

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 4, 2021

SUBJECT

Chief Executive Officer Compensation

REFERENCE

June 2020

The Idaho State Board of Education (Board) approved Chief Executive Officer salaries.

APPLICABLE STATUTES, RULE OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section I.E.2.d. and e.

Idaho Code §33-102A

BACKGROUND/DISCUSSION

Per a March 19, 2021 guidance memo from the Division of Financial Management (DFM) and Division of Human Resources, “[p]ay increases for [agency] directors will be determined by the Governor. For those reporting to a Board or Commission, the governing board shall make a recommendation in a letter to the Governor for his review by May 14, 2021.”

Idaho Code §33-102A provides that [t]he state board of education is hereby authorized to appoint an executive officer of the state board who ... shall receive such salary as fixed by the state board.” The Board’s recommended salary change for its Executive Director was sent to DFM on May 14, 2021.

Pursuant to Board Policy I.E.2.d., the administrator of the Division of Career Technical Education, the administrator of the Division of Vocational Rehabilitation, and the general manager of Idaho Public Television “are evaluated by the Executive Director annually, who makes recommendations to the Board with respect to compensation and employment.” The Board’s Executive Director has completed annual performance evaluations for these agency heads and transmitted salary recommendations to DFM on or before May 14, 2021. The Executive Director’s salary recommendations for these positions were based on the evaluations and the individual agencies’ DFM-approved compensation plans for FY2022.

Agency heads’ salaries are entered into the state payroll system based on the equivalent hourly amount. The Board’s consideration of salary changes at this time will allow for any approved changes to be entered into the state payroll system prior to the start of the payroll fiscal year.

Contracts for the Presidents of Boise State University, Idaho State University, Lewis-Clark State College, and the University of Idaho are established by the State Board of Education pursuant to Board Policy I.E.2.e.i, which states, “Each chief executive officer’s annual compensation shall be set and approved by the Board.” The four Presidents have declined to accept any Change in Employee Compensation (CEC) for fiscal year 2021-2022.

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IMPACT

Approval of the proposed salaries will allow staff to enter the salaries for FY2022 into the state payroll system.

ATTACHMENTS

- Attachment 1 - Governor's Memo to Agency Directors on CEC
- Attachment 2 - First Amendment to Green Employment Agreement
- Attachment 3 - Pemberton Employment Agreement
- Attachment 4 - Satterlee Employment Agreement
- Attachment 5 - First Amendment to Tromp Employment Agreement

STAFF COMMENTS AND RECOMMENDATIONS

Staff recommends approval of the hourly rates and equivalent salaries listed below.

BOARD ACTION

I move to approve an hourly rate of \$79.63 (annual salary of \$165,636) for Matt Freeman as Executive Director of the State Board of Education, effective June 4, 2021.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

AND

I move to approve an hourly rate of \$59.43 (annual salary of \$123,608) for Jane Donnellan as Administrator of the Division of Vocational Rehabilitation, effective June 4, 2021.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

AND

I move to approve an hourly rate of \$62.50 (annual salary of \$130,008) for Clay Long as Administrator of the Division of Career Technical Education, effective June 16, 2021.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

AND

I move to approve the first amendment to Scott Green's contract as President of the University of Idaho, effective July 1, 2021 as provided in Attachment 2.

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Moved by _____ Seconded by _____ Carried Yes _____ No _____

AND

I move to approve Cynthia Pemberton's contract as President of Lewis-Clark State College, effective July 1, 2021 as provided in Attachment 3.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

AND

I move to Kevin Satterlee's contract as President of Idaho State University, effective July 1, 2021 as provided in Attachment 4.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

AND

I move to approve the first amendment to Marlene Tromp's contract as President of Boise State University, effective July 1, 2021 as provided in Attachment 5.

Moved by _____ Seconded by _____ Carried Yes _____ No _____



STATE OF IDAHO

March 19, 2021

MEMORANDUM

TO: Executive Branch Agency/Department Heads
(with the exception of Constitutional Officers)

CC: Agency/Department HR Officers
Agency/Department Fiscal Officers

FROM: Susan E. Buxton, Administrator
Division of Human Resources *Susan E. Buxton*

Alex J. Adams, Administrator
Division of Financial Management *Alex J. Adams*

SUBJECT: Guidance for FY 2022 Change in Employee Compensation

For FY 2022, the Legislature directed that the pay schedule be adjusted upward by 2%. In addition, the Legislature has appropriated funding for a 2% change in employee compensation (CEC).

Additionally, for FY 2021, the Legislature appropriated funding for a 2% change in employee compensation that was not implemented due to budget concerns.

Both the FY 2021 and FY 2022 CEC must be implemented together in accordance with this guidance memo.

To assist in the development of your agency's CEC distribution plan, DFM and DHR are providing guidance as outlined in this memo.

Compensation Policies

In addition to a CEC distribution plan, agencies are required to submit updated compensation policies that are consistent with Idaho Code, DHR rule, and Executive Branch compensation policy, which can be found at: https://dhr.idaho.gov/wp-content/uploads/Section1Compensation_010818.pdf.

All proposed pay increases must follow the agency's compensation policies.

The Executive Branch policy limiting bonuses to no more than 20% of any agency's workforce remains in force.

Early Implementation

If an agency has FY 2021 Personnel Cost (PC) appropriation above its projected personnel expenditures for the fiscal year, it can be used to early-implement the agency-wide FY 2022 CEC using the directions below.

If included in the agency's CEC plan, agencies may use the one-time payment code TSM (Temp Bonus Max) to distribute FY 2021 PC appropriation to employees at the maximum of their pay grade or who reach the maximum of their pay grade prior to FY 2022 due to early implementation. The permanent record information in IPOPS should read "FY 2021 Over Max Bonus." One-time payment amounts can be calculated using the following method:

$$\frac{(\text{Employee's FY 2022 pay rate} - \text{FY 2021 pay grade maximum}) \times \text{FY 2021 pay period hours after CEC plan effective date}}{\text{FY 2021 pay period hours after CEC plan effective date}}$$

The TSM bonus is calculated using the employee's new pay rate at the maximum of their pay grade for FY 2022, NOT the pay rate they would have been moved to once run through the matrix absent a maximum for FY 2022.

FY 2022 COMPONENT 1 – Payline Move

The FY 2022 pay schedule will be adjusted upward by 2%. Therefore, any employee with a rate of pay that falls below the new minimum rate of his or her pay grade on June 13, 2021, must receive a rate adjustment to at least the new minimum.

Performance is not a factor in these salary changes and probationary employees must also receive this increase. Employees receiving these adjustments are eligible to receive the appropriated ongoing FY 2022 CEC, if they meet the requirements of your agency plan.

Effective Dates and Coding:

The new pay schedule is available at: <https://dhr.idaho.gov/state-employee-compensation/> and will be in effect starting with the pay period begin date of June 13, 2021 (pay date July 9, 2021). **Agencies are encouraged to immediately adjust hiring practices to start employees at or above the new minimum.**

If the agency's CEC plan is effective June 13, 2021 (pay date July 9, 2021), use change reasons PU (Classified Payline Movement – Upward) or LU (Non-classified Payline Movement – Upward) for these actions. The permanent record information in IPOPS should read "FY 2022 Payline Adjustment."

If the agency's CEC plan is effective prior to June 13, 2021, use change reasons PU or LU and include the following permanent record information in IPOPS: "Early Implementation of FY 2022 Payline Adjustment."

FY 2022 COMPONENT 2 - Performance-Based Pay Increases

CEC Eligibility Requirements

- To receive a performance-based pay increase, employees must have a current (within the last 12 months) performance evaluation rating of “Achieves Performance Standards” or better.
- Employees must complete the statewide respectful workplace and cyber security training before they are considered eligible for a performance-based pay increase.

Matrix Requirements

An example template is available at <https://dhr.idaho.gov/state-employee-compensation/>. Agency CEC plans must include a CEC distribution matrix developed using the following criteria:

- Performance and compa-ratio must be factors as stated in Idaho Code, Section 67-5309B(4):
 “Pay for performance shall provide faster salary advancement for higher performers based on a merit increase matrix developed by the division of human resources. Such matrix shall be based upon the employee's proximity to the state midpoint market average, and the employee's relative performance. Such matrix may be adapted by each agency to meet its specific needs when approved by the division of human resources.”
- To emphasize merit, the matrix should have a meaningful distinction between increases for performance ratings.
- In addition to performance and compa-ratio, directors are encouraged to develop a matrix that addresses agency-specific issues including, but not limited to, compression, high turnover, and retention.
- Numbers within the matrix must be exact and cannot include a range (for example, 3%, not 3-4%) so that pay increases are easily calculable given the criteria provided. Sample pay matrixes are available at: <https://dhr.idaho.gov/state-employee-compensation/> (right click to download).
- The matrix must include the number of employees in each category.

Effective Dates and Coding:

- Change reason CC (Merit Increase Performance) should be used for these actions and the permanent record information in IPOPS should read “FY 21 and 22 CEC.”
- When implementing the CEC at the beginning of FY 2022, the effective date of June 13, 2021 (pay date July 9, 2021) must be used.

Director Pay Changes

Pay increases for directors will be determined by the Governor. For those reporting to a Board or Commission, the board should make a recommendation by letter to the Governor for his review. Recommendations should be submitted to DFM at info@dfm.idaho.gov by May 14, 2021.

Director pay increases may have a different effective date than the CEC plan implementation date. The effective date will be based on when the Governor makes his approval and no retroactive payments will be

made to directors, regardless of if/when an agency early implements.

General Guidance and Reminders

- Plans must include implementation dates and identify any portions of the plan for which probationary, group, and/or temporary positions are eligible. Proper justification must also be provided in the plan for any increases proposed in addition to those distributed through Components 1 and 2. These may include adjustments to address salary equity, position changes, compression, or other issues.
- Plans must specify how nonclassified positions are treated and must comply with Idaho Code, Section 59-1603:

“To the extent possible, each nonclassified position in the executive department will be paid a salary or wage comparable to classified positions with similar duties, responsibilities, training, experience and other qualifications.”
- The agency must show how it will cover all proposed salary actions within its budget limitations.
 - NEW!! Spreadsheets detailing individual pay changes that contain personnel information should be submitted to the agency’s DFM analyst for review *with* the CEC plan. Please submit the spreadsheet in draft format with a “draft” watermark across all pages. Once the agency has received final approval of the CEC plan, send a final spreadsheet to your DFM analyst prior to IPOPS entry. Do not email or distribute social security numbers when providing information to DHR and DFM.
- Employees should not approve their own personnel actions in IPOPS.
- If an employee is receiving multiple pay increases on the same date with differing change reasons, it should be submitted as a single IPOPS transaction with all applicable change reason codes included (CC, EA, etc.).
- Idaho Code, Section 67-5309B(6) requires that the department director “designate in writing whether such in-grade advancement is temporary, conditional, and permanent.” As such, each agency shall provide employees with a letter outlining any CEC increase provided to them for FY 2022. A sample letter is attached.
- Compensation and CEC distribution plans must be submitted to info@dfm.idaho.gov by **May 14, 2021**. All plans are subject to review. Please submit your CEC distribution plan with an implementation date allowing for a minimum of two weeks for review time as well as adequate time to meet payroll processing deadlines.

Please feel free to contact DFM or DHR should you have any questions on this matter or if our offices can be of assistance as you develop your plan.

DATE

TO: Employee Name

FROM: Director

SUBJECT: Employee Compensation

For Fiscal Year 2022 (FY 2022), the Idaho Legislature has directed that that the pay schedule be adjusted upward by 2%. In addition, the Legislature has appropriated funding for a 2% change in employee compensation (CEC). Additionally, for FY 2021, the Legislature appropriated funding for a 2% change in employee compensation that was not implemented due to budget concerns.

Both the FY 2021 and FY 2022 CEC are being implemented in FY 2022 in accordance with direction by the Legislature.

Due to your [performance rating] performance rating, you will receive a [#] percent pay increase. [Insert comments about performance]

Your new pay rate, effective [Date], 2021, will be \$[#] per hour, bringing your annual salary to \$[#].

Along with your salary, your total compensation includes many benefits such as health insurance (medical, dental, vision); life and disability insurance; retirement; and paid time off (vacation, sick, and 10 paid holidays). For more information on your total compensation package, log into the State Controller's website at www.sco.idaho.gov and click on the "Admin-Comp & Benefits Statement" link.

Thank you for your contributions to public service.

Sincerely,

Director

**First Amendment to the Employment Agreement
for
President University of Idaho**

This First Amendment to the Employment Agreement for President University of Idaho ("First Amendment") is made between the Idaho State Board of Education, as the Board of Regents for the University of Idaho ("Board"), and C. Scott Green ("President") and is effective June ____, 2021 ("Effective Date").

1. The Employment Agreement has an effective date of April 11, 2019.
2. The Initial Term of the Employment Agreement was for three (3) years commencing July 1, 2019 and terminating June 30, 2022.
3. At the Board meeting on _____, the Board approved the amendment of the Initial Term to extend the term of the Employment Agreement through June 10, 2023.
4. Paragraph 3.a of the Employment Agreement is hereby amended to include the addition of a renewal term ("Renewal Term") extending the Employment Agreement through June 10, 2023.
5. All capitalized terms not defined shall have the definitions set forth in the Employment Agreement.
6. All other terms of the Employment Agreement remain in effect.

IN WITNESS WHEREOF, Kurt Liebich, President of the Idaho State Board of Education, and C. Scott Green, President of the University of Idaho, have executed this First Amendment.

Kurt Liebich, President
Idaho State Board of Education

C. Scott Green, President
University of Idaho

Date

Date

**Employment Agreement
for
President Lewis-Clark State College**

This Employment Agreement ("Agreement") is made between the Idaho State Board of Education, as the Board of Trustees of Lewis-Clark State College ("Board") and Dr. Cynthia Lee A. Pemberton ("President"), effective _____ 2021.

1. Appointment as President

- a. Pursuant to an Employment Agreement between the Board and the President, effective April 5, 2018 ("Original Agreement"), the Board appointed and employed Dr. Cynthia Lee A. Pemberton as president of Lewis-Clark State College (the "Institution") to serve as the chief executive officer of the Institution under the policies, supervision, and direction of the Board. The term of the Original Agreement expired June 30, 2020. On June 10, 2020, the Board approved a new three year term. The Board and President Pemberton wish for Dr. Pemberton to continue in her position as President of Lewis-Clark State College pursuant to the terms of this new Employment Agreement. The President accepts and agrees to such employment in accordance with the terms provided herein.
- b. The President shall serve as the chief program and administrative officer of the Institution and shall have duties and responsibilities within the framework of the Board's Governing Policies and Procedures for the organization, management, direction, and supervision of the Institution. The President shall be accountable to the Board for the successful functioning of the Institution as a whole, and shall be held accountable to the Board for performing the following duties:
 - i) Relations with the Board
 - Conduct of the Institution, in accordance with the Governing Policies and Procedures of the Board and applicable state and federal laws.
 - Effective communication among the Board, the Board office, and the Institution.
 - Preparation of such budgets as may be necessary for proper reporting and planning.
 - Transmittal to the Board of recommendations initiated within the Institution.
 - Participation and cooperation with the office of the Board in the development, coordination, and implementation of policies, programs, and all other matters of system-wide concern.
 - Notification to Board Executive Director of any absence exceeding one week during which time the President will be unavailable or out-of-country.
 - ii) Leadership of the Institution
 - Recruitment and retention of employees.
 - Development of programs, in accordance with an evolving plan for the

Institution.

- In cooperation with appropriate parties, the promotion of the effective and efficient functioning of the Institution.
- Development of methods that will encourage responsible and effective contributions by various parties associated with the Institution in the achievement of the goals of the Institution.

iii) Relations with the Public

- Development of rapport between the Institution and the public that it serves.
- Official representation of the Institution and its Board-approved role and mission to the public.

2. Devote Best Efforts to the Work as President

- a. The President agrees to devote her attention and energies full-time to the duties as President of the Institution.
- b. Such duties shall be rendered at the campuses of the Institution in Lewiston and Coeur d'Alene and at such other place or places as the Board or the President shall deem appropriate for the interest, needs, business, or opportunity of the Institution.
- c. The expenditure of reasonable amounts of time for personal or outside business, as well as charitable and professional development activities, shall not be deemed a breach of this Agreement, provided such activities do not interfere with the services required to be rendered to the Board under the provisions of this Agreement.
- d. The President shall not, without prior written permission from the Board, render services of any professional nature to or for any person, firm or entity for remuneration other than to the Board, and shall absolutely not engage in any activity that may be competitive with and adverse to the best interest of the Board. The making of passive and personal investments and the conduct of private business affairs shall not be prohibited hereunder.

3. Term of Appointment: Evaluation, Renewal

- a. This Agreement shall be for a term of three (3) years, commencing July 1, 2020, and terminating June 10, 2023; subject, however, to prior termination as provided for in this Agreement.
- b. The Board shall meet with the President on an as needed basis, and at least annually, to evaluate and discuss the President's performance. To aid the Board in such annual job performance reviews, the President agrees to furnish such oral and written reports as may be required by the Board.

- c. The Board, in its sole discretion, may offer to extend this Agreement on such terms as may be agreed upon by the President and the Board.

4. Salary

- a. For all services rendered under this Agreement, the President's annual salary shall be two hundred and forty thousand dollars (\$240,000) payable solely from Institutional funds.
- b. The President's salary shall be reviewed annually and may be increased but not decreased at the discretion of the Board. Such annual salary review will be in conjunction with a review by the Board of the performance of the President.
- c. The annualized salary shall be made in payments pursuant to the State Controller's Office fiscal year payroll schedule.

5. Medical, Retirement, Leave, Education Benefits

The Board shall provide the President with Institution standard employee benefits as set by statute, the Institution, and the Board. Currently, these benefits include:

- a. Participation in the Optional Retirement Program in accordance with Idaho Code §33-107A and Internal Revenue Code income limits – employer/employee shared plan.
- b. Optional participation in the Board sponsored 403(b) and/or 457 Deferred Compensation Plans, and/or the State of Idaho 457 Deferred Compensation Plan, in accordance with Idaho Code §59-513 and Internal Revenue Code contribution limits.
- c. Health insurance – employer/employee shared plan (optional insurance for family may be purchased).
- d. Life insurance – employer provided, equal to annual salary.
- e. Paid leave – vacation (24 days per year) and sick leave (12 days per year).
- f. Education – eligibility to attend Idaho public post-secondary institutions at a special reduced fee based on Idaho State Board of Education Governing Policies & Procedure, Section V.R.3.a.viii. and Institution eligibility.

6. Housing

- a. The President shall live in the president's residence located on campus. The Institution shall provide for the normal operating costs for the residence including interior and exterior maintenance, utilities and housekeeping.

b. The Institution shall maintain property and liability insurance on the residence. The President shall be responsible for obtaining and paying for insurance on the President's personal belongings located at the residence.

7. Automobile

The Institution shall provide the President with an annual automobile allowance of nine thousand two hundred dollars (\$9,200). The President shall be responsible for acquiring, maintaining, registering and insuring the automobile.

8. Travel for the Institution

The Board agrees to pay for the President's reasonable travel expenses, hotel bills, and other necessary and proper expenses when the President is traveling on Institution business. Payments will be made on behalf of the spouse only as permitted by the Governing Policies and Procedures of the Board and when for a bona fide business purpose and the presence of the spouse is necessary to further the interests of the Institution.

9. Official Entertainment

a. The Institution shall reimburse the President for official university-related entertainment expenses.

b. All reimbursements and expenditures under this section 9 shall be funded by the Institution's public relations account.

10. Expense Receipts and Documentation

The President agrees to maintain and furnish to the Board, upon request, an accounting of expenses provided for in this Agreement in reasonable detail on a quarterly basis.

11. Working Facilities

The President will be furnished with a private office, administrative assistance and such other facilities and services suitable to the position and adequate for the performance of the duties.

12. Tax Liability

All tax liability resulting from the salary and benefits contained herein, pursuant to the Internal Revenue Code and Idaho Code are the responsibility of the President.

13. Termination and Liquidated Damages

- a. *Termination by the Board for Adequate Cause.* The parties agree that the Board may terminate this Agreement at any time without liability for "adequate cause," which, in addition to its meaning in Idaho State Board of Education Policies and Procedures, Section II.L.3, shall include the following:
- i) A deliberate or serious violation of the duties set forth in this Agreement or refusal or unwillingness to perform such duties in good faith and to the best of the President's abilities;
 - ii) A violation by the President of any of the other terms and conditions of this Agreement not remedied after thirty (30) days' written notice thereof to the President;
 - iii) Any conduct of the President that constitutes moral turpitude, or that would tend to bring public disrespect, contempt, or ridicule upon the Institution;
 - iv) A deliberate or serious violation of any law, rule, regulation, Constitutional provision or bylaw of the Institution, or local, state, or federal law, which violation may, in the sole judgment of the Board, reflect adversely upon the Institution;
 - v) Prolonged absence from duty without the Board's consent.

In such event, the President shall not be entitled to liquidated damages.

- b. *Termination by Board Without Cause.* This Agreement may be terminated at any time by the Board by delivering to the President written notice of the Board's intent to terminate this Agreement without cause, which notice shall be effective sixty (60) days after the date the notice is delivered. The Board agrees to use good faith efforts to dissolve the employment relationship in an honorable and respectful manner and without damage to the President's reputation and the President agrees to not disparage the Board or the Institution. To provide the President with an opportunity to pursue other career opportunities, the Board may elect to require that the President assume sabbatical or professional leave status with pay during the said sixty (60) day period. In the event of such leave, the President agrees to accept same and, during such time period, to use her best efforts to act in the best interests of the Institution, notwithstanding that he would be no longer actively engaged as its President.
- c. *Liquidated Damages.* If the Board terminates this Agreement without cause under section 13(b) above, then the President's employment obligations hereunder shall cease and be terminated, and the Institution shall pay the President, as liquidated damages and not as salary or payroll, an amount equal to one hundred percent (100%) of President's base annual salary for a period of twelve (12) months following the effective date of such termination or for the remaining period of this Agreement, whichever is less.

- i) The Institution shall pay its obligation on a monthly basis prorated for a period of twelve (12) months following the effective date of such termination, and shall be subject to President's duty to mitigate as set forth below. The President will be entitled to continue the health insurance plan and group life insurance at President's expense for such time permitted under Idaho law from the effective date of termination, but will not be entitled to any other benefits contained herein except as otherwise provided or required by applicable law. In no case shall the Board or Institution be liable for the loss of any collateral business opportunities or any other benefits, perquisites or income from any sources that may ensue as a result of the Board's termination of this Agreement without cause.
 - ii) The parties have bargained for and agreed to the foregoing liquidated damages provision, giving consideration to the fact that termination of this Agreement by the Board without cause prior to its natural expiration may cause loss to the President which damages are extremely difficult to determine with certainty. The parties further agree that the payment of such liquidated damages by the Institution and acceptance thereof by President shall constitute adequate and reasonable compensation to President for the damages and injury suffered.
- d. *Mitigation of Damages.* If the President obtains new employment during the period during which the Institution is obligated to pay liquidated damages, then the Institution's financial obligations under this Agreement shall be reduced by the amount of the compensation received by the President from such employment.
- e. *Termination by President.* This Agreement may be terminated without cause by the President by giving the Board sixty (60) days' advance written notice of the termination of employment as President of the Institution. In no event shall the Board or Institution be liable for the loss of any benefits, perquisites, or income from any sources as a result of such termination.
14. Entire Agreement; Modification

This Agreement constitutes the entire understanding of the parties hereto and supersedes any and all prior or contemporaneous representations or agreements, whether written or oral, between the parties, and cannot be changed or modified unless in writing signed by the parties hereto.

15. Severability

The terms of this Agreement are severable such that if any term or provision is declared by a court of competent jurisdiction to be illegal, void, or unenforceable, the remainder of the provisions shall continue to be valid and enforceable.

16. Governing Law; Forum

This Agreement shall be interpreted and construed in accordance with the laws of the State of Idaho, the State courts of which shall be the forum for any lawsuit arising from or incident to this Agreement.

17. Waiver

No delay or failure to enforce any provision of this Agreement shall constitute a waiver or limitation of rights enforceable under this Agreement.

18. Non-Assignable

This Agreement is not assignable but shall be binding upon the heirs, administrators, personal representatives, and successors of both parties.

IN WITNESS WHEREOF, the President of the Board and Dr. Cynthia Lee A. Pemberton have executed this Agreement.

Kurt Liebich, President
Idaho State Board of Education

Dr. Cynthia Lee A. Pemberton, President
Lewis-Clark State College

Date

Date

**Employment Agreement
for
President Idaho State University**

This Employment Agreement ("Agreement") is made between the Idaho State Board of Education, as the Board of Trustees of Idaho State University ("Board"), and Kevin D. Satterlee ("President"), effective _____, 2021.

1. Appointment as President

- a. Pursuant to an Employment Agreement between the Board and the President, effective May 4, 2018 ("Original Agreement"), the Board appointed and employed Kevin D. Satterlee as president of Idaho State University (the "Institution") to serve as the chief executive officer of the Institution under the policies, supervision, and direction of the Board. The term of the Original Agreement expired June 13, 2020. On June 10, 2020, the Board approved a new three year term. The Board and President Satterlee wish for President Satterlee to continue in as President of Idaho State University pursuant to the terms of this new Employment Agreement. The President accepts and agrees to such employment in accordance with the terms provided herein.
- b. The President shall serve as the chief program and administrative officer of the Institution and shall have duties and responsibilities within the framework of the Board's Governing Policies and Procedures for the organization, management, direction, and supervision of the Institution. The President shall be accountable to the Board for the successful functioning of the Institution as a whole, and shall be held accountable to the Board for performing the following duties:
 - i) Relations with the Board
 - Conduct of the Institution, in accordance with the Governing Policies and Procedures of the Board and applicable state and federal laws.
 - Effective communication among the Board, the Board office, and the Institution.
 - Preparation of such budgets as may be necessary for proper reporting and planning.
 - Transmittal to the Board of recommendations initiated within the Institution.
 - Participation and cooperation with the office of the Board in the development, coordination, and implementation of policies, programs, and all other matters of system-wide concern.
 - Notification to Board Executive Director of any absence exceeding one week during which time the President will be unavailable or out-of-country.
 - ii) Leadership of the Institution
 - Recruitment and retention of employees.
 - Development of programs, in accordance with an evolving plan for the

Institution.

- In cooperation with appropriate parties, the promotion of the effective and efficient functioning of the Institution.
- Development of methods that will encourage responsible and effective contributions by various parties associated with the Institution in the achievement of the goals of the Institution.

iii) Relations with the Public

- Development of rapport between the Institution and the public that it serves.
- Official representation of the Institution and its Board-approved role and mission to the public.

2. Devote Best Efforts to the Work as President

- a. The President agrees to devote his attention and energies full-time to the duties as President of the Institution.
- b. Such duties shall be rendered at the campuses of the Institution in Pocatello, Idaho Falls, Meridian, Twin Falls and at such other place or places as the Board or the President shall deem appropriate for the interest, needs, business, or opportunity of the Institution.
- c. The expenditure of reasonable amounts of time for personal or outside business, as well as charitable and professional development activities, shall not be deemed a breach of this Agreement, provided such activities do not interfere with the services required to be rendered to the Board under the provisions of this Agreement.
- d. The President shall not, without prior written permission from the Board, render services of any professional nature to or for any person, firm or entity for remuneration other than to the Board, and shall absolutely not engage in any activity that may be competitive with and adverse to the best interest of the Board. The making of passive and personal investments and the conduct of private business affairs shall not be prohibited hereunder.

3. Term of Appointment: Evaluation, Renewal

- a. This Agreement shall be for a term of three (3) years, commencing June 14, 2020, and terminating June 10, 2023; subject, however, to prior termination as provided for in this Agreement.
- b. The Board shall meet with the President on an as needed basis, and at least annually, to evaluate and discuss the President's performance. To aid the Board in such annual job performance reviews, the President agrees to furnish such oral and written reports as may be required by the Board.

- c. The Board, in its sole discretion, may offer to extend this Agreement on such terms as may be agreed upon by the President and the Board.

4. Salary

- a. For all services rendered under this Agreement, the President's annual salary shall be four-hundred thousand dollars (\$400,000) payable solely from Institutional funds.
- b. The President's salary shall be reviewed annually and may be increased but not decreased at the discretion of the Board. Such annual salary review will be in conjunction with a review by the Board of the performance of the President.
- c. The annualized salary shall be made in payments pursuant to the State Controller's Office fiscal year payroll schedule.

5. Medical, Retirement, Leave, Education Benefits

The Board shall provide the President with Institution standard employee benefits as set by statute, the Institution, and the Board. Currently, these benefits include:

- a. Participation in PERSI under Idaho Code, Title 59, Chapter 13.
- b. Optional participation in the Board sponsored 403(b) Plan and/or the 457 Deferred Compensation Plan, the PERSI Choice 401(k) Plan and/or the State of Idaho 457 Deferred Compensation Plan, in accordance with Idaho Code §59-513 and Internal Revenue Code contribution limits.
- c. Health insurance – employer/employee shared plan (optional insurance for family may be purchased).
- d. Life insurance – employer provided, equal to annual salary.
- e. Paid leave – vacation (24 days per year) and sick leave (12 days per year).
- f. Education – eligibility to attend Idaho public post-secondary institutions at a special reduced fee based on Idaho State Board of Education Governing Policies & Procedure, Section V.R.3.a.viii. and Institution eligibility.

6. Housing

- a. The President shall live in the president's residence located on campus. The Institution shall provide for the normal operating costs for the residence including interior and exterior maintenance, utilities and housekeeping.
- b. The Institution shall maintain property and liability insurance on the residence. The President shall be responsible for obtaining and paying for insurance on the President's personal belongings located at the residence.

7. Automobile

The Institution shall provide the President with an annual automobile allowance of nine thousand two hundred dollars (\$9,200). The President shall be responsible for acquiring, maintaining, registering and insuring the automobile.

8. Travel for the Institution

The Board agrees to pay for the President's reasonable travel expenses, hotel bills, and other necessary and proper expenses when the President is traveling on Institution business. Payments will be made on behalf of the spouse only as permitted by the Governing Policies and Procedures of the Board and when for a bona fide business purpose and the presence of the spouse is necessary to further the interests of the Institution.

9. Official Entertainment

- a. The Institution shall reimburse the President for official university-related entertainment expenses.
- b. All reimbursements and expenditures under this section 9 shall be funded by the Institution's public relations account.

10. Expense Receipts and Documentation

The President agrees to maintain and furnish to the Board, upon request, an accounting of expenses provided for in this Agreement in reasonable detail on a quarterly basis.

11. Working Facilities

The President will be furnished with a private office, administrative assistance and such other facilities and services suitable to the position and adequate for the performance of the duties.

12. Tax Liability

All tax liability resulting from the salary and benefits contained herein, pursuant to the Internal Revenue Code and Idaho Code are the responsibility of the President.

13. Termination and Liquidated Damages

- a. *Termination by the Board for Adequate Cause.* The parties agree that the Board may terminate this Agreement at any time without liability for "adequate cause," which, in addition to its meaning in Idaho State Board of Education Policies and

Procedures, Section II.L.3, shall include the following:

- i) A deliberate or serious violation of the duties set forth in this Agreement or refusal or unwillingness to perform such duties in good faith and to the best of the President's abilities;
- ii) A violation by the President of any of the other terms and conditions of this Agreement not remedied after thirty (30) days' written notice thereof to the President;
- iii) Any conduct of the President that constitutes moral turpitude, or that would tend to bring public disrespect, contempt, or ridicule upon the Institution;
- iv) A deliberate or serious violation of any law, rule, regulation, Constitutional provision or bylaw of the Institution, or local, state, or federal law, which violation may, in the sole judgment of the Board, reflect adversely upon the Institution;
- v) Prolonged absence from duty without the Board's consent.

In such event, the President shall not be entitled to liquidated damages.

- b. *Termination by Board Without Cause.* This Agreement may be terminated at any time by the Board by delivering to the President written notice of the Board's intent to terminate this Agreement without cause, which notice shall be effective sixty (60) days after the date the notice is delivered. The Board agrees to use good faith efforts to dissolve the employment relationship in an honorable and respectful manner and without damage to the President's reputation and the President agrees to not disparage the Board or the Institution. To provide the President with an opportunity to pursue other career opportunities, the Board may elect to require that the President assume sabbatical or professional leave status with pay during the said sixty (60) day period. In the event of such leave, the President agrees to accept same and, during such time period, to use his best efforts to act in the best interests of the Institution, notwithstanding that he would be no longer actively engaged as its President.
- c. *Liquidated Damages.* If the Board terminates this Agreement without cause under section 13(b) above, then the President's employment obligations hereunder shall cease and be terminated, and the Institution shall pay the President, as liquidated damages and not as salary or payroll, an amount equal to one hundred percent (100%) of President's base annual salary for a period of twelve (12) months following the effective date of such termination or for the remaining period of this Agreement, whichever is less.

- i) The Institution shall pay its obligation on a monthly basis prorated for a period of twelve (12) months following the effective date of such termination, and shall be subject to President's duty to mitigate as set forth below. The President will be entitled to continue the health insurance plan and group life insurance at President's expense for such time permitted under Idaho law from the effective date of termination, but will not be entitled to any other benefits contained herein except as otherwise provided or required by applicable law. In no case shall the Board or Institution be liable for the loss of any collateral business opportunities or any other benefits, perquisites or income from any sources that may ensue as a result of the Board's termination of this Agreement without cause.
 - ii) The parties have bargained for and agreed to the foregoing liquidated damages provision, giving consideration to the fact that termination of this Agreement by the Board without cause prior to its natural expiration may cause loss to the President which damages are extremely difficult to determine with certainty. The parties further agree that the payment of such liquidated damages by the Institution and acceptance thereof by President shall constitute adequate and reasonable compensation to President for the damages and injury suffered.
- d. *Mitigation of Damages.* If the President obtains new employment during the period during which the Institution is obligated to pay liquidated damages, then the Institution's financial obligations under this Agreement shall be reduced by the amount of the compensation received by the President from such employment.
- e. *Termination by President.* This Agreement may be terminated without cause by the President by giving the Board sixty (60) days' advance written notice of the termination of employment as President of the Institution. In no event shall the Board or Institution be liable for the loss of any benefits, perquisites, or income from any sources as a result of such termination.
14. Entire Agreement; Modification

This Agreement constitutes the entire understanding of the parties hereto and supersedes any and all prior or contemporaneous representations or agreements, whether written or oral, between the parties, and cannot be changed or modified unless in writing signed by the parties hereto.

15. Severability

The terms of this Agreement are severable such that if any term or provision is declared by a court of competent jurisdiction to be illegal, void, or unenforceable, the remainder of the provisions shall continue to be valid and enforceable.

16. Governing Law; Forum

This Agreement shall be interpreted and construed in accordance with the laws of the State of Idaho, the State courts of which shall be the forum for any lawsuit arising from or incident to this Agreement.

17. Waiver

No delay or failure to enforce any provision of this Agreement shall constitute a waiver or limitation of rights enforceable under this Agreement.

18. Non-Assignable

This Agreement is not assignable but shall be binding upon the heirs, administrators, personal representatives, and successors of both parties.

IN WITNESS WHEREOF, the President of the Board and Kevin D. Satterlee have executed this Agreement.

Kurt Liebich, President
Idaho State Board of Education

Kevin D. Satterlee, President
Idaho State University

Date

Date

**First Amendment to the Employment Agreement
for
President Boise State University**

This First Amendment to the Employment Agreement for President Boise State University ("First Amendment") is made between the Idaho State Board of Education, as the Board of Trustees for Boise State University ("Board"), and Dr. Marlene Tromp ("President") and is effective June ____, 2021 ("Effective Date").

1. The Employment Agreement has an effective date of July 1, 2019.
2. The Initial Term of the Employment Agreement was for three (3) years commencing July 1, 2019 and terminating June 30, 2022.
3. At the Board meeting on _____, the Board approved the amendment of the Initial Term to extend the term of the Employment Agreement through June 10, 2023.
4. Paragraph 3.a of the Employment Agreement is hereby amended to include the addition of a renewal term ("Renewal Term") extending the Employment Agreement through June 10, 2023.
5. All capitalized terms not defined shall have the definitions set forth in the Employment Agreement.
6. All other terms of the Employment Agreement remain in effect.

IN WITNESS WHEREOF, Kurt Liebich, President of the Idaho State Board of Education, and Dr. Marlene Tromp, President of Boise State University, have executed this First Amendment.

Kurt Liebich, President
Idaho State Board of Education

Dr. Marlene Tromp, President
Boise State University

Date

Date