

**North Dakota State Board of Higher Education  
Governance Committee**

November 12, 2019, Special Meeting Minutes

The State Board of Higher Education Governance Committee met on Tuesday, November 12<sup>th</sup>, at 12:15 p.m. CT, via conference call, originating from the Capitol, 10<sup>th</sup> floor NDUSO Conference room, 600 E. Blvd. Ave., Bismarck, ND, 58505.

Chair Traynor called the meeting to order at 12:15 p.m. CT.

Members Present:

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

Others Present:

Chancellor Hagerott  
President Shirley, MiSU  
President Bresciani, NDSU  
President LaFave, VCSU  
Ms. Karol Riedman, NDUS  
Ms. Kristie Hetzler, NDUS  
Ms. Terry Meyer, NDUS  
Mr. Darin King, CTS  
Ms. Laura Schratt, NDUS  
Dr. Kenneth Hellevang, CCF  
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. **Initial Presidential Contract**

Mr. Traynor provided an update on the status of past and current discussions regarding initial contracts for presidents, the discussions resulted in today's [draft version](#) to discuss further. Mr. Olson provided background information and an overview of the contract contents. The committee discussed and determined to vote on individual amends as follows:

Previously, there were some discussions expanding the current initial presidential contract format to include additional protections for the system and the institutions, along with adding additional details more specifically outlining presidential duties and expectations. The previous version was an eleven-page draft that was reviewed by the Chancellor's Cabinet on September 11, 2019 and October 9, 2019, with significant negative feedback from the Presidents. That version of the draft contract was recommended for approval by the Governance Committee on October 17, 2019, by a 2-1 vote, with additional discussions surrounding the term of the agreement. That first version of the contract came to the SBHE for review on October 24, 2019. After lengthy

discussion, along with concerns regarding the length, complexity, speed, and concerns regarding the lack of incentives in the contract, the SBHE voted not to approve the draft contract by a vote of 1-5.

After the October 24, 2019 SBHE meeting, the chair of the Governance Committee worked with legal counsel, based on additional feedback received, to revise the draft contract to resolve the concerns of the SBHE and the institution presidents. The major revisions are as follows:

1. **Streamlining:** The lengthy recitation of presidential duties and responsibilities that largely duplicated policy has been removed, as has the discussion of possible reasons for a “for-cause” suspension or dismissal. Where possible, other information which duplicates state law or SBHE Policy was removed or streamlined.
2. **Faculty Appointment:** An express faculty appointment provision has been included, along with provisions relating to return rights in the event of termination or resignation. If a President is granted tenure by the SBHE pursuant to Policy 605.1, then return rights would be governed by that policy. If a President does not have tenure, then the President would be granted a faculty contract, which would be subject to normal faculty contract renewal.
3. **Compensation:** The new draft includes a number of changes to presidential compensation. First, Paragraph 4(a) includes a provision allowing the SBHE to offer performance incentives of up to 25% of base salary for the achievement of concrete goals set by the SBHE in a separate agreement. Second, a provision was added permitting an affiliated foundation to provide a vehicle for presidential use as a cost-free lease. Third, a provision was added waiving any waiting period for any Family Tuition Waiver program.
4. **Outside Activities:** The outside activities provision was significantly streamlined, to require advance notification or permission only if a paid outside arrangement would require a substantial time commitment, while requiring the president to comply with state law and conflict of interest policies.
5. **Resignation Before End of Term (Recruitment Fee)** – The recruitment fee was completely restructured and streamlined. As written, if the president intends to resign and accept a new executive position at an institution or system of higher education within 90 days of resigning, the president must: a) provide 60 days’ notice and b) pay a sliding scale recruitment fee. The recruitment fee is set as a specific value, which will decrease by 33% of the total for each contract year the president completes. Additionally, a provision was added allowing the Chancellor to waive the recruitment fee in consultation with the SBHE Chair.

The committee discussed further, President Bresciani raised concerns regarding the contract: 1) faculty appointment provision 2) recruitment fee provision 3) lack of other incentives, including clarification of potential 25% incentive and how it would be managed. President Shirley also expressed concern regarding president(s) being granted/not granted tenure.

The Committee noted the tenure concern and agreed those concerns should be discussed at the Academic and Student Affairs Committee (ASAC). Ms. Louters, the Chair of the ASAC will follow-up and report back to the Governance Committee.

Hacker moved, Louters seconded, to amend paragraph 5, adding the word “paid” in last sentence:

[President] shall disclose and obtain prior written permission from the Chancellor, which shall not be unreasonably withheld, for paid outside arrangements which would require a substantial time commitment.

Louters, Hacker, and Traynor voted yes.

Hacker moved to adjust the incentive from 25% to 15%.

Motion failed due to lack of second.

Hacker moved, Louters seconded, to include "initial" presidential contract in the title of the document.

Louters, Hacker, and Traynor voted yes.

Louters moved, Hacker seconded, to approve the contract as amended.

Hacker, Louters, and Traynor voted yes.

The meeting adjourned at 12:50 p.m. CT.

Approved February 21, 2020.