

BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 16, 2015

TAB	DESCRIPTION	ACTION
1	AMENDMENT TO BOARD POLICY Section II – Human Resources, Section H., Coaches and Athletic Directors - First Reading	Motion to approve
2	AMENDMENT TO BOARD POLICY Section II – Human Resources, Sections F., L., and M., Second Reading	Motion to approve
3	AMENDMENT TO BOARD POLICY Section II.R. – Retirement Plans Committee., Second Reading	Motion to approve
4	UNIVERSITY of IDAHO New Position Approval – Vice President for Infrastructure	Motion to approve

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SUBJECT

Board Policy II.H. – Coaches and Athletic Directors, First Reading

REFERENCE

August 2014

Idaho State Board of Education approved 2nd reading to Policy II.H. regarding academic incentive payment provisions in coach contracts

APPLICABLE STATUTES, RULE OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section II.H.

BACKGROUND / DISCUSSION

At the February 5, 2015 meeting of the Athletics Committee, the Chair discussed possible revisions to Board Policy II.H. to allow for multi-year contracts for assistant coaches and contracts in excess of three years upon showing of extraordinary circumstances. The Committee also discussed how and where liquidated damages should be included in Board Policy II.H. The Committee directed staff to draft revisions that required liquidated damages for assistant coaches under multi-year contracts without requiring liquidated damages for contracts of one year or less.

The institutions provided feedback indicating it was industry standard for liquidated damages to decrease in the later years of the contract to reward the coach for staying longer. The institutions also stated it was best to provide provisions for multi-year contracts in policy, but to leave the amounts and timing for liquidated damages out of policy as those are items negotiated between the coach and institution.

The Committee requested the institutions provide comparable liquidated damages for similar conference coaches, including assistant coaches, when bringing multi-year contracts to the Board. The institutions suggested that liquidated damages for assistant coaches should become void if the head coach leaves, and that this should be included in Board policy as the force of policy provides support during contract negotiation. The Business and Human Resources Committee determined the policy should be permissive such that each institution could negotiate in an assistant coach contract whether a liquidated damages clause is void if the head coach leaves.

Material changes to the policy include the following:

1. The policy is extended to assistant coaches;
2. The maximum term of a contract is increased from three years to five years;
3. A liquidated damages clause for an assistant coach may be void upon the departure of the head coach; and
4. Codification of required supporting documents and information for contracts.

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IMPACT

Proposed revisions sets out provisions in regard to assistant coaches.

ATTACHMENTS

Attachment 1 – Section II.H. – First Reading

Page 3

STAFF COMMENTS AND RECOMMENDATIONS

Staff finds that the proposed changes are either consistent with prevailing practice or appropriate given the totality of the circumstances. Staff recommends approval.

BOARD ACTION

I move to approve the first reading of the proposed amendment to Board policy Section II.H, as presented.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

Idaho State Board of Education

GOVERNING POLICIES AND PROCEDURES

SECTION: II. HUMAN RESOURCES POLICIES AND PROCEDURES

Subsection: H. Coaches and Athletic Directors

August/June 2014/5

1. Agreements Longer Than One Year

The chief executive officer of an institution is authorized to enter into a contract for the services of a ~~head~~ coach or athletic director with that institution for a term of more than one (1) year, but not more than ~~three-five~~ (35) years, subject to approval by the Board as to the terms, conditions, and compensation there under, and subject further to the condition that the contract of employment carries terms and conditions of future obligations of the coach or athletic director to the institution for the performance of such contracts. ~~All such contracts must contain a liquidated damages clause provision in favor of the institution, applicable in the event that the coach or athletic director terminates the contract for convenience, in an amount which is a reasonable approximation of damages which might be sustained if the contract is terminated.~~ A contract in excess of three (3) years, ~~or a (whether fixed or rolling) three (3) year contract, may be considered by the Board upon the documented must showing of~~ extraordinary circumstances. ~~All contracts must be submitted for Board approval prior to the contract effective date. Each contract for the services shall follow the general form approved by the Board as a model contract. Such cContracts shall define the entire employment relationship between the Board and thea coach or athletic director and may incorporate by reference applicable Board and institutional policies and rules, and applicable law. The June 2014 Board revised and approved multiyear model contract is adopted by reference into this policy. The model contract may be found on the Board's website at <http://boardofed.idaho.gov/>.~~

- a. Each contract for the services shall follow the general form approved by the Board as a model contract. The June 2014 Board revised and approved multiyear model contract is adopted by reference into this policy. The model contract may be found on the Board's website at <http://boardofed.idaho.gov/>.
- b. All such contracts must contain a liquidated damages clause provision in favor of the institution, applicable in the event that a coach or athletic director terminates the contract for convenience, in an amount which is a reasonable approximation of damages which might be sustained if the contract is terminated.
 - i. If a head coach resigns or is terminated and there is one or more assistant coach for the same sport on a multi-year contract, the liquidated damages clause for the assistant coach(es) may be waived.
- c. Contracts submitted for Board approval shall include the following supporting documentation (either in the agenda cover page or as an attachment):
 - i. a summary of all supplemental compensation incentives;
 - ii. quantification of maximum potential annual compensation (i.e. base salary plus maximum incentive pay);
 - iii. employment agreement (clean version), employment agreement (redline to Board-approved model contract), and for current coaches a redline of proposed employment agreement to current employment agreement;

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- iv. in the case of National Collegiate Athletic Association (NCAA) institutions, a 4-year history of the institution's Academic Progress Rate (APR) raw scores and national average APR scores for the applicable sport;
- v. a schedule of base salaries and incentive payments of all other same sport coaches in the institution's conference; and
- vi. documentation on how the institution arrived at the proposed liquidated damages amount(s), and a summary of publically-available liquidated damages and buyout provisions for coaches of the same sport at all other public institutions in the conference.

d. All contracts must be submitted for Board approval prior to the contract effective date.

a.—

2. Agreements For One Year Or Less

The chief executive officer of an institution is authorized to enter into a contract for the services of a ~~head~~ coach or athletic director with that institution for a term of one (1) year or less and an annual salary of \$150,000 or less without Board approval. Each contract shall follow the general form approved by the Board as a model contract. Such contract shall define the entire employment relationship between the Board and the coach or athletic director and may incorporate by reference applicable Board and institutional policies and rules, and applicable law. The December 9, 2010 Board revised and approved model contract is adopted by reference into this policy. The single-year model contract may be found on the Board's website at <http://boardofed.idaho.gov/>.

3. Academic Incentives

Each contract for a ~~head~~ coach or athletic director shall include incentives in the form of supplemental compensation, separate from any other incentives, based upon the academic performance of the student athletes whom the coach or athletic director supervises. Each year a coach or athletic director may be eligible to receive supplemental compensation based on achievement of the incentive. Awarding supplemental compensation shall be contingent upon achievement of one or more measures including, but not limited to, (in the case of the National Collegiate Athletic Association (NCAA) institutions), the NCAA Academic Progress Rate (APR). The Board shall approve the APR against which achievement of the incentive shall be based (in whole or in part) and the basis for computing the incentive. Information provided to the Board in determining the raw score to be used should include a 4-year history of the institution's APR raw scores and national average APR scores for that sport. Any such supplemental compensation paid to coach or athletic director shall be separately reported to the Board.

4. Part-time Coaches Excepted

The chief executive officer of an institution is authorized to hire part-time ~~head~~ coaches as provided in the policies of the institution. Applicable Board policies shall be followed.

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5. Assistant Coaches

The chief executive officer of the institution is authorized to hire assistant coaches as provided in the policies of the institution. Applicable Board policies shall be followed.

6. Annual Leave

- a. All existing contracts and accrued leave held by coaches at the institutions on the effective date of this policy shall be grandfathered under policy II.F. for purposes of accruing annual leave until the coach's contract renewal.
- b. Following the effective date of this policy, the institutions shall have the authority to negotiate annual leave for all coach contract renewals and new hires using one of the two options below:
 - i. Annual leave may be earned and accrued consistent with non-classified employees as set forth in policy II.F.; or
 - ii. Pursuant to section 59-1606(3), Idaho Code, coaches do not accrue leave, but may take leave with prior written approval from the athletic director. Under this option, any accrued annual leave balance at the time of the coach's contract renewal shall be forfeited or paid off, and the new contract shall document the forfeiture or compensation of that leave.

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SUBJECT

Board Policy II – Human Resources, Sections F., L., and M.

REFERENCE

June 2011

Idaho State Board of Education (Board) approved second reading of Policy V.M.

APPLICABLE STATUTES, RULE OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Sections II.F, II.L., and II.M.

BACKGROUND / DISCUSSION

The proposed amendment rectifies internal inconsistencies in Board policies II.F. and II.L. as follows: (1) Policy II.F. is clarified to read that a non-classified contract employee may appeal non-renewal of their contract only if discrimination prohibited by law is alleged and the chief executive officer is the subject of the allegation; and (2) Policy II.L. strikes conflicting language and clarifies that “Discipline, up to and including dismissal, of an employee is not appealable to the Board.” Policy II.M. is amended to clarify that institution and agency internal policies for grievances and appeals must be exhausted before an employee may seek judicial review.

Section II.F.2. provides that payments in addition to fixed salaries may be authorized by the chief executive officer. A proposed amendment clarifies that such additional payments must be based on meritorious performance or for additional duties beyond those set forth in an employee’s contract. The human resources directors at the institutions also suggested a wording change to clarify and tighten up this amendment, by replacing “a professional annual employee” with “an employee on annual contract or agreement.” “Incentive pay” is defined and included as another eligible payment in addition to a fixed salary. This would be a one-time payment provided to an institution employee for achievement of specific activities, goals or certifications as may be established by the institution in conjunction with certain programs or initiatives. Examples of incentive pay include faculty research incentives, attainment of professional certifications, successful completion of instructional programs, exceeding or attaining certain revenue, production, or underwriting goals. This would not include incentive supplemental compensation for coaches.

IMPACT

The proposed amendments will: (1) make Board policies internally consistent with respect to finality of employment decisions by institutions and agencies; and (2) clarify the circumstances under which payments in addition to fixed salaries may be authorized.

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ATTACHMENTS

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Attachment 2 – Section II.L. – Second Reading	Page 9
Attachment 3 – Section II.M. – Second Reading	Page 11

STAFF COMMENTS AND RECOMMENDATIONS

Two changes were made between 1st and 2nd reading to policy II.F.2.a. as referenced above in the second paragraph under Background/Discussion. Staff recommends approval.

BOARD ACTION

I move to approve the second reading of proposed amendments to Board policy Sections II.F., II.L. and II.M., as presented.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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Idaho State Board of Education

GOVERNING POLICIES AND PROCEDURES

SECTION: II. HUMAN RESOURCES POLICIES AND PROCEDURES

Subsection: F. Policies Regarding Non-classified Employees

~~December~~ April 2014~~5~~

1. Employment Terms

a. All non-classified employees, except those set forth in Section II.F.1.b. below, serve at the pleasure of the chief executive officer, and may be dismissed at any time, with or without cause, and without notice, at the discretion of the chief executive officer.

b. Employment Contracts

i. An institution may provide employment contracts to its non-classified employees. If an institution chooses to offer employment contracts to its non-classified employees, the employment contract must include the period of the appointment, salary, pay periods, position title, employment status and such other information as the institution may elect to include in order to define the contract of employment. Non-classified employees have no continued expectation of employment beyond their current contract of employment.

ii. Non-classified employees, who serve pursuant to contracts of employment containing a stated salary are not guaranteed such salary in subsequent contracts or appointments, and such salary is subject to adjustment during the contract period due to financial exigency (as provided for in Section II.N of Board Policy) or through furlough or work hour adjustments (as provided for in section II.B.2.c of Board Policy).

iii. Each employee must acknowledge receipt and acceptance of the terms of the employment contract by signing and returning a copy to the institution initiating the offer of appointment. Failure or refusal of the employee to sign and return a copy of the employment contract within the time specified in the contract is deemed to be a rejection of the offer of employment unless the parties have mutually agreed in writing to extend the time. Nothing in this paragraph prohibits the institution from extending another offer to the employee in the event the initial offer was not signed and returned in a timely manner. Any alteration by the employee of the offer is deemed a counter-offer requiring an affirmative act of acceptance by an officer authorized to enter into contracts of employment binding the institution.

iv. Each contract of employment shall include a statement to the following effect and intent: "The terms of employment set forth in this contract of employment are also subject to the Governing Policies and Procedures of

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the State Board of Education (or the Board of Regents of the University of Idaho, in the case of University of Idaho), and the policies and procedures of the institution." The contract shall also state that it may be terminated at any time for adequate cause, as defined in Section II.L. of Board Policy, or when the Board declares a state of financial exigency, as defined in Section II.N. of Board Policy. The contract shall also state that it may be non-renewed pursuant to Section II.F.5. of Board Policy.

- v. No contract of employment with such an employee may exceed one (1) year without the prior express approval of the Board. Employment beyond the contract period may not be legally presumed. Renewal of an employment contract is subject solely to the discretion of the chief executive officer of the institution, and, where applicable, of the Board.

2. Compensation

- a. Salary – All non-classified employees shall receive a fixed salary. A payment in addition to the fixed salary for an employee on annual contract or agreement may be authorized by the chief executive officer for documented meritorious performance, to compensate a professional annual employee for short-term work assignments or additional duties beyond what is outlined in an employee's contract or agreement, or as incentive pay. Incentive pay may be paid for achievement of specific activities, goals or certifications as may be established by an institution in conjunction with certain programs or initiatives. All initial salaries for non-classified employees are established by the chief executive officer, subject to approval by the Board where applicable. The Board may make subsequent changes for any non-classified employee salary or may set annual salary guidelines and delegates to its executive director authority to review compliance with its annual guidelines. Any annual salary increase outside Board guidelines requires specific and prior Board approval before such increase may be effective or paid to the non-classified employee. With the exception of the chief executive officers, and other positions whose appointment is a reserved Board authority, approval of salaries shall be effective concurrently with Board approval of annual operating budgets for that fiscal year.
- b. Salaries, Salary Increases and other Compensation related items
 - i. Salaries for new appointments to dean, associate/assistant dean, vice president, and president/vice president direct-report positions may not exceed the median rate for such position established by the College and University Professional Association for Human Resources (CUPA-HR), or its equivalent, without prior Board approval.
 - ii. Appointments to acting or interim positions shall be at base salary rates no greater than ten percent (10%) more than the appointees' salary rate immediately prior to accepting the interim appointment or ninety-five percent (95%) of the prior incumbent's rate, whichever is greater.

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- iii. Overtime Compensation – Non-classified employees earning annual leave at the equivalent rate of two (2) days for each month or major fraction thereof of credited state service are not eligible for either cash compensation or compensatory time off for overtime work. Non-classified employees in positions that are defined as “non-exempt” under the Fair Labor Standards Act earn overtime at a rate of one and one-half (1½) hours for each overtime hour worked. Other non-classified employees may earn compensatory time off at the discretion of the chief executive officer at a rate not to exceed one (1) hour of compensatory time for each hour of overtime worked.
- iv. Credited State Service - The basis for earning credited state service will be the actual hours paid not to exceed forty (40) per week.
- v. Pay Periods - All non-classified employees are paid in accordance with a schedule established by the state controller.
- vi. Automobile Exclusion - Unless expressly authorized by the Board, no non-classified employee will receive an automobile or automobile allowance as part of his or her compensation.

3. Annual Leave

- a. Non-classified employees at the institutions, agencies earn annual leave at the equivalent rate of two (2) days per month or major fraction thereof of credited state service. Twelve-month employees employed at the entities named above may accrue leave up to a maximum of 240 hours. An employee who has accrued the maximum will not earn further leave until the employee's use of annual leave reduces the accrual below the maximum.

Non-classified employees in positions which are covered under the Fair Labor Standards Act earn annual leave [according to § 67-5334 and are in accordance with and](#) subject to the maximum leave accruals in Section 67-5335(2)34, [Idaho Code](#).

- b. Non-classified employees appointed to less than full-time positions earn annual leave on a proportional basis dependent upon the terms and conditions of employment.
- c. Professional Leave - At the discretion of the chief executive officer, non-classified employees may be granted professional leave with or without compensation under conditions and terms as established by the chief executive officer.
- d. Pursuant to section 59-1606(3), Idaho Code, when a classified employee's position is changed to non-classified, or when a classified employee is moved into a non-classified position, and that employee, due to the employee's years of

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service, has an annual leave balance in excess of 240 hours, then the institution may pay the employee as supplemental pay the balance that is in excess of 240 hours.

4. Performance Evaluation

Each institution or agency must establish policies and procedures for the performance evaluation of non-classified employees, and are responsible for implementing those policies in evaluating the work performance of employees. The purposes of employee evaluations are to identify areas of strength and weakness, to improve employee work performance, and to provide a basis on which the chief executive officers and the Board may make decisions concerning retention, promotion, and merit salary increases. All non-classified employees must be evaluated annually. Any written recommendations that result from a performance evaluation must be signed by the appropriate supervisor, a copy provided to the employee and a copy placed in the official personnel file of the employee. Evaluation ratings that result in findings of inadequate performance of duties or failure to perform duties constitute adequate cause as set forth in Section II.L. of Board Policy.

5. Non-Renewal of Non-classified Contract Employees

- a. Notice of the decision of the chief executive officer to not renew a contract of employment must be given in writing to the non-classified employee at least sixty (60) calendar days before the end of the existing period of appointment for annual appointments. For appointments of less than one year, the written notice must be at least thirty (30) days prior to the end of the existing period of appointment. Reasons for non-renewal need not be stated. Non-renewal without cause is the legal right of the Board. If any reasons for non-renewal are provided to the employee for information, it does not convert the non-renewal to dismissal for cause and does not establish or shift any burden of proof. Failure to give timely notice of non-renewal because of mechanical, clerical, mailing, or similar error is not deemed to renew the contract of employment for another full term, but the existing term of employment must be extended to the number of days necessary to allow sixty (60) (or thirty days where applicable) calendar days notice to the employee.
- b. Except as set forth in this paragraph, non-renewal is not grievable within the institution nor is it appealable to the Board. However, if an employee presents bona fide allegations and evidence to the chief executive officer of the institution that the non-renewal of the contract of employment was the result of discrimination prohibited by applicable law, the employee is entitled to use the internal discrimination grievance procedure [set forth in Section II.M.](#) to test the allegation. If the chief executive officer is the subject of the allegations, the employee may present the bona fide allegations and evidence to the Executive Director. The normal internal grievance procedure for discrimination must be used unless changed by mutual consent of the parties. The ultimate burden of proof rests with the employee. The institution is required to offer evidence of its

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reasons for non-renewal only if the employee has made a prima facie showing that the recommendation of non-renewal was made for reasons prohibited by applicable law. Unless mutually agreed to by the parties in writing, the use of the discrimination grievance procedure will not delay the effective date of non-renewal. Following the discrimination grievance procedures, if any, the decision of the institution, is final, subject to Section II.F.5.c., below.

- c. If, and only if, the chief executive officer is the subject of the alleged discrimination prohibited by applicable law, ¶the non-classified contract employee may petition the Board to review the final action of the institution. Any petition for review must be filed at the Office of the State Board of Education within fifteen (15) calendar days after the employee receives notice of final action. The Board may agree to review the final action, setting out whatever procedure and conditions for review it deems appropriate, or it may choose not to review the final action. The fact that a review petition has been filed will not stay the effectiveness of the final action, nor will the grant of a petition for review, unless specifically provided by the Board. Board review is not a matter of right. An employee need not petition for Board review in order to have exhausted administrative remedies for purposes of judicial review. Nothing in this section should be construed as any prohibition against filing a complaint with any appropriate state or federal entity, including but not limited to the Equal Employment Opportunity Commission (EEOC) or the Idaho Human Rights Commission (IHRC).

6. Tenure

Non-classified employees are generally not entitled to tenure. Certain, very limited, exceptions to this general rule are found in Subsection G.6 of these personnel policies and procedures.

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Idaho State Board of Education

GOVERNING POLICIES AND PROCEDURES

SECTION: II. HUMAN RESOURCES POLICIES AND PROCEDURES

Subsection: L. Discipline - Adequate Cause – All Employees

~~December~~April 200815

1. Classified Employees

Classified employees are subject to discipline, up to and including dismissal, as provided for in Chapter 53, Title 67, Idaho Code and the rules of the State Division of Human Resources.

2. Non-classified Employees

All University of Idaho classified employees, and all non-classified employees (including all faculty employees) of the Board or of any Board governed agency or institution are subject to discipline, up to and including dismissal, for adequate cause.

3. Definition

“Adequate cause” means one (1) or more acts or omissions which, singly or in the aggregate, have directly and substantially affected or impaired an employee’s performance of his professional or assigned duties or the interests of the Board, institution or agency. In addition, any conduct seriously prejudicial to the Board, an institution or agency may constitute adequate cause for discipline, up to and including dismissal. Examples include, but are not limited to, one or more instances of sexual harassment or other form of harassment prohibited by law; immorality; criminality; dishonesty; unprofessional conduct; actions in violation of policies, directives, or orders of the Board, an institution or agency; unsatisfactory or inadequate performance of duties, or failure to perform duties.

4. Procedures

In each case the issue of whether or not adequate cause exists should be determined fairly by the institution or agency recognizing and affording protection to the rights of the employee and to the interests of the Board and its institutions or agencies.

- a. Discipline, up to and including dismissal, of employees before the expiration of the stated period of appointment or employment contract will be only for adequate cause, as determined by the appropriate administrative officers to whom this responsibility is delegated by the Chief Executive Officer of the institution. Each institution or agency shall have a process that provides employees with written notice of contemplated discipline and an opportunity to be heard. The employee may be placed on administrative leave with pay until he or she has exercised the opportunity to respond, or declined, either affirmatively or

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through inaction to do so, and the recommendation has been acted upon by the Chief Executive Officer or designee.

The Chief Executive Officer or designee must notify the employee of the recommendation and proceed in the following manner:

- (1) The notice must be in writing, and may be personally served upon the employee, or be sent by first-class mail, postage pre-paid, to the employee at the last known address on file for the employee.
- (2) The notice must contain a concise statement of the reasons and nature of the discipline.
- (3) Each institution or agency shall provide for internal grievance procedures in addition to the foregoing in accordance with Section II.M., Grievance and Appeal Procedure. Except as set forth in Section II.M, discipline, up to and including dismissal may be effective prior to the initiation by the employee of the internal grievance procedure.

- b. ~~Upon receipt of the final findings and recommendations, including those resulting from an internal grievance, an employee may file an appeal with the Board as set forth in Section II.M. The Board may, if it chooses to hear an appeal, by a majority of the total membership, approve, reject, or amend such findings, recommendations, or suggestions, if any, or may remand the matter for additional evidence, recommendations, or suggestions, if any. Reasons for approval, rejection, or amendment of such findings, recommendations, or suggestions will be stated in writing and communicated to the employee. The Board may employ a hearing officer for carrying out the Board's duties under this paragraph. Discipline, up to and including dismissal, of an employee is not appealable to the Board.~~
- c. If, under extraordinary circumstances, the Board itself initiates discipline, up to and including dismissal, against an employee, it must, by majority vote, direct the Chief Executive Officer or any other administrator as may be appropriate to follow established procedures for discipline of the employee.

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GOVERNING POLICIES AND PROCEDURES

SECTION: II. HUMAN RESOURCES POLICIES AND PROCEDURES

Subsection: M. Grievance and Appeal Procedures – All Employees

JuneApril 20145

1. Classified Employees

Provisions for grievance and appeals procedures for classified employees are provided for in Chapter 53, Title 67 Idaho Code and the rules of the State Division of Human Resources. The University of Idaho shall, to the extent practical, provide for similar grievance and appeals procedures for its classified employees.

2. Non classified Employees (including Faculty Employees)

Each institution and agency must establish internal policies and procedures to provide for grievances and appeals for human resource matters. Such policies and procedures shall be forwarded to the Executive Director for review and maintenance on file in the Office of the State Board of Education. Internal procedures must include the following elements:

- a. provision for informal resolution;
- b. procedures for filing a formal, written complaint;
- c. reasonable time requirements;
- d. a description of the hearing body; and
- e. requirements for retention of records.

~~Pursuant to~~ In accordance with Board Policy II.B.2.b., the Board delegates authority for personnel management to the chief executive officers. Accordingly, Except as otherwise provided in Section II.F., human resource matters are not appealable to the Board. Internal institution and agency policies for grievances and appeals must be exhausted before an employee may seek judicial review.

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SUBJECT

Board Policy II.R. – Retirement Plan Committee – Second Reading

APPLICABLE STATUTES, RULE OR POLICY

Idaho Code §33-107A, -107B, -107C

Idaho Code §59-513

Idaho State Board of Education Governing Policies & Procedures, Section II.K.

BACKGROUND / DISCUSSION

The State Board of Education (Board) is the Plan Sponsor for three defined contribution (DC) plans used by employees at the colleges and universities. The Board has a 401(a) mandatory plan (with employer and employee contributions), and then voluntary 403(b) and 457(b) plans. The exclusive Board-approved vendors for the 401(a) and 457(b) plans are TIAA-CREF and VALIC. These vendors are available for the 403(b), in addition to about a half-dozen other vendors employees can elect to use with whom the Board has information sharing agreements.

The Board lacks an investment/retirement committee and an investment policy to formalize the Board's fiduciary duty with respect to these three DC plans. The establishment and regular convening of such a committee is a best practice. A special retirement plan committee of the Board would provide financial market expertise as it relates to evaluating portfolio performance, reviewing vendor fees, and other fiduciary matters. A retirement plan committee would also help provide continuity so that committee members can make informed decisions by applying a consistent approach, understanding historical decisions and directions, and having a long term view of market performance.

IMPACT

A Retirement Plan Committee will assist the Board in performing its fiduciary duties as the plan sponsor of the DC Plans. Board staff does not have the time or expertise to perform necessary and appropriate monitoring of the Plans. Even with in-house expertise, however, a committee to oversee retirement plan design, investments and fees is a best practice and industry standard.

ATTACHMENTS

Attachment 1 – Section II.R. – Second Reading

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STAFF COMMENTS AND RECOMMENDATIONS

The only change between 1st and 2nd reading was to move the proposed policy under Section II (Human Resources) instead of Section V (Financial Affairs). No comments, questions or concerns about the proposed policy were received from institutions or other stakeholders. Staff recommends approval.

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BOARD ACTION

I move to approve the second reading of the proposed Board policy Section II.R., Retirement Plan Committee, as presented.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES

SECTION: II. HUMAN RESOURCES

Subsection: R. Retirement Plan Committee

April 2015

1. The Retirement Plan Committee is a special committee of the Board. The Committee provides stewardship of the retirement plans sponsored by the Board for the exclusive benefit of participants and their beneficiaries. The Committee may establish necessary procedures to carry out its responsibilities. Such procedures must be consistent with the Board's Governing Policies and Procedures.
2. The Committee shall consist of five or more members appointed by, and serving at the pleasure of, the Board. The chair of the Committee shall be appointed by the Board President and shall be a Board member. Other members of the Committee shall include two participants in the sponsored plans: one representative from a public four-year institution and one representative from a community or technical college. At least two members shall be private sector members who are knowledgeable about financial markets. All committee members should have investment, legal or benefits management expertise sufficient to evaluate the risks associated with the Committee's purpose. A quorum of any meeting of the Committee shall consist of a majority of the members. Committee members shall not be compensated for their service on the Committee. The Committee will meet as needed, but not less than semi-annually. The Committee is supported by the Board's Chief Fiscal Officer and by the Board's outside tax counsel.
3. Board-sponsored plans include the 401(a) Optional Retirement Plan (ORP), and the 403(b) and 457(b) voluntary deferred compensation plans (collectively referred to hereinafter as "Plan" or "Plans"). The Board is the Plans' named fiduciary and has authority to manage and control the Plans' operation and administration. The Board retains exclusive authority to amend the Plans and select Trustees/Custodians.
 - a. The Committee shall report at least annually to the Board.
 - b. The Committee members shall sign a conflict of interest disclosure questionnaire.
 - c. The Board delegates execution of the following fiduciary responsibilities with respect to the Plans to the Committee:
 - i. Establishing, periodically reviewing, and maintaining a written investment policy, including investment allocation strategies.
 - ii. Overseeing administration of the Plans in accordance with the investment policy, including:

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- a) Selecting an appropriate number and type of investment asset classes and management styles for Plan participants, including default investment elections.
 - b) Establishing performance criteria and benchmarks for selected asset classes.
 - c) Researching, selecting, and withdrawing Plan investments as appropriate for specified asset classes or styles.
 - d) Reviewing communication methods and materials to ensure that Plan participants receive adequate investment education and performance information.
 - e) Ensuring the Committee and the Plans comply with applicable laws, regulations, and the terms of the Plan pertaining to investments.
 - iii. Reviewing and monitoring investment performance, including the reasonableness of investment fees, against appropriate benchmarks and in accordance with the investment policy.
 - iv. Managing the Plans to ensure regulatory compliance pertaining to Plan investments, including required Plan amendments and document retention;
 - v. Monitoring the Plans' vendors and implementation of contractual service arrangements;
 - vi. Advising the Board on selection or termination of the Plans' trustee(s)/custodian(s);
 - vii. Monitoring for reasonableness and consistency with the Plans' terms any investment product fees and charges passed through to Plan participants; and
 - viii. Retaining investment consultants, subject to approval by the Board's executive director.
4. The Trustee(s) and/or Custodian(s) of the sponsored plans will be responsible for holding and investing the Plans' assets in accordance with the terms of the Trust/Custodial Agreement.
5. The Committee may recommend to the Board's executive director the engagement of outside consultants and/or other professionals. The services of consultants and other professionals may include, but are not limited to:
 - a. Providing formal reviews of the performance of the investment options. Such reviews shall be based on established criteria and shall include recommendations for changes where appropriate;
 - b. Advising the Committee of any recommended modifications to the investment structure of the Plans; and
 - c. Advising the Committee as to the appropriate performance benchmarks for the investment options.

BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 16, 2015

UNIVERSITY OF IDAHO

SUBJECT

New Position Approval

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Sections II.B.3. and II.F.2.b.i.

BACKGROUND/DISCUSSION

Board policy II.B. requires approval of any new position at a level of vice president (or equivalent) and above. The University of Idaho (UI) is requesting approval of a new position, Vice President of Infrastructure, as follows:

- i. Position Title: Vice President for Infrastructure – new position
- ii. Position Type: Senior Administrator (Exempt)
- iii. FTE: 1.0
- iv. Term: Annually renewable contract
- v. Effective Date: Start of fiscal year 2016 (June 21, 2015)
- vi. Salary Range: \$170,000-\$172,000
- vii. Funding Source: Reallocation of existing general education salary funds

Duties/Responsibilities: Reporting directly to the President, the Vice President for Infrastructure serves as a member of the University's executive leadership team and, under direction of the President, works collaboratively with other executives, students, faculty, staff, Regents, legislators, and external stakeholders to achieve the goals and objectives of the University.

The Vice President for Infrastructure will steward the University's physical assets including facilities and real estate as well as administrative service operations, safety and risk, and information technology. The Vice President for Infrastructure will be responsible for developing and implementing business and administrative policies and procedures, implementing best practices and continuous improvement plans to enhance business services and programs, and developing annual divisional action plans in support of the University's strategic plan and priorities.

To effect this change, the current Chief Information Officer (Dan Ewart) will be shifted to the new position with the likelihood that a new director will need to be hired in Information Technology. Appropriate units will move from the existing Finance and Administration Division to the Infrastructure Division. The existing Vice President for Finance and Administration title will change to Vice President for Finance. A search for this position is underway. The Budget Office will move to the Finance area from its current placement as a direct report to the President.

BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 16, 2015

IMPACT

The addition of a new Vice President for Infrastructure will realign internal units and reporting structures into more manageable divisions while elevating the leadership of the UI's structural resource units to senior leadership planning and decision making which is congruent with the emphasis placed on this area by accreditation. UI plans to reallocate existing salary dollars from vacant lines within the areas impacted for funding the new structure.

ATTACHMENTS

Attachment 1 – Existing UI Organizational Chart Page 3
Attachment 2 – Proposed UI Organizational Chart Page 5

STAFF COMMENTS AND RECOMMENDATIONS

UI brings forward a request for approval of establishment of a new vice president position. UI is not seeking approval for appointment of an individual to this position. There are two Board policies which govern appointments. Board policy II.B. requires approval of initial appointments to any position at a salary equal to or higher than 75% of the president's annual salary, which would be \$262,500.

In addition, Board policy II.F.2.b.i. provides "salaries for new appointments to dean, associate/assistant dean, vice president, and president/vice president direct-report positions may not exceed the median rate for such position established by the College and University Professional Association for Human Resources (CUPA-HR), or its equivalent, without prior Board approval." This position is associated with the CUPA-HR Chief Business Officer classification for administrative functions (e.g., physical plant, property management, IT, safety). The 2015 CUPA median for Chief Business Officer at research universities is \$276,861.

Since the salary range for the position falls under the policy thresholds referenced above, with Board approval of the position, President Staben will have the authority to make the appointment without further action from the Board.

Staff recommends approval.

BOARD ACTION

I move to approve the request by University of Idaho for the creation of a new Vice President for Infrastructure position as described in the materials submitted to the Board.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

Board of Regents - State Board of Education
University of Idaho

President
Chuck Staben

Provost & Executive Vice President
Katherine Aiken (i)

Executive Director of Planning and Budget - Keith Ickes

Vice President Finance & Administration Ron Smith

Vice President University Advancement Vacant

Vice President of Research & Economic Development Jack McIver

DEANS

Vice Provost Academic Affairs
Jeanne Stevenson

Vice Provost Student Affairs
Dean of Students
Bruce Pitman

Chief Diversity Officer & Assoc.
Vice Provost for Student Affairs
Carmen Suarez

- Budget Director - Trina Mahoney
- Institutional Research and Assessment- vacant
- Space and Capital Planning

- Auxiliary Services-Tyrone Brooks
- Facilities-Brian Johnson
- Human Resources-Greg Walters
- Information Technology Services-Dan Ewart
- Controller - Dan Stephens
- Executive Director of Safety -- Matt Dorschel

- Alumni Relations-Sтивен Johnson
- Annual Giving, Advancement Services & Research- Chris Lucier
- Constituent & Regional Programs- vacant
- Corporate & Foundation Relations - Bobbi Hughes
- Donor Relations & Stewardship- Diane Gregg
- Estate, Trust and Gift Planning- Sharon Morgan

- Associate Vice President for Research- Gene Merrell
- Associate Vice President for Research - Bob Smith
- Aquaculture Research Institute-Ronald Hardy
- Idaho Water Resources Research Institute- John Tracy
- Institute for Bioinformatics & Evolutionary Studies- Larry Forney
- Experimental Program to Stimulate Competitive Research- Peter Goodwin
- Idaho Geological Survey - M. Edward Ratchford
- Director of Research Administration-Polly Knutson
- Office of Technology Transfer, Gene Merrell
- Idaho Research Foundation
- Business and Technology Incubator
- Office of Research Assurances - Terra DuBois
- Senior Executive to the Vice President- Steve Daley-Laursen

Agricultural & Life Sciences
John Foltz

Art & Architecture
Mark Hoversten

Business & Economics
Mario Reyes

Education
Cori Mantle-Bromley

Engineering
Larry Stauffer

Law
Mark L. Adams

Letters, Arts & Social Sciences
Andrew Kersten

Natural Resources
Kurt Pregitzer

Science
Paul Joyce

Graduate Studies
Jie Chen

Library
Lynn Baird

- Distance & Extended Education - Terry Ratcliff
- International Programs-Susie Bender
- Officer Education/ROTC- Navy/Marines - Capt. Michael McClintock
- Army - LTC Brad Martin
- Air Force - Col. Greg Cain
- Independent Study - Sherrie Metlen
- Advising Services - Andrew Brewick
- Allied Health Advising - Alton Campbell
- Honors Program - Alton Campbell

Executive Director, Tribal Relations - Yolanda Bisbee

Consulting Director for Enrollment Management Services - Mj Huebner

- Admissions - Cezar Mesquita
- Financial Aid - Dan Davenport
- Undergraduate Recruitment - Michelle Henley
- Registrar - Heather Chermak

Associate Vice Presidents and Center Executive Officers

- UI Boise-Michael Satz
- UI Idaho Falls-Robert Smith
- Center for Advanced Energy Studies
- UI Coeur d'Alene-Charles Buck

- Assistant Vice Provost -Greg Tatham
- Campus Recreation
- Idaho Commons & Union
- Student Health Insurance Program
- Children's Center - Angela O'Connell
- Center for Civic Engagement & Volunteerism - vacant
- Academic Support & Access Programs - Suzi Billington
- Career Center
- Disability Support Services - Gloria Jensen
- Student Support Services - Jerry Galloway
- Tutoring and College Success
- Counseling Center-Joan Pulakos
- Greek Life-Brittany Bowles
- Student Orientation Program-Cori Planagan
- Tutoring and Academic Assistance Programs- Suzi Billington
- Associate Dean of Students - Craig Chatriand

WWAMI Medical Education Program - Jeff Seegmiller

- Human Rights, Access, & Inclusion - Carmen Suarez
- College Assistance Migrant Program - Evalina Arevalos (Interim Assist. Director)
- Native American Student Center - Sydel Samuels
- Office of Multicultural Affairs - Jesse Martinez (i)
- Women's Center - Lysa Salsbury
- LGBTQA Office - Julia Keheler

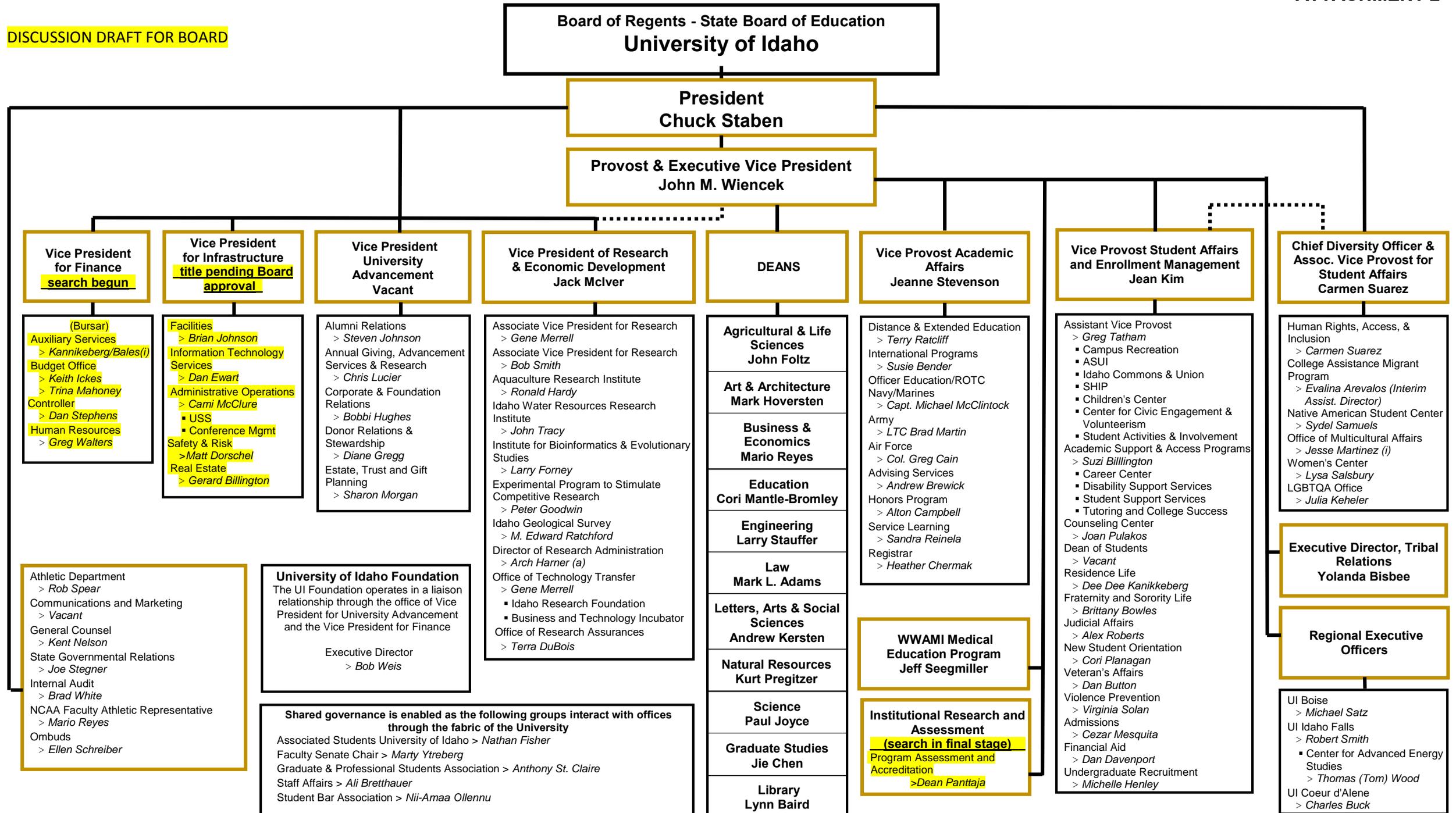
University of Idaho Foundation
The UI Foundation operates in a liaison relationship through the office of Vice President for University Advancement
- Executive Director - Bob Weis

Shared governance is enabled as the following groups interact with offices through the fabric of the University
- Associated Students University of Idaho- Nathan Fisher
- Faculty Senate Chair-Marty Ytreberg
- Graduate & Professional Students Association- Anthony St. Claire
- Staff Affairs-Ali Bretthauer
- Student Bar Association- Nii-Amaa Ollennu

- Athletic Department - Rob Spear
- Communications and Marketing - vacant
- General Counsel - Kent Nelson
- State Relations-Joe Stegner
- Internal Audit-Brad White
- NCAA Faculty Athletic Representative - Mario Reyes
- Athletics Compliance Officer - John Wallace
- Ombuds - Ellen Schreiber

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DISCUSSION DRAFT FOR BOARD



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