North Dakota State Board of Higher Education
Governance Committee Meeting Minutes
October 25, 2017

The State Board of Higher Education Governance Committee met on Wednesday, October 25, 2017, at 4:00 p.m. CT., Bismarck State College, National Energy Center of Excellence, room 341, 1200 Schafer St., Bismarck, ND, 58501.

Chair Neset called the meeting to order at 4:10 p.m. CT.

Members Present:
Ms. Kathleen Neset, Chair
Mr. Mike Ness
Mr. Nick Hacker

Others Present:
Dr. Mark Hagerott, Chancellor
President Mason, VCSU
Mr. Chris Wilson, NDSU
Ms. Tammy Dolan, NDUS
Mr. Richard Rothaus, NDUS
Ms. Terry Meyer, NDUS
Ms. Laura Schratt, NDUS
Ms. Kristie Hetzler, NDUS

1. **Agenda**
   Ness moved, Hacker seconded, to approve the agenda with an amendment to include discussion on the number of annual Board meetings and the Chancellor's evaluation process.

   Ness, Hacker and Neset voted yes.

2. **Meeting Minutes**
   Ness moved, Hacker seconded, to approve the September 21, 2017, meeting minutes.

   Ness, Hacker and Neset voted yes.

3. **Two-year Presidential Evaluations**
   Chancellor Hagerott proposed a draft for the two-year Presidential evaluation process and timeline. The Committee members discussed and agreed that per policy, this would fall under the discretion of the Chancellor. The policy will remain to have the flexibility it currently has with the Chancellor having the authority in the presidential evaluation process. The Chancellor will create a summary for each evaluation and

present it to the Board at the appropriate time. No Committee action is necessary at this time; however, the information will be included in the Committee's report to the full Board on November 30, 2017.

4. **Board Development**

Laura Schratt proposed options for Committee members to consider for further Board development and the following were identified:

- Review 100 series of policy
  - ➤ Constitutional and Statutory Authority.
  - ➤ Mission and Vision of the North Dakota University System.
  - ➤ Beliefs and Core Values of the State Board of Higher Education.
  - ➤ Authority and Responsibility of the State Board of Higher Education.
  - ➤ Institution Mission Statements.
- Review the SBHE Committee duties and responsibilities
  - ➤ It was noted that each SBHE Committee, NDUSO employees, and campus leadership have various policies that they review and/or recommend amendments to, prior to full Board review and approval. That process will remain in place and Committees will prioritize policy review to address the ones with greater deficiencies.
  - ➤ The Committee recommended that the Committee duties and responsibilities be a part of Board orientation.
  - ➤ The Committee will review the process of Committee assignments.
  - ➤ The Committee agreed there is not a need for the creation of more committees. The system office will map out any areas, such as, HR and IT, that are outlying, to determine which current Committee would review issues and/or concerns that need Board level attention.
- Review the Roles and Responsibility Taskforce Report
  - ➤ The Chancellor's Cabinet is currently reviewing the report and a future meeting between them and the SBHE Governance Committee will take place to review and/or amend the report to reflect the current structure.
- Review the process for the Chancellor's evaluation
  - ➤ The current process is within policy; however, the Committee members agreed it would be helpful to the Board Chair and Vice Chair to have clearer guidelines laid out.
  - ➤ Members of the Committee indicated the Board should work with Legislation to authorize the review of the Chancellor's contract to be held during an executive session, as it is for the Presidents.
- Training in Communication
  - ➤ The Committee agreed to have Laura Schratt identify an outside resource to recommend best practices and protocol for Board communication.
- Discuss new draft legislation
  - ➤ Members discussed drafting legislation to allow the Governance Committee to meet and discuss potential legislative changes at the earliest stage possible to ensure they have the opportunity to work with the legislators on issues that impact higher education. They agreed Governance is the appropriate Committee to monitor draft bills and recommended proposing a communication plan to legislators that

would allow them to discuss potential changes outside the open meeting laws.

5. **Board Survey**

Laura Schratt presented an illustration of the functionality of a Qualtrics survey tool for a Board self-assessment. The Committee agreed it will be an effective tool and would be completed in January or February of 2018. They also discussed the benefit of quarterly surveys and will continue to discuss.

6. **Information Technology Thresholds**

Chancellor Hagerott indicated that currently there is no mechanism to review IT/CYBER and other issues that may rise to the level of requiring Board input and/or direction. As noted during the Committee discussion regarding the responsibilities of the Committees, the Governance Committee will recommend which Committee is appropriate to review a specific issue on a case by case basis.

Additional Items Discussed:

The Chancellor's evaluation process was discussed during agenda item four.

The Committee reviewed two options for the 2018 meeting schedule and agreed the full Board should meet monthly; four of those meeting will be face-to-face and the others via technology. They also confirmed that it is at the Board Chair's discretion to change, cancel, and/or add meetings to the calendar.

The meeting adjourned at 6:05 p.m. CT.

Approved December 14, 2017.

1. **Issue:** Proposed modification to current President Evaluation Process

2. **Proposed motion:** Approve the modified President Evaluation Timeline as presented

3. **Background:** The current process for evaluating presidents has all 11 being conducted at the same time every year (May/June). With this in place, it is very difficult to spend the necessary time to focus on key results from each tier when all 11 eleven are completed and reported within a small period of time. Further, it does not provide the board the opportunity to review results based on the mission of the college or university, rather all goals/results are presented together and provides an overwhelming amount of information.

The modified process will shift the 2 Year campuses in such a way that their evaluations will be done in October/November while the 4 Year campuses will remain unchanged. This will allow for a more focused review that can take into account the mission of the college or university.

4. **Financial implications:** None

5. **Academic implications:** None

6. **Legal/policy issues:** SBHE Policy 305.1 and 604.1

7. **Review Process:** SBHE Governance Committee

8. **Enclosures:** President Evaluation Timeline

9. **Contact person:** Ryan Jockers, ryan.jockers@ndus.edu , 701-224-2708

10. **Chancellor's Recommendation:** Approve

SUGGESTED NEW EVALUATION SCHEDULE

President Evaluations

- Presidents be asked to submit their initiatives and goals every year.
    - Goals will be submitted at the same time every year for all tiers
    - This will be after board reviews strategic plan, typically in August
    - The goals and initiatives that are submitted can be either an annual or span 3 – 5 years; however all initiatives and goals will be reviewed annually for performance and status reports
    - Chancellor will need to share with presidents in advance that their goals will be 3 – 5 year goals
- *Note: 2 Year Presidents will have a "Transitional Evaluation" conducted in Spring 2018 to provide a basis for contract renewal in June 2018.*

Proposed 2017-18 President Evaluation Schedule

Tier	Send Notice From Chancellor	Presidents Upload Data into SPOL	Chancellor -Reviews Final Goal Submissions -Presents to Board for Approval	Chancellor Reviews Results and Conducts Evaluations	Chancellor Report to Board on Presidential Evaluations for Previous Year
2 Year Campuses	July 2017	August 2017	September 2017	Sept/Oct 2018	October 2018
4 Year Campuses	July 2017	August 2017	September 2017	May/June 2018	June 2018
Research Campuses	July 2017	August 2017	September 2017	May/June 2018	June 2018

Month	2 Year Campuses	4 Year Campuses	Research Campuseses
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			
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			
December			

Month	2 Year Campuses	4 Year Campuses	Research Campuseses
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	***Transitional Evaluation Conducted***	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			
August	**Presidents Set Goals set for 2018-19** Chancellor send notice to presidents to evaluate 2017-18 goals	**Presidents Set Goals set for 2018-19**	**Presidents Set Goals set for 2018-19**
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			
December			

Month	2 Year Campuses	4 Year Campuses	Research Campuseses
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			
August	**Presidents Set Goals set for 2019-20** Chancellor sent notice to presidents to evaluate 2018-19 goals	**Presidents Set Goals set for 2019-20**	**Presidents Set Goals set for 2019-20**
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			
December			

Month	2 Year Campuses	4 Year Campuses	Research Campuseses
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			
August	**Presidents Set Goals set for 2020-21** Chancellor sent notice to presidents to evaluate 2019-20 goals	**Presidents Set Goals set for 2020-21**	**Presidents Set Goals set for 2020-21**
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			
December			

State Board of Higher Education – North Dakota

Potential Discussion Areas for Board Improvement

Based on the State Board of Higher Education Self-Evaluation - For the Fiscal Year ended 6/30/17

Background

In June 2016, North Dakota University System (NDUS) Audit Services completed an interview process with members of the State Board of Higher Education (SBHE). The questions/statements were from the SBHE Board Development Instrument (BDI) document created by the SBHE Governance committee and approved by the full SBHE on May 15, 2017.

The resulting report included summary observations as well as the detailed responses and was included on the June 26, 2017 annual SBHE retreat agenda. The SHBE Governance Committee was to discuss the report and determine next steps.

Potential Improvement Areas

Six general categories were included as part of the BDI. Strengths and potential areas for improvement were noted in each category. The below highlights some of those areas and includes excerpts *(in blue italic quotes)* from "Public University Systems: A Checklist for Success" by Thomas C. Meredith, to aid in the SBHE Governance Committee discussion.

- *Policy*
  - Improve understanding of current board mission, values, authority and responsibility (located in the SBHE Policy 100 series), as well as committee roles (located in the SBHE Policy 300 series). What form could this take?
  - Should there be a regular review of the bylaws and other SBHE policies?
  - What is the role of the board regarding issues that have a greater degree of controversy (Music therapy, Faculty sick leave)? If a greater degree of involvement is recommended, how can this be achieved?
  - Should the goals of the SBHE be reviewed and narrowed or refined, should metrics be included?

  "The system board should regularly evaluate its bylaws and policies to make sure they are still viable."
  "The board should ask for key data points and evidence of institutional and student success and effective use of resources, and be willing to share that information publicly."

- *Relationship with the Chancellor*
  - Transparency on the goals and priorities of the Chancellor as well as the review process. Do all members understand the current process, and has there been discussion of the continued acceptance of this process?
  - Is there a way to make this process more data driven, and use metrics?

  "The board should annually assess the system head and make decisions regarding his or her contract and compensation."
  "The system should establish a uniform data collection and analysis system that enhances management decisions and accountability."

- *Meeting Process/Effectiveness*
  - The committee structure is supported, can it be improved? Do all members understand the responsibility and role of each committee, especially prior to appointment?
  - Is there a clear path for the wide variety of issues that the system continues to face? For example, academic issues go to the ASA committee, financial issues go to the BFC committee, audit issues go to the AC, but what is the path for important IT or HR issues?

  "Every meeting should be a model for how intelligent and dedicated adults handle the business that impacts so many people."

- *Communication*
  - Board members want the Board Chair to be the voice of the board, should this be formalized?
  - How does that effect what the other board members can say with regard to board business?

  "The system should provide a unified voice to the governor and the legislature on all matters."
  "The system board and the office should make transparency and communication it hallmarks."

- *Reflections on the Past Year*
  - Continue to build upon the improved relationship with the legislature, and foster a positive relationship with the new governor. How can this be achieved?
  - Should the SBHE be more involved with potential new legislation that may be needed to preserve, protect or enhance the strategic goals of the NDUS?

  "A close working relationship with political leaders, economic development leaders…will forge new partnerships that will demonstrate the essential nature of higher education?

- *Final Comments*
  - Can the board do a better job of preparing new members?
  - Should the board request that the current "new" members participate in an assessment?
  - Are the member term lengths appropriate, especially concerning the staff and faculty roles, which are only one year?
  - Should the board look at "incoming" or "elect" types of roles for one to learn prior to taking the position?