



RESOLUTION OF THE BOARD OF GOVERNORS OF THE UNIVERSITY OF NORTH CAROLINA
Implementation of Fiscal Year 2018-2019 Compensation Adjustments for Employees Pursuant to the
Appropriations Act of 2018 and the University's Annual Raise Process

July 27, 2018

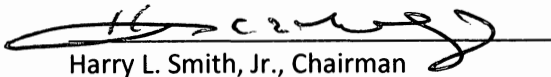
The Current Operations Appropriations Act of 2018 ("Appropriations Act of 2018" or "The Act") provides for compensation increases for faculty and other employees exempt from the North Carolina Human Resources Act ("EHRA non-faculty employees") as well as for employees subject to the North Carolina Human Resources Act ("SHRA employees"). The Budget Act ordinarily instructs the Director of the State Budget to transfer funds for annual legislative compensation increases for University employees to the Board of Governors. In this same general time frame, the University has elected to conduct an annual raise process ("ARP") for employees with guidelines approved by the Board of Governors and issued by the President.

In order to ensure the timely and efficient implementation of annual salary increases for EHRA and SHRA employees consistent with the Appropriations Act of 2018, the Board of Governors hereby delegates to the President the authority to develop and issue to the UNC System Office and the constituent institutions detailed instructions for compensation adjustments for permanent employees (benefits eligible), upon allocation of funds to the Board of Governors pursuant to the Appropriations Act of 2018, and consistent with the parameters set out in Appendix 1. These parameters are intended to support compensation decisions that are equitable and performance-based.

Consistent with the Appropriations Act of 2018, the Board of Governors also hereby delegates to the President the authority to provide instruction and guidance to the UNC System Office and the constituent institutions to ensure that the annual salary for any permanent full-time employee is at least \$31,200 after the Annual Raise Process is completed and that this amount is appropriately pro-rated for any permanent part-time employee.

BE IT SO RESOLVED.

Adopted this 27th day of July, 2018.


Harry L. Smith, Jr., Chairman


Secretary

APPENDIX T

APPENDIX 1 PARAMETERS FOR THE UNIVERSITY OF NORTH CAROLINA 2018 ANNUAL RAISE PROCESS

EFFECTIVE DATE	1) All ARP increases shall be retroactive for all eligible employees with an effective date of July 1, 2018.
ELIGIBILITY	2) Only individuals who have been a permanent (benefits eligible) employee on or before January 5, 2018 and, when required under University policy, have an assigned 2018 annual performance rating at the time of the ARP implementation. Note: The performance rating requirement does not apply to EHRA Faculty.
PARAMETERS RELEVANT TO ALL ELIGIBLE EMPLOYEES	3) Specific ARP salary increase caps shall be implemented as described, and these caps shall be calculated using the employee's June 30, 2018 base salary. Excluding faculty promotional increases, any salary increases already granted to an eligible employee between July 1, 2018 and the implementation of the ARP shall count toward the indicated caps. 4) With the exception of the 2% across-the-board increase for SHRA employees, all other ARP increases: - shall not be considered an employee entitlement; - shall not be issued automatically or across-the-board; - shall be based on factors described herein and - shall be individually determined and awarded, or not awarded, entirely at management's discretion.
SHRA EMPLOYEES	5) SHRA employees who received an annual performance rating of at least "Meets Expectations" or higher on their 2018 annual performance appraisal and are otherwise in good standing shall receive a mandatory 2% across-the-board base salary increase calculated from the June 30, 2018 base salary in addition to any other increase that may have been granted effective July 1, 2018 or later. 6) Those SHRA employees with an overall annual performance rating of "Meets Expectations" may, but are not required, to receive an additional discretionary base salary increase of up to 0.50% in recognition of demonstrated meritorious performance. Those with an overall annual performance rating of "Exceeds Expectations" may receive up to an additional 2.99%. Labor market and/or equity may be used as secondary factors to support an increase.
EHRA NON-FACULTY EMPLOYEES (except as provided below)	7) EHRA non-faculty employees with a 2018 overall annual performance rating equivalent to "Meets Expectations" may receive a discretionary ARP increase of up to 2.50% in recognition of demonstrated meritorious performance. 8) Those with an overall annual performance rating equivalent to "Exceeds Expectations" may receive up to 4.99%. Labor market and/or equity may be used as secondary factors to support an increase.
EHRA NON-FACULTY EMPLOYEES EXEMPT UNDER SECTION 300.2.18[R] – most Tier I SAAOs as well as EHRA employees with concurrent tenured faculty appointments, Athletics Directors, coaches, and post-doctoral scholars	9) EHRA Non-Faculty employees subject to alternative annual performance appraisals as provided in Section 300.2.18[R], III.B. of the UNC Policy Manual may receive a discretionary ARP increase of up to 4.99% based on demonstrated meritorious performance. Labor market and/or equity may be used as secondary factors to support an increase. 10) With the exception of Academic Deans, any proposed ARP increases at constituent institutions for Tier I Senior Academic and Administrative Officers (e.g., Provost, Vice Chancellors) must be pre-approved by the President in addition to any required Board of Trustees pre-approval prior to implementation.

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EHRA FACULTY	11) EHRA Faculty may receive a discretionary ARP base salary increase of up to 4.99% based on demonstrated meritorious performance in teaching, service, publication, and/or research productivity. Labor market and/or equity may be used as secondary factors to support an increase. Subject to any limitations imposed under the State Retirement System, faculty members who entered Phased Retirement on July 1, 2018 are not eligible for a salary increase; however, faculty members who entered Phased Retirement in in 2017 or prior years are eligible for salary increases.
PRESIDENT AND CHANCELLORS	12) This resolution does not apply to salary increases for the President or the Chancellors, which must be approved directly by the Board of Governors in accordance with Board policy.
REPORTING TO THE BOARD OF GOVERNORS	13) The Committee on Personnel and Tenure shall be provided summaries detailing the salary adjustments authorized by this Resolution itemized by each constituent institution and the UNC System Office at its next regularly scheduled meeting after January 31, 2019.