

## **COMMITTEE ON PERSONNEL AND TENURE**

Thursday, September 9, 2004

### **TENTATIVE AGENDA**

1. Minutes of the July 8, 2004 meeting and the August 9, 2004 Special meeting
2. \*Recommendations for Administrative Appointments
3. \*Recommendations for Conferral of Tenure
4. \*Salary Increases
5. \* Faculty Appeal
6. \*2004 – 2005 SAAO Salary Recommendations *Please Note: Salary Recommendations for campuses with management flexibility to appoint and fix compensation (ECU, NCSU, UNC-A, UNC-CH, UNC-C, UNC-G, UNC-W, WCU and WSSU) will be provided in October as an information item.*
7. Annual Plan for the Committee on Personnel and Tenure
8. Report on the UNC Leadership Institute
9. Other Business

\*The Committee will discuss these items in Closed Session.

## COMMITTEE ON PERSONNEL AND TENURE

Thursday, July 8, 2004 at 2:30 p.m. in Board Room 2, in the General Administration Building,  
910 Raleigh Road, Chapel Hill, NC

### Minutes of Meeting July 8, 2004

Committee members present at the meeting included: Mr. John W. Davis III, Mr. Brent D. Barringer, Dr. Dudley E. Flood, Mr. Peter Keber, Mr. Charles H. Mercer, Jr., Dr. Patsy B. Perry, and Mr. J. Craig Souza. Board of Governors members included: Mr. J. Bradley Wilson, Mr. G. Irvin Aldridge, Mr. F. Edward Broadwell, Jr., Mrs. Anne W. Cates, Mr. John F.A.V. Cecil, Ms. Amanda M. Devore, Mr. Ray S. Farris, Ms. Hannah D. Gage, Mr. Peter D. Hans, Mrs. Adelaide Daniels Key, Mr. G. Leroy Lail, Mr. Charles S. Norwood, Mrs. Cary C. Owen, Mrs. Estelle W. Sanders, and Dr. Priscilla Taylor. Office of the President staff attending were: President Molly Corbett Broad, Dr. Gretchen M. Bataille, Dr. Betsy Brown, Ms. Betsy Bunting, Dr. Alan Mabe, Ms. Michelle Williams, Ms. Leslie Winner, Mr. Charles Waldrup, Ms. Joni Worthington, and Ms. Lisa Adamson. Mr. Eric Ferrari of the *Herald-Sun*, Mr. Dan Ingole of *Channel 5 TV*, Dr. Jeffrey Passe, Chair of the Faculty Assembly, Ms. Jane Stancill of the *News and Observer*, Mr. Brett Tackett of *Channel 14 TV*, and Ms. Alice Thrasher of the *Fayetteville Observer* also attended a portion of the meeting.

The minutes of the June 7, 2004 special meeting were approved with the following amendments on page two, items 1 and 4: “1. Adopt as a guiding *principle* that the chancellors’ salaries should be at the 25<sup>th</sup> percentile as a minimum, subject to availability of funds and performance reviews” and “4. Affirm the intent to move the salary of the President toward the 25<sup>th</sup> percentile, and encourage the President to take the ranges into account in making salary recommendations for vice presidents, subject to job content, *performance, and availability of funds.*”

The Committee elected officers for 2004-2005. Mr. John W. Davis III, was re-elected as Chair, Mr. Peter Keber was re-elected as Vice Chair, and Mr. Charles H. Mercer, Jr., was elected as the Secretary.

As a follow-up to the June 7, 2004 special meeting, Mr. Wilson addressed the Committee to discuss the issue of administrative compensation for the chancellors, the vice chancellors, the president, and the members of the president’s staff. Mr. Wilson referred to his memorandum of July 6, 2004 (*attached*) and asked the Committee to consider making a recommendation to the Board of Governors as follows:

1. Recommend that the Board of Governors adopt as a guiding principle that the chancellors’ salaries and president’s salary should be at the 25<sup>th</sup> percentile at a minimum, subject to availability of funds and performance reviews.
2. Recommend that the current policy prohibiting the use of private funds for chancellors’ base salaries be reaffirmed.
3. Be prepared to address the salaries of chancellors at the September meeting of the Board of Governors. Recognizing that the General Assembly has not yet passed a budget for 2004-2005, the September meeting will be the first opportunity for the President to make recommendations for salary adjustments that reflect both the approved salary ranges and chancellor performance.

Chairman Wilson discussed his reasons for urging the Committee to vote to affirm Policy 300.1.1, paragraph II.B, which specifies the prohibition of the use of private funds for chancellors' salaries. He provided three reasons why he believed this policy should remain in effect – it avoids the appearance and real conflict of interest between private foundations and the Board of Trustees; the disproportionate abilities among campuses to provide for private funds would create a disparity in chancellors' salaries and; that it is the job of the Legislature to provide adequate salaries for the chancellors and that the use of private funds might supplant this responsibility as such funds may not be viewed as supplements only.

The Committee discussed this issue, reviewing past practices, and agreed to maintain the current policy on the prohibition of the use of private funds for chancellors' salaries. The motion was made, and seconded for recommendation that the Board of Governors affirm Policy 300.1.1, paragraph II.B. Motion passed unanimously.

Mr. Davis discussed the recommendations made at the June 7, 2004 special meeting and asked the Committee to agree to recommend to the Board of Governors that they adopt as a guiding principle that the chancellors' salaries and president's salary should be at the 25<sup>th</sup> percentile at a minimum, subject to availability of funds and performance reviews. The motion was made and seconded for recommendation for approval by the Board of Governors. Motion passed unanimously.

The Committee discussed the uncertainty of the amount of funds to be provided by the General Assembly and agreed to be ready to submit 2004-2005 salaries for approval by the Board of Governors at the September 10, 2004 meeting.

Dr. Bataille provided the Committee members with the “*Resolution on Faculty and Non-Faculty EPA Salary Increases 2004-2005.*” She discussed to need to have the Board of Governors approve the Resolution at its meeting on Friday, July 9, 2004 so that the campuses can receive the Resolution in sufficient time to submit their 2004-2005 salary information for approval at the September 10, 2004 Board of Governors meeting. She noted that in its present form the Resolution allows for funds of 2.5% for salary increases. The motion was made and seconded for recommendation for approval by the Board of Governors. Motion passed unanimously.

Noting that the General Assembly may decide on other funding choices, Dr. Bataille asked that the Committee seek approval from the Board of Governors to delegate to the Committee the authority to act on a substitute salary resolution, if necessary, to carry out the academic salary policies for 2004 – 2005, and delegate to the President, the authority to implement the resolution. The motion was made and seconded for recommendation for approval by the Board of Governors. Motion passed unanimously.

Dr. Betsy Brown discussed the changes to the Guidelines and Policies on “University Teaching Awards” and “The Phased Retirement Program,” noting that the revisions were mainly “clean up” in nature and did not make any fundamental changes to either the Policy or the Guidelines. The motion was made and seconded for recommendation for approval by the Board of Governors. Motion passed unanimously.

*Mr. Davis asked for a motion to go into Closed Session “to establish or instruct the staff or agent concerning the negotiation of the amount of compensation or other terms of an employment contract; to consider the qualifications,*

*competence, performance, condition of appointment of a public officer or employee or prospective public officer or employee; to hear or investigate a complaint, charge, or grievance by or against a public officer or employee.”*  
[N.C.G.S. §143.318.11(a)(5)&(6)]

*The meeting was moved into closed session.*

*(The complete minutes of the Closed Session are recorded in Appendix A.*

The Committee returned to open session.

As there were no further items for discussion, the meeting was adjourned.

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Mr. Charles H. Mercer, Jr., Secretary

Attachments

**SPECIAL MEETING OF THE COMMITTEE ON PERSONNEL AND TENURE**  
Monday, August 9, 2004 at 11:00 a.m. in Board Room 2, in the General Administration  
Building, 910 Raleigh Road, Chapel Hill, NC

Minutes of Meeting

**August 9, 2004**

Committee members present at the meeting included: Mr. James G. Babb, Mr. Brent D. Barringer, Dr. Dudley E. Flood, Mr. Charles H. Mercer, Jr., and Dr. Patsy B. Perry. Mr. C. Clifford Cameron attended via teleconference. Board of Governors members included Mrs. Anne W. Cates, Dr. Adelaide Daniels Key, and Mr. G. Leroy Lail. Ms. Amanda M. Devore attended via teleconference. Office of the President staff attending were: President Molly Corbett Broad, Dr. Gretchen M. Bataille, Mr. Charles Waldrup, Ms. Michelle Williams, Ms. Leslie Winner, Ms. Joni Worthington, and Ms. Lisa Adamson. Mr. Eric Ferrari of the *Herald-Sun* and Ms. Jane Stancill of the *News and Observer* also attended the meeting.

Mr. Mercer called the meeting to order.

The Committee met to discuss revisions to the *Resolution on Faculty and Non Faculty EPA Salary Increases 2004-2005*, approved by the Board of Governors at the July 9, 2004 meeting. Dr. Bataille explained that the revisions to the Resolution were needed due to new General Assembly action, wherein the Board of Governors was urged to grant all EPA employees a minimum of a \$1,000 salary increase for FY 2004-2005, without regard to merit or equity considerations. President Broad noted that the revisions reflected discussions with the chancellors of the constituent institutions on how best to address this matter. The Committee members discussed the impact of this action on the remaining pool of the 2.5% salary increase funds. Pursuant to the *Delegation of Authority* granted by the Board of Governors at the July 9, 2004 meeting, a Motion was made and seconded to approve the revised *Resolution on Faculty and Non Faculty EPA Salary Increases 2004-2005*. Motion passed unanimously.

As there were no further items for discussion, the meeting was adjourned.

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Mr. Charles H. Mercer, Jr., Secretary

Attachments

# DRAFT

## **Committee on Personnel and Tenure Overview of Responsibilities and Plans for 2004-2005**

### **Composition of the Committee**

#### Members:

John W. Davis, III, Chair  
Peter Keber, Vice Chair  
Charles H. Mercer, Jr., Secretary  
James G. Babb  
Brent D. Barringer  
Cliff Cameron (non-voting)  
Dudley E. Flood  
Patsy B. Perry  
Craig Souza

#### Staff:

Gretchen M. Bataille, Senior Vice President for Academic Affairs  
Leslie Winner, Vice President and General Counsel  
Charles Waldrup, Associate Vice President for Legal Affairs  
Lisa Adamson, Administrative Assistant

### **Duties and Responsibilities of the Committee (as outlined in The Code of the University)**

- Upon recommendation by the President, the Committee reviews and makes recommendations to the Board for the following actions for those institutions that have not been granted management flexibility to appoint and fix compensation:
  - ~ Appointment and compensation of senior academic and administrative officers
  - ~ Awarding permanent tenure to faculty members
  - ~ Salary increases of 15% or more
- For those institutions with management flexibility to appoint and fix compensation, the Committee still must approve salary increases of 15% or more and salaries outside of the established ranges. In addition, the Committee will receive annual reports from the campuses with management flexibility.
- The Committee advises and assists the President in the review and evaluation of tenure policies and regulations.
- The Committee establishes and monitors salary ranges for senior academic and administrative officers.

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- The Committee reviews all appeals from faculty members that involve questions of tenure.
- The Committee advises the President as needed on chancellor salaries, compensation, retreat rights, and evaluation.
- The Committee serves as the Board committee for the annual faculty teaching awards program
- The Committee recommends annual salary policies to the Board
- The Committee reviews and recommends policies pertaining to conditions of employment for faculty and non-faculty EPA employees.

Every month the committee reviews and makes recommendations on tenured appointments, salary increases of 15% or more, and all EPA appointments and salary increases in the Office of the President. The committee hears appeals that involve questions of tenure as necessary.

## **2004-2005 Tentative Schedule:**

September, 2004	Approve 2004-2005 EPA Salaries Approve Chancellors' and Office of the President Salaries Appointments and Salary Increases of 15% or more Approve annual planning document Report on Leadership Institutes
October, 2004	Review of SAAO salaries and reports from campuses with management flexibility Appointments and Salary Increases of 15% or more Annual Report on Committee Activities Annual Report on Distinguished Professors
November, 2004	Appointments and Salary Increases of 15% or more Chancellors' and President evaluation summary (tentative date) Report on Phased Retirement Program Report on Post-Tenure Review Teaching Awards assignment reviewed
January, 2005	Appointments and Salary Increases of 15% or more
February, 2005	Appointments and Salary Increases of 15% or more Review legislative issues related to personnel policies, benefits, and salaries

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March, 2005	Appointments and Salary Increases of 15% or more Faculty Salary Studies as needed
May, 2005	Appointments and Salary Increases of 15% or more Set administrative salary ranges for upcoming year Approve salary instructions to campuses (if State budget is passed) Teaching Awards program
July/August, 2005	Appointments and Salary Increases of 15% or more

### Issues to be addressed by the Committee during 2004-2005:

- **Routine Matters**  
Consistent with its primary responsibility, the Committee will address personnel and tenure recommendations, salary policies and procedures, and appeals concerning the awarding of tenure.
- **Chancellors' Compensation**  
The Committee received a report prepared by Robert Atwell, former President of the American Council on Education, with recommendations to enhance the recruitment and retention process of chancellors. The Committee will continue discussions on chancellor compensation.
- **Establish Salary Ranges Based on Peer Studies**  
The Committee has access to CUPA salary data for administrators at UNC peer institutions and uses that information to establish credible and competitive salary ranges for all administrative positions. The Committee will review this material for 2005-2006.
- **Management Flexibility to Appoint and Fix Compensation**  
The Committee has the authority to grant management flexibility to the campuses based on the campus submission of required materials. The Committee also requires an annual report. The Committee will monitor the process and make adjustments as necessary. Currently nine campuses have management flexibility to appoint and fix compensation. Each fall the Committee reviews the reports from the campuses with management flexibility to appoint and fix compensation.
- **Monitor and Review Studies of Faculty Salaries and Compensation**  
The General Assembly in 1999 requested that the Board conduct a study of faculty salaries and compensation among the institutions of the University, comparing each of the institutions to other peer institutions in the state, region, and nation. As a result of that study, the Board made recommendations on appropriate adjustments to faculty salaries and compensation to achieve competitive levels with peer institutions and to



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enhance academic excellence on each campus. This Committee will continue to monitor peer data and, in particular, to keep aware of the increasing gap in faculty compensation between public and private institutions.

- **Review plans for Changes in the Personnel Policies for SPA employees prepared by the Division of Human Resources within the Office of the President**

The General Assembly, in 1997, amended the statutes to permit decentralization of a great deal of authority in personnel matters from the Office of State Personnel (OSP) to the University. Shortly thereafter, the Director of OSP and the President of the University entered into a partnership agreement outlining some basic concepts of decentralization. The establishment of the Human Resources division provided the opportunity for expanded flexibility for the constituent institutions, and this division will work with the Committee to make recommendations for further delegated authority.

- **System Review of HR Policies and Practices**

Given the need to attract, retain, and develop an increasing number of faculty and highly trained staff, the Human Resources division and Academic Affairs will review University policies and practice to determine whether they comply with legal requirements and current best practices in the human resource area. Recommendations as a result of that review may come to the Committee.

- **Phased Retirement Program for Faculty**

The Committee has approved the Phased Retirement Program as an on-going policy. This program is designed to make it possible for the individual faculty member to make a smoother transition into full retirement. The Committee will continue to receive annual reports on the program.

- **Post-Tenure Review**

During 1998-99, the Post-Tenure Review process was instituted, mandating systematic, regular evaluation of the performance of tenured faculty. The Committee receives a report each October.

- **Study of Non-Tenure Track Faculty**

Institutions are increasingly relying on part-time and non-tenure track faculty to meet instructional needs. This is a national phenomenon and is not limited to North Carolina. Dr. Betsy Brown chaired a committee to review this situation and presented a report that included recommendations that the Committee continue to monitor the conditions of employment for non-tenure track faculty. The Committee will continue to monitor the employment conditions for this group of faculty.

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- **Leadership Institute and Faculty Development**

During the past four years, the Office of the President has sponsored summer Leadership Institutes for chairs and deans as well as institutes for development officers at focused growth institutions. The Senior Executive Fellow program began with the appointment of Dr. Walter Harris in 2002-2003 and continued with the appointment of Dr. Carroll-Ann Trotman as a Leadership Fellow. These efforts are critical to the development of leadership within the University and retention of our faculty and administrators. The Committee will continue to receive an annual report of these activities. In 2004 the General Assembly created the *William Friday Institute for Higher Education Leadership* at UNC. This institute will expand the programming for leadership training.

### Recent Significant Work

- Re-evaluated Administrative salary range study based on peers for each constituent institution using national CUPA data.
- Continued to support the UNC Leadership Institute to provide leadership training for staff and faculty throughout the system, now expanded into the *William Friday Institute for Higher Education Leadership*
- Approved the Non-Tenure Track Faculty report and recommendations
- Approved Management Flexibility to Appoint and Fix Compensation to nine constituent institutions
- Recommended and received approval for a Resolution on Salary Increases for 2004-2005
- Recommended the policy on retreat and separation rights for the Office of the President
- Recommended amendments to the policy on *Grievances Filed Pursuant to Section 607 of The Code*
- Recommended amendments to the policy on the *Distinguished Professors Endowment Trust Fund*

### Questions and Recommendations for Discussion

- What role should the committee play in discussing/developing a comprehensive Human Resource system for all non-faculty employees? This is closely tied to flexibility measures.
- What recommendations should be made regarding chancellor compensation?
- What role should P&T play in reviewing the increasing cost of benefits to UNC employees?

9/3/2004

## **UNC Leadership Institute 2001-2004**

The UNC Leadership Institute was established in 2001 to provide professional and leadership development for faculty, administrators, and professional staff across the University. The Institute was created by the Division of Academic Affairs at the Office of the President in response to the identification of department chair development as a priority by the Professional Development Advisory Committee in 1998 and the interest of the Board of Governors in developing the leadership skills and abilities of administrators within the University.

### Leadership Development Workshops

Since 2001, the Institute has conducted summer workshops for department chairs, deans, and other academic affairs administrators (such as associate provosts). Through 2004, 238 department chairs and 101 deans and other academic administrators from all 16 UNC campuses have participated in these workshops. Presenters at the two-day workshops have included nationally recognized speakers on academic leadership as well as leaders from UNC campuses and the Office of the President. Sessions have addressed the need for departmental and academic leadership in such areas as academic quality, technology development, outcomes assessment, faculty evaluation, and recruiting and retaining a diverse faculty; sessions have also included discussions of department chairs' beliefs, values, and priorities about their roles and presentations on personnel and intellectual property legal issues important for department chairs and deans. The workshops have included presentations by President Molly Corbett Broad and roundtable discussions on issues for the future of UNC led by members of the President's Cabinet. Participants' evaluations of these workshops have been very positive: over four years, 85% of the sessions have been rated "helpful" or "very helpful" by participants.

In addition to the summer workshops, the Leadership Institute has contributed to leadership development at UNC through the following activities:

- workshops for the UNC chief academic officers on legal issues, recruitment and retention of new faculty, and strategies for diversifying the faculty workforce;
- a "train the trainer" workshop on professional development for part-time faculty in cooperation with the UNC Association of Teaching Center Directors;
- a fundraising workshop for academic affairs leaders (vice-chancellors/provosts and deans), co-sponsored with the Division of Public Affairs and University Advancement;
- a workshop on "EEO/AA: Beyond Compliance" for campus equal employment opportunity/affirmative action directors, co-sponsored with the Division of Legal Affairs and Human Resources.

As an extension of the summer leadership development workshops, the Leadership Institute has also coordinated the administrative development section of the Professional Development Portal hosted by the UNC Teaching and Learning Collaborative.

### Faculty and Administrative Fellows

The Leadership Institute has facilitated the work of visiting UNC administrators and faculty members as Fellows of the Institute, including the first Senior Executive Fellow, Dr. Walter Harris, and an American Council on Education Fellow, Dr. Carroll Ann Trotman. The Institute Director has also handled the nomination process for a number of national leadership opportunities for UNC faculty and administrators, including the Jefferson Science Fellows program (U. S. Department of State), the Carnegie Scholars Program (Carnegie Foundation for the Advancement of Teaching), and the Rockefeller Fellowship program.

### Research on Faculty Recruitment, Retention, and Retirement

The Institute is serving as home for two important grant-supported research projects designed to address the challenge to UNC of recruiting and retaining over 10,000 new and replacement faculty during the decade 2001-2010. These projects, both funded by the TIAA-CREF Institute, are a *Survey of Senior Faculty: Issues of the Late Career and Retirement Planning at Private and Public Comprehensive, Research, Doctoral, and Baccalaureate Colleges and Universities*, with the American Association for Higher Education, the Associated New American Colleges, and the University of Minnesota, and *Early and Mid-Career Faculty: Issues Affecting Recruitment and Retention*, which will include interviews and a survey of UNC tenure-track and newly-tenured faculty on issues affecting recruitment and retention at UNC campuses. ACE Fellow Dr. Carroll-Ann Trotman is co-investigator on the early- and mid-career faculty project.

### The William Friday Institute for Higher Education Leadership

The creation of the William Friday Institute for Higher Education Leadership at UNC by the North Carolina General Assembly will increase the University's opportunities to provide leadership development for a variety of constituencies. The initial plan for the Friday Institute includes continuation of the summer leadership development workshops for chairs and other administrators, the faculty and administrative fellowships, and research and leadership development on faculty recruitment, retention, and retirement.

The Friday Institute will also house a national Food Systems Leadership Institute, funded by the W. K. Kellogg Foundation through NASULGC, to prepare future leaders in food systems to move into higher administrative positions within the university, government, and industry and to strengthen the position of food systems within land-grant universities. Dr. Ken Swartzel from NCSU will serve as Director of the Institute.

As State and other funds become available, the Friday Institute will expand its programming to include leadership and executive development for a wide range of UNC constituencies, such as chancellors and their leadership teams as well as emerging leaders, to ensure that replacements are "in the pipeline" as the University faces the retirement of the current cohort of administrators. A request for funding for the Friday Institute is included in the Professional Development section of the 2005-2007 biennial budget request.



# The University of North Carolina

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Date: July 6, 2004

To: Committee on Personnel and Tenure  
John Davis, Chair

From: J. Bradley Wilson, Chair  
Board of Governors

RE: July Meeting

Thanks to all of you who have been working carefully and deliberately to review and understand the complexities of administrative compensation. Over the past several months, all of us on the Board of Governors have learned a lot about the salaries and benefits of chancellors and presidents as well as other key administrators in North Carolina and elsewhere. I know that your committee is prepared to present some motions for consideration by the entire Board at the July meeting. I concur with your recommendations and ask that the Committee on Personnel and Tenure consider particularly the following as you continue your discussions in July.

1. Recommend that the Board of Governors adopt as a guiding principle that the chancellors' salaries and president's salary should be at the 25<sup>th</sup> percentile at a minimum, subject to availability of funds and performance reviews.
2. Recommend that the current policy prohibiting the use of private funds for chancellors' base salaries be reaffirmed.
3. Be prepared to address the salaries of chancellors at the September meeting of the Board of Governors. Recognizing that the General Assembly has not yet passed a budget for 2004-2005, the September meeting will be the first opportunity for the President to make recommendations for salary adjustments that reflect both the approved salary ranges and chancellor performance.

I have heard from a number of Board members and others in the larger community who have expressed opinions on many aspects of the compensation issues. There is not a solution that will satisfy everyone; however, the majority of the opinions confirm that it is unacceptable to compensate the leaders of our universities at a level below the minimum of the ranges that derive from national comparisons. These ranges were approved at the May 14, 2004, meeting of the Board of Governors.

Committee on Personnel and Tenure

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I am sending this to all Board members in advance of the meeting so that any one who wishes to attend the Committee on Personnel and Tenure will know that these items will be on the agenda. Thank you for your ongoing commitment to find solutions to very difficult deliberations.

cc: Members of the Board of Governors  
Molly Corbett Broad  
Chancellors