

North Dakota State Board of Higher Education
Governance Committee Meeting Minutes
Thursday May 9, 2017

The State Board of Higher Education Governance Committee met Thursday, May 9, 2017, at 10:00 a.m. CT, at the Capitol, 10th floor Conference room, 600 E. Boulevard Ave., Bismarck, ND 58505.

Chair Ness called the meeting to order at 10:00 a.m. CT.

Members Present:

Mr. Mike Ness (Chair)
Mr. Nick Hacker
Dr. Kevin Melicher

Others Present:

Dr. Mark Hagerott, Chancellor
Ms. Kristie Hetzler, NDUS
Mr. Ryan Jockers, NDUS
Dr. Tisa Mason, VCSU
Dr. Dean Bresciani, NDSU

Ms. Billie Jo Lorus, NDUS
Mr. Nick Vaughn, AG Office
Dr. Ernst Pijning, Faculty Adviser
Dr. Jerry Migler, DCB
Dr. Doug Darling, LRSC

1. **Agenda**

Melicher moved, Hacker seconded, to approve the agenda.

Hacker, Melicher and Ness voted yes.

2. **Meeting Minutes**

Hacker moved, Melicher seconded, to approve the April 20, 2017, meeting minutes.

Melicher, Hacker and Ness voted yes.

3. **President contract terms**

Chancellor Hagerott gave an overview of a new concept that would [stagger Presidential evaluations](#). After discussion, the committee members confirmed Presidential contracts would remain as a rolling one year contract. The evaluation process can be staggered to spread the workload out to include a more robust evaluation process. The Chancellor clarified it is not his intention to extend the length contracts; they would remain a rolling one year contract. The Committee requested the Chancellor to review at the next Cabinet meeting and to bring it back for further consideration.

4. **Board Assessment**

Tisa Mason reviewed proposed Board [assessment](#) options. A representative from the system office will be designated to call Board members and perform an evaluation. The information will be summarized and the Board will be informed of results.

Hacker moved, Melicher seconded, to recommend approval of the Board assessment and self-reflection.

Melicher, Hacker and Ness voted yes.

5. **Board Member Orientation**

Board orientation materials will be dispersed to all Board members. New Board members will participate in a one-on-one orientation with system office staff. Other Board members have the option to request individual meetings as well.

The meeting adjourned at 11:15 a.m. CT.

Approved September 21, 2017.

Month	2 Year Campuses	4 Year Campuses	Research Campuses
2017			
January			
February			
March			
April	Chancellor send notice to presidents to evaluate 2016-17 goals	Chancellor send notice to presidents to evaluate 2016-17 goals	Chancellor send notice to presidents to evaluate 2016-17 goals
May	2 Yr Presidents 2016-17 evaluation of goals due into SPOL; evals start	4 Yr Presidents 2016-17 evaluation of goals due into SPOL; evals start	Research Presidents 2016-17 evaluation of goals due into SPOL; evals start
June	Evals complete; Chancellor report to board on 2 Yr Presidents 2016-17 Progress; Board vote to approve contracts and terms	Evals complete; Chancellor report to board on 4 Yr Presidents 2016-17 Progress; Board vote to approve contracts and terms	Evals complete; Chancellor report to board on Research Presidents 2016-17 Progress; Board vote to approve contracts and terms
July	2 Yr New Contract Start Date	4 Yr New Contract Start Date	Research New Contract Start Date
August	Presidents Set Goals set for 2017-18	Presidents Set Goals set for 2017-18	Presidents Set Goals set for 2017-18
September			
October			
November	2 Yr New Contract Start Date		
December			

Month	2 Year Campuses	4 Year Campuses	Research Campuses
2018			
January			
February			
March			
April		Chancellor send notice to presidents to evaluate 2017-18 goals	Chancellor send notice to presidents to evaluate 2017-18 goals
May		4 Yr Presidents 2017-18 evaluation of goals due into SPOL; evals start	Research Presidents 2017-18 evaluation of goals due into SPOL; evals start
June		Evals complete; Chancellor report to board on 4 Yr Presidents 2017-18 Progress; Board vote to approve contracts and terms	Evals complete; Chancellor report to board on Research Presidents 2017-18 Progress; Board vote to approve contracts and terms
July		4 Yr New Contract Start Date	Research New Contract Start Date
August	Presidents Set Goals set for 2018-19	Presidents Set Goals set for 2018-19	Presidents Set Goals set for 2018-19
	Chancellor send notice to presidents to evaluate 2017-18 goals		
September	2 Yr Presidents 2017-18 evaluation of goals due into SPOL; evals start		
October	Evals complete; Chancellor report to board on 2 Yr Presidents 2017-18 Progress; Board vote to approve contracts and terms		
November	2 Yr New Contract Start Date		
December			

Month	2 Year Campuses	4 Year Campuses	Research Campuses
2019			
January			
February			
March			
April		Chancellor send notice to presidents to evaluate 2018-19 goals	Chancellor sent notice to presidents to evaluate 2018-19 goals
May		4 Yr Presidents 2018-19 evaluation of goals due into SPOL; evals start	Research Presidents 2018-19 evaluation of goals due into SPOL; evals start
June		Evals complete; Chancellor report to board on 4 Yr Presidents 2018-19 Progress; Board vote to approve contracts and terms	Evals complete; Chancellor report to board on Research Presidents 2018-19 Progress; Board vote to approve contracts and terms
July		4 Yr New Contract Start Date	Research New Contract Start Date
August	Presidents Set Goals set for 2019-20	Presidents Set Goals set for 2019-20	Presidents Set Goals set for 2019-20
	Chancellor sent notice to presidents to evaluate 2018-19 goals		
September	2 Yr Presidents 2018-19 evaluation of goals due into SPOL; evals start		
October	Evals complete; Chancellor report to board on 2 Yr Presidents 2018-19 Progress; Board vote to approve contracts and terms		
November	2 Yr New Contract Start Date		
December			

Month	2 Year Campuses	4 Year Campuses	Research Campuses
2020			
January			
February			
March			
April		Chancellor sent notice to presidents to evaluate 2019-20 goals	Chancellor sent notice to presidents to evaluate 2019-20 goals
May		4 Yr Presidents 2019-20 evaluation of goals due into SPOL; evals start	Research Presidents 2019-20 evaluation of goals due into SPOL; evals start
June		Evals complete; Chancellor report to board on 4 Yr Presidents 2019-20 Progress; Board vote to approve contracts and terms	Evals complete; Chancellor report to board on Research Presidents 2019-20 Progress; Board vote to approve contracts and terms
July		4 Yr New Contract Start Date	Research New Contract Start Date
August	Presidents Set Goals set for 2020-21	Presidents Set Goals set for 2020-21	Presidents Set Goals set for 2020-21
	Chancellor sent notice to presidents to evaluate 2019-20 goals		
September	2 Yr Presidents 2019-20 evaluation of goals due into SPOL; evals start		
October	Evals complete; Chancellor report to board on 2 Yr Presidents 2019-20 Progress; Board vote to approve contracts and terms		
November	2 Yr New Contract Start Date		
December			

SUGGESTED NEW EVALUATION/CONTRACT RENEWAL SCHEDULE

CONTRACTS

- Contracts are reviewed every year
 - Contracts will be reviewed for all tiers in June 2017 and staggered approach for 2018.
 - 2 year – 24 months, 4 year – 24 months, Research – 24 months
 - From 2018 on, all tiers will be given two year contracts

GOALS

- When will presidents be asked to submit goals.
 - Goals will be submitted at the same time every year for all tiers
 - This will be after board reviews strategic plan, typically in August
 - Presidents goals will be 3 – 5 year goals; however, reviewed annually for performance and checking up
 - Chancellor will need to share with presidents in advance that their goals will be 3 – 5 year goals

Suggested Staggered Timeline for Evaluations and Contract Terms

2017, Reporting on 2016-17 Goals, Setting 2017 -18 Contracts

Tier	Send Notice From Chancellor	Presidents Upload Data into SPOL	Chancellor Review Evaluation	Chancellor Report to Board on Presidential Evaluations for Previous Yr and Propose New Contract Terms	New Contract Starts
2 Year Campuses 24 month contract	April	May	May/June	June	July 1, 2017 – June 30, 2019 (Reset November 1, 2017)
4 Year Campuses 24 month contract	April	May	May/June	June	July 1, 2017 – June 30, 2019
Research Campuses 24 month contract	April	May	May/June	June	July 1, 2017 – June 30, 2019

2018, Reporting on 2017-18 Goals, Setting 2018 -19 Contracts

Tier	Send Notice From Chancellor	Presidents Upload Data into SPOL	Chancellor Review Evaluation	Chancellor Report to Board on Presidential Evaluations for Previous Year and Propose New Contract Terms	New Contract Starts
2 Year Campuses 24 month contract	August	September	Sept/Oct	October	November 1, 2018 – October 31, 2020
4 Year Campuses 24 month contract	April	May	May/June	June	July 1, 2018 – June 30, 2020
Research Campuses 24 month contract	April	May	May/June	June	July 1, 2018 – June 30, 2020

Good governance calls on us to develop the capacity of the State Board of Higher Education (SBHE) to improve both our personal and collective contributions to fulfill the fiduciary duties of care, loyalty, and obedience. Towards this end, and as outlined in SBHE policy 302.5, the Governance Committee will conduct regular board self-assessments. The assessments, both board and individual, are designed to strengthen board culture, develop strategies for improved performance, increase effectiveness, create a vehicle for feedback, and address concerns.

The information below serves as an interview protocol to collect information regarding the perceptions of individual board members regarding the work of the Board and to note areas for strengths as well as areas for continuous improvement.

*I would like to thank you for taking time to speak with me regarding the performance of the North Dakota State Board of Higher Education. The purpose of our conversation is to strengthen board culture, develop strategies for improved performance, increase effectiveness, provide board members with a formal opportunity to provide feedback regarding the work of the board, and address any concerns. Our conversation today will last approximately **one hour** during which I will be asking you about your perceptions on how Board practices align with policy, the Board's relationship with the Chancellor, meeting effectiveness, communication, and overall perceptions regarding significant accomplishments and opportunities. Following conversations with each Board member, answers will be compiled. The SBHE Governance Committee will receive an aggregate for discussion and consideration. The Governance Committee will identify next steps prior to sharing with the full Board.*

Before we begin, do you have any questions?

Policy

This first section addresses the alignment of policy and practice. For each statement, please indicate how well you believe the board is doing in each area, provide examples of the statement in action, and if possible, suggestions for improvement.

- ❖ The Board has a full and shared understanding of the roles and responsibilities of the SBHE as stated in policy.
- ❖ The SBHE meets its legal responsibilities as stated in constitutional and statutory authority.
- ❖ Board members understand the mission and vision of the NDUS (SBHE Policy 100.4)
- ❖ Board members understand the beliefs and core values of the SBHE (SBHE Policy 100.5)
- ❖ The SBHE has clear goals.
- ❖ The SBHE regularly evaluates its bylaws and policies.
- ❖ The SBHE reviews the strategic plan regularly to discuss the progress of the system toward fulfillment of the plan.

- ❖ Board leadership effectively perform their roles.

Relationship with the Chancellor

Thank you. The next couple of questions address the Board's relationship with the Chancellor. According to AGB, the most fundamental element of achieving a higher level of board performance centers around a strong working relationship between the board and the CEO. Strategic governance is about the board as a "thought partner" with the chief executive. With that framework in mind, please comment on the following.

- ❖ Would you describe the relationship between the SBHE and the Chancellor as a strong partnership? Please explain.
- ❖ Has the Board agreed on the goals and priorities for the Chancellor to achieve? If so, describe when and how this happens. If not, how would you envision this process?
- ❖ Do you believe the policy and procedure for assessing the Chancellor is understood by all Board members? Why or why not?
- ❖ What ideas might you offer for improved SBHE operations, effectiveness, communication, and relationship with Chancellor?

Meeting/Process Effectiveness

Thank you for your feedback. I would now like to focus our conversation on meeting effectiveness. Please share with me your reaction to the following statements – and again, make comment where you see opportunities and specific suggestions for improvement.

- ❖ Board meetings have a good balance of information sharing, discussion, and decision making.
- ❖ The Board's decision making processes are effective.
- ❖ Board members avoid representing particular campuses or constituencies when deliberating policy or actions.
- ❖ The Board advocates for all institutions and the system.
- ❖ The Board receives the appropriate amount of financial information to carry out its fiduciary responsibilities.
- ❖ Board meeting materials are at the appropriate level of detail to enable the Board to conduct its business.
- ❖ The committee structure is effective.

- ❖ The meeting schedule is effective.

Communication

I appreciate your comments regarding board meetings. I would now like to discuss communication. Like the set of questions we just discussed, please share with me your reaction to the following statements – and again, make comment where you see opportunities and specific suggestions for improvement.

- ❖ Board members effectively represent the SBHE to the community.
- ❖ The SBHE collectively demonstrates strong problem-solving skills.
- ❖ Conflict on the Board is managed productively.
- ❖ The quality of communication among Board members is high.
- ❖ The current time demand for SBHE responsibilities is appropriate.

My final set of questions are focused on your reflections on the effectiveness of the SBHE during the past year.

- ❖ Please list identify any significant accomplishments made by the SBHE during the past year.
- ❖ What future challenges or new issues do you believe the SBHE should address.
- ❖ In your view, if there were important matters the SBHE failed to address during this past year, please identify and explain.

Before we conclude this interview, is there something about your experience as a member of the SBHE that we have not yet had a chance to discuss?

Exercise: Self-Assessment on Fiduciary Duties

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This is a self-reflection exercise. Your self-assessment is personal and need not be shared with anyone else. If you want to discuss any portion of your self-assessment with the Board Chair or the Chancellor – the option is available.

	Disagree			Agree	
<u>Board Member Responsibilities</u>					
As a SBHE member, I have acquired a reasonable level of knowledge of (SBHE Policy 310.1.d):					
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;	1	2	3	4	5
The traditional organization and governance structure of an associate, baccalaureate, and graduate degree-granting institution of higher education;	1	2	3	4	5
The relationship of North Dakota University System institutions with other institutions of higher learning and other educational systems within North Dakota;	1	2	3	4	5
The competitive position of North Dakota University System institutions in the regional and national marketplace;	1	2	3	4	5
The provisions of state law governing the Board and its activities;	1	2	3	4	5
The internal and external forces which affect the environment in which higher education and the North Dakota University System operate; and	1	2	3	4	5
The structural relationship among the Governor, the legislature, the Chancellor, the System office, the North Dakota University System institutions and the Board.	1	2	3	4	5

Disagree

Agree

Board Member Advocacy

As a SBHE member, I serve as an advocate of quality, efficient, and effective higher education in North Dakota by S(BHE Policy 301.1.e):

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;	1	2	3	4	5
Assisting in establishing appropriate measures to monitor and assess achievement of the goals;	1	2	3	4	5
Assisting in evaluating Board performance, and the performance of the Chancellor;	1	2	3	4	5
Participating responsibly in board meetings;	1	2	3	4	5
Devoting the time necessary to carry a fair share of Board leadership responsibility;	1	2	3	4	5
Assisting in establishing effective policies of governance; and	1	2	3	4	5
Taking part in reasonable amounts of professional development.	1	2	3	4	5

Duty of Obedience

I review regularly key governing documents and policies of the SBHE.	1	2	3	4	5
I am knowledgeable of SBHE legal requirements such as statutory authority, open meeting and open records requirements.	1	2	3	4	5
I conform to and advocate the SBHE’s belief’s and core values.	1	2	3	4	5

Duty of Loyalty

Once a decision has been reached, I support the SBHE (the SBHE speaks with one voice).	1	2	3	4	5
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	Disagree			Agree	
My decisions are based on the best interest of the SBHE as a whole – irrespective of my affiliation with individual campuses or constituencies (i.e. faculty, staff, student).	1	2	3	4	5

I know how to record and resolve potential conflicts of interest.	1	2	3	4	5
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Duty of Care

I review the all the SBHE information prior to each meeting.	1	2	3	4	5
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Attendance at SBHE meetings is a high priority for me.	1	2	3	4	5
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I do my best to avoid interruptions from other business or personal matters during SBHE meetings.	1	2	3	4	5
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I listen thoughtfully to SBHE discussions and presentations and avoid distracting side-bar conversations or internet roaming.	1	2	3	4	5
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I exercise due diligence in decision making.	1	2	3	4	5
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My strengths in fulfilling SBHE responsibilities are...

One thing I would like to know more about my SBHE role and responsibilities is....

My goals for improving my own performance as a member of the SBHE over the next 12 months are...