

COMMITTEE ON PERSONNEL AND TENURE

Draft Minutes: September 17, 2015
UNC School of the Arts, Winston Salem, North Carolina

OPEN SESSION

The following members were present: GA Sywassink (Chair), Therence Pickett (Vice Chair), Frank Grainger (Secretary), Thom Goolsby, Steve Long, Joan Templeton Perry, and Temple Sloan.

The following General Administration Staff were present: Junius Gonzales, Matthew Brody, Joanna Carey Cleveland, Jessica Moore, and Samantha McAuliffe.

The following Chancellors were present: Lindsay Bierman, Franklin Gilliam, and Sheri Everts

1. Open Session Minutes of August 6, 2015:

Mr. Sywassink called the meeting to order and called for a motion to approve the open session minutes of the August 6, 2015 meeting.

MOTION: BE IT RESOLVED that the Personnel and Tenure Committee approves the open session minutes of the August 6, 2015 meeting as presented.

Motion: Mr. Therence Pickett
Second: Dr. Joan Templeton-Perry
Motion Carried

2. Academic Affairs Update

Dr. Gonzales noted the Faculty Teaching Excellence Award cycle has begun and provided an update on the post-tenure review training modules. Modules are under development through a contract with Eastern Research Group, Inc. and should be completed by the end of October. Training modules will be available for campuses to use by the beginning of December. The search to fill the position of Vice President for Academic Planning formerly held by Dr. Katharine Stewart has been reopened and the title changed to Vice President for Academic Planning and Workforce Strategy.

A new Presidential Intern Seminar Series has been instituted to assist Presidential Interns in their future professional or academic pursuits. Interns will be assigned readings and will lead discussions on these readings throughout their time at General Administration.

Finally, he shared that a reading club has been developed to provide graduate students who are either employed by or interning with General Administration the opportunity to discuss

important topics, issues, and policies in higher education and the research around them. This group will be meeting monthly.

Mr. Sywassink provided an update on the review of the post-tenure review policy and guidelines which took place in 2014. The focus of the review was to ensure that faculty are receiving meaningful and constructive feedback on their performance and that high performance was celebrated. As part of the policy review, a requirement was added that faculty will, in consultation with their Department Chair, create five-year directional goals aligned with the strategic goals and mission of the department and institution.

3. Human Resources Update

Mr. Brody reported that in response to the Committee's interest in determining whether temporary salary increases revert following the completion of the temporary assignments, he has requested his staff to conduct a post-audit of temporary salary actions over a three year period. This audit will ensure that temporary salaries are being reset following the conclusion of a temporary assignment.

There are significant new Federal compliance rules that are forthcoming from the US Department of Labor. Of note, the changes to the Federal Fair Labor Standards Act will require moving some salaried positions to an hourly basis. The current salary threshold for hourly positions is in the low \$20,000 range and will be raised to \$50,000. Employees who are now not currently eligible for overtime will become eligible. UNC system and campuses are assessing the impact of this change which could cost between \$4 and \$10 million. These changes are not unique to the University system and will impact a variety of businesses. More information on these changes and their impact will be shared in December.

Another change is mandated paid leave for temporary employees. I will need help filling this in.

In terms of the State budget, across the board increases for state employees will likely not be approved. Instead, a lump sum payment of \$750 has been proposed. Leadership at General Administration will discuss what sort of increases will be available for EHRA employees.

Mr. Brody reported on a reorganization within Human Resources. This reorganizational change will include expanding the portfolio of the current Associate Vice President of Human Resources and University Benefits Officer to include shared services and technology. UNC General Administration currently offers payroll support to nine campuses but could also provide other services such as executive searches and shared benefit services. UNCGA Human Resources would also like to partner with campuses to enhance system-wide reporting utilizing technological tools. A new position will be created, in partnership with Dr. Gonzales, that will provide more expertise in the area of faculty affairs. Both Mr. Brody and Dr. Gonzales would like to enhance the focus on faculty compensation to provide additional information to the Board of Governors and support to the campuses. Mr. Brody would also like to dedicate specific staff to develop system-wide programming on leadership training and succession development.

4. Annual Update of Senior Officer Salary Ranges for UNC General Administration

Mr. Sywassink reminded the Committee that salary ranges receive continual review and adjustment in recognition of positions, skill-sets, and responsibilities.

Mr. Brody reminded the Committee that these specific ranges are related to senior officer positions at General Administration and do require a vote. Salary ranges for the Chancellor, President, and the Senior Vice Presidents were reviewed during the Buck Consultant report. The ranges under review by the Committee are for Vice Presidents, Assistant and Associate Vice Presidents, and the Secretary of the University.

The work of Buck Consultants heavily influenced the development of these salary ranges. A new salary structure was developed to retain talent and move UNC compensation to be more market competitive. Market data were reviewed over a three-year period as opposed to the one year period which was previously used. These data are then aged to account for inflation. Using three years of data alleviates the volatility in the data when only reviewing on a yearly basis.

The range spreads have been increased in order to provide opportunities to move employees to higher salary levels for retention, increased skill and competencies, and in order to hire new employees which specialized skill sets. The goal is not to start employees at the top of the range, but to provide an opportunity for employees to increase in salary throughout their careers and provide institutions the flexibility to recruit and retain top talent. Some individuals may never be compensated at the top of the salary range.

The President has recommended these ranges for review and approval.

Mr. Goolsby noted the Vice President for Compliance and Audit Services' salary minimum and maximum. He inquired as to what the current salary minimum and maximum was. Mr. Brody explained that salary data comes from the College and University Personnel Association (CUPA). In this particular case, this is an example of a position being undercompensated based on salary data but, the salary will not necessarily be adjusted to the top of the proposed range. Data on the current ranges are not included in the materials but will be made available to the Committee following the meeting.

Mr. Goolsby inquired as to whether the ranges take into account cost of living and benefit packages. Mr. Brody noted that his staff will be giving a comprehensive update in October on benefits. In general, UNC is disadvantaged in terms of benefits. The retirement program is below that of our peers and the cost of health insurance lags most competitors. Because the differential of benefits across hundreds of universities is difficult to quantify and translate to salary ranges, benefits are not factored into the creation of salary ranges. There are concerns that benefits are not as competitive as they need to be to recruit and retain key talent.

In terms of cost of living, similar to the difficulty of factoring benefits into the development of

salary ranges, salary ranges are not developed based on geographic locations. However, when considering salary data from across the country, these differences tend to average out. When recruiting new talent from areas of high cost of living, it is noted that the salary offered is lower but the cost of living is also lower.

Mr. Goolsby noted concern for voting on salary ranges as presented without the availability of information on what the previous ranges were. In addition, the financial impact of new federal guidelines is still undetermined as is the budget. There was also concern that cost of living is not considered when developing ranges. Mr. Sywassink noted that the cost of living is taken into consideration by human resources offices on each campus.

Mr. Long agreed that broad ranges were necessary in order to account for the imperfectness of all salary surveys. He asked when salary ranges are being changed what the average percent change is between the old and new salary ranges.

Mr. Brody replied that salary ranges increase by 2.5-3.5%. He agreed that salary surveys are imperfect and that the creation of ranges is both a science and an art. The most optimum salary ranges would be connected to geographic locations, but with the variety of areas employees are recruited, it is impossible to allow for all of these possibilities. This is, in part, the reason to adopt broad ranges which allow for not only the breadth of expertise and skill of the employee, but also the location from which they are being recruited (geographically and industrially). In some cases, the ranges are close, in others, you'll notice the minimum of the salary range decreased and the maximum increased. Approving or disapproving these ranges is not approving salary increases. Salary increases will be identified by the ranges and the amount of future funding available among other variables.

Ms. Moore explained to the committee that CUPA is the only body collecting salary data in higher education. The Office of State Human Resources (OSHR) has come to UNC to utilize CUPA data during their work on salary ranges. It really is the premier data in the industry. Even if we utilized a private source to conduct a salary survey, they would still utilize CUPA data.

Mr. Sywassink noted that no budgetary increase is being requested as a result of the changes in salary ranges. The request is to approve the ranges.

Chancellor Gilliam inquired about the target used for the midpoint and whether this was the "target salary" for the position. Mr. Brody explained that the 75% was used to calculate the range spread not to give a target for where employees should be compensated. Many employees should be hired below the 75% and other employees will need to be at the 75% based on experience and other factors. The pay target is the 50%.

Mr. Sywassink told the committee that he felt step increases should be implemented for employees based on performance and demonstration of competencies. Succession planning and progression planning are also very important and would ensure career progression for future employees. He also felt that campus leaders should be evaluated on the way they administer the salary administration process.

Chancellor Bierman provided an example of considering geography in salary decisions. When working in a corporate structure where the HR office was in New York City and his hiring location was Birmingham, Alabama. He often had to incentivize prospective employees to move to smaller areas even though the cost of living was lower.

Mr. Sywassink called for a motion to accept the salary ranges as submitted and recommend them to the full Board.

MOTION: BE IT RESOLVED that the Personnel and Tenure Committee accept the salary ranges for Senior Academic Officers at UNC General Administration as submitted and recommend them to the full board for approval.

Motion: Mr. Frank Grainger
Second: Mr. Steve Long
Opposed: Mr. Thom Goolsby
Motion Carried

5. Recommendations for Implementation of Fiscal Year 2015-2016 Compensation Adjustment for University Employees Exempt from the State Human Resources Act (EHRA):

In August, a request for delegation to the President to develop guidelines for compensation adjustments was brought forward and approved. It is clear that there is no across the board increases for EHRA employees. A lump sum across the board payment for all employees of \$750 has been included in the budget. Since the State Budget has not been adopted at the time of this meeting, a continued delegation of authority to the President in consultation with the Chair of the Personnel and Tenure Committee to develop and finalize instructions and guidelines for any salary adjustment process for fiscal year 2015-2016 for University employees exempt from the State Human Resources Act is requested.

MOTION: BE IT RESOLVED that the resolution to delegate the authority to the President to develop guidelines for compensation adjustments for EHRA employees, in consultation with the Chair of the Personnel and Tenure Committee be accepted and forwarded to the full Board for approval.

Motion: Mr. Frank Grainger
Second: Mr. Steve Long
Motion Carried

The next item on the posted agenda, Study on Potential Revisions to Salary Pre-Approval Requirements for UNC General Administration and the Constituent Institutions, has been removed. Additional information will be brought to the Committee in October.

6. Informational Report: Annual Update of Senior Officer Salary Ranges for the Constituent Institutions:

The President has the authority to set salary ranges for the Senior Academic and Administrative Officers for the constituent institutions. These ranges have been provided to you for your information. As will be provided for the salary ranges previously approved for General Administration Senior Academic and Administrative Officers, the previous ranges for these positions will be provided as well.

7. Informational Report: Use of Funds of the UNC Faculty Recruitment and Retention Fund.

Dr. Gonzales explained that this fund was established by the Legislature in 2006 to be used to recruit and retain key tenured and tenure-track faculty. Due to the decline in funding available, the use of the funds has been restricted to retention efforts only. The success rate, defined by the retention of the employee who received funds, for Fiscal Year 2015 was 92.7%.

8. Informational Report: Delegated Personnel Actions

Dr. Gonzales noted the report on personnel actions delegated to the President which has been provided to the Committee for informational purposes.

Prior to moving into closed session Mr. Therence Pickett recognized Ms. Susan Colby, the Chair of the Staff Assembly, who is attending her last meeting.

Mr. Sywassink called for a motion to move into closed session.

MOTION: BE IT RESOLVED that the Personnel and Tenure Committee move into Closed Session to “consider the qualifications, performance, and appointment conditions of employees; instruct the University’s staff concerning the establishment or negotiation of employment contracts and compensation; and consult with counsel.”

[N.C.G.S. §143.318.11(a)(1)(3)(5)]

Motion: Mr. Therence Pickett
Second: Dr. Joan Templeton-Perry
Motion Carried

***The meeting was moved into closed session.
(The complete minutes of the Closed Session are recorded in Appendix A.)***

Mr. Sywassink called for a motion to return to Open Session.

MOTION: BE IT RESOLVED that the Personnel and Tenure Committee return to Open Session.

Motion: Mr. Frank Grainger
Second: Mr. Therence Pickett
Motion Carried

The Committee returned to Open Session.

There being no further business, the meeting was adjourned.

Mr. Frank Grainger, Secretary

Attachment