

## Board Governance

Approved: December 14, 2023

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### 1. PURPOSE

The directives presented in this policy address the governance of the Texas Department of Motor Vehicles (TxDMV) Board.

### 2. SCOPE

The directives presented in this policy apply to the TxDMV Board and TxDMV department personnel who interact with the Board. The policy is intended to be comprehensive and forward-thinking in its scope.

### 3. POLICY

#### 3.1. TxDMV Board Governing Style

The Board will govern department activities according to the following general principles: (a) promoting a common vision for the department, (b) seeking diversity of points of view, (c) developing strategic leadership to provide day-to-day management to achieve the department vision, (d) defining clear distinction between Board and Executive Director roles, (e) relying on collective decision-making, and (f) reacting swiftly to operational issues or challenges identified. Accordingly:

- 3.1.1. The Board will provide strategic leadership to TxDMV by:
  - 3.1.1.1. Encouraging thoughtful deliberation and incorporating diverse viewpoints in decision-making processes.
  - 3.1.1.2. Working cohesively as colleagues, encouraging mutual support and good humor.
  - 3.1.1.3. Having the courage to lead and make difficult decisions.
  - 3.1.1.4. Listening to customer and stakeholder needs and goals.
  - 3.1.1.5. Making decisions based on an understanding developed by appropriate and complete stakeholder participation in the process of identifying the needs of the motoring public, motor vehicle industries, and operational best practices in accordance with the mission and vision of the department.
  - 3.1.1.6. Committing to excellence in governance, including regular monitoring, evaluation, and performance improvement.
- 3.1.2. The Board will seek a comprehensive understanding of the operations of the department when a policy or directive is necessary.
- 3.1.3. The Board will cultivate a sense of shared responsibility for department governance. The Board will initiate policy, not merely respond to staff proposals. The Board will not use the expertise of individual members to substitute for the judgment of the group, although the expertise of individual members will be used to enhance the understanding of the Board as a whole.
- 3.1.4. The Board will govern the department through the careful establishment of policies reflecting the Board's values and perspectives, focusing on the specific goals to be achieved and not the day-to-day administrative functions.
- 3.1.5. Continual Board development will include orientation of new Board members in the board's governance process and periodic board discussion of how to improve its governance.
- 3.1.6. Board members will fulfill group obligations, encouraging member involvement.
- 3.1.7. The Board will evaluate governance processes and performance periodically and make improvements to achieve accepted governance standards.
- 3.1.8. Members will respect confidentiality for issues of a sensitive nature.

**3.2. TxDMV Board Primary Functions and Characteristics**

TxDMV Board Governance will constantly evolve. The system must be flexible and evolutionary. The functions and characteristics of the governance system are:

**3.2.1. Outreach**

- 3.2.1.1. Monitoring emerging trends, needs, expectations, and problems from the motoring public and the motor vehicle industries.
- 3.2.1.2. Soliciting input from a broad base of stakeholders.

**3.2.2. Stewardship**

- 3.2.2.1. Challenging the framework and vision of the department.
- 3.2.2.2. Maintaining a forward-looking perspective.
- 3.2.2.3. Ensuring the evolution, capacity and strength of the department so operations remain flexible and responsive.

**3.2.3. Oversight of Operational Structure and Operations**

- 3.2.3.1. Accountability for administrative functions.
- 3.2.3.2. Fiduciary responsibility for financial results.
- 3.2.3.3. Checks and balances on operations from a policy perspective.
- 3.2.3.4. Protecting the integrity and reputation of the department.

**3.2.4. External Relations**

- 3.2.4.1. Promotion of the organization's vision to external stakeholders and political oversight entities or offices.
- 3.2.4.2. Ensuring the interests of a broad network of stakeholders are represented in decision-making processes.
- 3.2.4.3. Board members lend their professional and personal credibility to the organization through their position and engagement on the Board.

**3.2.5. Self-evaluation and Assessment**

- 3.2.5.1. Regular review of the functions and effectiveness of Board operations.
- 3.2.5.2. Assessing the level of trust within Board membership and the effectiveness of group deliberation processes.

**3.3. Board Governance Investment**

Poor governance costs more than learning to govern well, the Board will invest in its governance capacity. Accordingly:

- 3.3.1. Board skills, methods, and support shall be sufficient to ensure effective governance of the department.
  - 3.3.1.1. Training will be used to orient new members, as well as to maintain and increase existing member skills and understanding of core department operations and administrative functions.
  - 3.3.1.2. Outside monitoring assistance shall be arranged as appropriate so the Board can exercise confident control over department performance. This includes, but is not limited to, financial and performance audits.

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3.3.1.3. Outreach mechanisms will be used as needed to ensure the Board's ability to listen to stakeholder viewpoints and values.

The Board will establish its cost of governance and direct department staff to integrate approved funding into strategic planning and the department's annual operating budget.

### **3.4. Practice Discipline and Assess Performance**

The Board will ensure the integrity of the governance process by practicing discipline and continuously working to improve its performance. Accordingly:

3.4.1. The Board will operate consistently with its rules and those standards imposed on it from outside the organization.

3.4.1.1. Meeting deliberation content shall consist solely of issues clearly under the Board's authority to decide or to monitor according to policy, rule, and law.

3.4.1.2. Board deliberations during meetings shall be limited to topics posted on the agenda.

Adequate time shall be given for respectful deliberation necessary to understand the issue being considered and make appropriate consensus decisions.

3.4.2. The Board will strengthen its governing capacity by periodically assessing performance with respect to its governance model. Possible areas of assessment include, but are not limited to:

3.4.2.1. Are Board members clear and in agreement about mission and purpose?

3.4.2.2. Are values shared?

3.4.2.3. Does the Board have a strong orientation process for new members?

3.4.2.4. What goals have we set and how well are we accomplishing them?

3.4.2.5. What can we do as a Board to improve our performance in these areas?

3.4.2.6. Are we providing clear and relevant direction to the department, stakeholders, and operational partners?

3.4.3. The Board Chair will periodically promote evaluation and feedback to the whole Board on the level of governance effectiveness.