

**SUBJECT: PERSONNEL**  
**Policy 711.2 – Board of Regents Employment Contracts**  
**Effective: June 1, 2006; Issued: June 26, 2006**

The following positions shall be hired through a Board of Regents (BOR) employment contract:

- ✓ Commissioner of Higher Education (**BOR Policy 702.5 is controlling**)
- ✓ President (**BOR Policy 702.5 is controlling**)
- ✓ Deputy/Associate Commissioner
- ✓ Vice President
- ✓ Provost
- ✓ Vice/**Associate** Provost
- ✓ Chancellor
- ✓ Vice Chancellor
- ✓ Deans of **the Colleges of Technology in Helena and Great Falls Two-Year Colleges**
- ✓ Legal Counsel
- ✓ All other commissioner's staff employed under contracts

B. BOR employment contracts:

1. Employees in positions referenced above shall be issued a BOR employment contract specifying salary and other terms of employment. BOR employment contracts are for a maximum of a one-year period and must be signed by the applicable president, chancellor, or the Commissioner of Higher Education (CHE), and be approved by the BOR. For the commissioner and presidents, the procedures for **two-year multiyear** contracts and certain other conditions are governed by BOR Policy 702.5 (Appointment; Executive Contracts; Commissioner and Presidents). **Initial contracts for the hiring of a new vice president, provost, chancellor, vice chancellor or two-year college dean may be for a term of up to two years, after which no subsequent contract term may exceed the one-year maximum. Other positions may be considered for an initial contract term of longer than one year in duration at the discretion of the board.**
2. Except in cases of mid-contract termination for cause or loss of funding, full-time employees hired through a BOR employment contract shall be given written notice of intent not to renew their contracts at least thirty (30) days prior to expiration during the first year of employment; three (3) months prior to expiration during the second year of employment, or; five (5) months prior to expiration during the third or subsequent years of employment with the institution.
3. All other terms and conditions of employment shall be outlined in the contract.

C. Limitations: No agent of the BOR may make commitments or promises to any employee to extend employment beyond the maximum term authorized in this policy. Any such promises, whether written, oral or implied, are invalid and unenforceable.

D. Salary adjustments for executives working under BOR employment contracts are subject to guidelines approved by the board.

History:

Item 83-002-R0594, Criteria for Board of Regents Contracts; Non-faculty Personnel, approved July 7, 1994; Policy revised by Item 131-116-R0506, Employment contracts and pay guidelines for non-faculty administrators and professionals, approved by the Board of Regents June 1, 2006.

**SUBJECT: PERSONNEL**

**Policy 702.5 – Executive Contract; Commissioners and Presidents**

***Effective: June 12, 1984; Issued: June 25, 1984***

Board Policy:

A. The following policy shall apply in written contracts of employment with the commissioner of higher education (CHE) or **any of the university** presidents **of the units of the Montana university system (MUS)** in the absence of express contract provisions which are to the contrary.

B. Initial contracts for a CHE or **university** president **of a unit of the MUS** shall be for a **period of two years term as approved by the board not to exceed three years in duration**. Salary increments shall be determined annually. An incumbent may be dismissed during the contract period for adequate cause.

C. Initial contracts may be renewed at the discretion of the Board of Regents. Such renewal shall be for a one-year period. Salary increments shall continue to be determined annually. Written notice of non-renewal shall be given by June 30 prior to the final contract year. No advance notice shall be required in the event of dismissal for adequate cause.

D. During the final contract year, the CHE or president may be assigned administrative or other duties at one of the units of the MUS or in the commissioner's office. An alternate arrangement may be negotiated which is mutually agreeable to the person involved and the board.

History:

Item 17-004-R0777, Contract Terms; Commissioner of Higher Education and unit presidents, Montana University System, July 11, 1977 as revised June 12, 1984

### **BOR salary guidelines for non-faculty contract employees:**

All requests for salary adjustments shall adhere to the following parameters.

The Board of Regents has authority to approve requested salary adjustments for employees working under Board of Regents employment contracts (Policy 711.2).

The Commissioner has authority to approve requested salary adjustments for employees working under Montana University System employment contracts (Policy 711.1). All requested salary adjustments of greater than twenty (20) percent without a corresponding increase in assigned duties and responsibilities (a promotion) shall require Board of Regents approval.

#### **I. Across-the Board Salary Adjustment**

A. Definition: An annual percentage or flat dollar amount salary increase, at least in part intended to be distributed equally among eligible employees.

B. Amount: The Board of Regents shall establish the amount of any across-the-board adjustment.

C. Eligibility: Employees eligible for across-the-board increases shall typically have been employed in their current position at least six (6) calendar months prior to the effective date for implementation.

D. Effective Date: The Board of Regents shall establish the effective date for implementation of the across-the-board salary increases for eligible employees.

E. Documentation Required: With input from OCHE staff, members of the Board of Regents Staff and Compensation Committee shall determine what, if any, documentation will be required (e.g., fiscal impact assessment, etc.).

F. Merit Salary Increases: Campuses may elect to award merit salary increases to employees using funds for across-the-board salary adjustment authorized under this policy. Merit increases will be based upon performance evaluations and may be available to an employee who demonstrates outstanding performance in a recent evaluation indicating the employee is above the average rating established by the campus.

#### **II. Retention Salary Increase**

A. Definition: Retention salary increases allow the Montana University System to retain an employee with valuable knowledge, skills or abilities that are vital to the achievement of the University's mission or strategic goals; and whose resignation would have a significant adverse impact on the accomplishment of critical and/or urgent projects.

B. Amount: Retention salary increases may be permanent or temporary base adjustments or a onetime or periodic lump sum amount that is not added to the employee's base salary. The amount requested shall be supported by relevant

salary comparison data from CUPA and/or other sources deemed relevant by OCHE staff, in consultation with the employing unit.

C. Eligibility: Normally, only those individuals employed at least three (3) full contract terms shall be eligible for a retention salary adjustment. An individual employee may normally receive no more than one (1) retention salary adjustment in any two (2) consecutive year period.

D. Documentation Required: A retention increase request shall be accompanied by:

1. Explanation of the adverse impact if the employee resigns, and a summary of the employee's value to the institution;
2. Relevant salary survey data, including the job titles and descriptions of duties for positions used for comparison purposes;
3. Existing salary relationships among positions with similar responsibilities and in supervisory hierarchies within the campus and Montana University System;
4. Budget availability, funding source and long-term impact on tuition;
5. Evidence the employee has higher-paying opportunities with other employers.

### **III. Internal Equity**

A. Definition: A salary adjustment for an employee performing similar work under similar working conditions requiring a comparable level of knowledge, skill, or ability in order to resolve inequities. The fact that a retention salary adjustment is granted to one or more employees on the same or another campus may not be used as the sole justification for additional internal equity salary requests. Other relevant factors to be considered include: merit and length of service of the employee; market-based considerations; statutory protected class considerations; pay compression or inversion in existing pay relationships on a campus.

B. Amount: The amount requested shall be supported by salary comparison data from within the Montana University System, along with relevant salary comparison data from CUPA and other sources deemed relevant by OCHE staff in consultation with the employing unit.

C. Eligibility: Normally, only those individuals employed at least three (3) full contract terms shall be eligible for an internal equity salary adjustment.

D. Documentation Required: An internal equity increase request shall be accompanied by:

1. Explanation of the inequity;
2. Position and salary comparisons within the Montana University System that confirm an internal equity problem: and
3. Budget availability and funding source.

### **IV. Non-base Performance Bonus**

A. Definition: Non-base building compensation for exemplary service or contribution beyond the scope of the employee's regular job responsibilities and expectations.

B. Amount: Typically, the amount of a lump sum bonus may not exceed 10 percent of the employee's annual base salary or ~~\$5,000~~ **\$10,000**, whichever is less.

C. Eligibility: Employees must have been continuously employed in their current position for at least twelve (12) calendar months and shall not have received a lump sum bonus in at least the most recent 12-month period.

D. Criteria: The following job performance criteria shall be used to further determine eligibility:

1. The work significantly exceeds standard expectations in terms of quality, quantity, creativity, initiative, and effort;
2. The employee shall have maintained a consistent level of exemplary job performance during the term of their employment with the Montana University System, as evidenced by regular performance evaluations;
3. The efficiency, effectiveness, revenue generation, and/or cost savings efforts of the campus and/or University System are measurably enhanced by the employee's documented work; and
4. The employee's accomplishments occurred within the prior 12-month period.

E. Documentation Required: Written documentation addressing the above-described eligibility criteria shall be submitted to the Commissioner, along with the requested dollar amount.

#### **V. Recruitment Bonus**

A. Definition: Non-base building compensation awarded upon approval of an employee's initial contract in the Montana University System when the campus chief executive officer verifies the "signing bonus" is necessary to secure the hire.

B. Amount: Typically, the amount of a recruitment signing bonus may not exceed 10 percent of the annual base salary in the employee's initial contract or ~~\$5,000~~ **\$10,000**, whichever is less.

Nothing in these salary guidelines shall be construed to mean that an employee is entitled to any type of salary adjustment at any time, nor shall any provision in these guidelines be construed to mean that any individual is entitled to employment beyond the term of their existing contract, or as provided for in Board of Regents policies.