

North Dakota State Board of Higher Education
Governance Committee Meeting Minutes
October 17, 2019

The State Board of Higher Education Governance Committee met on Thursday, October 17, 2019, at 7:30 a.m. CT., via conference call, originating from the North Dakota University System Office Conference Room, State Capitol, 10th floor, 600 E. Boulevard Ave., Bismarck, ND 58505.

Mr. Traynor called the meeting to order at 7:33 a.m. CT.

Members Present:

Mr. Dan Traynor (Chair)
Mr. Nick Hacker
Ms. Jill Louters

Others Present:

Chancellor Hagerott
President Shirley, MiSU
Mr. Chris Wilson, NDSU
President Darling, LRSC
President LaFave, VCSU
Interim President Wynne, UND (departed 8:00 a.m.)
Ms. Karol Riedman, NDUS
Ms. Kristie Hetzler, NDUS
Ms. Lisa Johnson, NDUS
Ms. Terry Meyer, NDUS
Mr. Darin King, CTS
Ms. Tammy Dolan, NDUS
Ms. Laura Schratz, NDUS
Mr. Eric Olson, Asst. A.G. and General Counsel

1. **Agenda**

Louters moved, Hacker seconded, to approve the agenda.

Hacker, Louters, and Traynor voted yes.

2. **Meeting Minutes**

Hacker moved, Louters seconded, to approve the September 18, 2019, meeting minutes.

Louters, Hacker, and Traynor voted yes.

Mr. Hacker requested confirmation on motions and roll call for item four on the September 18 meeting minutes and to only report back if there were any amendments needed to the minutes.

3. **Presidential Contract and Policy 305.1 Institution President Authority and Responsibilities; Contract Terms**

Committee Chair Traynor reviewed a proposed draft [Presidential contract template](#) for initial contracts and an amendment to [policy 305.1](#) (paragraph 7, section a):

(Proposed policy amendment) Presidents are hired at the pleasure of the SBHE. Each president shall have a written contract. The Chancellor shall annually evaluate a president's performance and report on the evaluation to the SBHE.

- a. Presidents shall have an initial appointment of ~~three~~ five years and may receive subsequent appointments between one and three years in duration.

Mr. Traynor explained his recommendation for an initial Presidential contract from three to five years, does not change the buyout terms. The buyout terms would remain restricted to one year to eliminate any further financial impact.

The Committee members discussed the following:

- o The effects on current presidential contracts
- o If and/how to reconcile the current presidential contracts
- o Five-year contracts allow a new President to make difficult decisions with more recovery time
- o Concerns with section 3h:
 - h. Complying at all times with the rules of the athletic association(s) to which the institution belongs, including but not limited to, providing and ensuring complete cooperation in the investigations and infractions process by the [School]
- o Concerns with strong language in 9e:
 - e. A finding by the State Auditor's Office, the SBHE Office of Compliance or Internal Audit, or any outside auditor of fraud, misappropriation, or fiscal misconduct by [President]; provided that all reviews and appeals related to any such finding have been exhausted.
- o Legal counsel indicated concerns in 9e are addressed in first paragraph of 9, explaining the language is flexible
- o Appeal process
- o State Law due process
- o Presidents allowed independent legal counsel
- o Whether or not policy or the contract supersede
- o Compensation for newly hired Presidents

Louters moved, lack of second, to amend policy 305.1, amending the current initial Presidential contract from three years to a five-year term.

Motion fails for lack of a second.

Hacker moved, Louters seconded, to recommend approval of the contract, with amendments to remove 3h, modify sections 6e and 9e, as discussed.

Hacker and Louters voted yes. Traynor voted no.

Motion passed.

4. **Policy 308.3 Political Activities**

Ms. Lisa Johnson reviewed proposed amendments to [policy 308.3](#). She indicated she would be attending the North Dakota Student Association (NDSA) meeting at UND on Friday, along with Mr. Olson, to gather more input.

Hacker moved, Louters seconded, to postpone consideration for policy 308.3 until the next Governance Committee meeting, to allow time for the NDSA to meet.

Louters, Hacker, and Traynor voted yes.

5. **Policy 308.4 Conflict of Interest**

Ms. Karol Riedman reviewed proposed amendments to [policy 308.4](#). Legal counsel and the committee members discussed concerns with the language included in the amendments, noting the concerns will be addressed at the full Board meeting if recommended for approval.

Louters moved, Hacker seconded, to recommend approval of policy 308.4.

Hacker and Louters voted yes. Traynor voted no.

Motion passed.

6. **Prioritization of Board Self-evaluation**

Ms. Laura Schrott presented a draft list that [prioritizes subjects](#) committee consideration. The committee discussed some items listed are currently being worked on and moved forward through councils, cabinet, and committees. The committee will continue to give a status report to the full Board regarding the topics and allow them to request additional topics be reviewed by Governance.

Louters moved, Hacker seconded, to recommend approval of the draft priority list, and further allow the full Board to make additions and/or amendments to list, as needed.

Louters, Hacker, and Traynor voted yes.

7. **Improving NDUS Efficiencies**

At the Committee's request from the September meeting, the Chancellor's office staff requested input on [improving NDUS efficiencies](#) through several NDUS councils:

- o Chief Information Officers Council
- o Human Resource Council
- o Academic Affairs Council
- o Student Affairs Council
- o Admin Affairs Council
- o Public Affairs Council
- o Diversity Council (quarterly) no meeting took place in October
- o Chancellor's Cabinet

The NDUS councils have representatives from each campus that participate in monthly meetings. At this time there were no recommendations; however, between now and the full Board meeting, the campuses can contact the system office with input that will be reported during the full Board meeting on September 26th.

8. **Advocacy for Chancellor Contract**

Ms. Tammy Dolan presented a legislative bill draft that advocates for closed session (executive session) for the [Chancellor's performance](#) evaluation and contract terms be conducted in the same manner as the campus Presidents.

The Committee discussed engaging the Interim Legislative Committee at an early stage, maintaining a buyout provision that aligns the Chancellor with Presidents, State law, and Board policy. The Committee members agree to table until the system office begins the process of creating bill drafts and will re-visit at that time. Mr. Traynor requested Mr. Olson review policy 304.1 and propose amendments needed to be considered.

9. [SBHE Committees](#)

Committee Chair Traynor requested postponing item 9 until the next meeting due to time limitations.

Hacker moved, Louters seconded, to postpone item 9, SBHE Committees, until their next meeting.

Louters, Hacker, and Traynor voted yes.

The meeting adjourned at 8:44 a.m. CT.

Approved February 21, 2020.