

APPENDIX P

March 10, 2003

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Senior Vice President for Academic Affairs
The University of North Carolina
Office of the President
Post Office Box 2688
Chapel Hill, NC 27515-2688

SUBJECT: Revised Institutional Plan of Management Flexibility
to Appoint and Fix Compensation for Western Carolina University

Dear Dr. Bataille:

Western Carolina University herewith submits our revised Institutional Plan of Management Flexibility to Appoint and Fix Compensation in accordance with Policy # 600.3.4 of the UNC Board of Governors. This plan was approved by the WCU Board of Trustees meeting on December 6, 2002.

Thank you for your feedback on changes needed in order for this plan to be approved by the Board of Governors. The plan has been revised based on comments received in your correspondence dated February 20, 2003. The first set of comments has been addressed and so noted in the plan.

The second set of comments relate to when our promotion and tenure policies will be revised. This is to notify you that revisions are scheduled to be completed by the end of the fall 2003 semester.

Please feel free to notify Vice Chancellor Collings or me if additional information is needed. Again, I appreciate your feedback and assistance in this important process.

Sincerely,

John W. Bardo
Chancellor

Enclosure

Cc: Vice Chancellor Collings

**Institutional Plan of Management Flexibility to Appoint and Fix Compensation
Western Carolina University**

I. Introduction and Background

Policy # 600.3.4 of the University of North Carolina (UNC) Board of Governors, "Granting of Management Flexibility to Appoint and Fix Compensation," provides for the delegation to the Boards of Trustees of Special Responsibility Constituent Institutions (SRCI) the authority to administer various personnel actions. These personnel actions are described in Policy # 600.3.4. Upon approval of this Institutional Plan by the Board of Governors, certain personnel actions will be delegated to the Western Carolina University (WCU) Board of Trustees.

II. Approval Process and Content of the Institutional Plan

Special Responsibility Constituent Institutions seeking to obtain management flexibility are required to submit a plan to the Senior Vice President for Academic Affairs for review and approval by the Board of Governors or the Personnel and Tenure Committee of the Board on any date after March 1, 2002. Policy # 600.3.4 of the Board of Governors requires that specific areas of policy and/or procedure be addressed in the institutional plan. In the following section, this institutional plan for WCU identifies the requirements and describes how they are or will be fulfilled on this campus.

III. Fulfilling the Board of Governors' Requirements

A. Requirement:

Institutions must employ policies and procedures for the recruitment and selection of senior academic and administrative officers.

These policies and procedures are contained in Attachment A, the WCU document titled, "Recruitment and Selection Procedures for EPA Faculty and Administrators." This document can also be accessed on-line at the following web address: http://www.wcu.edu/eop/recruit_guide.pdf.

These procedures provide guidance in the following areas:

- a. Permission to Recruit**
 - a. Position analysis**
 - b. Obtaining authorization to recruit**
 - c. Search committee appointment**
- b. Recruitment process**
 - a. Developing the job advertisement**

- b. Authorization forms
 - c. Advertising
 - d. Recruitment costs
- c. Screening the applicant pool
 - a. Processing and screening of applicant vita/materials
 - b. Reviewing the applicant pool
 - c. Equal Opportunity Program office (EOP) approval of the applicant pool
- d. Interviewing
 - a. Checking references
 - b. Selecting final candidates
 - c. Additional screening and EOP approval
 - d. Interview arrangements
 - e. Candidate visits
 - f. Candidate expenses and reimbursement
- e. Decision to offer the position
 - a. Selecting the successful candidate
 - b. Unofficial offer
- f. Appointment
 - a. Required documents
 - b. Official offer and acceptance
 - c. Post-appointment procedures
- g. Re-opening the search (as necessary)

B. Requirement:

Institutions must have a campus policy for promotion and tenure that complies with the Code of the University of North Carolina and current federal law, provides for periodic pre-tenure, tenure and promotion review at multiple levels, and provides clear requirements for promotion and the conferral of permanent tenure.

WCU's policy for promotion and tenure is found in the Faculty Handbook, Section 4.02, titled "Guidelines for Conferral of Academic Rank, Promotion, and Tenure." Promotion and tenure guidelines and processes are supplemented by the University's annual evaluation process for faculty members (see Section 4.05 of the Faculty Handbook). WCU's tenure policy is attached to this plan and noted as Attachment B. The policy may also be accessed at the following web address: <http://www.wcu.edu/fachandbook/empl/sectwo.htm>.

The policy for promotion and tenure provides a definition of the tenure policies and regulations for WCU and expounds on the freedom and responsibility of the faculty and the university community. The policy provides further explanation regarding the classes of appointment to faculty rank, the terms and conditions of appointments, continued availability of special funds, a provision for less than full-

time employment, conditions related to nonreappointment, resignations, and due process before discharge. The roles of the tenure and promotion advisory committees and the administration are explained as well as appeals processes in circumstances of negative decisions on reappointment, promotion, and tenure. The policy also includes provisions for periodic pre-tenure review, tenure and promotion review at multiple levels.

Attachment C, a memorandum from the Vice Chancellor for Academic Affairs to deans, department heads, and the University Librarian, provides a general guideline and timeframe for the tenure, promotion, and reappointment and annual faculty evaluation processes.

The policy for promotion and tenure is reviewed continuously and is administered in accordance with the The Code of The University of North Carolina.

C. Requirement:

Institutions must maintain a schedule and process for periodic review of promotion and tenure policies and a process for amending promotion and tenure policies that includes a review by the Office of the President.

The Faculty Senate is currently revising faculty evaluation standards and procedures, including annual faculty evaluation, promotion, and tenure policies. A final report is expected by fall 2003. That report, after review, will serve as the basis for changes to the management flexibility plan for WCU. Thereafter, the annual faculty evaluation, promotion, and tenure policy will be reviewed at least every three years. Revisions will be made part of the management flexibility plan after each review process is complete.

D. Requirement:

Institutions must establish salary ranges, based on relevant data, for vice chancellors, provosts, deans, and other similarly situated administrators that are not included in the annual Board of Governors' study establishing salary ranges.

Senior administrative positions at WCU not included in the Board of Governors' annual study include Deans, University Librarian, and University Legal Counsel. Salary ranges will be established, based upon comparisons to approved peer institutions, in keeping with the Board requirement.

To establish the salary ranges, WCU will continue to participate in and acquire the annual administrative salary survey prepared by the College and University Professional Association for Human Resources (CUPA-HR).

E. Requirement:

Institutions must maintain evidence of comprehensive salary studies that establish salary ranges for tenured faculty within different disciplines based on relevant data.

Salary ranges for tenured faculty, by discipline, must be developed. To do so, WCU has participated in and acquired the annual faculty salary survey conducted by CUPA-HR. This national survey contains faculty salary data for peer institutions by academic discipline. Additionally, WCU has obtained a special faculty salary study in which 12 peer institutions' data has been compiled to serve as comparative data specific to WCU.

This survey is attached to this plan and noted as Attachment D.

F. Requirement:

Institutions must employ policies governing the compensation of faculty and non-faculty EPA (Exempt from the State Personnel Act) from non-state sources such as grants, endowment funds, practice plan funds, etc.

Non-state funds, such as grants, endowment income, and funds collected through the assessment of fees and charges to students and other constituents, are considered to be resources of WCU, an agency of the University of North Carolina and the State of North Carolina. Without regard to source of funding, compensation of faculty and EPA non-faculty is managed in accordance with the Board of Governors' policy as stated in the annual resolution on salary matters. Non-state funds used to compensate members of the faculty and EPA non-faculty are distributed in a manner consistent with the annual EPA Salary Resolution memorandum issued by the President.

Job performance and compensation of all EPA employees are subject to review annually. Salary adjustments are granted on meritorious performance and/or labor market studies, regardless of whether the funding source is state funded or non-state funded. If the annual EPA Salary Resolution memorandum issued by the President amends in any way the reasons for salary adjustments, Western's practice is amended to remain consistent with BOG policy.

All increases from non-state sources are subject to availability of funds.

G. Requirement:

Institutions must employ policies governing any non-salary compensation of faculty and EPA non-faculty.

Within the boundaries set by the financial policies of the State and of WCU, as outlined in the policy manuals of the Office of State Budget and Management and WCU, the Board of Trustees has the authority to approve any non-salary compensation from all sources of funds for all Vice Chancellors and Senior Academic and Administrative Officers for which the Board of Governors establishes salary ranges. The Chancellor has the authority to approve any non-salary compensation from all sources of funds for deans and other similarly situated administrators that are not included in the Board of Governors' study establishing salary ranges. Only the Board of Governors can approve non-salary compensation for the Chancellor.

Non-salary compensation at WCU is permissible upon the approval of the Chancellor. Heretofore, non-salary compensation has been limited to three main categories: motor vehicles, moving expenses, and entertainment funds.

Motor Vehicles

Motor vehicles are provided in extraordinary circumstances to recognize the level of position, i.e., vice chancellor; or the requirements of the position, i.e., athletics. The Chancellor has utilized motor vehicles as non-salary compensation to recruit and attract senior administrative officers to the university. In all cases, the costs associated in providing motor vehicles are private funds (foundation) and the use of motor vehicles is subject to the Internal Revenue Service regulations on taxation of fringe benefits.

It is customary in the marketplace to provide a motor vehicle to the athletics director and head coaches of revenue sports (men's basketball, men's football and women's basketball). Provision of motor vehicles to other athletic employees is contingent upon the need and availability of vehicles from external sources. All costs associated with the provision of motor vehicles to athletic employees are provided from non-state funds (foundation) and the use of motor vehicles is subject to the Internal Revenue Service regulations on the taxation of fringe benefits.

Moving Expenses

With the approval of the Chancellor, moving expenses are provided as part of the recruitment package. It is customary in the marketplace to provide moving expenses to senior academic and administrative officers, high profile faculty members, key administrative members and others as required. All funding is provided from non-appropriated funds and moving expenses are reimbursed in accordance with guidelines set forth in the State Budget Manual. All moving expenses are reported in accordance with the Internal Revenue Service regulations related to moving expenses.

Entertainment Funds

At the discretion of the Chancellor, an amount of funds is provided ranging from \$200 to \$2,200 to appropriate university officials for entertainment expenses while on official university business. Non-appropriated funds are utilized to provide these allocations. Reimbursement requests must include adequate documentation in accordance with the Internal Revenue Service regulations.

These practices will be confirmed in a formal policy statement to be presented to the Board of Trustees at their June 2003 meeting. Upon approval, the policy statement on non-salary compensation at WCU will be added to this management flexibility plan.

H. Requirement:

Institutions must maintain documentation that the campus has not had audit findings related to personnel practices, salary or payroll for the previous three years or evidence that any findings have been remedied.

Copies of clean audit statements are available.

I. Requirement:

Institutions must maintain evidence of appropriate accountability procedures in the event that the Board of Trustees delegates the authority granted pursuant to this policy to the Chancellor.

It is the intent of this plan to delegate to the Chancellor the authority to appoint and fix compensation for faculty with permanent tenure, faculty awarded the designation of distinguished professor, and deans and other similarly situated administrators that are not included in the Board of Governors' study establishing salary ranges, not inconsistent with other policies in this plan. The Chancellor will also be delegated the authority to award compensation from non-state sources consistent with policies established by the Board of Governors.

To ensure proper oversight and accountability, the Chancellor will annually provide, at the spring meeting of the WCU Board of Trustees, an appropriate summary report of personnel actions taken under this delegation of authority for the current academic year.

- a. The WCU Policy on Employees Exempt from the State Personnel Act and the policies and procedures of the University's Division of Administration and Finance provide further evidence of appropriate accountability procedures.**

A copy of WCU's Approval Authority for Personnel chart is attached.

IV. Effective Date of the Delegation of Authority

The delegation authorized in Board of Governors Policy # 600.3.4 is effective upon the date when the Board of Governors approves this Institutional Plan.

**Approved by the Board of Trustees Effective December 6, 2002
Approved by the Board of Governors Effective**

**Approval Authority for Personnel Appointments, Promotions, and Compensation Actions
Involving Western Carolina University Positions Exempt From the State Personnel Act (EPA)**

ACTION	Position Type					
	Faculty	EPA Non-Faculty (Includes EPA Instructional and EPA Research)	SAAO (Tier I) ¹			SAAO (Tier II) ² (Assoc. & Asst. Vice Chancellors, Assoc. & Asst. Deans, etc.)
			Chancellor	Vice Chancellor	Deans & SAAO (Tier I) positions for which the BOG does not establish salary ranges	
Establish or designate an EPA position	For information on the approval authority required to establish various types of EPA positions, refer to "Positions Exempt from the State Personnel Act: Approval Authority and Submission Process to Establish and Designate EPA Positions"					
Appointment	Chancellor	Chancellor	Board of Governors	Board of Trustees*	Chancellor	Chancellor
Temporary appointment	Chancellor	Chancellor	President	Chancellor	Chancellor	Chancellor
Promotion to position type (see above)	Chancellor	Chancellor	Board of Governors	Board of Trustees*	Chancellor	Chancellor
Tenure	Board of Trustees*	N/A	N/A	N/A	N/A	N/A
Compensation actions ³						
Salary increase < 15% -Annual adjustment	Chancellor	Chancellor	Board of Governors	Board of Trustees* ⁴	Chancellor	Chancellor
-Mid-year adjustment	Chancellor	Chancellor	Board of Governors	Board of Trustees* ⁴	Chancellor	Chancellor
Salary increase ≥ 15% over previous 6/30 salary -Annual or mid-year adjustments	Board of Governors	Board of Governors	Board of Governors	Board of Governors	Board of Governors	Board of Governors
Temporary Supplement/Stipend	Chancellor	Chancellor	Board of Governors	Board of Trustees* ⁴	Chancellor	Chancellor

* Boards of Trustees may not delegate the authority for these actions.

¹ As defined by UNC Policy 300.1.1, Section I.A.

² As defined by UNC Policy 300.1.1, Section I.B.

³ Approval authority is the same regardless of source of funding (i.e. state and non-state funds).

⁴ Increases that cause salaries to exceed the salary ranges established by the Board of Governors require prior approval by the Board of Governors.