

**3. Informational Report: University Faculty Recruitment and Retention Fund.....Warwick Arden**

**Situation:** The Personnel and Tenure Committee receives an annual use of funds report for the University Faculty Recruitment and Retention Fund.

**Background:** The University Faculty Recruitment and Retention Fund was created in 2006 pursuant to senate Bill 1741. The fund was established with \$5,000,000 with the direction that “*allocations from the fund shall be made for salary increases at the discretion of the President of The University of North Carolina only for the purposes of recruiting and retaining faculty members as necessary at constituent institutions*” (:§22.12(a1)).

**Assessment:** The attached documentation provides additional information related to the use of funds in the University Faculty Recruitment and Retention Fund.

**Action:** This item is for information only.

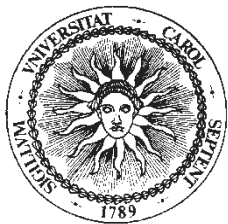
***Faculty Recruitment and Retention Fund Review***  
**2014**

---



**The University of North Carolina General Administration**

**July 2014**



**GENERAL ADMINISTRATION**

POST OFFICE BOX 2688, CHAPEL HILL, NC 27515-2688

Suzanne T. Ortega, Senior Vice President for Academic Affairs

Telephone: (919) 962-4614 • Fax: (919) 962-0120 • E-mail: [stortega@northcarolina.edu](mailto:stortega@northcarolina.edu)

*Constituent Universities*  
**Appalachian State  
University**

**East Carolina  
University**

**Elizabeth City  
State University**

**Fayetteville State  
University**

**North Carolina  
Agricultural and  
Technical State  
University**

**North Carolina  
Central University**

**North Carolina  
State University  
at Raleigh**

**University of  
North Carolina  
at Asheville**

**University of  
North Carolina  
at Chapel Hill**

**University of  
North Carolina  
at Charlotte**

**University of  
North Carolina  
at Greensboro**

**University of  
North Carolina  
at Pembroke**

**University of  
North Carolina  
at Wilmington**

**University of  
North Carolina  
School of the Arts**

**Western Carolina  
University**

**Winston-Salem  
State University**

*Constituent High School*  
**North Carolina  
School of Science  
and Mathematics**

**An Equal Opportunity/  
Affirmative Action  
Employer**

**MEMORANDUM**

TO: The Personnel and Tenure Committee of the Board of Governors  
FROM: Warwick Arden  
DATE: July 7, 2014  
SUBJECT: Faculty Recruitment and Retention Fund Review

Enclosed is the Review of the Faculty Recruitment and Retention Fund. The Review includes background information on the fund and the accepted awards since 2007.

If there are questions regarding the fund or the information provided, please do not hesitate to contact me.

## **Fund History**

The Faculty Recruitment and Retention Fund was created in 2006 pursuant to Senate Bill 1741. The fund was established with \$5,000,000 with the direction that “allocations from the fund shall be made for salary increases at the discretion of the President of The University of North Carolina only for the purposes of recruiting and retaining faculty members as necessary at constituent institutions” (:§22.12(a1)). The President was instructed to issue guidelines for the use of these funds.

In 2008 the Legislature added an additional \$3,000,000 to the fund and in 2009 another \$2,000,000 was added, for a total allocation of \$10,000,000 for this purpose. Because of the success of this program and because funds are only returned to the central account if a supported faculty member subsequently leaves UNC, campuses were notified in May 2011 that the Faculty Recruitment and Retention fund had been fully expended and that no additional recruitment or retention offers could be supported until such time as the fund was replenished. In 2012 the Legislature added \$3,000,000 to the fund and the University was able to again provide support to campuses for retention and recruitment purposes.

## **Summary of the Use of Funds**

Since the fund’s inception, 228 Recruitment and 288 Retention Awards have been made totaling \$16,500,417.

During the last calendar year there has been a sharp increase in the number of requests we have received from campuses for faculty retention. Between fiscal year 2013 and fiscal year 2014, we have seen a 50% increase in the use of the fund for retention purposes. The average retention award amount for Fiscal Year 2014 was \$14,400 as compared to Fiscal Year 2013’s average award of \$14,421. This indicates that campuses requested smaller amounts more frequently. In most cases, campuses were asked to provide some level of matching support for these requests contributing to the reduction in the average amount requested. Although funding available in the University Faculty Recruitment and Retention Fund is limited, we are grateful to be able to offer support to campuses in their efforts to retain their key faculty.

Due to the limited availability of funding, awards were restricted to retention requests only. The recruitment numbers provided are for awards that were made during the recruitment request for proposals last fiscal year but that were not effective until this fiscal year.

The funds awarded for retention efforts in Fiscal Year 2014 had an 85% success rate, meaning that 85% of the funds awarded for retention efforts resulted in the continued employment of that individual. Overall, the funds awarded for retention efforts since 2007 have an 88% success rate and funds awarded for recruitment efforts since 2007 have an 86% success rate.

## By Number of Awards

### Total Awards (Success Rate by Number of Awards)

		Fiscal Year ended June, 30								Current Total
		2007	2008	2009	2010	2011	2012	2013	2014	
Recruitment Awards										
	Total Awards Made	\$ 4,233,390	\$ 1,352,160	\$2,564,259	\$ 1,585,909	\$ 930,326	\$ 17,933	\$ 694,333	\$ 312,008	\$ 11,690,318
	Currently Active Awards	\$ 2,206,737	\$1,019,426	\$1,393,335	\$ 1,234,002	\$ 761,756	\$ 17,933	\$ 694,333	\$ 235,008	\$ 7,562,530
	Currently Active %	48%	75%	54%	78%	82%	100%	100%	75%	65%
Retention Awards										
	Total Awards Made	\$ 725,891	\$ 165,348	\$ 759,163	\$ 542,946	\$ 605,446	\$ 228,427	\$ 764,336	\$ 1,065,646	\$ 4,857,205
	Currently Active Awards	\$ 598,015	\$ 135,646	\$ 663,931	\$ 431,640	\$ 466,983	\$ 200,425	\$ 568,742	\$ 893,267	\$ 3,958,649
	Currently Active %	82%	82%	87%	79%	77%	88%	74%	84%	85%
<b>Total Active Awards</b>		<b>\$ 2,932,628</b>	<b>\$ 1,155,072</b>	<b>\$ 2,057,266</b>	<b>\$ 1,665,642</b>	<b>\$ 1,228,739</b>	<b>\$ 218,358</b>	<b>\$ 126,075</b>	<b>\$ 1,128,275</b>	<b>\$ 12,110,066</b>
		Current Fund Balance								\$ 1,674,378
		Total Appropriations to the Fund								\$ 13,000,000

## **Appendix A**

### **University Faculty Recruiting and Retention Fund**

#### ***Guidelines***

##### ***Legislation:***

*SECTION 22.12A. Of the funds appropriated to the Reserve for Compensation Increases for the 2006-07 fiscal year, five million dollars (\$5,000,000) shall be used to establish a Faculty Recruiting and Retention Fund under the Office of the President of The University of North Carolina. Allocations from the fund shall be made for salary increases at the discretion of the President of The University of North Carolina only for the purpose of recruiting and retaining faculty members as necessary at the constituent institutions.*

##### **Submission of Requests:**

Campuses should submit requests for funding support through the chancellor to:

The President  
The University of North Carolina  
General Administration  
Post Office Box 2688  
Chapel Hill, NC 27515-2688

##### **Packets should include:**

1. Strong endorsement by the chancellor for support of request for funds from the *University Faculty Recruitment and Retention Fund* to recruit and/or retain an exceptional faculty candidate/member.
2. Supporting documents, e.g., letter of offer from competing organization, summary of institutional funds committed to the recruitment and/or retention of the faculty candidate/member, etc.

## University Faculty Recruiting and Retention Fund

### *Frequently Asked Questions*

#### *Policy Questions:*

1. What exactly is meant by recruiting and retention? Would retention only cover counteroffers, or would special bonuses be included, say if a professor makes a new discovery, has a best seller published, etc., in order to deter faculty from looking at an offer?

*Funds may not be used for special bonuses. Funds may only be used to support salary enhancements to recruit or retain a faculty member. These funds will be provided as a last source after campuses have exhausted their capacity to support the salary enhancement.*

2. If recruitment is to attract new professors, would it cover only the first year? Would it be renewable or would the campus have to come up with the amount in future years? Could it be used to attract a high profile visiting professor or is it only for permanent faculty?

*The funds may be used for only for permanent faculty members. The funds are continuing funds until a faculty position is vacated. At which time, the funds revert to the pool at GA.*

3. Is it only for tenure track, and if so, how would an exception be made for the School of the Arts?

*The funds are intended for tenure-track faculty only. Exceptions will be considered based on a review of the recommendation from the Chancellor.*

4. Will the money be targeted to certain campuses that lag further behind their peer groups, or will each request be viewed separately? Will there be certain fields or disciplines targeted?

*No.*

5. If a counteroffer isn't approved from the fund, can the campus still make the counteroffer from its own funds and would it still go to P&T?

*Yes, the campus can make the counteroffer from its own funds if not approved from the University Faculty Recruiting and Retention Fund. No, pursuant to Policy 200.6, approved by the Board of Governors on November 10, 2006, this authority has been delegated to the President providing that the salary is within the established salary range and the salary increase is not in excess of 15% and \$10,000 higher than the salary in effect at the end of the last fiscal year.*

*Procedural Questions:*

1. Will money be allocated to each campus to use as it sees fit, or will GA make the awards?

*No allocations will be made to each campus. Awards will be made by The President.*

2. Who will review the requests from the campuses? Will it be President Ross or will it be a committee? If it is a committee, who will decide who is on it?

*Award decisions will be made by the President.*

3. Will the requests be reviewed as they come in, or will there be a standard review cycle (monthly, quarterly, etc.)

*As they come in. It is assumed that recommendations from the Chancellors will be submitted for timely review.*

4. Will the money be allocated across the academic year, or will it be *first come first served*, so the requests need to be submitted in September before all the fund is used up?

*First come, first served.*

5. What should be the campuses process for prioritizing their requests?

*Up to the Chancellor.*

6. Will there be a standard format for submissions? What kind of information will the campuses need to provide? Can they make their appeal in person?

*Format for submissions are summarized with this FAQ list. Appeals may be made by the Chancellor with the President.*

7. For counteroffers, the UNC BOG Personnel and Tenure Committee requires very specific information, including a copy of the offer to be countered. Will that same information need to be submitted?

*Yes. A copy of the offer letter should be included in the recommendation.*