

**Information Item  
on BOR policies for  
Executive Officer Review & Stewardship Assessment  
May 2018**

**Summary:**

**Three BOR policies on the Commissioner’s performance review, Presidents’ performance reviews and the BOR’s stewardship self-study were last updated in 1999 and 2001.** These three policies appear in “Addendum A” on Pages 3 through 6 of this document. An alternative replacement policy, such as the draft below that concludes on Page 2, is an option for BOR consideration. **Consolidating the three policies into one may improve clarity of timelines while preserving reasonable BOR discretion and flexibility to schedule procedures and related meetings as needed.**

The BOR may consider the following draft policy to be a preferable alternative to the three current policies that appear in “Addendum A” on Page 3 through 6 of this document:

***DRAFT***

BOR Executive Officer Review & Board Stewardship Assessment  
Policy 705.1

It is the policy of the Board of Regents to maintain effective leadership qualities in the executive officers and the board stewardship of the Montana University System. Evaluation of administrative leadership and assessment of board stewardship are important to ensure high-quality system management for the people of Montana.

An evaluation of the Commissioner of Higher Education and University Presidents shall be conducted annually in accordance with these procedures. In accordance with Montana law, individual performance review meetings will be held in executive session unless the Commissioner or President who is subject to the review waives his or her right to privacy.

I. Commissioner’s Performance Review

- A. The Commissioner’s annual performance review will normally occur in July following the June 30 end of the Fiscal Year. The Board retains the prerogative to schedule the review meeting for a month other than July.
- B. The central component to begin the review dialog shall be a concisely written management-review statement by the Commissioner of three to five pages. The Commissioner shall have wide latitude in this report but it should include some context with regard to BOR strategic goals. The report also should include a manageable number of performance goals for the year ahead and status of progress on goals discussed in the prior year’s review.
- C. In a calendar year that contains a regular legislative session (i.e., the odd-numbered year), the review shall include executive performance in the legislative session.

- D. In an even-numbered calendar year, the review shall include input from two to three internal MUS stakeholders and two to three external stakeholders who shall be selected through consultation between the Commissioner, Board Chair and Board Vice Chair.

## II. Presidents' Performance Review

- A. The Presidents' annual performance reviews will normally occur in July following the June 30 end of the Fiscal Year. The Board retains the prerogative to schedule the review meeting for a month other than July.
- B. The central component to begin the review dialog shall be a concisely written self-review document submitted to the Commissioner, along with a written review by Commissioner in response to the President's self-review.
- C. The President's report shall be three to five pages in length, addressing progress toward BOR strategic goals and other goals and challenges deemed pertinent by the President and Commissioner.
- D. Every other year (i.e., once every two years), a President's review shall include input from two to three internal MUS stakeholders and two to three external stakeholders who shall be selected through consultation between the President and Commissioner.

## III. Board Stewardship Assessment

The Board shall conduct a self-study of its stewardship at least every four years. The Board retains the discretion to adjust the timing and scope of the stewardship assessment as needed. The Board delegates to the Commissioner and Board Chair the responsibility to plan and arrange the self-study work sessions. The board may choose to use an external facilitator or consultant.

# **ADDENDUM A**

## **CURRENT BOR POLICIES 705.1, 705.2 AND 705.4**

**LAST REVISED IN 1999-2001**

### **Commissioner & Board Performance Assessment and Compensation Procedure Policy 705.1; 2001**

Board Policy:

A. Recognizing the importance of having exceptional leadership throughout the Montana university system (MUS), and that each of us, our enterprise, and the people it serves benefit professionally and personally from constructive reviews of how we exercise our responsibilities, the Montana Board of Regents (BOR) establishes this policy on the evaluation of the commissioner of higher education (CHE) and the BOR. In doing so, the board acknowledges the importance of meeting its responsibilities, with the commissioner, for effective institutional governance and management. Compensation adjustments are considered subsequent to the performance assessment process.

B. The board shall review the commissioner's stewardship annually, and subsequently decide compensation adjustments. In the spring of each year (and before expiration of the commissioner's contract) the CHE shall review with the BOR the performance and activities of his office and the MUS as a whole during the past year and also goals for the coming year. At the request of the commissioner, this review may be conducted during an executive session of the BOR.

C. This process shall be elaborated in a separate procedural statement and periodically revised and brought to the board for approval. The heart of the process shall be a written self-assessment by the commissioner and will include a report on the goals and objectives from the previous 12-month period (as previously agreed upon by the commissioner and the board). It also shall include proposed goals and objectives for the subsequent 12 months. Other questions to be addressed by the commissioner and other information about the MUS's condition and progress will be agreed upon with the commissioner in advance and will be appended to his or her written statement. The full board and the commissioner shall conduct this process.

D. The board shall conduct a self-study of its stewardship every three or four years.

E. This process shall be elaborated in a separate procedural statement and periodically reviewed by the board. The heart of this process will be written assessments from all board members. The board will determine the appropriate format of the self-assessments. The chair of the board and the commissioner will

have responsibility for planning and reviewing with the full board the specific arrangements for the meeting where this self-study will be brought to completion. The board may choose to use an external facilitator or consultant.

F. At least once in every five-year period of the commissioners' incumbency, or as the BOR shall determine, the commissioner and BOR shall participate in a comprehensive joint-review process conducted by external consultants. The estimated expense shall be included in the budget for the appropriate year.

G. Assuming the CHE and the BOR are prepared to renew a long-term commitment to one another, the two parties should mutually decide on the timing and details of a process by which a third party can assess the institution's management and governance. This process shall be elaborated in a separate procedural statement and brought to the board for approval. The heart of this process shall be personal interviews with the commissioner, board members, and appropriate individuals as well as solicitation of input from both internal and external stakeholder groups, organizations and groups. Because the special focus of the process will be on the chief executive-board relationship and on matters of broad institutional management and governance, one or two qualified external consultants may be retained to ensure that the process is objective, candid, and effective.

H. In an executive session, the commissioner will review with the BOR the performance of upper-level administrators during the past year and salary adjustments, which will be proposed for the coming year.

### **Performance Evaluations; Presidents Policy 705.2; 1999**

I. Board policy:

An evaluation of the performance of each president within the Montana university system (MUS) shall be conducted annually in accordance with these procedures.

II. Procedures:

A. In the spring of each year in open session each president will review with the Board of Regents (BOR) and the Commissioner of Higher Education (CHE) institutional activities during the past year and also institutional goals and objectives for the coming year.

B. The BOR and CHE will review with each president his personal performance during the past year and indicate any specific matters they wished to have addressed during the coming year. This portion of the review may be in executive session if requested by the president.

C. In executive session each president will review with the BOR and CHE the performance of upper-level administrators during the past year and salary adjustments which will be proposed for the coming year.

## **Annual Commissioner's Performance Review Policy 705.4; 2001**

### I. Board Policy

This supplements the Board's standing policy concerning commissioner and board performance reviews. It details the purposes and process by which the commissioner's performance shall be reviewed each year.

### II. Purposes

The purpose of the evaluation process is to enable the commissioner to strengthen his or her performance, to foster professional development, to enable the commissioner and board to set mutually agreeable goals, and to inform annual decisions on compensation adjustments and other terms of employment.

### III. Responsibility

It shall be the board's responsibility to assess the commissioner's performance and to solicit the views of other leaders within and outside of the institution. For the purposes of annual commissioner reviews, however, the process shall be a private matter between the board and the commissioner and may be conducted in executive session at the request of the commissioner. The board delegates to the board chair the responsibility for organizing and conducting the performance review process with the commissioner.

### IV. Process

A. The heart of this process shall be a written management-review statement by the commissioner in a format and timetable mutually agreed upon with the board. The commissioner will have wide latitude in the format of this report but it should present a clear picture of the Montana university system's (MUS) academic and financial progress and condition, and use appropriate qualitative and quantitative benchmarks. It should highlight the commissioner's major achievement and concerns and include explanations of underperformance in specific areas. It should also document the MUS's record of service to the state of Montana, the major improvements in and current condition of the physical plant, and overall morale. The commissioner should reflect on his or her leadership style and effectiveness, working relations with system members and other public and private leaders, and with the broader higher education communities. References to preceding annual performance reviews are appropriate.

B. The commissioner will also propose a manageable number of goals for the coming twelve months (usually between five and ten goals). The commissioner will also suggest measurable performance levels for each goal so the board can decide in advance what constitutes poor, acceptable, or outstanding levels of performance. The board and commissioner will then jointly agree upon the goals and levels of performance for each. At the end of the reporting period, the board and the commissioner will then measure the commissioner's performance against the objectives that have been jointly agreed upon.

C. Normally, unless revised by the board in consultation with the commissioner in the intervening period, the commissioner's management-review statement will retain the same format. This statement, along with any supplemental information the board may have requested of the commissioner, shall be sent to all board members at least 30 days before the board meeting at which the commissioner's review process and goals will be discussed (with the commissioner present). Because this statement constitutes a potentially sensitive personnel matter, all board members will treat it as strictly confidential information. The board meeting at which the commissioner's annual performance review is conducted will be completed prior to the termination of the contract period for the commissioner. After the performance review of the commissioner, the chair of the board, with assistance from other members as necessary, will draft a written, confidential summary of the board's evaluation for consideration by the board at the next meeting.

D. At the board's next regularly scheduled meeting, in an executive session (if requested by the commissioner), the board shall engage the commissioner in a discussion of the commissioner's goals for the subsequent year and the Board will then approve the result. The board will also modify (if necessary) and ratify the written performance review of the commissioner prepared by the board chair. This meeting is intended for the board and the commissioner to have a wide-ranging discussion about the conduct of the Commissioner within the context of the MUS's progress. The board, of course, reserves the right to adjust the proposed goals and priorities. At this time the board will also review the commissioner's job description and make adjustments as is deemed necessary.

## V. Outcomes

Following discussions with the Commissioner about the Commissioner's performance, and following agreement on his or her goals for the next twelve months, the Board shall, in an executive session, receive, discuss, and ratify the recommendations for the next year's goals.