

Clarifying Roles and Responsibilities
within the
North Dakota University System

Prepared From Recommendations of the
Task Force on Clarifying Roles and Responsibilities
and Actions by the
State Board of Higher Education

from July 2002 to June 2004

July 2004

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Executive Summary

Prior to 1990, the public higher education colleges and universities in North Dakota operated under a “commissioner” form of governance whereby the State Board of Higher Education, and thereby the commissioner of higher education, functioned primarily in a coordinating capacity.

In 1990, the SBHE took action to form the North Dakota University System and transformed the board from a coordinating board to a governing board. The change also included replacing the commissioner of higher education with a chancellor and designating the chancellor as the CEO of the board and the University System.

In 1999, the Roundtable on Higher Education was formed. It has had an additional major impact on how the North Dakota University System, in partnership with other key stakeholders of higher education, will need to function to meet the high-priority needs and expectations of the state. The roundtable has recognized that a new relationship and culture are needed within higher education and among key stakeholders – a relationship built on trust and common purpose.

A change in the form of governance within the University System, coupled with high expectations expressed by key stakeholders through the roundtable, have made it apparent that changes in practice have not kept pace with the new role and expectations facing the NDUS in creating a university system for the 21st century. As a result, the board created a Task Force on Clarifying Roles and Responsibilities and charged the task force with clarifying and further defining roles and responsibilities where necessary in light of the new model of “flexibility with accountability and empowerment” recommended by the roundtable.

The major findings and recommendations from the Task Force on Clarifying Roles and Responsibilities that were adopted by the State Board of Higher Education through a resolution in September 2003 and through revisions to State Board of Higher Education policies follow:

- 1. What form of governance is intended;** i.e., is it the intent of the SBHE, the chancellor and the cabinet, in concept and in practice, to have the board serve as: (a) a commission/ coordinating board for 11 separate institutions? (b) a governing board of a unified system of higher education? (c) other form of governance?

Decision: It is the intent of the SBHE, the chancellor and the cabinet, in concept and in practice, to have the SBHE serve as the governing board of a unified system of higher education.

- 2. What is a “unified system of higher education?”**

Decision: A description of a unified system of higher education in North Dakota has been developed and is included in Section-XIII of this report.

3. For whom do the college and university presidents work?

Decision: The presidents work for both the chancellor and the board.

4. How do the presidents report? What is the standard or official channel of communications?

Decision: Presidents report directly to the chancellor and through the chancellor to the board. In addition, decisions regarding reporting are to be guided by the core values and beliefs adopted by the North Dakota University System and listed in Board Policy 100.6.

5. Is the chancellor the CEO of the University System? If not, who is?

Decision: The chancellor is the CEO of the University System as clarified in the resolution passed by the SBHE on September 25, 2003.

6. Are the existing policies adequate? Do existing board policies regarding the SBHE, board members, the chancellor and institution presidents accurately reflect the intent of the board regarding authority, roles and responsibilities?

Decision: Significant revisions were needed in light of the new leadership philosophy (flexibility with accountability and empowerment along with the need for more collaboration and responsiveness) being adopted by the University System. The policy review has since been completed, and policy revisions were acted upon by the board at the February 2004 board meeting.

7. Is there an organizational chart for the North Dakota University System? Is there a chart that illustrates the relationships of the various entities of the system?

Decision: An organizational chart for the University System is included in this report and will be added to the SBHE Policy Manual.

8. Who is responsible for assuring the integrity of the University System is preserved? Who assures behaviors remain consistent with the policies and core values adopted by the board?

Decision: It is the responsibility of the board president to assure the integrity of the University System is preserved.

9. What is the next step toward achieving the vision of the University System?

Decision: The policies now accurately reflect the intentions and expectations of the board. The next step is assuring practices and behaviors are aligned with those policies.

Clarifying Roles and Responsibilities within the North Dakota University System

July 2004

Overall Purpose and Charge to the Task Force on Clarifying Roles and Responsibilities:

Clarify roles and responsibilities of the board, system office and campuses consistent with the roundtable recommendations of flexibility with accountability and empowerment.

I. Introduction

Prior to 1990, the public higher education colleges and universities in North Dakota operated under a “commissioner” form of governance whereby the State Board of Higher Education, and thereby the commissioner of higher education, functioned primarily in a coordinating capacity. In 1990, the SBHE took action to form the North Dakota University System and transformed the board from a coordinating board to a governing board. The change also included replacing the commissioner of higher education with a chancellor and designating the chancellor as the CEO of the board and of the University System.

Legislation was enacted in 1993 (through SB-2041) to place the new structure and system in state statute. SBHE policies have since been, and are continuing to be, revised to reflect the transformation from the commissioner/coordinating form of governance to a board which has governing authority for public higher education in the state.

In 1999, the Roundtable on Higher Education was formed. It has had an additional major impact on how the North Dakota University System will need to function to meet the high-priority needs and expectations of the state. Specifically, the roundtable provided a vision and set of expectations for the University System that require new relationships both within the University System and among the key stakeholders of higher education. Some of the major expectations of the roundtable are:

- A new relationship characterized by “flexibility with accountability and empowerment,”
- Responsiveness and access; programmatically and geographically,
- A new relationship based on trust and common purpose – trust that each entity within and outside the University System will do their part in fulfilling a partnership role in maximizing the potential of the University System,
- The NDUS (as a system, not as a collection of campuses) become the prototype land-grant institution of the 21st century,
- All of North Dakota must benefit.

By all accounts, considerable progress has been made in meeting the expectations of the roundtable. The North Dakota roundtable concept has gained widespread recognition and is considered a national model for utilizing the collective capacity and powerful potential of a state's public colleges and universities to enhance its economic and social vitality.

Within the last four years and with valuable input from the Roundtable on Higher Education, the University System has developed a number of critical components needed to more effectively meet the future needs and expectations of the state, including: (a) a clear vision and new mission for the University System, (b) a set of expectations/long-range goals, (c) accountability measures linked to the expectations, (d) a strategic plan that is directly connected to the goal and cornerstones of the roundtable, (e) a set of beliefs and core values embedded in the strategic plan and in board policy, and (f) an annual operating plan for actualizing the objectives set each year by the board. Collectively, these components form the guiding documents. When acted upon and adhered to they create the culture for the University System.

The roundtable has also played a key role in changing the mind-set regarding investments in higher education in North Dakota, from the colleges and universities being viewed individually and collectively as a burden to the taxpayers of the state to a critical and necessary investment in North Dakota's future. As a result, the roundtable has helped key stakeholders of higher education and the general citizenry recognize that North Dakota's best chance for a brighter future is a strong, well-connected and responsive University System. The SBHE has accepted this expectation and has made it the basis for a new vision statement for the University System; "*North Dakota University System – The Vital Link to a Brighter Future.*"

A change in the form of governance within the University System, coupled with high expectations expressed by key stakeholders through the roundtable, have made it apparent that changes in practice have not kept pace with the new role and expectations facing the NDUS in creating a university system for the 21st century. The gap between practice and expectations was gradually becoming more apparent and eventually became evident during the board retreat in July 2002. As stated later by all three consultants working with the board: "You are not all on the same page."

II. Board Retreat and Special Board Meeting

- At the July 18-19, 2002, board retreat, Roger Reiersen (president of Flint Communications) served as the facilitator. During the retreat, separate breakout sessions were held with the board, presidents and with the NDUS Office staff. One of the major outcomes of the retreat was the recognition that there is a need to clarify the roles and responsibilities of the SBHE, the NDUS Office and the campus presidents.
- It was recognized by the board that clarification was essential in light of the new relationship and understanding being developed with the executive and legislative branches regarding granting the University System "flexibility with accountability." It also was recognized that clarification is needed as the University System continues to

move toward adoption of an “empowerment model” within a unified system at the board, NDUS Office and presidential levels of the organization.

- A special board meeting was held Oct. 21, 2002, involving the board members and the cabinet. The purposes of the meeting were to: 1) continue discussions aimed at increasing understanding and commitment to the vision, mission, core values and beliefs of the University System, 2) receive a report from consultant Roger Reiersen on the conclusions and perceptions resulting from the July 2002 board retreat including the breakout sessions involving board members, presidents and the NDUS Office, and 3) continue board professional development facilitated by consultant Dr. Steve Portch and focused on increasing the efficiency and effectiveness of the board.
- At the conclusion of the special board meeting and in the absence of SBHE President Stroup, Vice President Dick Kunkel requested the chancellor develop a proposed action plan relating to clarifying roles and responsibilities for consideration by the SBHE at the November 2002 board meeting.

III. Proposed Action Plan:

The following proposed action plan for clarifying roles and responsibilities was presented to the board at the November 2002 meeting:

Step 1

Address and reach consensus on the fundamental issue which surfaced during the interviews by the consultants with the board members, presidents and system staff; i.e., does the task force believe the University System in North Dakota is headed in the right direction in developing a unified system of higher education? Is there agreement and understanding? If not, where are the points of disagreement or misunderstanding?

Step 2

Identify and take action on those observations and recommendations in the task force report where there is consensus and/or the action is already accepted and underway.

Step 3

Identify issues of confusion that need to be clarified in the weeks or months ahead.

Based on the observations outlined in the report of the consultants, which include:

- What is meant by unified system? (Page 2, 2-a, last sentence and Page 4, Item 3, paragraph 1).
- Does the board govern the system or a collection of separate institutions? (Page 3, paragraph 1, bullet 1)
- Related to this, is the chancellor the CEO of the system or the chief of staff to a board operating as a “holding company” with numerous CEOs, one at each of the campuses? (Page 3, paragraph 1, bullet 2)
- When asked whom they work for, some presidents said the chancellor, and others said the board; there were no instances when interviewees said “both.” (page 3, Item c, bullet 1)

- The role of the NDUS Office in providing leadership to system-wide issues versus managing processes to implement policies that emanate from the leadership of the board. (Page 3, Item c, bullet 2)
- The philosophic precepts of flexibility with accountability and of entrepreneurial behavior have been applied at the campus level, but not to the system. As a consequence, there is a disjuncture between campuses and the NDUS Office in matters of: philosophy, approaches to problems and basic operating style. (Page 5, Item 4, paragraph 1)
- (It was noted there are a number of issues of confusion that can/would be easily clarified once the fundamental issues of unified system {and what that means} and type of governance have been addressed and resolved.)

Step 4

Review policies and procedures to assure they are clear and are consistent with board intent.

Step 5

Present recommendations to the board for review and adoption.

IV. SBHE Formed Task Force and Presented Charge to Task Force

The board, at the November 2002 board meeting, reviewed the proposed action plan and passed the following motion:

1. Board president appoint a task force and charge the task force to:
 - Review board policies on board and board member roles and responsibilities, and chancellor and presidents' responsibilities,
 - Clarify and further define roles and responsibilities where necessary in light of the new model of "flexibility with accountability" and empowerment recommended by the roundtable,
 - Recommend revisions to policies and procedures resulting from the review and clarification process,
 - Review core values and beliefs and further define terms as necessary to assure understanding and consensus on meaning by the board, chancellor and presidents,
 - Review board policies on evaluation of presidents and the chancellor and develop recommended changes, if necessary, for consideration by the board,
2. The task force to be comprised of board members, campus presidents and the chancellor's office,
3. Utilize professional consultants (Dennis Jones, Steve Portch and/or Roger Reiersen) to facilitate the discussion of the task force and assist in the preparation of materials and recommendations for consideration by the board.

V. Task Force Membership

A task force was formed in November 2002 comprised of:

- Mr. Chuck Stroup, chairman
- Mr. Bruce I. Christianson, board member

- Dr. Richard Kunkel, board member
- Mr. Larry A. Isaak, former chancellor
- Dr. Sharon Etemad, president, LRSC
- Dr. Charles Kupchella, president, UND
- Dr. Lee Vickers, president, DSU
- Mr. Eddie Dunn, vice chancellor

VI. The “Givens”

The following “Givens” were adopted as board policy at the November 21-22, 2002 meeting:

1. The University System is in the business of educating – to prepare students to be personally and professionally successful,
2. The expectations of the Roundtable – that the University System, collectively, can and will play a major role in enhancing the economic and social vitality of North Dakota,
3. The success of the University System – in total and by individual campuses within the University System – is directly linked to and dependent upon the economic success of the state and visa versa,
4. It is the desire, intent, and expectation of the legislature, the Roundtable, and the Board to have a “unified system” of higher education in North Dakota which functions as a system and not as a collection of campuses,
5. The major pieces are all in place – the existence and effectiveness of the Roundtable, consensus on the vision, cornerstones and expectations, long-term finance plan, agreed-upon accountability measures, and enrollment plan. The focus now is on performance – the people-component and maximizing the potential of the University System in the state,
6. The University System is driven by shared values, beliefs, and policies in which the campuses, the system office and the board operate.

VII. Initial Report and Recommendations

- The task force presented a report to the board at the January 30-31, 2003, board meeting and recommended utilizing consultants to conduct one-on-one interviews with the board, presidents, chancellor and vice chancellors. The board adopted the recommendation and requested the task force proceed with having Dennis Jones and Steve Portch conduct the interviews and prepare a report.

VIII. Consultant Interviews

- The board members, presidents, chancellor and vice chancellors were interviewed individually by the consultants on May 7-9, 2003, to obtain the respective views and suggestions regarding clarifying the roles and responsibilities of each of these groups.
- The consultants prepared a report summarizing their findings and observations from the interviews for review by the task force. The report was distributed to the board and cabinet prior to the July 2003 board retreat. (See Appendix-A for a copy of the report.)

- Task force members called each of the board members and cabinet members prior to the board retreat to assure all of the various views had been captured and would be on the table for discussion at the board retreat. The specific purposes of the calls were to: (1) assure the report, particularly the conclusions portion, accurately captured and reflected views expressed by board and cabinet members to the consultants during the interviews, (2) determine if there is agreement on EACH of the six recommendations (and/or sub-points of each recommendation) listed in the report and appropriate for the board to study and to resolve unclear issues, (3) capture concerns if board or cabinet members disagreed with a specific recommendation(s) or a sub-point(s).
- Dennis Jones reviewed the report with the board and cabinet at the July 2003 board retreat.
- The task force reported to the board: “The task force believes the report identifies the appropriate issues related to roles and responsibilities and recommends the recommendations in the report be further explored for implementation.” The board adopted the recommendation of the task force at the July 2003 meeting.

IX. Fundamental Questions Regarding Areas of Confusion

The task force, on November 20, 2003, reviewed a document prepared by Vice Chancellor Dunn which summarized the areas of confusion identified in the report prepared by consultants Jones and Portch in July 2003. The consultants’ report resulted from the individual interviews of board members, presidents and staff. A set of fundamental questions which focused on the specific areas of confusion identified in the consultants’ report were used to assist the task force in addressing and resolving each of the points of confusion. The fundamental questions (and corresponding conclusions of the task force) were:

- 1. What form of governance is intended?** Is it the intent of the SBHE, the chancellor and the cabinet, in concept and in practice, to have the board serve as:
 - a. A commission/coordinating board for 11 separate institutions?
 - b. A governing board of a unified system of higher education?
 - c. Other form of governance?

It was the consensus of the task force that the intent of the SBHE, the chancellor and the cabinet is to have the SBHE serve as the governing board of a unified system of higher education.

- 2. What is a “unified system of higher education?”** (See Section XIII for a definition of a unified system of higher education in North Dakota)
- 3. For whom do the college and university presidents work?**
 - The chancellor?
 - The board?
 - Both the chancellor and board?

It was the consensus, and is the recommendation, of the task force that the presidents work for both the chancellor and the board.

- 4. How do the presidents report?** What is the standard or official channel of communications?
- Directly to the chancellor?
 - Directly to the board presidents?
 - Directly to individual board members?
 - Directly to the chancellor and through the chancellor to the board?
 - Directly to the chancellor and through the chancellor to the board with follow-up discussions as necessary; i.e., the chancellor is aware of and /or involved in president and board member conversations on substantive issues?
 - Other or modifications of the above?

It was the consensus, and is the recommendation, of the task force that the presidents report directly to the chancellor and through the chancellor to the board. It was further recommended the decisions regarding reporting be guided by the core values and beliefs adopted by the North Dakota University System and listed in Board Policy 100.6.

- 5. Is the chancellor the CEO of the University System? If not, who is?**

It was noted by the task force that the chancellor is the CEO of the University System as clarified in the resolution passed by the SBHE on September 25, 2003.

- 6. Are the existing policies adequate?** Do existing board policies regarding the SBHE, board members, chancellor and institution presidents accurately reflect the intent of the board regarding authority, roles and responsibilities? Are changes in policies or practices needed?

It was the initial consensus of the task force that the existing board policies accurately reflected the intent of the board regarding authority, roles and responsibilities. However, a later review by the task force revealed significant revisions were needed in light of the new leadership philosophy (flexibility with accountability and empowerment along with the need for more collaboration and responsiveness) being adopted by the University System.

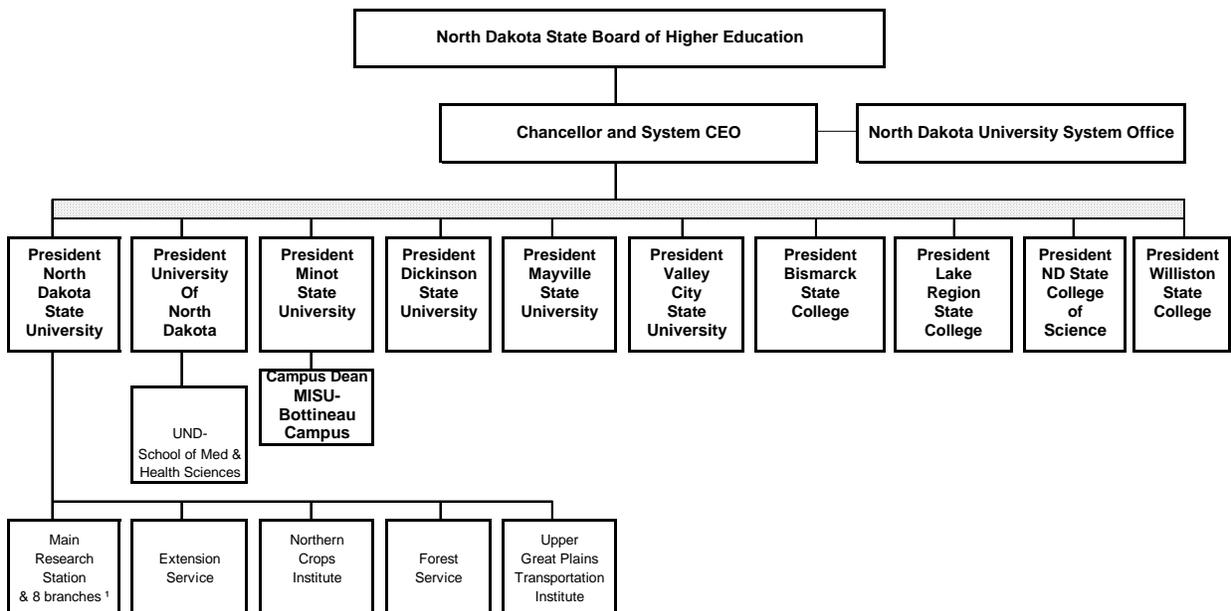
NOTE: The policy review has since been completed and policy revisions were acted upon by the board at the February 2004 board meeting. The task force used information from the interviews, the board retreat, the beliefs and core values previously adopted by the board and the expectations outlined in the executive summary of the *Roundtable Report* as the basis for proposed policy revisions. Copies of the revised policies are included in Appendix-B.

- 7. Is there an organizational chart for the North Dakota University System? Is there a chart that illustrates the relationships of the various entities of the system?**

An organization chart for the University System does exist. The task force recommended the organizational chart be added to the SBHE Policy Manual.

Note: The findings and recommendations of the task force to date were approved by the SBHE on September 25, 2003, and incorporated into a resolution that was adopted by the board. (See resolution in Section-XI).

X. Organizational Chart of the North Dakota University System



¹ Eight branch Research Stations: Agronomy Seed Farm, Carrington, Central Grass, Dickinson, Hettinger, Langdon, North Central, and Williston.

XI. Board Resolution

A resolution was developed by the task force and adopted by the board on September 25, 2003, which captured the findings and recommendations of the task force as of September 2003. The purpose of the resolution was to assure there was an understanding and consensus regarding the vision for the University System and an understanding of the respective roles and responsibilities of the board, the presidents and the chancellor in preparation for (and for the benefit of) a new chancellor to be hired. That resolution reads:

RESOLUTION
NORTH DAKOTA STATE BOARD OF HIGHER EDUCATION
September 25, 2003

***WHEREAS**, the new vision for higher education in North Dakota is well articulated in the report of the Roundtable on Higher Education and has been adopted as the foundation for the North Dakota University System and is embodied in NDUS Strategic Plan;*

***WHEREAS**, it is the desire, intent, and expectation of the Legislature, the Roundtable, and the Board to have a “unified system” of higher education in North Dakota, which functions as a system and not as a collection of campuses (Source: North Dakota Century Code Section 15-10-03.1 and the “givens” adopted by the SBHE November 21, 2002);*

***WHEREAS**, the University System is driven by shared values, beliefs, and policies in which the campuses, the System Office, and the Board operate (Source: The “givens” adopted by the SBHE November 21, 2002);*

***WHEREAS**, the Commissioner (Chancellor) of Higher Education, as expressed in Policy 304.1, serves as the Chief Executive Officer of the Board, the Commissioner shall be the Chancellor and Chief Executive Officer of the University System with the designated authority and responsibilities delegated by the Board in Policy 304.1;*

***WHEREAS**, the campus president is the CEO of the institution, as provided for in SBHE Policy 305.1, and as a member of the Chancellor’s executive staff, the President is responsible to the Chancellor for all matters concerning the institution and is an advisor to the Chancellor in matters of inter-institutional policy and administration; and*

***WHEREAS**, the SBHE delegates to the Chancellor who further delegates to the President of each institution, as provided for in SBHE Policy 305.1, full authority and responsibility to administer the affairs of the institution in accordance with Board policies, plans, budgets, and standards, including the management and expenditure of all institutional funds, within budgetary and other limitations imposed by law or by the Board.*

***THEREFORE, BE IT RESOLVED**, the North Dakota SBHE on this 25th day of September 2003:*

- *Reaffirms the existing Board policies relating to the unified system of higher education and the expressed roles, responsibilities, and authority of the Board, Chancellor, and Presidents as currently expressed in the respective Board policies.*
- *Recommends adding the beliefs and core values adopted by the SBHE to the policies relating to the Board, Chancellor, and Presidents.*
- *Expresses its intent to have a system of higher education in North Dakota, which is comprised of a strong Board, strong System CEO, and strong Presidents and further believes this intent is not only possible but essential to achieving the vision of the Roundtable and the NDUS Strategic Plan.*

- *Commits to communicating the respective roles and responsibilities to the public.*
- *Recommends amending SBHE Policy 304.1 to carry out all roles and responsibilities within the context of the Board's core values and beliefs and strives to ensure the same from the NDUS staff and presidents.*

XII. Policies Revised

- SBHE policies revised as a result of the task force recommendations and approved at the April 2004 meeting include the following: SBHE policies 100.4, 100.5, 100.6, 304.1, 305.1, 310.1, 604.1 and 604.2. (Copies are included in Appendix-B.)

XIII. Defining a Unified System of Higher Education

The task force reviewed a summary of statements relating to a unified system of higher education in North Dakota prepared from statements that appear in legislation and in various NDUS documents (See Appendix-C for a more detailed listing of statements and references). The consensus and recommendations of the task force are:

A "unified system of higher education," for purposes of the North Dakota University System, is understood to mean:

- The system is governed by the SBHE with the colleges and universities as constituent members.
- The system is comprised of distinct, entrepreneurial institutions with unique missions working together to maximize their collective capacities to meet the priority needs of students and the state.
- The board operates at the policy level providing strategic direction, leadership and an environment conducive to success for each institution and the system as a whole.
- The chancellor is the chief executive officer of the University System and is empowered by the board to provide the leadership necessary and to act on behalf of the board to achieve the vision, mission, and long-range goals for the University System adopted by the board.
- There is partnering, collaboration, and joint ventures involving the various colleges and universities within the University System aimed at achieving the vision and mission in the NDUS Strategic Plan and the expectations of the Roundtable on Higher Education.
- There is a balance between providing the necessary flexibility to the colleges and universities to be entrepreneurial and innovative while expecting the campuses to also cooperate in meeting statewide needs and opportunities. It is the expectation of the board, and thereby the responsibility of the chancellor, to assure the balance is developed and sustained.

- Support services are provided where it is more effective and efficient to perform the services centrally rather than on each of the campuses.
- There are incentives, rewards and processes which are consistent with the expectations for campuses to function within, and as part of, a unified system.
- The SBHE governs the institutions in the North Dakota University System in accordance with the North Dakota Constitution and state statutes and is guided by the Belief Statements and Core Values adopted by the Board (SBHE Policy 100.6).
- The detailed authorities and responsibilities of the SBHE, board president, chancellor and institution presidents, for achieving and sustaining the unified system, are outlined in SBHE Policies, 100.6, 310.1, 304.1 and 305.1, respectively (See Appendix-B).

XIV. Ensuring the Integrity of the University System

The task force discussed the importance of behaviors consistent with the policies and core values of the NDUS and noted that “high integrity” is a core value adopted by the SBHE.

It was the consensus of the task force that preserving the high integrity of the North Dakota University System at all levels is essential. It was also the consensus, and is the recommendation, of the task force that it is the responsibility of the board president to assure the integrity of the University System is preserved.

XV. Completion of Task Force Assignment and Final Recommendation

The work of the task force culminated at the April 15, 2004, board meeting when the board adopted the recommendations of the task force clarifying the roles and responsibilities of the board, system office and presidents and the corresponding policy revisions.

In his closing comments to the board, Task Force Chairman Chuck Stroup reported that the summary conclusion of the task force is that the policies now accurately reflect the intentions and expectations of the board. He said the next step is assuring practices and behaviors are aligned with those policies. He encouraged the board to continue to have open discussions on an annual basis regarding roles and responsibilities. He said the board needs to be willing to openly talk about behaviors and to assure those behaviors remain aligned with the beliefs, core values and the intent of the board as expressed in the revised policies. He also reported that the task force recommends that a report should be prepared summarizing the findings and recommendations of the task force and made available to new board members, presidents, the chancellor and vice chancellors to assure continued clarity and understanding.

APPENDIX A

Roles and Responsibilities in
North Dakota Higher Education:
Observations and Recommendations

Dennis P. Jones
Stephen R. Portch

July 2003

ROLES AND RESPONSIBILITIES IN NORTH DAKOTA HIGHER EDUCATION: OBSERVATIONS AND RECOMMENDATIONS

Objective 2-3 for the North Dakota Board of Higher Education for the current year is to:

Clarify roles and responsibilities of the board, system office and campuses consistent with the roundtable recommendations of flexibility with accountability and empowerment.

This objective arose out of discussions (in separate breakout sessions) among Board members, Presidents and System Office staff during the July 2002 Board retreat. As a follow-up to those discussions (and considering a set of observations and findings developed by Roger Reiersen, who served as facilitator at the retreat), an action plan was developed, and approved by the Board at its November meeting, that called for:

1. A task force comprised of Board members, campus Presidents, and System Office staff to be appointed by the Board president.
2. Consultants to be retained to facilitate the discussions of the task force and to prepare recommendations for consideration by the Board. (The consultants selected were Dennis Jones and Stephen Portch.)

Subsequently a conference call was held on April 24, 2003, between the task force and the consultants in which it was determined that the consultants would:

1. Conduct one-on-one face-to-face interviews with all Board members, all campus Presidents, the Chancellor, and the Vice Chancellors. The questions to be addressed were proposed by the consultants, reviewed by the task force, and modified in response to discussions with the task force. The interview protocol is attached as Appendix A to this report. The interviews were conducted May 7-9, 2003.
2. Prepare a set of observations and recommendations for discussion with the task force. This document contains that material.
3. Present a report to the Board at its July 2003 retreat.

Context for the Study

The context for the study was determined to be that established by the Roundtable Report and subsequent actions of the legislature and State Board which were intended to foster a system of higher education for North Dakota that is:

- Unified—the different capacities of the constituent institutions work in harmony to collectively serve the needs of the state.
- Functioning under the philosophy of flexibility with accountability.
- Entrepreneurial.
- Expected to pursue the priority needs of the state as well as institutional self-interest.

Observations

The key observations we have synthesized from our interviews with very candid and thoughtful participants are as follows:

1. There is universal agreement that the Roundtable Report has yielded numerous very positive outcomes. Chief among them are the flexibility in the use of allocated resources and the freedom associated with the expectation that educational leaders become more creative and entrepreneurial in the performance of their duties. The major implementation steps that followed the issuance of the report—the development of the long-range financing plan and of an acceptable accountability system—also received high marks.

The Roundtable Report not only provided a vision and a blueprint for the future, it also engaged some key stakeholders—especially private sector leaders. All agree that this expanded engagement has been positive.

The environment within which the higher education institutions of North Dakota now operate is substantially improved over that which existed as recently as five years ago. The Roundtable Report—and the process by which it was developed—receives most of the credit for this positive change. At the same time, there is some concern that the momentum from the Roundtable may be being lost. Also, some of the key terms from the Roundtable appear to mean different things to different people (for example, “flexibility” and “accountability”).

The Roundtable approach deservedly won national recognition and all believe it can, with some attention, continue to be the cornerstone for further progress.

2. The Roundtable Report and the changes that came in its aftermath altered roles and responsibilities of key players in ways that have yet to be fully accommodated and institutionalized. Our summary is as follows:
 - a. **Presidents.** Of all the groups of actors, the roles and responsibilities of the Presidents are the most clear, to the Presidents themselves, to the Board, and—in general terms—to the System Office staff. To the extent that there is an ambiguity about their roles and responsibilities, it revolves around the expectation that they will not only be entrepreneurial campus leaders but also collaborative team players, working with their colleagues to address collectively the priority needs of the state. (The topic of a “unified system” is addressed more fully later.)
 - b. **The State Board.** In some ways, the role of the Board is also broadly agreed-upon—that is, to establish the policies that govern the functioning of the NDUS institutions and to provide the leadership that ensures that the vision for North Dakota higher education and the state embodied in the Roundtable Report is sustained. Having said this, it is also evident that there are unresolved issues.
 - Does the Board govern the System or a collection of separate institutions?

- Related to this, is the Chancellor the CEO of the System or the chief of staff to a Board operating as a “holding company” with numerous CEOs, one at each of the campuses.

The Board itself is inconsistent in how it answers these questions, in some instances exhibiting behaviors consistent with policy leadership of a unified system (e.g., when it focused on the long-term financing plan) and at other times becoming immersed in single-campus operating issues (e.g., reviewing billboard contracts at a single campus).

c. **Chancellor and System Office.** It is here that the understanding of roles and responsibilities is least clear. In some cases, the inconsistency in perspective is a product of an unfinished evolution of changing roles; in others, however, it reflects differing views of what **should** be the roles and responsibilities of the System Office. The points of view diverge in such areas as:

- The extent to which the Chancellor is the head of the System (a Chancellor with considerable delegated authority) or the chief of staff to the Board (a “Commissioner” of Higher Education with much more limited authority). When asked whom they work for, some presidents said the Chancellor, others said the Board; there were no instances when interviewees said “both.”
- The role of the System Office in providing **leadership** to systemwide issues versus **managing** processes to implement policies that emanate from the leadership of the Board. There seems little agreement on whether policy leadership should come from the Chancellor and the professional staff, with the Board reviewing, challenging, and changing recommendations as appropriate or from the Board itself with the Chancellor and staff essentially promulgating the rules of implementation. Such ambiguity between the Board and the Chancellor confuses some Presidents and emboldens others to deal directly with the Board.

This is the one area in which concentrated efforts at achieving resolution and common understanding are most needed. Some of the problems in this arena are simply growing pains. The activities required of System Office staff after the release of the Roundtable Report were very much in the realm of nuts and bolts implementation. As a consequence there has arisen the view that the **only** job of the System Office is managing the processes of implementation with the **real** educational leadership occurring at the campus level. This perspective is reinforced by the absence of any sustained statewide policy discussions or initiatives since the Roundtable Report. For example, there is no evidence of focused attention to issues such as the role of the NDUS in:

- Ensuring the North Dakota can respond to the challenges of *No Child Left Behind*.

- Addressing the state’s needs for economic development in the rural parts of the state.
 - Managing enrollment through differential admission standards.
 - Providing financial incentives for collaborative activities.
- d. **The Legislature.** There is widespread concern that the willingness of the legislature to uphold its end of the multi-party “bargain” reflected in the Roundtable Report is beginning to erode. Those who have risen to key leadership positions in the legislature were, for the most part, not part of the Roundtable process and do not have the same commitment to (or understanding of) the key underlying principles as their predecessors. Without concerted effort, this opens the door to backsliding toward “North Dakota business as usual.” Some believe this began to manifest itself in the last legislative session with legislative interest in individual campus initiatives rather than interest in, for example, moving the system’s long-term financial plan forward. The attempt to add additional accountability measures is another example of the erosion of prior understandings and agreements.
3. The notion of a “Unified System” has not been developed and solidified; a unified system is not defined by a common calendar but by a collective vision. More often than not, lip service is being given to the idea, but actions belie a common understanding and acceptance of the philosophy that NDUS is a collection of distinct, entrepreneurial institutions working together to utilize their collective capacities to meet the priority needs of the state. The distinct, entrepreneurial institution part of the equation is generally understood and fully embraced; the working together part remains hit-and-miss. The consequences of failure in this arena are critical:
- a. The System Office is placed in a perpetually reactive position, having to say “no” to institutional initiatives that make sense at the campus level but not when viewed more broadly. This serves to drive a serious wedge between System and campus and creates an “us-versus-them” mentality on both sides. There will always be some tension, but currently that tension is more negative than creative.
 - b. The general absence of collaborative efforts among the campuses means that the broader vision is not being fulfilled. The exceptions are noteworthy (for example, the collaborative nursing programs developed by the two-year campuses and the few four-year programs being offered on community college campuses). However, there are no real incentives for collaboration and no obvious rewards for being a good system “citizen” and no obvious consequences for always putting institutional needs before state needs.
4. The philosophic precepts of flexibility with accountability and of entrepreneurial behavior have been applied at the campus level, but not to the System. As a

consequence there is a disjuncture between campuses and the System Office in matters of:

- Philosophy
- approaches to problems
- basic operating style

With the campuses becoming much more freewheeling while the System Office remains more focused on procedural detail. To a large extent this is a consequence of having to be responsive to external (especially legislative) audiences—for example, a requirement to provide much more financial data than called for in the agreement about accountability measures. In other cases, however, it derives either from expectations of the Board or a continuation of old ways of doing business. This difference is reflected in widespread frustration regarding time commitment to, and functioning of, the Cabinet. As long as the Cabinet remains more often the venue for debate of procedural—rather than statewide policy issues, this frustration will persist. At times the Cabinet seems to work (e.g., recent discussions on tuition and salaries) but too often the items do not have universal interest.

5. Communication is arising as an issue. Because not everyone is of the same mind on key issues, there is a growing appetite for “full disclosure” of both the fact and content of communications among and between all parties at interest. Doing so requires somehow regularizing the channels of communication and/or establishing clear protocols. This, in turn, can lead to either bureaucratic arrangements that fly in the face of the environment being sought or prohibitions on certain communication channels that will not, and probably should not, be honored.

All of this points to the fact that trust is still an issue requiring constant attention. Currently, for example, trust is missing among key players. Some Board members want more access to the Presidents. Some Presidents appear to have a green light to contact Board members directly; others feel that is discouraged and resent that apparent inequity. As a result, some Board members and the Chancellor may be left “out of the loop” on certain issues.

6. Finally, it is our observation that the changes required to deal with the issues identified are behavioral in nature and require open conversation—they cannot be addressed by ever-more detailed attention to formal policy. A focus on formal process and System legalism will not get the NDUS past the growing pains being experienced at this particular point in its evolution.

Recommendations

Against this backdrop, we make the following set of recommendations:

1. That special attention be given to articulating what it means to be a “System” and the roles that all parties (Board, Presidents, Chancellor’s Office) must play if the

emerging vision of a system is to be realized. To begin the conversation, it is suggested that a System is what makes the whole greater than the sum of its parts. Key roles of the System Office, then, are to:

- Ensure that the overall postsecondary education **capacity** (as embodied in the collective institutions) is aligned with the identified needs of North Dakota and its citizens. These needs are identified in the report of the Roundtable.
 - Take the leadership in ensuring that this capacity is brought to bear on the identified issues (managing the “public agenda” rather than the institutions).
 - Provide a set of support services where it is more effective and efficient to perform them centrally rather than on each of the campuses.
 - Be the vehicle through which a common and consistent view of the needs of the state are articulated and communicated to the campuses, and conversely, through which the directions and needs of the system and the collective institutions are communicated to external audiences.
2. That the Sustaining the Vision Cornerstone receive concerted attention over the course of the next 18 months. All of the attention has been on the specifics of implementation (the “hows”). With turnover in legislative leadership, on the Board and among Presidents, and with the absence of leadership for the Roundtable agenda from the Governor or the legislature, the collective memory of **why** all this is important to the future of North Dakota is rapidly waning. The Roundtable desperately needs jumpstarting. If the motivating reasons lose their force, the rationale for flexibility and the other gains is threatened. We suggest, for example, that:
- a. The Chancellor take the lead in developing and implementing an overall strategy for reenergizing the Roundtable.
 - b. The State Board develop and implement a strategy for working with the private sector to reenergize the core principles of the Roundtable among business leaders, editorial boards, the public, and most importantly, the legislature. Many feel that the Board has to take on a stronger advocacy role.
 - c. The rationale behind the Roundtable Report be made a part of the orientation of all new Board members and new campus Presidents.
 - d. A special effort be made to ensure the annual meeting of the Roundtable be continued. Presumably this will be done through the leadership involvement of a legislative interim committee. If this does not occur under the auspices of the legislature, it is recommended that the State Board convene the group ensuring the appropriate participation of all groups represented in the initial Roundtable. This mechanism for institutionalizing the importance of the Cornerstones and the

associated accountability mechanisms are too important to the long-term health of both the NDUS and the state to be allowed to atrophy.

3. That a short systemwide agenda be developed. A mechanism must be created that:
 - Provides a substantive—rather than procedural—basis for the idea of a unified system. It has to be clear that there are a handful of issues that can **only** be addressed as a system, not by independent institutional actions. These few issues need to be addressed in a comprehensive way (for example, one issue could engage the Board for an entire academic year), with much more in-depth analysis and discussion prior to the establishment of a particular policy. The recent use of Task Forces consisting of Board members, Presidents, and system staff have been generally successful and could be used to provide the substance for such Board discussions.
 - Provides the substance around which the System Office is expected to exhibit entrepreneurial behavior and to act flexibly but with appropriate accountability.
 - Establishes the basis for a legislative agenda that can provide an umbrella under which individual campus initiatives can be forwarded within a common and mutually reinforcing framework.

Some possibilities were identified previously (response to *No Child Left Behind*, Rural Economic Development, enrollment management/admissions policy, incentives for collaboration). There are obviously others that could be considered.

The leadership around the furtherance of this agenda should be made a primary assignment of the System Office.

4. That the System Office adjust the way it performs some of the administrative functions that are proving time-consuming and are often serving as flashpoints unnecessarily. The primary example is program approval. We would agree that institutions should be free to start new programs as long as they are:
 - Within the mission of the institution (flexibility).
 - Subject to a five-year sunset provision if the program does not meet pre-established performance criteria (accountability).

Institutions should also have the authority (and encouragement) to eliminate existing programs. This devolution of authority to the campuses can work only if the different missions of the institutions are clearly articulated and agreed upon.

Such an approach would have several benefits. It would raise the level of debate to one about institutional missions rather than specific programs. It would establish accountability criteria at the point of program inception and establish a timetable for final review. It would

remove the System Office staff from their awkward position of having to always react to institutional initiatives. And, it would free the very small System staff to undertake functions of higher priority—leading the process for Sustaining the Vision and pursuing the systemwide agenda. Such a change in roles would be a dramatic one and one that places greater responsibility on Presidents for ensuring quality, using resources wisely, and demonstrating an uncommon spirit of collaboration. The Chancellor and the Board need an evaluation system that undergirds this shift in role for the Presidents.

5. That the role of the System Office be clarified to include:
 - a. Leadership of the NDUS. The Board has to determine, through consensus if possible, the role of the Chancellor. If it seeks a facilitator and broker rather than also a leader, it needs to signal that clearly. However, strategic statewide leadership needs to come from somewhere and, given the relatively short terms of Board members, it may not be realistic to expect that leadership can come solely and consistently from the Board. As written, the policies of the Board are clear on this matter—the Chancellor is the CEO of the System. Within the current policies, however, it is possible for the role of the Chancellor to evolve toward becoming a leader of the systemwide agenda, becoming more of an enabler of institutional action than an enforcer of Board or System mandates. This would be a significant and positive revision of current roles. We urge that this be the direction that is followed. However, the Chancellor also needs levers for change. It will be important that the Board, if it agrees with this premise, affirm current Board policy that the Presidents report to the Chancellor, and through the Chancellor, to the Board. For example, the Board and Chancellor should jointly and explicitly agree on the qualities to be sought in new Presidents and on the goals and priorities for existing Presidents (i.e., how much of the annual evaluation should be based on campus leadership, how much on system citizenship).
 - b. Leadership with regard to the statewide agenda and an ongoing strategic plan that is built on sound and innovative statewide academic initiatives. As part of this leadership, ways should be sought to create incentives for interinstitutional collaboration in pursuit of the public agenda.
 - c. Provider of support services that can best be done centrally rather than by each campus (information systems, library, some purchasing) and additional services to smaller campuses that do not have the full range of expertise on campus.
6. That protocols for communication be established. There are two recommendations that we would make in this regard:
 - a. **Fewer, more focused board and cabinet meetings.** Ironically, more meetings do not necessarily lead to better communication. If the Board looks to the Chancellor for strategic leadership and to the Presidents to lead their institutions, it could reduce the number of board meetings and more sharply focus those on

macro policy issues. The same is true for cabinet meetings. The agendas for full cabinet meetings should be restricted to items that apply to all campuses. This would undoubtedly reduce the number of full cabinet meetings. Alternative communications strategies (for example, meetings of subsets of the cabinet around topics germane only to the participants) would still get the System's work accomplished without engendering the resentment of those who feel their presence is required but whose contributions are, ultimately, not sought. Currently, senior system staff spend three days a month in cabinet/board meetings, as do many Presidents. Is there enough value being added from this time commitment?

- b. **Clearer communication protocols.** Can Presidents interact directly with Board members? If so, in what circumstances and how and when should the Chancellor be notified? Can Board members interact directly with Presidents? If so, in what circumstances and how and when should the Chancellor be notified? How should campus visits by Board members or the Chancellor be handled? How should Board members handle external requests (e.g., on admissions or contracts) on institutional matters? How should Presidents and/or Board members contact legislators or inform the Chancellor of substantive contacts from legislators? While we lean towards as much access and free flow of information as possible, we believe written protocols avoid ambiguity, suspicions, and inequitable treatment. These protocols need to include simple courtesy notification of contacts.

Conclusion

North Dakota Higher Education deserves a lot of credit. The Roundtable approach remains the envy of many states. The seriousness that the Board has given to its own continuing growth and development through inviting candid critiques and external recommendations such as contained in this report is noteworthy. Our central observations are that this is still a system in its infancy, experiencing some growing pains and the stresses that come with trying to sort out new roles and responsibilities. The coming year will be a critical one in more clearly defining and implementing "flexibility with accountability," and the Board has to provide clear and consistent leadership for the vision to be realized.

APPENDIX A (of Jones & Portch Report)

Questions: North Dakota Roles and Responsibilities Task Force

[Note: All answers should reflect the particular perspective of the respondent. Answers will not be attributed to individuals.]

Introduction

The Roundtable Report and subsequent actions of the legislature and State Board were intended to foster a system of higher education for North Dakota that is:

- Unified—the different capacities of the constituent institutions work in harmony to collectively serve the needs of the state.
- Functioning under the philosophy of flexibility with accountability.
- Entrepreneurial.
- Expected to pursue the priority needs of the state as well as institutional self-interest.

It also projected a new set of roles and responsibilities for the political and educational leaders of North Dakota.

Questions

1. In your opinion, what were the two or three most important consequences of the work of the Roundtable?
 - What were the major benefits?
 - What (unresolved) problems/issues has the report brought to the fore?
2. Very briefly, how would you describe the roles and responsibilities of:
 - The Board?
 - The Chancellor?
 - The President?
 - Political leaders?

Are all the partners fulfilling their obligations? Which expectations, if any, have not been fulfilled?

3. In what areas are roles and responsibilities least well delineated (where is there lack of clarity about the roles of the Board, Chancellor, and President)? Are there clear examples of instances in which this lack of clarity has created conflict? How well have the roles and responsibilities played out in the legislative session?

4. Are there areas where distinctions are clear, but you disagree with the established policy (or the assumptions behind the policy)? What are the areas? How would you recommend they be changed?
5. Are there instances in which policies are clear, but where implementing regulations or procedures are inconsistent with those policies? Do you have specific examples?
6. From your perspective, what does it mean to have a “unified” system? Is the System functioning this way? What are the benefits and drawbacks?
7. What does “flexibility with accountability” mean from your perspective? What should it mean? Do you think the appropriate balance between flexibility and accountability has been reached?
8. Is the objective of entrepreneurial institutions working together to achieve the priority goals of the state being realized?
9. What two or three recommendations do you have for strengthening the NDUS?

APPENDIX B

**NORTH DAKOTA STATE BOARD OF HIGHER EDUCATION
POLICY MANUAL**

SUBJECT: INTRODUCTION

EFFECTIVE: March 30, 2001

Section: 100.4 Mission and Vision of the North Dakota University System

Our Mission:

“To enhance the quality of life for all those we serve and the economic and social vitality of North Dakota through the discovery, sharing and application of knowledge.”

Our Vision:

“The North Dakota University System is the vital link to a brighter future.”

A brighter future for:

- *Our students*
- *The citizens of North Dakota*
- *All those we serve*

A brighter future through:

- *A University System where students have the opportunity to receive the education necessary to be professionally and personally successful;*
- *High quality, innovative learning opportunities tailored to the needs of students and other clients and readily accessible to all learners in the state;*
- *The creation of strategic alliances with economic entities in the state and being a major player and primary engine in impacting the economic and demographic trends;*
- *A University System which is a solid investment for the state and is seen as such by its citizens.*

HISTORY: New policy. SBHE Minutes, March 30, 2001.

**NORTH DAKOTA STATE BOARD OF HIGHER EDUCATION
POLICY MANUAL**

SUBJECT: INTRODUCTION

EFFECTIVE: November 21, 2002

Section: 100.5 Beliefs and Core Values of the State Board of Higher Education

I. Beliefs:

- **We believe** the most valuable asset of any state is its human capital: well-educated and highly skilled citizens, employees, business owners, community leaders, and contributing members of society.
- **We believe** a brighter future for North Dakota is directly linked to and dependent upon its University System. Likewise, a brighter future for the University System is linked to the economy of North Dakota.
- **We believe** the University System, in conjunction with the elected and private sector leadership in North Dakota, can and should take positive steps to enhance the economy of North Dakota.
- **We believe** depopulation is a major threat to the overall viability of North Dakota and if not addressed, with urgency, the infrastructure, quality of life, and services available to the citizens of the state will diminish.
- **We believe** the faculty are the foundation of the North Dakota University System.
- **We believe** performance of the University System will be enhanced in an environment which is conducive to innovation, creativity, and flexibility – coupled with appropriate accountability.
- **We believe** in the implementation of education programs and curriculums to meet the needs of a culturally diverse student population and to prepare students to interact in an increasing pluralistic society.
- **We believe** the citizens and the legislature created and expect the University System to function as a system; i.e., to collaborate, whenever appropriate and feasible, in offering programs, serving students and citizens, and in providing administrative services.
- **We believe** the benefits of the University System can and should be available to all of North Dakota, geographically and demographically.
- **We believe** it is important for all the key stakeholders of the University System to adopt and apply the same set of expectations and accountability measures which were identified and agreed to by the 1999 Roundtable on Higher Education.

- **We believe** it is possible to create a University System for the 21st century, as envisioned by the 1999 Roundtable on Higher Education and further believe making it a reality will require all entities to do their part as described in the Report of the Roundtable.

II. Core Values – To be reflected in how the Board and all personnel of the University System carry out responsibilities on a daily basis:

- High integrity
- Open, honest, forthright and mutually respectful in discussion and actions
- Trustworthy
- Accountable
- Cooperative valued partner with other state agencies and entities
- Responsible stewards of state investment in the University System
- Scholarship and the pursuit of excellence in the discovery, sharing, and application of knowledge
- Support and embrace diversity

HISTORY: New Policy. SBHE Minutes, March 30, 2001.
Amendment SBHE Minutes, November 21, 2002.

NORTH DAKOTA STATE BOARD OF HIGHER EDUCATION POLICY MANUAL

SUBJECT: INTRODUCTION

EFFECTIVE: April 15, 2004

Section: 100.6 Authority and Responsibility of the State Board of Higher Education

In fulfilling the Mission and Vision, the State Board of Higher Education will govern the institutions in the North Dakota University System in accordance with the North Dakota Constitution and state statutes and will be guided by the Belief Statements and Core Values adopted by the Board.

The people of North Dakota created the Board through the state Constitution to ensure the institutions and their employees were protected from political interference. Recognizing the legitimacy and importance of such protection and believing each institution properly retains substantial responsibility for its own affairs, the Board and the system honor the integrity of each institution and its people.

The State Board of Higher Education will provide the leadership and governing environment necessary to maximize the opportunities for the NDUS colleges and universities to be successful in fulfilling their individual missions and enhancing the economic and social vitality of North Dakota.

I. Guiding Principles:

The state Constitution provides the State Board of Higher Education with broad powers and specifies the Board retains any powers it does not specifically delegate to the campuses. The Board adopted the following guiding principles regarding the responsibility of the Board, as stewards of the system, and the institutions.

A. Responsibility of the Board

1. Board approval for new or discontinued programs and organizational units ensures the overall pattern of service to the state is coherent and efficient.
2. Board review of institutional and program quality ensures the institutions provide positive educational experiences and seek continually to improve. Academic program quality and faculty quality determinations are made by faculty peers and campus administrators. The Board's responsibility is to support, provide oversight, and hold the institutions accountable for results.
3. Board budget guidelines and final approval of budget requests promote equity and appropriate investment of state resources throughout the system.
4. Board priority-setting of facility requests promotes facilities funding on the basis of statewide need.

5. On matters that involve major costs for equipment or facilities which could be shared effectively among campuses, such as computing and telecommunications, the Board expects and will help facilitate such sharing.
6. The Board sets system priorities regarding all requests of the legislature and executive branch. Those representing the institutions are not to undermine those priorities.
7. The Board is the appointing authority for institution presidents and has final authority concerning contract terms. The Board shall exercise this authority in consultation with the Chancellor.
8. The Board delegates substantial authority and responsibility to each institution's president through the Chancellor, as defined in Board policy, and holds each accountable for his or her performance.
9. The Board shall have access to information about students, programs, faculty, staff, and finances of each campus to carry out its responsibilities.
10. The Chancellor shall bring to the Board's attention any difficulties in the application of any of the above responsibilities that threaten to impede institutional effectiveness or efficiency. The Board is committed to free and fair inquiry and just resolution of such difficulties.

B. Program Collaboration and Duplication:

1. General-education courses and programs are central to the mission of all postsecondary institutions. Overlap among institutions is expected and necessary, although the Board will continue to guard against unnecessary program duplication. Collaborative delivery will be encouraged where the quality of the program can be maintained and the total cost of delivery can be reduced.
2. Professional, technical, vocational, and graduate courses and programs require institutional and Board judgments regarding their number and location.

HISTORY: New Policy. SBHE Minutes, March 30, 2001.
Amendment SBHE Minutes, April 15, 2004.

**NORTH DAKOTA STATE BOARD OF HIGHER EDUCATION
POLICY MANUAL**

SUBJECT: GOVERNANCE AND
ORGANIZATION

EFFECTIVE: April 15, 2004

Section: 304.1 Chancellor/Commissioner of Higher Education Authority and Responsibilities

1. The terms 'Commissioner' and 'Chancellor' shall be used interchangeably throughout this manual.
2. The Chancellor of Higher Education serves as the chief executive officer of the Board and shall be the chief executive officer of the University System with the following authority and responsibilities delegated by the Board:
 - a. Execute and administer the policies, decisions, and rules of the Board;
 - b. Prepare policy recommendations for the Board's consideration.
 - c. Exercise administrative control, consonant with Board policy, over interinstitutional matters including, but not limited to, those pertaining to budgets, curriculum, research, and public service, and extension activities.
 - d. Appoint, determine the composition of and delegate duties to such committees or councils as the chancellor deems advisable.
 - e. Subject to applicable Board policies, make recommendations to the Board concerning compensation and other terms of employment for institution presidents.
 - f. Provide for the administration and staffing of the University System office.
 - g. Following recommendations of the college or university president, make recommendations to the Board regarding tenure.
 - h. Serve as the official representative of the Board and the institutions and entities it governs to the Legislature, to the Office of the Governor, to the Executive Branch, and to other governmental entities.
 - i. Act on behalf of the Board during the interim between meetings provided that the Chancellor shall, when practical, first consult with the President of the Board and report the action taken to the Board at its next meeting.
 - j. Act on behalf of the Board as the sole authority authorized to request opinions from the Attorney General's Office and coordinate all legal services of the institutions and entities governed by the Board.

- k. Exercise such other authority and perform such other responsibilities as may be assigned by the Board.
3. In exercising this authority and carrying out these responsibilities, the chancellor shall at all times conform to and advocate the Board's beliefs and core values.
4. The Chancellor shall establish a process or forum enabling presidents to provide advice to the Chancellor regarding matters affecting the university system. The chancellor shall ensure that NDUS institutions cooperate to improve academic offerings, expand access to education, promote faculty development, improve support services, reduce unnecessary duplication and enhance efficiency.
5. The Chancellor serves at the pleasure of the Board. The Chancellor shall have a written contract for a term not to exceed three years. The Board may, with written notice of one year prior to expiration of a contract term, terminate the contract without cause. The Board may dismiss the Chancellor for just cause during a contract term, following written notice of its intent to do so and an opportunity for an evidentiary hearing. The board may appoint a hearing officer to conduct the hearing before the Board.
6. A tenured faculty member at an NDUS-governed institution who is appointed Chancellor shall retain the tenured status during the term as Chancellor. The Board may award a Chancellor who is not tenured academic rank, without tenure status.
7. A tenured faculty member who is appointed Vice Chancellor for Academic Affairs shall retain the tenured status during the term as Vice Chancellor. The Chancellor may recommend and the Board may, in its discretion, award a Vice Chancellor who is not tenured academic rank, without tenure status.

AMENDS OR REPEALS: Article I, Section 7.A., portion of Article I, Section 7.B

HISTORY: SBHE Minutes, February 18-19, 1982, page 5003.
Amendment SBHE Minutes, May 24-25, 1990, page 6003.
Amendment SBHE Minutes, January 20, 1994, page 6427.
Amendment SBHE Minutes, May 21, 1998, page 6889.
Amendment SBHE Minutes, June 18, 1998, page 6903.
Amendment SBHE Minutes, February 18, 2000.
Amendment SBHE Minutes, April 15, 2004.

**NORTH DAKOTA STATE BOARD OF HIGHER EDUCATION
POLICY MANUAL**

SUBJECT: GOVERNANCE AND
ORGANIZATION

EFFECTIVE: April 15, 2004

Section: 305.1 College and University Presidents' Authority and Responsibilities

1. The president is the chief executive officer of the institution and a member of the Chancellor's executive staff. The president reports and is responsible to the Chancellor for all matters concerning the institution and is an advisor to the Chancellor in matters of inter-institutional policy and administration.
2. The Board delegates to the president of each institution full authority and responsibility to administer the affairs of the institution in accordance with Board policies, plans, budgets, and standards, including the management and expenditure of all institutional funds, within budgetary and other limitations imposed by law or by the Board.
3. Each president shall:
 - a. Insure effective and broad-based participation in the decision-making process from faculty, staff, students, and others in those areas in which their interests are affected.
 - b. Develop and approve or recommend to the Chancellor and the Board, in consultation with appropriate committees or members of the institution, such policies, plans, budgets, programs, and standards affecting the institution as deemed necessary, advisable or as required by the Board.
 - c. Make recommendations to the Chancellor concerning all requests for tenure.
 - d. Approve all personnel actions, except the award or change in tenure status, involving all faculty members and other institution employees.
 - e. Approve all recommendations transmitted to the Chancellor and/or to the Board from the institution.
 - f. Define the scope of authority of faculties, councils, committees and administrative officers of the institution.
 - g. Approve or veto decisions by faculty, staff, and student legislative bodies as may be provided by institution policies.
 - h. Assume responsibility for the establishment of guidelines for student conduct which set forth prohibited conduct and provide for appropriate disciplinary procedures and sanctions for violation of institutional rules, consistent with standards of procedural fairness.

- i. Maintain good relations and effective communication with the Chancellor, the Board and other North Dakota institutions of higher education and cooperate with other NDUS institutions to improve academic offerings, expand access to higher education, promote faculty development, improve support services, reduce unnecessary duplication and enhance efficiency.
 - j. Maintain good relations with the public by:
 - 1. Developing sound relationships between the institution and the community and region in which it is located and the public it serves,
 - 2. Establishing and administering a development program with alumni and other institutional supporters,
 - 3. Interpreting the institution and its mission to the public, and
 - 4. Developing effective communication with legislators and with other public policy makers in coordination with the Chancellor.
 - k. Be accountable for all funds, property, equipment, and other facilities assigned or provided to the institution.
 - l. Implement and enforce the provisions of N.D.C.C. sec. 15-10-17.1 regarding the conduct of students, staff, faculty, and visitors to the campus.
 - m. Exercise such other authority and perform such other responsibilities as may be assigned by the Chancellor or the Board.
4. In exercising this authority and carrying out these responsibilities, a president shall strive at all times to conform to and advocate the Board's beliefs and core values.
 5. Presidents are hired by and shall serve at the pleasure of the Board. Presidents shall have a written contract. The term of an initial contract may not exceed three years; the term of a subsequent contract or renewal may not exceed five years. The Board may, with written notice of one year prior to expiration of a contract term, terminate the contract without cause. The Board may dismiss a president for just cause during a contract term, following written notice of intent to do so and an opportunity for an evidentiary hearing. The Board may appoint a hearing officer to conduct the hearing and make findings of fact, conclusions of law and a recommendation to the Board, which shall then make its decision based on the hearing record.
 6. A tenured faculty member at a Board institution who is appointed president shall retain that status during the term as president. The Board may, in its discretion, award a president who is not tenured academic rank, without tenure status.

HISTORY: See SBHE Minutes, February 19, 1982, page 5003.
Amendment SBHE Minutes, March 14, 1989, page 5800.
Amendment SBHE Minutes, May 24-25, 1990, page 6003.
Amendment SBHE Minutes, January 20, 1994, page 6427.
Amendment SBHE Minutes, May 21, 1998, page 6889.
Amendment SBHE Minutes, February 18, 2000.
Amendment SBHE Minutes, April 15, 2004.

**NORTH DAKOTA STATE BOARD OF HIGHER EDUCATION
POLICY MANUAL**

SUBJECT: GOVERNANCE AND
ORGANIZATION

EFFECTIVE: April 15, 2004

Section: 310.1 Board President and Member Responsibilities

1. The State Board of Higher Education President has no authority to make decisions or to establish policy on behalf of the Board except as specifically delegated the authority to do so by the Board. The Board delegates the following authority to its President and, in the President's absence, to its Vice President.
 - a. The President (or the Chancellor, pursuant to the authority provided to the Chancellor in SBHE Policy 304.1) shall be the spokesperson of and represent the Board by explaining, defending, advocating or announcing Board-stated positions.
 - b. As elected leader of the Board, the President has the ultimate responsibility for assuring the beliefs and core values adopted by the Board are known to all Board members and that the Board strives to uphold these values at all times.
 - c. The President shall be responsible for efficient operation of the Board including a Board established planning and action cycle.
 - d. The President shall ensure that new Board members are informed of their responsibilities and oriented to the Board's operations.
 - e. The President shall chair Board meetings by exercising all commonly accepted responsibilities of that position.
 - f. The President may call special meetings of the Board pursuant to the provisions of the Board's bylaws.
 - g. The President shall communicate directly and consult with other Board members and the Chancellor as frequently as necessary and consistent with applicable open meetings and open records laws, to assure the Board members and the Chancellor are kept informed on issues relevant to the Board's duties and responsibilities.
 - h. The President may appoint ad hoc committees to advise the Board and shall assign members for visitations to specified institutions to assist members in becoming familiar with those institutions and in sharing of information.
2. Board Member Responsibilities include:

- a. A member shall be a link between the State Board of Higher Education and the public which it serves.
- b. A Board member shall at all times conform to and advocate the Board's beliefs and core values.
- c. A member shall help build and sustain an atmosphere of respect, openness, civility and partnerships in all relationships with fellow Board members, the Chancellor and System staff, and the presidents, faculty and staff of each institution of higher education in North Dakota.
- d. A member shall, through service on the State Board of Higher Education, acquire a reasonable level of knowledge of:
 - (1) the mission of each institution of higher education in the North Dakota University System and how the institution, through its administration and faculty, plans to achieve its mission;
 - (2) the traditional organization and governance structure of an associate, baccalaureate, and graduate degree-granting institution of higher education;
 - (3) the relationship of North Dakota University System institutions with other institutions of higher learning and other educational systems within North Dakota;
 - (4) the competitive position of North Dakota University System institutions in the regional and national marketplace;
 - (5) the provisions of state law governing the Board and its activities;
 - (6) the internal and external forces which affect the environment in which higher education and the North Dakota University System operate; and
 - (7) the structural relationship among the Governor, the legislature, the Chancellor, the System office, the North Dakota University System institutions and the Board.
- e. A member shall be an advocate of quality, efficient, and effective higher education in North Dakota by:
 - (1) assisting in the development and ongoing review of a clear and concise Board strategic plan, including the goals and objectives, for the North Dakota University System;
 - (2) assisting in establishing appropriate measures to monitor and assess achievement of the goals;
 - (3) assisting in evaluating Board performance, and the performance of the Chancellor;

- (4) participating responsibly in board meetings;
 - (5) devoting the time necessary to carry a fair share of Board leadership responsibility;
 - (6) assisting in establishing effective policies of governance; and
 - (7) taking part in reasonable amounts of professional development.
- f. A member shall represent the people of North Dakota and be an advocate for the North Dakota University System without special regard to a particular institution, interest, political affiliation, community, or constituency.

HISTORY: New Policy. See SBHE Minutes, June 19, 1997 page 6778.
Amendment SBHE Minutes, November 18-19, 1999.
Amendment SBHE Minutes, April 14, 2004.

**NORTH DAKOTA STATE BOARD OF HIGHER EDUCATION
POLICY MANUAL**

SUBJECT: PERSONNEL

EFFECTIVE: April 14, 2004

Section: 604.1 Performance Evaluations: Presidents and Vice-Chancellors

1. After the Board establishes its annual objectives and objectives for the chancellor, each president shall prepare annual objectives for the chancellor's approval for the twelve-month period beginning July 1 and ending June 30. The chancellor shall report the presidents' annual objectives to the Board for Board approval. In or about May of each year, each president shall submit to the chancellor a self-assessment of annual objectives for that period. Prior to June 30, the chancellor shall review with the Board president the chancellor's written assessment of the presidents' performance for that period. The chancellor shall then meet individually with each president to discuss the president's performance. Prior to June 30, the chancellor shall, based on the performance assessments, submit to the Board president recommendations concerning the presidents' contracts, including compensation. The Board shall approve the presidents' contracts, including compensation.

2. After the Board establishes its annual objectives and objectives for the chancellor, each vice-chancellor shall prepare for the chancellor's approval annual objectives for the twelve-month period beginning July 1 and ending June 30. The chancellor shall report to the Board president the vice-chancellors' annual objectives. In or about May of each year, each vice-chancellor shall submit to the chancellor a self-assessment of annual objectives for that period. Prior to June 30, the chancellor shall prepare and review with the Board president a written performance assessment for each vice-chancellor. The chancellor shall, based on the performance assessment, establish compensation and approve contracts for the vice-chancellors for the subsequent term and inform the Board.

HISTORY: New policy. SBHE Minutes December 9-10, 1982, page 5101.
Amendment SBHE Minutes, January 20, 1994, page 6427.
Amendment SBHE Minutes, May 21, 1998, page 6889.
Amendment SBHE Minutes, June 21, 2001.
Amendment SBHE Minutes, April 14, 2004.

**NORTH DAKOTA STATE BOARD OF HIGHER EDUCATION
POLICY MANUAL**

SUBJECT: PERSONNEL

EFFECTIVE: June 21, 2001

Section: 604.2 Performance Evaluation; Chancellor

The Board shall annually establish objectives for the Chancellor for each twelve-month period beginning July 1 and ending June 30 against which the Chancellor's performance shall be measured for that period. Prior to June 30, the Board president shall provide a written assessment of the chancellor's performance for that period, seeking input from other Board members. The Board president shall discuss the performance assessment with the Chancellor. The Board president shall, based on that assessment, present to the Board recommendations concerning the Chancellor's compensation. The Board shall approve the Chancellor's contract, including compensation.

HISTORY: New policy. SBHE Minutes, December 9-10, 1982, page 5101.
Amendment SBHE Minutes, January 20, 1994, page 6427.
Amendment SBHE Minutes, May 21, 1998, page 6889.
Amendment SBHE Minutes, June 21, 2001.

APPENDIX C

**DEVELOPING A DEFINITION FOR
A Unified System of Higher Education in North Dakota
November 13, 2003**

I. PURPOSE OF REPORT

The Task Force on Clarifying the Roles and Responsibilities, at the September 25, 2003, meeting requested a summary of the various statements and descriptions relating to developing a definition for (or describing what is meant by) a “unified system of higher education.” The following sources were reviewed for that purpose:

- SBHE minutes in 1990 (when the board was making the transition from a commissioner form of governance to a chancellor system),
- Report of the Roundtable on Higher Education, May 25, 2000,
- Testimony presented to 2003 Legislative Assembly relating to SB-2041 (which placed “North Dakota University System – Unified system of higher education” into state statute),
- Roles and Responsibilities in North Dakota Higher Education: Observations and Recommendations (consultants Jones and Portch), July 2003,
- Resolution passed by the SBHE on September 25, 2003, relating to the desire, intent and expectations of the board.
- SBHE policies 100.4, 100.5, 100.6, 304.1, 305.1, 310.1, 604.1 and 604.2.

II. EXCEPTS FROM SBHE MINUTES

February 1-2, 1990, Board Meeting, Page Three

“Commissioner Richardson said the recommendations set forth in the Partners for Quality report were endorsed by the 50th Legislative Assembly. He said the Board’s staff believes higher education in North Dakota must move from its historic strong campus – weak system orientation to a strong campus – strong system orientation. The Board staff recommended the following:

1. Develop a true state system of higher education in North Dakota by designating the current colleges and universities as constituent members of the “The North Dakota University System.”
2. Develop a strong position of leadership for the Board by:
 - A. Creating the position of Chancellor of the North Dakota University System.
 - B. Locating the Chancellor and associated staff on the campus of the University of North Dakota or North Dakota State University. (This recommendation was later reconsidered and not implemented).
 - C. Changing the Board policies to strengthen the role of the Board and its staff in providing leadership for the University System.

- D. If necessary, assess the institutions' budgets for important system-wide initiatives when appropriations to the Board office are insufficient to adequately support such activities.
3. As appropriate, consolidate administrative functions at a system-wide level as recommended in the Advisory Panel's report and requested by the Board."

February 1-2, 1990, Board Meeting, Page 20

Mr. Christensen moved that the Board create a one university system headed by a chancellor; further that the staff develop policy changes necessary to implement a one university system headed by a chancellor and bring forth to the Board other explanatory information that would describe the relationship and organization within the North Dakota University System. Mr. Lokken seconded the motion. Mr. Christensen, Mr. Lokken, Mr. Braaten, Mr Leinen, Mr. Martin, Mr. Olin, and Mrs. Shide voted aye. The motion carried.

July 10-11, 1990, Board Meeting, Pages 3-6

As follow-up to the February 1-2, 1990, meeting, this board meeting was devoted to a discussion of what converting to a unified system of higher education/ chancellor system means and how it should function. Dr. Robert Woodbury, Chancellor, and Patricia Collins, Vice Chair, of the University System of Main, attended and provided comments and advice to the Board.

November 21-22, 2002, Board Meeting

The following "Givens" were adopted as board policy:

7. The University System is in the business of educating – to prepare students to be personally and professionally successful,
8. The expectations of the Roundtable – that the University System, collectively, can and will play a major role in enhancing the economic and social vitality of North Dakota,
9. The success of the University System – in total and by individual campuses within the University System – is directly linked to and dependent upon the economic success of the state and visa versa,
10. It is the desire, intent, and expectation of the legislature, the Roundtable, and the Board to have a "unified system" of higher education in North Dakota which functions as a system and not as a collection of campuses,
11. The major pieces are all in place – the existence and effectiveness of the Roundtable, consensus on the vision, cornerstones and expectations, long-term finance plan, agreed-upon accountability measures, and enrollment plan. The focus now is on performance – the people-component and maximizing the potential of the University System in the state,
12. The University System is driven by shared values, beliefs, and policies in which the campuses, the system office and the board operate.

III. EXCERPTS FROM ROUNDTABLE REPORT

The 1999 North Dakota Legislative Assembly passed a resolution directing a study be conducted which would:

...address the expectations of the North Dakota University System in meeting the state's needs in the twenty-first century, the funding methodology needed to meet these expectations and needs, and an accountability system and reporting methodology for the University System.

Out of this consensus arose the Roundtable's expectations for the North Dakota University System – that the NDUS would focus its considerable assets and talents on:

- Promoting the expansion and diversification of the state's economy, and;
- Enhancing the quality of life of the citizens of the state.

Their broad expectation is the NDUS (as a **system**, not as a collection of campuses) become the prototype land-grant institution of the twenty-first century, and it be:

- Academically **competitive**, nationally and internationally.
- **Engaged** at every level with the needs and problems of the state and its citizens.
- **Accessible** and **responsive** to all citizens of the state, both individual and corporate.

VISION/EXPECTATIONS – There will be an expanded client/customer base and a significant increase in partnering, collaboration, and joint ventures involving business, industry, economic development organizations, state and local agencies, and the various departments and colleges within the University System. The specific purpose of the expanded client base and the collaborating arrangements is to more effectively leverage the capacity of the University System in impacting the economy and meeting the information, training, and technology development and transfer needs of businesses, industries and communities. The relationships will also provide university faculty with increased connectedness, professional growth opportunities, and an increased understanding of the private sector and development organizations in the respective industries, communities, regions and the state.

IV. EXCEPTS FROM TESTIMONY BY DR. KUNKEL, MARCH 12, 2001, ON SB-2041

“This expectation is also expressed in the Executive Summary of the Higher Education Roundtable which states: ‘Their broad expectation is the NDUS (as a system, not as a collection of campuses) become the prototype land-grant institution of the twenty-first century.’ The expectation expressed by members of the roundtable and the interim Higher Education Committee is fully in line with the 1990 action and subsequent resolutions passed by the Legislature encouraging the board to move in this direction.”

Section 1. A new section to chapter 15-10 of the North Dakota Century Code is created and enacted as follows:

North Dakota University System – Unified system of higher education. The institutions of higher education under the control of the state board of higher

education are a unified system of higher education, as established by the board, and are designated as the North Dakota University System.

V. EXCEPTS FROM ROLES & RESPONSIBILITIES REPORT, JULY 2003 (Report prepared by Dennis Jones and Steve Portch)

The notion of a “Unified System” has not been developed and solidified; a unified system is not defined by a common calendar but by a collective vision. More often than not, lip service is being given to the idea, but actions belie a common understanding and acceptance of the philosophy that NDUS is a collection of distinct, entrepreneurial institutions working together to utilize their collective capacities to meet the priority needs of the state. The distinct, entrepreneurial institution part of the equation is generally understood and fully embraced; the working together part remains hit-and-miss. The consequences of failure in this arena are critical.

It is our observation that the changes required to deal with the issues identified are behavioral in nature and require open conversation—they cannot be addressed by ever-more detailed attention to formal policy. A focus on formal process and System legalism will not get the NDUS past the growing pains being experienced at this particular point in its evolution.

Unified—the different capacities of the constituent institutions work in harmony to collectively serve the needs of the state.

Collaborative team players, working with their colleagues to address collectively the priority needs of the state.

To begin the conversation, it is suggested that a System is what makes the whole greater than the sum of its parts. Key roles of the System Office, then, are to:

- Ensure that the overall postsecondary education **capacity** (as embodied in the collective institutions) is aligned with the identified needs of North Dakota and its citizens. These needs are identified in the report of the Roundtable.
- Take the leadership in ensuring that this capacity is brought to bear on the identified issues (managing the “public agenda” rather than the institutions).
- Provide a set of support services where it is more effective and efficient to perform them centrally rather than on each of the campuses.
- Be the vehicle through which a common and consistent view of the needs of the state are articulated and communicated to the campuses, and conversely, through which the directions and needs of the system and the collective institutions are communicated to external audiences.

VI. SBHE RESOLUTION ADOPTED SEPTEMBER 25, 2003

WHEREAS, the new vision for higher education in North Dakota is well articulated in the report of the Roundtable on Higher Education and has been adopted as the foundation for the North Dakota University System and is embodied in NDUS Strategic Plan;

WHEREAS, *it is the desire, intent, and expectation of the Legislature, the Roundtable, and the Board to have a “unified system” of higher education in North Dakota, which functions as a system and not as a collection of campuses* (Source: North Dakota Century Code Section 15-10-03.1 and the “givens” adopted by the SBHE November 21, 2002);

WHEREAS, the University System is driven by shared values, beliefs, and policies in which the campuses, the System Office, and the Board operate (Source: The “givens” adopted by the SBHE November 21, 2002);

WHEREAS, the Commissioner (Chancellor) of Higher Education, as expressed in Policy 304.1, serves as the Chief Executive Officer of the Board, the Commissioner shall be the Chancellor and Chief Executive Officer of the University System with the designated authority and responsibilities delegated by the Board in Policy 304.1;

WHEREAS, the campus president is the CEO of the institution, as provided for in SBHE Policy 305.1, and as a member of the Chancellor’s executive staff, the President is responsible to the Chancellor for all matters concerning the institution and is an advisor to the Chancellor in matters of inter-institutional policy and administration; and

WHEREAS, the SBHE delegates to the Chancellor who further delegates to the President of each institution, as provided for in SBHE Policy 305.1, full authority and responsibility to administer the affairs of the institution in accordance with Board policies, plans, budgets, and standards, including the management and expenditure of all institutional funds, within budgetary and other limitations imposed by law or by the Board.

THEREFORE, BE IT RESOLVED, the North Dakota SBHE on this 25th day of September 2003:

- Reaffirms the existing Board policies relating to the unified system of higher education and the expressed roles, responsibilities, and authority of the Board, Chancellor, and Presidents as currently expressed in the respective Board policies.
- Recommends adding the beliefs and core values adopted by the SBHE to the policies relating to the Board, Chancellor, and Presidents.
- *Expresses its intent to have a system of higher education in North Dakota, which is comprised of a strong Board, strong System CEO, and strong Presidents and further believes this intent is not only possible but essential to achieving the vision of the Roundtable and the NDUS Strategic Plan.*
- Commits to communicating the respective roles and responsibilities to the public.

- Recommends amending SBHE Policy 304.1 to carry out all roles and responsibilities within the context of the Board's core values and beliefs and strives to ensure the same from the NDUS staff and presidents.

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