

APPENDIX O

The Board of Governors

COMMITTEE ON PERSONNEL AND TENURE

Annual Report
July 1, 2002- June 30, 2003

The major responsibilities of the Committee on Personnel and Tenure, as established by Section 301D of The Code of the Board of Governors are: (1) to make recommendations to the Board on all personnel actions under the jurisdiction of the Board, including conferral of permanent tenure, appointment of senior academic and administrative officers for those campuses without *“management flexibility to appoint and affix compensation,”* establishing and approving faculty and administrative salary ranges, and approving salary increases of in excess of 15%; (2) to review The Code and institutional policies and regulations regarding tenure; (3) to review appeals from faculty members that involve questions of tenure; and (4) to act on other personnel matters that involve significant policy considerations.

Board members who served on the Committee during the fiscal year July 1, 2002, through June 30, 2003, were Mr. William Burns, Ms. Angela Bryant, Mrs. Anne W. Cates, Mr. Frank Grainger, Mr. Craig Souza, and Mr. J. Bradley Wilson. Mr. Benjamin Ruffin, Mr. John Cecil and Mr. John W. Davis were elected to serve on the Committee for 2002-2003, and the terms of Anne Cates and Bradley Wilson expired. In September 2002 the Committee elected as its officers, Mr. Craig Souza as Chair, Ms. Angela Bryant as Vice Chair, and Mr. John W. Davis as Secretary.

In its designated role, the Committee on Personnel and Tenure reviews personnel actions recommended by the President for consideration and approval by the Board of Governors for those campuses without “*management flexibility to appoint and affix compensation.*” The Committee reviewed and acted upon the appointment or reappointment of forty-three senior academic administrative officers and recommendations for one hundred and forty-eight faculty conferrals of permanent tenure during the 2002-2003 fiscal year. Included in the personnel actions are thirteen recommended appointments of distinguished faculty under the guidelines of the Board’s Distinguished Professors Endowment Trust Fund (a report of the fund will be submitted at the November 2003 meeting). The above actions are summarized, by institution, on the attached “*Summary of Personnel Actions and Changes.*” Campuses with management flexibility granted four additional Administrative appointments and one hundred and seventy-seven additional conferrals of tenure. All campuses with management flexibility are required to submit an Annual Summary Report providing details of such actions on September 1st of each year.

Subcommittees convened for additional meetings to receive, review, and recommend four faculty appeals from constituent institutions for Board consideration.

Annually, on recommendation of the President, the Committee considers and further recommends to the Board, salary ranges and specific salaries for incumbents in senior administrative positions. The structure and policy governing these ranges and levels embody three principal characteristics: (1) they are to be internally equitable and fair; (2) they are to be externally competitive; and (3) they are to be applied consistently. In May of 2002, the

Office of the State Budget enacted a freeze on hiring prior to July 1, 2002 and salary increases using state funds. Due to these restrictions, the Committee conducted careful reviews of appointments and salary requests submitted and found themselves postponing requests that did not comply with the OSB guidelines. In addition, the longer than usual Legislative session did not produce a State budget until October, causing a delay in the establishment of Administrative and Faculty salaries for FY 2002-2003. Actions by the 2002 Session of the North Carolina General Assembly did not include appropriations for any salary increase for 2002-2003 from state funds for UNC employees due to continuing budgetary constraints, although some employees did receive merit or equity increases from campus-initiated tuition increases or other funds. In lieu of a salary increase, the State Legislature granted all eligible employees a *10-day Special Annual Leave Bonus*.

Robyn Render, Vice President for Information Resources and CIO received an equity increase of 15.41%. In addition, along with an increase in duties, Leslie Winner received an 8.8% increase, effective October 2002 and James B. Milliken received a 15.3% increase, effective March 2003 along with a realignment of his division from Public Affairs and University Advancement to University Affairs, and promotion to Senior Vice President. The Committee's recommendations for 2002-2003 did not include any other salary increases for the President's senior staff or for staff at the Center for Public Television or the chancellors. For the third consecutive year, the chancellors of the constituent institutions did not receive salary increases.

The UNC-Office of the President had changes and additions to the staff, most notably with the resignation of Mr. Ronald Penny, Vice President for Human

Resources in August 2002, to accept an appointment at North Carolina Central University. President Broad appointed Leslie Winner, General Counsel and Vice President for Legal Affairs, to assume the duties of this position on an interim basis in October 2002.

Significant appointments within the campuses were also presented to the Board, as both Chancellor Willis McLeod of Fayetteville State University and Chancellor James Lutze of the University of North Carolina at Wilmington retired at the end of June 2003. The UNC system was fortunate to find well-qualified replacements for the departing chancellors in the appointments of Dr. Rosemary DePaolo as chancellor for the University of North Carolina at Wilmington in March 2003, to begin by July 15, 2003, and Dr. T.J. Bryan as chancellor for Fayetteville State University in June 2003, to begin on July 1, 2003.

Also in June 2003, the Chancellor of Appalachian State University, Dr. Frank Borkowski, retired. President Broad secured the services of retiring Provost and Vice Chancellor for Academic Affairs, Dr. Harvey Durham, and appointed Dr. Durham as the interim chancellor while the search for a new chancellor is ongoing.

Additionally, several Vice Chancellors had either retired or left to accept other positions. In July, Dr. William Swart was appointed as Provost and Vice Chancellor for Academic Affairs at East Carolina University, effective August 1, 2002, replacing the interim Provost and Vice Chancellor, Robert Thompson. In September 2002, Dr. Lucy Reuben was appointed as Vice Chancellor for Academic Affairs and Provost at North Carolina Central University, effective September 16, 2002, replacing Dr. Walter Harris. In January 2003, Dr. Carolyn

R. Mahoney was appointed as Vice Chancellor for Academic Affairs at Elizabeth City State University, effective January 13, 2003, after serving as interim for several months due to the departure of Dr. Albert Walker. In addition, the Provost and Vice Chancellor for Academic Affairs at North Carolina State University, Dr. Stuart Cooper, stepped down in January 2003 to assume a teaching position. Other Vice Chancellor positions were filled by campuses with management flexibility and are reported in the Annual Summary Reports of the campuses.

Seven of the constituent institutions – East Carolina University, North Carolina State University, the University of North Carolina at Asheville, the University of North Carolina at Chapel Hill, the University of North Carolina at Charlotte, the University of North Carolina at Greensboro, and Western Carolina University sought and were granted management flexibility after thorough reviews of their applications. Three additional institutions have made initial requests for management flexibility and reviews of their applications are in progress. During the year, the Committee continued to examine the effects on current policies and practices with respect to the granting of management flexibility to the UNC constituent institutions to ensure that other policies, guidelines and regulations are in alignment with this new practice.

The Committee further refined Policy 600.3.4, *“Granting of Management Flexibility To Appoint and Fix Compensation”* to provide additional checks and balances. In July 2002, the Committee recommended an amendment to Policy 600.3.4 to allow the Committee to withdraw the granting of management flexibility to any institution that does not adhere to the policies and procedures set forth in the Policy. The Committee also reviewed a number of current policies and

practices and recommended the adoption of new policies and amendments to existing policies.

During the past year, the Committee continued to have discussions on the issue of employment agreements for the President and the chancellors. This issue represents new ground for the UNC system and has been carefully reviewed over many months. In keeping with the movement towards this new practice, the Committee recommended amendments in November 2002 and March 2003 to Policy 300.1.1, *“Senior Academic and Administrative Officers”* to allow the President to establish such agreements. The appointments of both Chancellor DePaolo and Chancellor Bryan included terms and conditions in keeping with the amended policy.

In October 2002, amendments were recommended to Policy 300.1.4, *“Campus State Relations Officers”* to allow campuses to designate a staff member to serve on a University-wide State Relations Council to assist with the state governmental affairs function, placing a cap on such activities at 25% of the member’s overall duties.

To address concerns regarding separation and retreat policies at the constituent institutions, a survey was conducted to gain information on common practices and policies within other state university systems. In March 2003, the Committee recommended a new Policy 300.1.6 and Guidelines 300.1.6, *“Administrative Separation and/or Retreat to Faculty Positions.”* These newly enacted policy and guidelines on separation and retreat practices allowed the President to develop a formal plan for the return to faculty positions for Chancellor Leutze, Chancellor McLeod and Chancellor Borkowski.

Also in March, amendments were made to Policy 300.2.1 “Employees Exempt from the State Personnel Act” to modify language in keeping with other new policies. The war in Iraq prompted the replacement of Policy 300.2.8, “ Faculty Military Leave” and the proposed Policy 300.2.11, “Serious Illness and Disability Leave for Faculty” (both in March 2003). Also in March, proposed Policy 300.2.10 “Faculty Community Service Leave” was recommended by the Committee.

The committee accepted the “Report on Summer Leadership Institutes” (October 2002), the “Report on the Phased Retirement Program” (November 2002), and the “Post-Tenure Review Report” (November 2002). The Committee also distributed its “Annual Report – July 1, 2001 – June 30, 2002” in October 2002 and the “Annual Report on Distinguished Professors” in November 2002. Via a joint meeting with the Committee on University Governance in January 2003, the Committee received the “Faculty Dispute Resolution Report” that provided an option for mediation to resolve such disputes. The Committee also recommended the approval of the “Resolution to Honor Retiring Faculty” in April 2003.

Attachments