) approve the CEO's incentive compensation based on prior year's goals, 5) approve the CEO's prospective goals and incentive plan, and 6) review the CEO and senior management succession plan. Similarly, the governance and nominating committee is typically responsible for bylaws and policy review, board education, board self-evaluation, and board succession planning. The schedule for these important functions should be set in advance for several meetings annually—not called on the spur of moment.
4. **Committee makeup.** At one time the typical executive committee included just the officers of the board: chair, vice chair(s), secretary, and treasurer. However, if the committee has authority to make important decisions because the full board cannot convene, or serves as a sounding board for the CEO, it is preferable to include a broader cross-section of the board's leaders—for example, the officers

1 Because this level of detail may have been onerous for some respondents, The Governance Institute's survey did not ask about these limitations.

2 For a sample executive committee charter, see Elements of Governance®: *Board Job Descriptions & Committee Charters*, 2nd Edition, The Governance Institute, 2009.

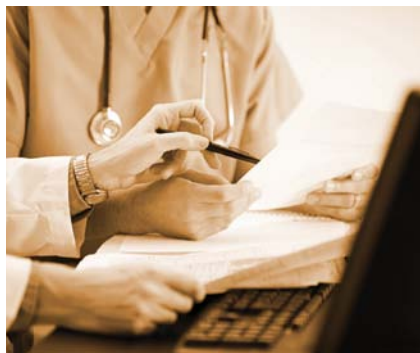
plus the chairs of key committees such as finance, quality, and governance. Some executive committees also elect one or two at-large members in order to include a trustee with particular knowledge or skills who isn't an officer or committee chair.

**5. CEO membership on the executive committee.**

The CEO should be on the executive committee, except where prohibited by law. The CEO is the board's leader in residence and, therefore, the CEO should be a voting member of the executive committee. Of course, the CEO is excused when the committee performs its executive evaluation and compensation functions. The CEO should respect the committee's need for independence. To get the most benefit from an executive committee, a CEO should be careful not to dominate it, but rather, to practice candor, transparency, and good listening skills.

**6. Physicians on the executive committee.**

Should physicians from the active staff of the hospital be on the executive committee, where permitted by law? That is a good



question, because physician participation on a hospital or health system is widely regarded as beneficial for many reasons. Once again, one size doesn't fit all situations. The concern usually voiced about physician participation on the executive committee is that independent physicians could have conflicts of interest, be competitors, or be unable to maintain confidentiality. Therefore, they could jeopardize the executive committee's independence and candor when serving as a sounding board on sensitive strategic matters (such as mergers or acquisition of physician

practices) or performing the executive evaluation function. Similar conflict-of-interest concerns apply to employed or other closely aligned physicians, who could be perceived as too loyal to management to be objective. These are potentially legitimate concerns, and they ought to be considered seriously before a physician even is elected to the board or the executive committee. Active staff physicians should not be involved in the executive evaluation and compensation process because the perception of a conflict of interest is too strong to meet the test of independence.

- 7. Self-assessment.** Finally, as part of the board self-assessment process, the board should evaluate its executive committee and make adjustments if necessary. The sidebar below shows some questions that may be asked to assess the role and performance of an executive committee.

## Executive Committee Self-Assessment Questionnaire

### General Questions

1. Is the committee charged with doing "the right work?" Does the committee's charter include a clear, complete description of the committee's responsibilities? If not, what changes are needed?
2. Is the committee receiving all the information it needs to fulfill its responsibilities, in easily understood formats? Is background information distributed sufficiently before the meeting?
3. How effective are management's reports to the committee, in terms of length, timeliness, and clarity?
4. Does the committee have an appropriate mix of skills and backgrounds to meet its responsibilities? Should this committee actively seek new members with additional skills or backgrounds?
5. How effective are committee meetings? Is the meeting frequency and length appropriate? Does the committee have sufficient input into agenda setting? Is there enough time for discussion?
6. What issues should this committee focus on for the coming year? Define and prioritize specific goals.

### Specific Questions

1. Has the board delegated appropriate responsibilities to this committee? Does the allocation of responsibilities strike an appropriate balance between using the executive committee to make the

board's work more efficient, and not usurping work that should be properly done by the full board?

2. Do the bylaws and the committee charter clearly define the circumstances in which the executive committee is authorized to act on behalf of the board?
3. Do the bylaws and the committee charter clearly state whether the board must ratify executive committee actions or just be informed about them?
4. If the committee meets regularly, does this have an unintended effect of creating an "in-group or clique" of board members who process too much information and leave other board members feeling disengaged?
5. If the executive committee has authority to act on behalf of the full board, does the committee include a critical mass of experienced, knowledgeable board leaders who should be delegated such authority?
6. Does the CEO make effective use of this committee as a sounding board for emerging issues and sensitive matters? If not, is this an appropriate role for the committee?

Source: Great Boards newsletter, Summer 2008, © Bader & Associates, used with permission.



# Executive Committees Beware!

Posted by **Simone Joyaux, ACFRE, Adv Dip** on Aug 18, 2016 1:37:04 PM

Tweet



267



*Simone Joyaux is coming for you! She feels strongly about executive committees. Do you agree with her arguments? Read on and weigh in. And then take a look at BoardSource's recommended governance practice pertaining to executive committees that we present below.*

And Simone Joyaux sits back, smirking with great satisfaction. You see, I'm on a worldwide mission to destroy all executive committees. I've been ranting and raving about this for years and years. "Why?" you ask. "Because no one's ever given me a good enough answer to have one," I respond. "And the risks outweigh any possible advantage," I continue, my voice rising. I'm pacing the room. I'm waving my hands with rings flashing. Soon I could be shouting. "This is about power! Executive committees disempower, whether intentional or not."

Here's my perspective, which gains followers as I proselytize vociferously.



First and foremost: Governance belongs to the full board, not to any single board member or committee. Governance is the process whereby a group of people works together (as a collective) to ensure the health and effectiveness of the institution.

Of course, I hear justifications all the time. Here are my favorites, followed by my responses:

## Five Rationales

1. *The executive committee meets in case of an emergency, in lieu of the board. Because it's hard to get the full board together.*

Excuse me? It's an emergency! But you supplant the full board and bring together the executive committee instead. And you do so in this day and age, with conference call capability and email. Please. A true emergency belongs to the board.

2. *The CEO needs a small group to talk with about very confidential items; a kind of think tank or kitchen table cabinet.*

Stop right now! Nothing is confidential to a subset of the board. If any committee of the board knows something, it's the right and responsibility of the full board to know it also. Governance is the legal and moral authority of the full board.

The CEO can reach out to various individuals (board members or not) to chat and explore ideas. I hope the CEO focuses on individuals with the specific necessary competencies and wisdom. Of course, if it's a corporate governance issue, the CEO eventually talks with the full board.

3. *The executive committee includes the officers and committee chairs, and sets board meeting agendas.*

To me, that's a waste of time. Imagine you're board treasurer. You chair the finance committee and go to those meetings. You serve on the executive committee and go to those meetings. And you go to board meetings. Really? For me, the CEO and board chair together develop board meeting agendas. The CEO and her staff know what's happening in all committees.

4. *The Executive Committee does the performance appraisal of the CEO.*

You don't need an executive committee to do that. Set up an ad hoc task force that includes the right people for that year. The task force lasts for the few months of the appraisal process. Then terminate the task force.

5. *The executive committee plays a valuable role in processing information for the board.*

Don't get seduced by that statement! An executive committee is usually reprocessing work that already went to a board committee, e.g., finance, board development, whatever).

That board committee discusses an issue that ultimately belongs to the board. That's fine. Until that committee's work then goes to an executive committee for more processing and preparation. Then finally that stuff goes to the board. (Or maybe only some of it goes to the board. Hmmm....)

Just count how often the issue was processed before it ever got to the board. People who've been in the conversation repeatedly get bored. And the full board — most of whom weren't privy to previous conversations — feels excluded.

## Notes from the field

Clients and strangers regularly send me notes, responding to my blogs or tweets or books or trainings. For example:

An executive director once wrote: “My board has difficulty getting members to attend meetings because the board members are so disengaged. So the board decided to have meetings less often, with executive meetings on the off months. Now, more of the members don’t have any idea what’s going on, and I can’t see how that’s going to make them feel more useful. Scary!”

A board chair talked with me about establishing an executive committee. As I shared my concerns, he had a brilliant insight: “Our idea of establishing an executive committee is a response to deficiencies in the board.”

### **And here’s another issue:**

When a committee exists, we tend to feel it should meet. So we schedule meetings. Oh no. Oh dear. Risky! Regularly scheduled executive committee meetings. We have to talk about something. So talk we do. We process the other committee meetings, and we talk about upcoming items for the board meeting. Pretty soon executive committee members know all the stuff, and board meetings – hence all board members – get short shrift. This is not good. Actually, this is very bad.

### **But what if...maybe but...**

The only kind of executive committee that I would ever tolerate is one that has no regularly scheduled meetings... that never meets except to do the CEO’s performance appraisal... And maybe when an executive committee is authorized by the board to take a very specific, limited, previously reviewed action with established boundaries because the board won’t meet before the action must be taken. But it’s that very specific, highly limited, previously reviewed action with established boundaries.

## **My conclusion**

Executive committees are just too dangerous. To me, their danger far outweighs any particular benefit. There’s nothing an executive committee does or might do that cannot be done by another existing committee or an ad hoc task force. (And by the way, an executive committee by any other name . . . . If it walks like a duck and quacks like a

duck, it's a duck! I worked for an organization that used its finance committee as an executive committee. I know an organization right now that is using its governance committee as an executive committee.)

Most of what an executive committee does should be done by the board itself. Quit disempowering the board! Quit creating a shadow board. Join my worldwide mission to destroy all executive committees. Starting with your own.

And if you're not ready to embrace my worldwide mission yet, at least talk about it. Too rarely do I hear questioning at the board level. Then conversation. And then intentional deciding. That's what I'm really asking all of us to do. Raise the issue. Ask questions. Have conversations. And then, of course, the board decides.

## BoardSource Recommended Governance Practice: Executive Committee

*If the board has an executive committee, its purpose and authority must be defined in the bylaws.*

Before forming an executive committee, the board should analyze its entire structure to determine whether that particular committee would add value. If an executive committee is given the power to act on behalf of the board, the bylaws need to define the limits of its authority; otherwise, it has the authority to make major organizational decisions that normally belong to the full board. To ensure that the full board remains in control and informed, decisions made by the executive committee should be confirmed by the full board at the following board meeting.

**Read more** BoardSource Recommended Governance Practices.

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Topics: [Executive Committee](#)

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**Denise Boehner** 8/18/2016, 11:40:18 AM

I totally agree. An executive Board is a very destructive thing for an organization.

Reply to *Denise Boehner*

**Barbara Wong** 8/18/2016, 11:45:19 AM

Amen!! to Denise Boehner's comment

Reply to *Barbara Wong*

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**Barbara Wong** 8/18/2016, 11:43:55 AM

I can't agree with you anymore. I have been on Boards with Executive Committees where the decisions are made and brought to the Board for "rubber-stamping". Executive Committees reinforce cliques, group-think, eliteness, and exclusivity among members of the Board of Directors. The injury and disadvantage is to the organization that the Board of Directors serves - not good.

Reply to *Barbara Wong*

**Michael Shermis** 8/18/2016, 11:55:56 AM

I believe that the only argument I'm not totally on board with (pun intended), is the emergency one. And this is only because I had an emergency where a staff member accused the ED of sexual harassment. Before everyone in the world knew about this, we needed to think about how to approach it and at what level this would be addressed without it blowing up in the news. The full board was brought in as soon as we could. It never made the news and most folks were spared the sordid details, but did play a role in what the course of action was. What I always say is have an executive committee, but they should only meet if it's an emergency that is about something like this or an ED absconding with money that needs immediate action on part of the officers to safeguard a further disaster. Otherwise, I'm in total agreement with the rest of your rationale for killing Executive Committees!

Reply to *Michael Shermis*

**Simone Joyaux** 8/19/2016, 7:37:52 AM

In many ways, I agree with you, Michael. Just let the Exec Com exist ... But don't use it.

Reply to *Simone Joyaux*

**Michael Shermis** 8/19/2016, 7:40:32 AM

And that is exactly what I do say to boards I work with. It's there, it's official, it's part of the bylaws, but doesn't need to meet. Too many meetings and there isn't a reason for this one, mostly!

Reply to *Michael Shermis*

**Lyndsey Haight** 8/25/2016, 1:25:41 PM

My question to this scenario would be: given the gravity of the emergency, why wasn't the board as a whole motivated to get together? And, even if some can't make it, you couldn't get a quorum together? That makes me worry about how responsible the board members feel in their role.

We have never had an Executive Committee before and, this year, after a major conflict within the Board, there is talk of creating one. As the ED, I share all of Simone's concerns and have voiced them to the officers trying to create the Executive Committee. The quoted Board chair is dead-on in his insight: They want to create an Executive Committee to compensate for a deficiency in the board. In our case, it's about enforcing policies and holding people accountable. Creating the Executive Committee still doesn't ensure the Board is going to enforce its own policies. We've chosen to focus on governance structure as a whole, including roles and functions of committees. Ultimately, I predict we will find we don't need the Executive Committee...but I'm not a fortune teller.

Reply to *Lyndsey Haight*

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**William Davis** 8/18/2016, 11:56:17 AM

Only problem with BoardSource recommendation for "confirmation" of Exec. Comm. decisions by full Board is this practice gets to be automatic and those Board members who are not on the Exec Comm quit paying attention to what is put before them.

Reply to *William Davis*

**Simone Joyaux** 8/19/2016, 7:48:17 AM

YES YES YES. I so agree. The bad just outweighs the good!

Reply to *Simone Joyaux*

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**Meg Doherty MSN, ANP, MBA** 8/18/2016, 12:06:51 PM

I absolutely agree. the days of the Executive Committee are over for all of the above reasons

Reply to *Meg Doherty MSN, ANP, MBA*

**Simone Joyaux** 8/19/2016, 8:05:31 AM

Unfortunately, most NGOs still have executive committees. And refuse to even talk about it.

Reply to *Simone Joyaux*

**Jack Beckford** 8/18/2016, 12:07:17 PM

I totally agree. I have been presenting this idea for several years at classes at the GA Center for Nonprofits, with some, but not extensive, opposition. With today's technology there is no reason to restrict access to quickly needed conversations.

*Reply to Jack Beckford*

**Simone Joyaux** 8/19/2016, 8:03:54 AM

Yes. I worry about standing committees, too. As I commented elsewhere in response to someone's comment on this blog - read the stuff on my website about committees. Good committees design their work to process some information and then engage the full board in strategic conversation. Good committees do NOT exist to recommend only.

And good governance, good boards, good committees actually depend upon the qualifications of the CEO/ED. A major qualification for any CEO/ED must be expertise in governance. The CEO/ED enables the board to do governance effectively.

*Reply to Simone Joyaux*

**Jeffrey walton** 2/14/2017, 11:31:26 PM

Question, I belong to a non-profit organization and there are large number of board members, the executive committee held it's very first meeting via a quorum in probably 40 years...before that they were acting what they

thought to believe by proxy through the district of DC, that is not a viable option - so they finally have a concall to take votes based on the ec's policies they create. The only problem is the ec makes it very difficult for other board members to talk about the policies beforehand. We have asked the ec to create a distribution list for all board members but this goes on deaf ears, plus the ec has kicked out board members from private meetings. What is my recourse of action, as a board member?

Reply to *Jeffrey walton*

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**Roderick Friend parker of BoardSource** 8/18/2016, 12:29:46 PM

I am complete agreement. Before long standing committees are reporting to exec comm for ratific ratification while full board is clueless.

Reply to *Roderick Friend parker of BoardSource*

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**Glenn Kaufhold** 8/18/2016, 12:32:40 PM

I've worked with a number of nonprofits on their governance issues. I've always recommended not having an executive committee. So I could not agree more. This seems like an outdated practice that should be abolished.

Reply to *Glenn Kaufhold*

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**Lynne Richman Bell** 8/18/2016, 12:46:20 PM

This totally represents what I have believed for years!! We do not need an A team and a B team on the board. It's exclusionary. Committees are perfectly equipped to prepare policies for consideration by the whole board. Not to mention, we have one less meeting to attend!!

Reply to *Lynne Richman Bell*

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**Hilda Shirk** 8/18/2016, 1:32:46 PM

I am all for eliminating the institution of Executive Committees, but have found the committee serves a valuable advisory function for me as the CEO on thorny issues prior to bringing them to the full board for discussion and action. So the Committee only meets as needed and that works well for us.

Reply to *Hilda Shirk*

**Simone Joyaux** 8/19/2016, 7:59:59 AM

So you keep it, Hildy. And it has NO STANDARD OR REGULAR MEETINGS!! And it VERY VERY VERY RARELY MEETINGS.

But still, how about inviting the full board to have the conversation. The board exists to have meaningful conversations - and sometimes those conversations produce decisions. But not always. You provide the board with various articles and blogs in advance. All board members read and prepare - as they do for any board meeting. And the board then has a conversation. CONVERSATION. NOT a discussion. See learning organization business theory for the distinction between dialogue/conversation and discussion. Conversation produces learning and learning is what produces change. The Free Download Library on my website includes a document about conversation.

Ask the board to talk about this.

Reply to *Simone Joyaux*

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**John Keane** 8/18/2016, 2:34:49 PM

I can see your point, and there are certainly situations where an EC can be an abuse, or at centralization of power. I agree with your examples. I agree with Hilda however. I find my EC to be an invaluable group to run idea and concepts by prior to meeting with the full Board. My EC is a great sounding "board". Would not give them up.

Reply to *John Keane*

**Simone Joyaux** 8/19/2016, 7:56:29 AM

As I said in the blog, TALK ABOUT IT. WITH THE FULL BOARD. Raise the question. Read articles both pro and con. Engage the ENTIRE BOARD in the conversation. That's the kind of thing that boards should be talking about.

Reply to *Simone Joyaux*

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**Marilyn Brown** 8/18/2016, 2:44:41 PM

Agree with Simone. We did away with our Executive Committee 3 years ago in response to the previous one running amok including firing the ED before me without the full board hearing about it until after it was done. My board attendance has gone up and averages about 85% because they now all feel engaged. No more cliques or secret decisions being made.

Reply to *Marilyn Brown*

**Simone Joyaux** 8/19/2016, 7:54:52 AM

Yippee! Congratulations! And if you decide to have an Exec Com.... I talk about that in the article.

Reply to *Simone Joyaux*

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**Steve VanderMeer** 8/18/2016, 3:07:24 PM

Why stop at executive committees? These same arguments can apply to almost any sub committee. A committee that meets apart from the whole board possesses information, and therefore power, that the whole board does not. If the issue is

important enough for the board to vote on it, it is important enough for the whole board to grapple with and understand it.

Reply to *Steve VanderMeer*

**Simone Joyaux** 8/19/2016, 7:52:55 AM

As I explained in the blog, other committees of the board should be darn few. And their scope is limited to a single focus (e.g., finance), and they report to the board. Visit my website and you'll see all kinds of stuff about committees. Read my homepage blogs and NPQ articles and e-newsletter -- where I right about everything related to governance and fundraising and planning and and .... Limitations of committees. Purpose of committees. Need for committees to do some background work and then to engage the board in strategic dialogue. I think the board needs the following committees: Finance. Board Development (also called Governance). Strategic Planning (sometimes). Fund Development. (Because I want that in the face of the board.)

Reply to *Simone Joyaux*

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**Gregory Kurth** 8/18/2016, 3:20:19 PM

The idea of Executive committees becoming a "board within a board" and ultimately disempowering the real board is an ongoing problem. Three cheers for a provocative blog.

Nevertheless, I do believe Executive committees can function as entities to coordinate the executive's performance appraisal and compensation process for full board full involvement. As a former CEO, I liked to utilize my executive committee as a "sounding board" for ideas, concerns, etc. realizing that areas of substance would always reside with the board.

Reply to *Gregory Kurth*

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**Richard Birkel** 8/18/2016, 3:23:18 PM

I think this is one of those areas where "it all depends". In some orgs with large boards, the EC can be a valuable tool for dealing with routine business that cannot wait for a full bod meeting. It also depends on the type of business - in an active housing development organization, getting routine sign off on papers that the full BOD has already authorized in principle can save time. I also think my EC is a good "sounding board" as others have said, since it represents past, present, future BOD chairs (continuity) and \$.

Reply to *Richard Birkel*

**Simone Joyaux** 8/19/2016, 7:44:11 AM

Hi there, Richard. I disagree. If the problem is the board is too big (and what is too big?), then make the board smaller. If there's business happening that requires governance action, then maybe the board doesn't meet frequently enough? Or the board should take action to authorize signing of certain standard contracts at the start of each year. I think we are too often not asking the right questions. Questions like: What's the optimum size of a board? What is the appropriate frequency of board meetings to ensure sufficient cohesion but not too much cohesion; to accomplish the work of the board, etc.

Reply to *Simone Joyaux*

**Michael Malamut** 8/25/2016, 1:28:21 PM

It's easy to say "get rid of your overly large board." It's much harder to make it happen in many organizations. Sometimes active, diverse membership organizations want a broad, representative sample of the membership on the board. Sometimes, funders require representation of various interest groups and stakeholders. Sometimes, despite the best consulting advice, particularly in the arts, the cultural expectation is that every large donor will have a seat on the board. My experience is that if the members of such a large board are reasonably active and the organization is running well, they will not vote themselves out of existence as a large board.

Reply to *Michael Malamut*

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**Hardy Smith** 8/19/2016, 4:19:28 AM

Simone challenges and makes nonprofits think! I share her thoughts on executive committees exist because of lack of engagement by the full board. Watch for my next BoardSource Blog post that addresses board expectations and engagement.

Reply to *Hardy Smith*

**Simone Joyaux** 8/19/2016, 7:39:45 AM

Hey Hardy. Thanks so much for your comments on my various stuff - and now even with me on Twitter. Why does our sector (and for-profits, too, I think) have such a hard time doing governance better -- making better boards. Excuse after

excuse. We just keep doing other stuff (exec committees, smaller boards, EDs as board chairs) and on and on... to avoid fixing boards. (And, FIRING LOUSY BOARD MEMBER!)

Reply to *Simone Joyaux*

**Hardy Smith** 8/20/2016, 4:40:38 AM

Simone, is it possible that doing the other stuff is easier than doing the hard work on what really matters?

Reply to *Hardy Smith*

**Simone Joyaux** 8/20/2016, 4:45:56 AM

I very much agree with you, Hardy. I think we often don't look at the right issues / ask the right questions. We leap to an answer - when we weren't even identifying the appropriate question(s). And then we create often elaborate and complex solutions - which just make the problems worse -- or at least don't fix the root problem. What is the actual root problem. Keep probing. Keep going down and down and down. And find the root problem.

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**Dan Weiss** 8/19/2016, 6:46:26 AM

'Great article, Simone! I'm with you all the way!

Reply to *Dan Weiss*

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**Simone Joyaux** 8/19/2016, 7:40:51 AM

The article / blog actually comes from a longer article that I wrote for Nonprofit Quarterly years ago. Destroying executive committee. And another article for NPQ called firing loud board members. Firing lousy board members is now a book.

Reply to *Simone Joyaux*

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**Doreta Richards** 8/19/2016, 2:43:25 PM

I agree, the Executive Committee's role should be limited in scope and should be clearly defined in the association's bylaws. Otherwise, it could become disempowerment and/or strategic especially if the issue is controversial and there are more supporters or opponents on the EC depending on what the ED wants the outcome to be.

Reply to *Doreta Richards*

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**Christina Starace** 8/24/2016, 3:38:33 PM

I enjoyed the article very much as I have seen this dynamic at work. If we want our boards to be more engaged, we have to empower them to do meaningful work instead of asking them to rubber-stamp executive committee work.

Reply to *Christina Starace*

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**Ron Wormser** 8/24/2016, 11:29:16 PM

8.24

Perhaps those who argue against executive committees have not ever seen a truly necessary and effective one in operation. I know such creatures exist as I've seen them in action.

One of the most important roles a properly constructed executive committee can play is to be composed of the officers and chairs of standing committees as a way of ensuring both shared information and coordination of efforts. The latter is all the most important as many issues have aspects that cut across more than one committee, underscoring the need for shared information and coordination of efforts.

I'd put this question to those who have witnessed malfunctioning executive committees: are they representative of a generally malfunctioning board or an exception? My bet is the former. It's also my bet that if the executive committee is malfunctioning, it is a symptom - and not the cause - of some other root problem(s) in governance and/or paid leadership.

Reply to *Ron Wormser*

**Simone Joyaux** 8/24/2016, 11:50:40 PM

I disagree with you, Ron. An executive committee of officers + committee chairs is a significant portion of the board. So why isn't the board talking about these items?

Shared information and coordination of efforts happens through the staff who staff the committees. And through full board meetings.

I've seen effectively functioning executive committees - and still see no need for an executive committee. I've seen well functioning boards - and still no need for an executive committee.

To me, the executive committee is an unnecessary redundancy...a high risk interventionist...and a large waste of time.

We can agree to disagree.

Reply to *Simone Joyaux*

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**Brad Carter** 8/25/2016, 5:29:19 AM

Completely agree ... Simone, you're always on target!

At my request, we abolished all standing committees when I became CEO of our organization four years ago. Our board functions better than ever (I was involved before becoming CEO), everyone is engaged, and we avoid rubber-stamping and consolidating power among cliques (which described the board prior to this change).

If an issue is important, the board as a whole discusses it. If I'm to be held accountable, the whole board holds me accountable. If a policy, salary, or board-level decision needs to be made the board discusses it and decides.

If I need a sounding board or advice, then I talk to individual board members (and other mentors and advisors) to provide insights and advice -- but not as the board, as colleagues, mentors, and advisors.

And, as you said, we make this happen even though it's not easy to get together: my board members live in Texas, Oregon, Washington, New Mexico, Tennessee, Australia, Zimbabwe, Nigeria, Swaziland, and South Africa. We all meet face-to-face once a year (gearing up for it next month), and we also hold virtual meetings and we have regular virtual and written reports.

My experience with sub-committees of the board is that it takes more work to get the same work done, because a well-informed and involved board is going to want to understand and re-discuss the various perspectives already discussed and argued in sub-committees when it comes to the full board. Just have the conversation with the right people the first time!

Reply to *Brad Carter*

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**Simone Joyaux** 8/25/2016, 8:09:33 AM

Thanks, Brad, for your kind comment about my work. I appreciate your detailed comments about how you approach this work. Yes yes yes. And thankfully, you as CEO being together, talk with anyone me everyone and and.

Reply to *Simone Joyaux*

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**Simone Joyaux** 8/25/2016, 1:43:57 PM

In general, I disagree with you, Michael. Look bigger. Explore how size affects good governance. Explore what skills and and diversity (geographic, networks, race, ethnicity, socioeconomic status, sexual orientation, gender, generation, etc. etc. etc.) needs to create a good group to do good governance. Good governance is about meaningful conversations based on different life experiences.

I expect CEOs and professional staff in the NGO sector (including the fundraisers) to be highly knowledge about governance and generative thinking and systems thinking and learning organization business theories and group process and and and ... And to think long and hard about what good governance is and how to enable it to happen. And those kinds of leaders look at every angle of governance and groups and and ... create their own philosophy and test it over and over and engage their board members in conversations about this.

And yes, the board decides. But it's the professional staff who work extraordinarily hard to make sure that the board and its members talk about all this stuff. I've seen multiple years of work by senior staff - especially the CEO - helping boards have these conversations. And helping the board and its members learn so they can actually intentionally make good changes... whatever those changes might be for that board.

And if personal agendas and egos dominate, then it can take more years to make change.

And ultimately, if change doesn't happen -- if the board isn't willing to talk about all this stuff... and talk long and hard... then I always say, find another job. Because top quality professionals deserve to work where the board is willing to explore and

question themselves and challenge their own assumptions and deny their personal egos and and and .... And top quality staff help the board and its members do all that.

Reply to *Simone Joyaux*

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**John Greholver** 8/25/2016, 3:15:15 PM

I have to disagree with you, Simone. I think abandoning any committee, especially the executive committee is short sighted and can lead to a board that lacks focus. Yes, there are serious problems with poorly functioning committees that have not been properly trained as to their functioning and purpose in a non profit organization.

The Board's primary function is oversight, and trying to do that without well-functioning committees can be very cumbersome and lead to board meetings that become overly focused on the minutiae needed to thoroughly explore a serious issue.

A well functioning committee meets in person, online, or via emails or a combination to discuss the details and work out a recommendation, which they then take to the full board. If they have done their work properly, they will be able to answer the obvious questions and present a brief report that outlines the reasons behind their recommendation. Then the full board votes up or down, or defers for further consideration if issues were brought up that the committee didn't think to cover. This format allows for full consideration of important issues without any one person or committee dictating the outcome. Boards that learn to fight fair, and allow for healthy disagreements create a very strong oversight function that is the foundation of a strong and well functioning organization.

Reply to *John Greholver*

**Ron Wormser** 8/25/2016, 11:15:45 PM

Simone:

I don't believe there is one answer that is universally applicable to all nonprofits, regardless of the organizational maturity and regardless of the sizes of their boards.

The needed and high-functioning executive committees I've seen share several important factors: the sizes of their boards are very large (20-50 members), their organizations are 'mature', i.e. been around for some years and are reasonably stable, they attract experienced board members and the full boards meet quarterly. In a fast-moving, complex world, it is imperative to have decision-making available more frequently than quarterly, and many issues require detailed and sustained discussion, which is virtually impossible with 25-40 folks around a table. In such circumstances, an executive committee can play an important role.

On the other hand, with smaller, less mature nonprofits perhaps with less experienced board members and board meetings monthly or bi-monthly, there may not be any need or value to an executive committee.

In other words, whether an executive committee is needed or wanted should depend upon the needs and circumstances of each nonprofit. One size does not fit all.

*Reply to Ron Wormser*

**Simone Joyaux** 8/26/2016, 4:31:53 AM

Hello, Ron. So we disagree with each other. And disagreement is fine. My questions would be: Why have a 50-member board? (And I don't think that 20 is large.) I've participated in great boards with 20 people with great conversation - and detailed and sustained conversation as needed. And all that happens with quarterly board meetings.

I agree with you re: one sizes doesn't, necessarily, fit all. But in some cases...For example, I believe that all governing boards should have a Finance Committee. I believe that all governing boards should talk about whether or not / how and how not an executive committee adds value. AND... I believe that the executive committees shouldn't exist.

*Reply to Simone Joyaux*

**Ron Wormser** 8/26/2016, 6:42:13 AM

Simone -

Actually we do agree on the on paramount point: each board should decide for itself whether an executive committee is needed/wanted, why and with what authority consistent with the applicable state law.

I also think the same question applies to every committee. In some cases I've seen, the board meets monthly and handles all issues, including finance; and there are no committees. It's one of the best boards I've encountered. No one size fits all, not in our highly diversified sector.

That's not to say that advocating for provocative points of view isn't helpful: if it prompts the needed considered individual decision by each nonprofit, it serves a useful purpose. Carry on!

*Reply to Ron Wormser*

**Simone Joyaux** 8/26/2016, 2:34:36 PM

Hey Ron. I'm on a worldwide mission to get people (including boards) to ask cage-rattling questions. And have real and meaningful conversations (not discussions). I'm a provocateur and agitator. So off we go!

**Simone Joyaux** 8/26/2016, 4:26:11 AM

In general, I disagree with you, Michael. Look bigger. Explore how size affects good governance. Explore what skills and and diversity (geographic, networks, race, ethnicity, socioeconomic status, sexual orientation, gender, generation, etc. etc. etc.) needs to create a good group to do good governance. Good governance is about meaningful conversations based on different life experiences.

I expect CEOs and professional staff in the NGO sector (including the fundraisers) to be highly knowledge about governance and generative thinking and systems thinking and learning organization business theories and group process and and and and ... And to think long and hard about what good governance is and how to enable it to happen. And those kinds of leaders look at every angle of governance and groups and and ... create their own philosophy and test it over and over and engage their board members in conversations about this.

And yes, the board decides. But it's the professional staff who work extraordinarily hard to make sure that the board and its members talk about all this stuff. I've seen multiple years of work by senior staff - especially the CEO - helping boards have these conversations. And helping the board and its members learn so they can actually intentionally make good changes... whatever those changes might be for that board.

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Reply to *Simone Joyaux*

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**Jason** 9/3/2016, 6:21:05 PM

Another issue with executive committees is that they can advance personal agendas due to their 'privileged' status. When executive committee members have an agenda, and they have authority, then they are effectively running the show. Since most Board members are usually deferring to the ECs knowledge and insight, any corruption, distortion or mis representation of information can be passed along--and accepted--as fact. This can create a serious, unrealized detriment to the Board--an invisible myopia: any presentation of facts from any other source is likely to be dismissed or diminished when compared against what the EC presents as 'fact'.

Reply to *Jason*

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**Simone Joyaux** 9/4/2016, 12:35:33 AM

Nice additional angle, Jason. The key here is HAVE THE CONVERSATION. The board needs to have the conversation. The board needs to read some articles and talk. The board decides.

Reply to *Simone Joyaux*

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**Montague Boyd** 9/18/2016, 2:12:15 PM

good thought

Reply to *Montague Boyd*

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**Eleanor Altman** 9/20/2016, 9:48:05 AM

Bravo! This stupid practice led to my suffering an unexpected termination after an almost 20-year career and leading to a one-year legal battle over age discrimination. I have no doubt that without an Executive Committee this messiness, waste of resources and pain would never have happened.

Reply to *Eleanor Altman*

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**Simone Joyaux** 9/20/2016, 10:07:29 AM

I am soooooooo sorry, Eleanor. But you know, I'm angrier with the rest of the board. The board could have stopped your termination. So many bad board members along with bad executive committees along with bad governance.

Reply to *Simone Joyaux*

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**Simone Joyaux** 9/20/2016, 10:07:41 AM

I am soooooooo sorry, Eleanor. But you know, I'm angrier with the rest of the board. The board could have stopped your termination. So many bad board members along with bad executive committees along with bad governance.

Reply to *Simone Joyaux*

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**Michael Ritter** 9/26/2016, 4:38:16 PM

This philosophy is certainly valid in its own right. But it seems to me that at the foundation of the philosophy is an assumption that the organization has paid staff, specifically a chief executive of some kind.

But what about all-volunteer non-profits such as a community theatre? Or what about a multi-agency collaborative task force that is not a formal business entity? Would an executive committee not serve a vital function in such cases?

Another thought I have is this: I sit on a board where there is an executive committee, but rarely does it ever meet. At board meetings, all topics are hashed out in front of everyone, as is indicated is a good idea. However, our meetings run 2 - 2 1/2 hours long every time. Specific things get addressed, but there is also opportunity given for any member to raise an issue.

Meetings feel endless, tiresome, and very inefficient. Who wants to sit in a meeting that long? So it begs the question: How does a board conduct business efficiently in the presence of a flat governance structure?

Reply to *Michael Ritter*

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**Denise Boehner** 9/26/2016, 8:18:29 PM

I totally agree. An executive Board is a very destructive thing for an organization.

Reply to *Denise Boehner*

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**Jay Goulart** 10/25/2016, 9:03:40 AM

What committee isn't effective without the right people and right leadership?

Reply to *Jay Goulart*

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# The Governance Institute's E-Briefings



Volume 8, No. 3, May 2011

## Welcome to The Governance Institute's E-Briefings!

This newsletter is designed to inform you about new research and expert opinions in the area of hospital and health system governance, as well as to update you on services and events at The Governance Institute. Please note that you are receiving this newsletter because you are a Governance Institute member or expressed interest at one of our conferences.

### News, Articles, and Updates

## Revisiting the Role of the Executive Committee

Michael W. Peregrine, Esq., McDermott, Will & Emery, LLP

*This article is the fifth in a series on efficient board committee practices (refer to previous issues of E-Briefings to read about the strategic alignment committee, executive compensation committee, audit committee, and compliance committee).*

Hospital and health system boards should reconsider the continued utility of the executive committee, given recent developments in non-profit corporate governance and the rapid pace of organizational change prompted by healthcare reform. While a standing executive committee has long been a staple of boardroom practice, there are increasing questions about its relevance in the current environment. The executive committee is often not an appropriate substitute for full board action on important oversight and transactional matters. Similarly, extensive reliance on the executive committee can serve to exacerbate, not ameliorate, governance issues created by large boards. In addition, "loading up" the executive committee charter with extra, nontraditional duties can create particular board oversight concerns. Yet, there remains real value in preserving an executive committee function for truly urgent situations, and to address evolving organizational issues for which maintaining extreme confidentiality is a paramount concern. For these and other reasons, the board should reevaluate the role of the executive committee, as part of its 2011 agenda.

### The Basic Role of the Executive Committee

The premise of the executive committee is grounded in the fundamental authority of the board to delegate certain tasks and responsibilities to

properly constituted committees. The role and scope of duties of the executive committee are typically set by statute and have been consistently applied over the years. Generally, these statutes provide that during the interval between meetings of the full board, the executive committee is empowered to exercise the powers of the full board with respect to any matter that, in the opinion of the board chair, should not be postponed until the next scheduled meeting of the board. Despite that grant of authority, the executive committee does not have the power or the authority of the board with respect to certain key actions, such as to a) adopt a plan of distribution of corporate assets; b) approve or recommend to the corporate member dissolution, merger/sale, or transfer of assets; c) fill board or committee vacancies; d) elect, appoint, or remove officers, directors and/or committee members or fix the compensation of a committee member; e) adopt, amend, or repeal the articles or bylaws; f) adopt a plan, merger, or consolidation or authorize the sale of all or substantially all of the assets of the corporation; and g) take action inconsistent with any resolution or action of the board when that resolution or action specifically provides that it can't be changed by committee action. In addition, the role and scope of the executive committee may be limited by the corporate bylaws or by governance policy.

It is important to remember that the board cannot delegate to any committee its core oversight

obligations. For that reason, a key part of executive committee practice is the regular reporting of its actions to the full board. This allows the board to exercise oversight with respect to the actions of the executive committee and, in particular, to ratify or reverse the action should it choose to do so. (In practicality, however, reversal may be easier said than done.) Minutes of executive committee meetings should be taken, with the same level of detail as with those of full board meetings, and distributed to the full board.

While reference to specific state law should always be made, the basic concept is pretty simple—the executive committee can usually act on behalf of the board between meetings, except that it is never authorized to act with respect to powers that are fundamental to board operation (e.g., composition of the board and committees), major transactions (e.g., mergers and acquisitions), and corporate status (e.g., amending the articles and bylaws).

The non-profit laws of many states limit membership in the executive committee to currently serving board members. Oftentimes, this translates to the senior board officers, with the chief executive serving in an *ex-officio* role, without voting rights. It makes sense for the general counsel to serve as “staff” to the executive committee, and to be present for all meetings. Interestingly enough, there is no strong trend advocating for the complete independence of executive committee members (as opposed to the composition of other key committees, such as compensation, compliance, and audit). This allows for greater flexibility in the composition of committee membership.

## Review Points

Despite the consistency of the law as it relates to the scope and role of the executive committee, the “smart play” is for the board to reconsider its use as a governance tool. This is in large part due to the increased public policy focus on governance transparency, and the role of the entire board in both exercising oversight over corporate operations and in making informed decisions on major corporate issues. Broad, fundamental governance themes arising not only from the Sarbanes-Oxley reforms but also from the embers of the recession attribute great organizational value to full board participation in critical oversight and decision-making activity. In that regard, the continued role of the executive committee should

be evaluated against the following review points:

- **Committee power.** Given today’s fast moving healthcare environment, with change occurring at breakneck speed and major reform-prompted corporate transactions becoming the norm rather than the exception, there is great organizational value in the board’s ability to enhance its decision-making timetable (to be able to make decisions on an accelerated schedule). The executive committee has traditionally provided an organization with the ability to expedite the decision-making process when circumstances warranted. However, the question is increasingly becoming whether the types of major strategic opportunities that confront hospital/health system boards (e.g., ACO investment, physician integration transactions, debt strategy and capital investment, mergers and acquisitions) lend themselves well to executive committee action. The fluid nature of most healthcare markets calls for timely decision making with respect to these and other types of opportunities. Yet, some opportunities may be of such organizational significance as to push against the statutory limitations (express or implied) on executive committee action. The board should ask itself whether there are certain kinds of strategic decisions of such organizational significance that should be resolved by the entire board, even if the executive committee is not clearly prevented by state law from taking action. Where time is of the essence, would it be a better use of energy to call a special or emergency meeting of the full board to address the issue? The closer the issue gets to the limits of executive committee action, the greater the uncertainty that the committee’s actual decision will be enforceable. For example, in the transactional context, opposing counsel may refuse to accept executive committee action as evidence of corporate authority. That could be a real dice roll in “big deal” situations.
- **Large boards.** Over the last decade, the size of many hospital and health system boards has grown significantly, in part due to the need to accommodate significant community/partner constituencies, and in part due to the need to accommodate significant donors interested in board positions. This has often created cumbersome board deliberative processes,

a disinclination to meet on a monthly or near monthly basis, and a distinct barrier to obtaining a simple quorum in certain circumstances. The executive committee has traditionally provided the organization with the means for overcoming these types of governance challenges (i.e., a nimble and responsive body capable of meeting regularly on short notice, and maintaining effective communication links with senior management). Yet, extensive use of the executive committee in this context can start governance on the slippery slope of disenfranchising those members of the board who do not participate in any committee role. In other words, the executive committee has been a seductive antidote to the governance maladies of large or very large boards.

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“Extensive reliance on the executive committee can create an unfortunate/inaccurate presumption that board control is isolated with a few individuals and that charitable assets may thus be placed at greater risk. This can especially be the case where the bylaws lack a specific authorization provision delegating key board functions and duties to the executive committee.”

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In this way, extensive reliance on the executive committee can create its own unique governance issues. Board members who do not serve on the executive or other key committees may become totally isolated from the business of the board and from contact with executive management. Their ability to render informed decision making, and to affect diligent oversight of management and operations, is reduced. In extreme circumstances, their personal risk for breach of fiduciary duty may be increased because they are so removed from actual governance activity. The inability to provide meaningful input on governance matters may also have the effect of reducing board morale and making board service less attractive. It can also create an

unfortunate/inaccurate presumption that board control is isolated with a few individuals (i.e., the executive committee members) and that charitable assets may thus be placed at greater risk. This can especially be the case where the bylaws lack a specific authorization provision delegating key board functions and duties to the executive committee.

- **Loading up.** In recent years, many hospitals and health systems have sought to “streamline” corporate governance processes in multiple ways to reduce the perceived burden on management and volunteer directors. A popular streamlining option is to reduce the number of standing committees by combining certain discrete committee functions within a smaller subset of committees. An example of this is the practice of including audit, finance, and compliance oversight within one large audit committee. The executive committee is not immune to streamlining, as it is not unusual to see governance/nominating duties, conflict-of-interest review, and even executive compensation oversight combined within the scope of the executive committee charter. This type of streamlining creates at least three governance risks. First, it could serve to add functions that are typically the responsibility of a committee consisting entirely of independent members (e.g., executive compensation) to a committee that typically does not consist entirely of independent members (the executive committee), thus jeopardizing satisfaction of some state laws and “safe harbor” protections. Second, it could require the executive committee to take action for which, in certain extreme instances, it may not be authorized to take under state law (e.g., appointing officers, directors, and committee members or approving committee member compensation). Third, it could help to increase any preexisting inclination for the executive committee to (intentionally or unintentionally) usurp the authority of the full board. The greater the concentration of authority in the executive committee, the less likely certain important issues will reach full board review.
- **“Temperature taking.”** On a more positive note, an underutilized role of the executive committee is to serve as a sounding board of sorts for senior executive leadership. The executive committee allows a way for management to take the temperature of the

board with respect to certain important and potentially controversial issues. The ability to informally discuss certain important pending issues with board leadership/the executive committee can often provide executive management with timely feedback on whether to pursue certain important initiatives. Along the same lines, the executive committee can also serve to provide a point of interim board oversight and reference on critical transactions and important developments, where there may be legitimate confidentiality concerns about disclosure to the full board as the developments emerge (e.g., the receipt of an unsolicited offer to purchase the facility, or the commencement of an internal board or external governmental investigation). Using the board in a “temperature taking”

role can balance the sometimes competing interests of fiduciary oversight, management feedback, confidentiality, and timing.

## **Conclusion**

The executive committee is an established part of the governance structure of most non-profit hospitals and health systems. There are many useful roles that the committee may play in support of enhanced corporate governance. At the same time, recent external developments and internal shifts in governance process and board size can combine to raise questions about the utility of continued reliance on the executive committee. As a result, a close review of the continued utility of executive committee practice is worthy of addition to the board’s 2011 agenda.

*The Governance Institute thanks Michael W. Peregrine, Esq., partner, from McDermott Will & Emery, LLP for contributing this article. He can be reached at [mperegrine@mwe.com](mailto:mperegrine@mwe.com).*

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## Executive Committees: The Good, The Bad and The Ugly

Posted on March 25, 2010 by Ellis Carter • 6 Comments

Typically, executive committees are empowered to exercise the authority of the full board when the board is not in session. [Executive committees](#) can also act in an emergency whenever quick and decisive action is called for. The board may also delegate specific tasks to the executive committee such as governance or recruitment.

### The Good.

Executive committees can serve a useful and valuable purpose for nonprofit boards. Judicious use of an executive committee can help to move the board's work forward in between board meetings by acting on the board's behalf whenever a full board meeting is not feasible. For example, an executive committee makes sense when:

- The board is large making it difficult to call a meeting and obtain a quorum on short notice.
- The board members are dispersed over a wide geographic area, are difficult to reach, or travel frequently making it difficult to convene a meeting in an emergency.
- The board regularly needs to take action or make frequent decisions.

On the other hand, an executive committee may not make sense when:

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- The board is small and local.
- The organization holds frequent board meetings.
- The organization is the type of organization that is unlikely to have frequent emergencies.

### The Bad.

Unfortunately, it is not unusual for executive committees of nonprofit boards to overstep their authority by taking action without informing the full board. All of the board members must fulfill their fiduciary duties of good faith, due care, and loyalty. When board members are not even aware of the action taken, it is difficult to argue that they are fulfilling their duty of care. Leaving a board member out of the decision-making process can put the board members who are not on the executive committee in the unenviable position of being liable for the organization's actions and decisions without having the information they need to properly exercise their fiduciary duties.

### The Ugly and Out of Control.

Occasionally, we see executive committees that have become so autonomous that they begin to exclude board members who are not on the executive committee from decision making. In these cases, the executive committee members may begin to view the executive committee as the ultimate seat of authority and the remaining board members as merely advisory. A sign of an out of control executive committee is one that holds meetings immediately before or after the full board meeting. Clearly, if the board is meeting scheduled for the same day, there is likely no emergency that requires action by the executive committee.

Executive committees that operate in this manner often resist informing the rest of the board of their actions and decisions, putting the board members who are not on the committee at risk of incurring liability for decisions they are excluded from. In such cases, thoughtful board members should consider making a motion reform or dissolve the executive committee and should consider resigning if the motion is unsuccessful.

### Bylaws and Committee Charters.

Carefully drafted bylaws and committee charters can help to ensure that the executive committee serves its intended purpose and does not exceed its authority. The bylaws should also take into consideration state laws

which often limit the decisions that can be delegated to committees. Requiring the executive committee to make a report at each board meeting of any action it has taken since the last board meeting so that the actions can be ratified by the full board is an effective method to ensure that the executive committee does not exceed its authority.

### Conclusion.

An executive committee can be an effective governance tool, but not every board needs one. Executive committees should never ever replace the full board.

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## 6 Responses to *Executive Committees: The Good, The Bad and The Ugly*

**Anne Ackerson says:**  
March 25, 2010 at 9:46 pm

Thanks for your comprehensive and thoughtful look at Executive Committees. They DO clearly have their place, but their power must be kept in check to avoid the “bad” and “ugly” scenarios. Board members should be encouraged by board and staff leaders to cry foul when they see governance migrating into the hands of a few. I think staff leaders have a particular role to play in helping boards differentiate between those situations requiring Executive Committee action and the those that don't. A short criteria list might be quite helpful.

**Nancy Iannone says:**  
March 25, 2010 at 8:39 pm

As Debra Beck has already pointed out, your post is rapidly being retweeted across Twitter this morning. I see Executive Committee's being widely used in our area, primarily because they always have. I'd love to hear examples from organizations that are successfully working without and Exec. Committee and how they made the transition.

**Mary Ziegenhagen says:**  
June 26, 2010 at 11:01 pm

Thanks for this thoughtful discussion. I serve on a Board that has done pretty well as a committee of the whole, but as we grow, some members have called for meetings of the executive committee. This posting will be helpful to us.

**Jerry says:**  
August 10, 2011 at 10:34 am

I serve on the board of a \$3M nonprofit in california. Our Executive Committee has a simple charter: support the highest functioning of the full board. The primary deliverable is a considered agenda for the board meetings. The most common activity is exploring complex topics and deciding how to queue it up for the Board. What are the facts? What are the options? Where is the decision to be made? What group process would create the strongest board engagement?

This provides a valuable service while protecting against the most common abuses of Executive Committees.

**Executive Committees: Why You Should Limit Their Authority | Nonprofit Law Blog**  
June 19, 2014 at 4:29 pm

[...] Executive Committees: The Good, The Bad and The Ugly (Charity Lawyer Blog) [...]

**How Technology Can Help Your Board's Executive Committee...or Help You Kill It Off - BoardEffect**  
December 7, 2015 at 8:41 am

[...] – not just in cases of emergency, but as a routine matter of course. A recent blog post on Charity Lawyer (by Carter Law) sums up the dangers of this situation [...]

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# How to Build an Effective Executive Committee

509  
Shares story.

433 Executive Director I know gave his  
hly update on his national  
54 itive Committee conference call.  
speaking for about 15 minutes  
8 ut interruption, the connection  
ed.

ed no idea.



I bet this button gets used frequently during most  
Executive Committee calls.

Committee members tried to get  
through to his office, but he had given explicit instructions not to be disturbed. His  
assistant could even hear him talking on the phone. To himself.

Eventually, the ED realized what happened and was mortified. But honestly, every single person on that call should have been mortified. The ED had radio silence before and after he was cut off. He couldn't tell the damned difference.

This isn't really about how to have an effective Executive Committee meeting or call. The problem is deeper. This committee had no clear sense of its purpose. The ED's entire "speech" could have been communicated in writing just as easily.

So what do I think an Executive Committee is?

*Vital*

What value can it bring to a nonprofit?

*Enormous*

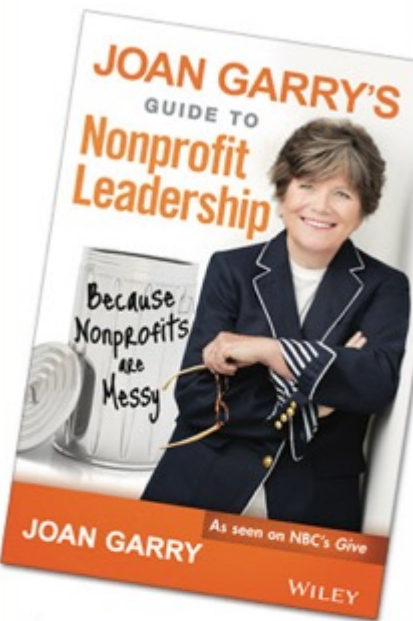
OK, I have lots more to say (no surprise there...)

First, let's talk about what Executive Committees have devolved into.

## WHAT AN EXECUTIVE COMMITTEE IS NOT

- **A pre-ordained group of board members selected as a function of their titles.** One chair, one vice chair, one treasurer, one secretary and the chair of each standing committee.

My New Book



JOAN GARRY'S  
GUIDE TO  
Nonprofit  
Leadership

Because  
Nonprofits  
are  
Messy

JOAN GARRY As seen on NBC's Give  
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"I wrote the book I wish I could have read with my board chair in my first ED job at a very messy nonprofit."

- Joan

- **An opportunity to get the inside scoop.** To hear a monologue (or to at least try to do so while checking email) about what is going on at the nonprofit that month.

## WHAT AN EXECUTIVE COMMITTEE SHOULD BE

- **The Executive Director's most valuable think tank.** With a medium-large board, the ED simply must raise difficult problems she/he has not already solved.
- **The cream of the Board crop, regardless of title.** Yes, your officers must participate (by way of by laws.) And frankly, if they're not best of breed, you have an entirely different set of issues. But the others? Perhaps the cream-of-the-crop are all committee chairs – that would be nice. But it isn't necessarily true and we all know it. The remaining slots should be filled with thoughtful folks who can ask good questions and can help an ED untangle a program or staffing knot with intelligence, confidentiality, and support.
- **A decision-making entity between board meetings.** This was the original purpose of such committees. Some things just simply can not wait. While an Executive Committee shouldn't do something like hire or fire an ED without a full board discussion, there are some decisions that cannot and should not wait and that a functioning, high caliber Executive Committee can vote on.
- **A forum for conversation and discussion about things that matter.** Again, if you have the cream-of-the-crop in the room, take advantage of their

Becoming a Great Executive Director  
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minds, their experience, their commitment. Create an agenda that offers EC members the opportunity to voice ideas, concerns, suggestions. This is why they joined the board. And no one wants to be on a useless committee.

- **A place to vet strategies before putting them in front of the board.** Perhaps the search committee for the new ED is getting close to presenting candidates. Board meeting is 3 months away. Search committee could make a presentation to the EC and discuss how best to roll the process out going forward.

## WHY DON'T EXECUTIVE COMMITTEES FUNCTION LIKE THIS?

- **ED Insecurity:** Lots of ED's choose to keep their board at arm's length. They don't want their board members to know if things are challenging, if there's a knot they can't untangle themselves. So they paint a rosy picture. And as long as it stays rosy, this strategy can work.
- **By Laws:** It's always convenient to blame dysfunction on the by laws. I have two words for you. Amend them.
- **Laziness:** Most executive committees are on autopilot. Approve those minutes, let the ED ramble (check your email or put your phone on mute), committee chairs then report out that they are about to have a meeting, that they just had a meeting and if only they can remember what it was they talked about. Meeting adjourned. No thought necessary prior, during or after the meeting.

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- **Insufficient board members in the “best of breed” category.** An ED may be reading this saying, “This is all well and good but I don’t have seven great people I would bounce ideas around with every month.” Then take an active role in board governance and nominating and make sure you are recruiting leaders. Some don’t even have to work their way up the pipeline. **My most successful board chair** was recruited specifically to chair the board. She was on the board for three months, learned the lay of the land and then took the reins. You can do things like that. And they can be very successful.
- **No one told them it was supposed to be any other way.** This goes back to another pet peeve of mine. Board members don’t know any better. They join boards without orientation, without a clear understanding of the charge of each committee. They get asked to do things and if asked nicely by just the right person, they say yes. Usually, somewhat reluctantly. That’s just how it goes on the vast majority of boards.

## SO HOW DO YOU BUILD A MORE EFFECTIVE COMMITTEE?

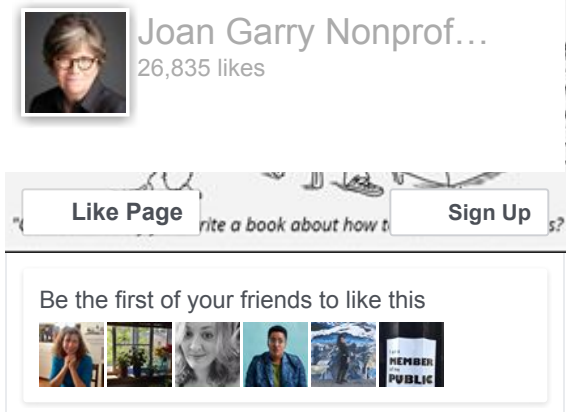
- **Board chair and ED meet to discuss the charge of the committee.** Discuss all of the above, honestly and openly. Consider a re-thinking of the committee. Re-draft the charge.
- **Put the Re-draft of the charge on the next EC Agenda.** I’d suggest dedicating an entire meeting to this. You can do the other business in 15 minutes. Have a substantive conversation about the role of the committee – what each

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person thinks it should be, review the charge document. See if you can reach consensus. (By the way, these are the kinds of conversations that EC members should be having.)

- **Have someone take a look at the By-Laws.** Perhaps they preclude non-officers or non-committee chairs from serving. AHA! Yet another substantive conversation for an Executive Committee meeting.
- **If you can't make a big change, make a small one.** What about increasing the size of the EC and adding one or two members at large?
- **Last but not least: Quick written reports from all committee chairs must precede each meeting.** I myself find it rude and a waste of my time to hear a committee chair spend 5-7 minutes telling me something that could have been in an email 2 days before.

This topic was a request from another subscriber. Hope it was helpful to you as you work to make the most of every board member during their board service. And until you fix your committee meeting, I encourage you to clear your throat or cough from time to time so the ED knows she/he has not been disconnected.

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Widely known as the "Dear Abby" of nonprofit leadership, Joan works with board and staff as a strategic advisor, crisis manager, change agent and strategic

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planner. Joan also teaches at the University of Pennsylvania with a focus on nonprofit communications and leadership.

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**QuaWanna Bannarbie** • 7 months ago

I have a question regarding the approval of meeting minutes. If the Executive Committee (EC) does not include all members of the Board of Directors but the EC is required to report to the BOD per the bylaws, are all members of the BOD required to approve the minutes of the Executive Committee meetings? Or should it only be the members of the Executive Committee that approve the minutes of the Executive Committee? How about non-voting advisory committee meetings? Thank

you in advance for your response.  
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**Steve** • a year ago

What do you think about a Board wanting to form an Executive Committee without ED input? I was involved on a Board that wanted to do that. No longer on that Board.  
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Joan Garry is a non profit consultant with a practice focusing on crisis management, executive coaching, and building strong board and staff leadership teams. She is also a professor at the Annenberg School for Communications at UPenn.

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