



The University of North Carolina

GENERAL ADMINISTRATION

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DATE: September 28, 2009

TO: Members, Committee on Personnel and Tenure

FROM: Alan Mabe

SUBJECT: Developing Potential Policy Revisions for "Retreat" Rights

Dr. Robinson has asked me to provide each of you with a template to use as you consider the policy revisions for "retreat" rights. As you know, President Bowles recently made a set of recommendations for such revisions to the Board for its consideration. We have used that document, modified to provide ample space following each of the major items in the President's recommendations so that you may note your agreement or disagreement with each recommendation and for you to include whatever comments you wish to make. The idea is to use this template to provide structure for the discussion at the October Committee meeting. The Committee will focus on the Chancellor level initially.

July 31, 2009

TO: Members of the Board of Governors

FROM: Erskine Bowles

RE: Recommendations concerning Board of Governors policies on administrative separation and/or retreat to the faculty

Recent events have brought unprecedented attention to long-standing University practices and policies that allow senior administrators who hold tenure the right to retreat to a faculty position when they retire or otherwise step down from their administrative posts. I agree wholeheartedly with Chairman Gage that it is time for the Board of Governors to revisit its existing policies on the subject.

First, a bit of background: While retreat rights have been an accepted practice throughout American higher education for many decades, the Board of Governors first addressed them from a policy perspective for senior leaders below the chancellor level in 2003. In an effort to increase the competitiveness of UNC campuses in recruiting senior administrators and to bring greater consistency to how the long-standing practice was being applied across the campuses, the Board of Governors adopted Policy 300.1.6, which required every Board of Trustees to adopt a policy governing the separation and/or retreat of administrators. Accompanying guidelines allow for an administrator's retreat to the faculty at a nine-month salary commensurate with the salaries of comparable faculty members. The chancellor, at his or her discretion, may also provide the retreating administrator with up to one year of paid leave at full administrative salary in order to retool and prepare for a return to teaching and research responsibilities. Any agreement that continues all or partial administrative pay for more than one year requires the approval of the Board of Trustees. A parallel policy covering senior administrators in the Office of the President was adopted by the Board of Governors in 2004.

In fall 2005, shortly before my arrival as president, the Board of Governors adopted a related policy specific to the administrative separation of the president and chancellors. Under Policy 300.1.6.2, if the chancellor or president has served in the CEO role for at least five years, he or she may retreat to a nine-month faculty position on a UNC campus at 60% of his or her ending administrative salary following a one-year research leave at full administrative salary. [Copies of these policies are attached for your information.]

I am well aware that policy-making is the venue of the Board of Governors and the president is charged with executing Board policy. But having witnessed the benefits and shortcomings of these specific policies and guidelines for more than three years now, I feel compelled to share some general observations.

Without question, retreat rights to the faculty and an accompanying leave (with pay) in order to retool are standard throughout higher education. The practice is well documented within UNC since the formation of the 16-campus University under Bill Friday (and probably long before). I

am persuaded that it is still absolutely required for our University to be competitive in today's marketplace.

That said I have come to believe that our policies may be slightly more generous than those of public universities elsewhere—both in the length of leaves permitted and their levels of pay.

Agree/disagree; additional comments:

Furthermore, I strongly believe that our current policies incorporate too little accountability—from both a prior approval and work product standpoint—and need more definition of what is required of a retreating administrator during the research leave and after his or her return to the faculty.

Agree/disagree; additional comments:

Finally, our continuing review of campus separation agreements suggests that on some campuses, transition practices for departmental chairs who return to the faculty may not comply with current Board of Governors policy.

Agree/disagree; additional comments:

The Board of Governors has a responsibility to balance the need for competitiveness with what is appropriate and affordable in a time of limited resources. As you grapple with these difficult policy decisions in the weeks and months ahead, I offer the following recommendations:

1. As standard practice, retreating senior administrators who have held such a position at the institution for at least five years should be eligible for a paid leave of up to six months at an appropriate faculty salary, followed by a retreat to the faculty at that salary.

Agree/disagree; additional comments:

2. There should be up-front agreement of what work product is expected during the paid leave, as well as what workload expectations will be following retreat to the faculty (e.g., normal teaching load and/or research activity).

Agree/disagree; additional comments:

3. All administrator retreats and associated leaves should require approval by the appropriate Board of Trustees (if below the level of chancellor) or Board of Governors (if at the chancellor, president, or UNC vice president level).

Agree/disagree; additional comments:

4. Before a retreat for any individual administrator is granted, the Board of Trustees (or Board of Governors, if applicable), should see a summary of ALL terms of retreat and associated costs for ALL campus administrators currently in retreat status.

Agree/disagree; additional comments:

5. Under exceptional circumstances, paid leaves might be extended beyond six months (up to one year), but ONLY with Board of Governors approval. Likewise, granting a leave to an administrator with less than 5 years service should be done only under exceptional circumstances and should not be done without Board of Governors approval.

Agree/disagree; additional comments:

6. Currently employed chancellors and senior administrators—who assumed their positions relying on past practice—should be grandfathered under existing policies, so long as the terms of such an administrator’s retreat are consistent with the Board of Governors policies that were in place at the time he or she assumed his or her administrative post and the terms are approved by the appropriate Board of Trustees (if below the level of chancellor) or the Board of Governors (if at the chancellor, president, or UNC vice president level).

Agree/disagree; additional comments:

Thank you for your consideration. Tightening the policy will require more careful monitoring and reporting to ensure that all campuses adhere to the policy. We will make sure that occurs.

If you have questions or concerns, please feel free to give me a call. I look forward to your discussion at the August board meeting.

Additional comments:

Administrative Separation of the President and Chancellors

1. **Retreat to a faculty position:** If a chancellor resigns from the position of chancellor, or if the president resigns from the position of president, after having served in that position for at least five years, if the chancellor or the president will assume a tenured or non-tenured faculty position at a constituent institution of the University of North Carolina, and if there is not good cause to terminate the chancellor's or the president's service at the time that the chancellor or president resigns, then the chancellor or president will receive a one year research leave at the chancellor's or the president's most recent administrative salary. Non-salary compensation such as a house and an automobile will not be continued during the one year research leave.

At the end of the research leave, the chancellor or president will assume the faculty position with a nine month appointment, with duties and responsibilities in accordance with departmental expectations. The initial annual faculty salary will be the greater of 60% of the most recent annual administrative salary or a salary that is commensurate with the salaries of comparable faculty members in comparable positions.

2. **Separation from the University.** In some cases, a chancellor or a president may not be assuming a faculty position. It may be in the best interest of the University and a chancellor for the University to negotiate a severance agreement with a chancellor. In these circumstances, the president may, at the president's discretion, determine that the circumstances justify providing severance pay in the amount of the chancellor's full administrative pay for up to 90 days. Non-salary compensation such as a house and an automobile will not be continued during this period of full compensation, although the president may allow the chancellor a reasonable amount of time to vacate the chancellor's house. Any agreement that results in a longer period of compensation must be approved by the Board of Governors.

The Board of Governors may, in its discretion, negotiate a severance agreement with a president who is resigning and is not assuming a faculty position.

3. **Separate agreement:** If the Board of Governors enters into a written agreement with a president or a chancellor, the terms of that agreement shall supercede this policy.