MEETING OF THE BOARD OF GOVERNORS
Committee on University Personnel

February 23, 2022 at 2:30 p.m.
Via Videoconference and PBS North Carolina
University of North Carolina System Office
140 Friday Center Drive, Board Room
Chapel Hill, North Carolina

AGENDA

OPEN SESSION
A-1. Approval of the Open Session Minutes of January 19, 2022................................. Kellie Hunt Blue

A-2. Informational Reports
   a. Faculty Recruitment and Retention Fund Utilization Under Delegated Authority to the President............................................................. Kimberly van Noort
   b. New UNC System Office and SAAO-I Appointments Under Delegated Authority to the President............................................................. Matthew Brody

A-3. General Updates for the Committee .................................................. Matthew Brody and Kimberly van Noort

A-4. Revisions to Sections 200.6 and 600.3.4 of the UNC Policy Manual Regarding Delegations of Authority for Certain EHRA Compensation Actions ........ Matthew Brody

CLOSED SESSION
A-5. Approval of the Closed Session Minutes of January 19, 2022............................. Kellie Hunt Blue

A-6. EHRA Salary Pre-Authorizations Requiring Approval by the Committee on University Personnel................................................................. Matthew Brody

A-7. Executive Personnel Matters
   a. Executive Personnel Matter......................................................................................... Peter Hans
   b. Executive Personnel Matter......................................................................................... Peter Hans

A-8. Informational Report: EHRA Salary Adjustment Pre-Authorizations Delegated to the President or His Designee.............................................................. Matthew Brody

OPEN SESSION
A-9. Adjourn

Additional Information Available:
Salary Increase Metrics
Report on Chancellor Participation in the Senior Administrative Officers Retirement Plan (SAORP)
Closed Session Motion

Motion to go into closed session to:

- Prevent the disclosure of information that is privileged or confidential under Article 7 of Chapter 126 of the North Carolina General Statutes, or not considered a public record within the meaning of Chapter 132 of the General Statutes.

- Consult with our attorney to protect attorney-client privilege.

- Consider the qualifications, competence, performance, or condition of appointment of a public officer or employee or prospective public officer or employee.

Pursuant to: G.S. 143-318.11(a)(1), (3), and (6).
DRAFT MINUTES

January 19, 2022 at 2:45 p.m.
Via Videoconference and PBS North Carolina Live Stream
UNC System Office
140 Friday Center Drive, Room 128
Chapel Hill, North Carolina

This meeting of the Committee on University Personnel was presided over by Chair Kellie Hunt Blue. The following committee members, constituting a quorum, also attended: Art Pope, C. Philip Byers, Carolyn Coward, and John Fraley.

Chancellors participating were Johnson Akinleye, Harold Martin, and Jose Sartarelli. Crystal Woods, chair of the UNC Staff Assembly was also in attendance.

Staff members present included Matthew Brody, Mary Griffin Inscoe, and others from the UNC System Office.

1. Call to Order and OPEN Session Minutes (Item A-1)

The chair called the meeting to order at 2:47 p.m., Wednesday, January 19, 2022, and called for a motion to approve the open session minutes of November 17, 2021.

MOTION: Resolved, that the Committee on University Personnel approve the open session minutes of November 17, 2021, as distributed.

Motion: C. Philip Byers
Motion carried

2. Informational Reports (Item A-2)

The committee received informational reports on new UNC System Office SAAO-I appointments under delegated authority to the president, faculty promotions and tenure conferrals under delegated authority to the president, and faculty recruitment and retention fund utilization under delegated authority to the president.

3. General Updates for the Committee (Item A-3)

The committee received updates on the implementation of the State’s legislative salary increases and bonuses for university employees.
4. Technical Corrections to Section 300.2.1 of the UNC Policy Manual, Policy on Employees Exempt from the North Carolina Human Resources Act (Item A-4)

The committee discussed technical corrections being made to the UNC Policy Manual to address recent statutory changes that extend EHRA non-faculty status to IT professionals, commissioned police officers, financial professionals and business officers, and audit professionals.

5. Closed Session

The chair called for a motion to move into closed session.

**MOTION**: Resolved, that the Committee on University Personnel move into closed session to prevent the disclosure of information that is privileged or confidential pursuant to Article 7 of Chapter 126 of the North Carolina General Statutes [N.C.G.S. 143-318.11(a)(1)]; to consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body, which privilege is hereby acknowledged [N.C.G.S. 143-318.11(a)(3)]; and to consider the qualifications, competence, performance, or conditions of appointment of a public officer or employee or prospective public officer or employee [N.C.G.S. 143-318.11(a)(6)].

**Motion**: Art Pope

**Motion carried**

**THE MEETING MOVED INTO CLOSED SESSION AT 2:56 PM**

(The complete minutes of the closed session are recorded separately.)

**THE MEETING RESUMED IN OPEN SESSION AT 3:20 p.m.**

There being no further business and without objection, the meeting adjourned at 3:21 p.m.

___________________________________
Art Pope, Secretary
AGENDA ITEM

A-2a. Informational Report: Faculty Recruitment and Retention Fund Utilization Under Delegated Authority to the President................................................. Kimberly van Noort

Situation: This is an informational report provided to the committee at each meeting pursuant to Section 200.6 of the UNC Policy Manual.

Background: Authority has been delegated to the president for approval of salary increases supported by the University of North Carolina Faculty Recruitment and Retention Fund.

Assessment: This month’s report includes the following:

Faculty Retention and Recruitment Fund Expenditure:
- North Carolina State University, three approved requests
- University of North Carolina at Asheville, two approved requests
- University of North Carolina at Greensboro, three approved requests
- University of North Carolina at Wilmington, one approved request

Remaining Balance of Fund
Note: Permanent adjustments to salary may be accomplished only with recurring funds. However, nonrecurring funds may be used for retention bonuses, research equipment and facilities, and other one-time inducements to counter outside offers. The remaining balances are:

$0 in nonrecurring funds
$5,845,252 in recurring funds

Action: This item is for information only.
Report: Faculty Recruitment and Retention Fund Utilization
Under the Delegated Authority to the President

North Carolina State University
Megan Burke, assistant clinical professor in the Department of Clinical Sciences, $10,000 from the Faculty Recruitment and Retention Fund with NC State funding the cost of benefits
($122,750 from $112,750 effective January 25, 2022)

Alex Lynch Scharf, assistant professor in the Department of Clinical Sciences, $8,130 from the Faculty Recruitment and Retention Fund with NC State funding the cost of benefits
($131,887 from $123,757 effective January 26, 2022)

Valery Scharf, assistant professor in the Department of Clinical Sciences, $7,500 from the Faculty Recruitment and Retention Fund with NC State funding the cost of benefits
($145,875 from $138,375 effective January 26, 2022)

The University of North Carolina at Asheville
David Wake, assistant professor in the Department of Physics, $6,557 from the Faculty Recruitment and Retention Fund with UNC Asheville funding the cost of benefits
($78,000 from $71,443 effective January 11, 2022)

Britt Lundgren, associate professor in the Department of Physics, $10,089 to cover the costs of salary and a one-time $5,000 payment to support research from the Faculty Recruitment and Retention Fund with UNC Asheville funding the cost of benefits
($90,000 from $79,911 effective January 11, 2022)

The University of North Carolina at Greensboro
Victoria Foster, assistant professor in the Department of Art, $3,000 to cover the costs of salary and $622 to cover the costs of benefits from the Faculty Recruitment and Retention Fund with UNC Greensboro funding the remaining cost of benefits
($69,625 from $66,625 effective January 27, 2022)

Kelley O’Brien, assistant professor in the Department of Art, $5,000 to cover the costs of salary and $1,044 to cover the costs of benefits from the Faculty Recruitment and Retention Fund with UNC Greensboro funding the remaining cost of benefits
($68,550 from $63,550 effective January 27, 2022)

Maryanne Perrin, assistant professor in the Department of Nutrition, $6,000 to cover the costs of salary and $1,253 to cover the costs of benefits from the Faculty Recruitment and Retention Fund with UNC Greensboro funding the remaining cost of benefits
($82,875 from $76,875 effective January 27, 2022)
The University of North Carolina at Wilmington
Wilson Okello, assistant professor in the Department of Educational Leadership, $15,500 from the Faculty Recruitment and Retention Fund with UNC Wilmington funding the cost of benefits ($83,625 from $68,125 effective February 2, 2022)
AGENDA ITEM


Situation: This is an informational report provided to the committee at each meeting pursuant to Section 200.6 of the UNC Policy Manual.

Background: Section 200.6 of the UNC Policy Manual delegates authority to the president to appoint and fix the compensation of senior academic and administrative officers and other employees exempt from the State Human Resources Act serving at the UNC System Office.

Section 600.3.4 of the UNC Policy Manual delegates authority to the president to create senior academic and administrative officer positions (Tier I) within the System.

Assessment: This meeting’s report includes the following:

System SAAO-I Appointments
- Two SAAO-I Position Reclassifications

Action: This item is for information only.
President’s Delegated Personnel Actions Report

The following actions have been approved by the president pursuant to Section 200.6 of the UNC Policy Manual during the period of January 5, 2022, to February 1, 2022.

UNC System Institutions

New or Modified UNC System SAAO-I Positions or Appointments

University of North Carolina Asheville:
Reclassification from SAAO-I (Vice Chancellor for Human Resources, Institutional Equity, & General Counsel) to SAAO-I (Vice Chancellor for Human Resources & Institutional Equity).

University of North Carolina System Office:
Reclassification from SAAO-I (Senior Associate Vice President for P20 Policy & Programs) to SAAO-I (Vice President for Access and Success Strategy - Deputy to Senior Vice President).
AGENDA ITEM

A-3. General Updates for the Committee.................................................. Matthew Brody and Kimberly van Noort

Situation: The committee will hear updates on recent Academic Affairs and Human Resources activities.

Background: The Committee on University Personnel reviews and makes recommendations to the UNC Board of Governors on Academic Affairs topics that support faculty and the University’s core academic mission and Human Resources matters, including all personnel actions under the jurisdiction of the Board. The Human Resources and Academic Affairs departments both provide updates to the committee at every meeting on both annual and ad hoc work, including HR-related efforts during the pandemic, the review of tenured faculty, and annual salary guidance related to any legislatively supported salary raise process.

Assessment: Information will be provided to the committee on recent updates in Academic Affairs and Human Resources at the UNC System Office and across the 17 institutions.

Action: This item is for information only.
AGENDA ITEM

A-4. Revisions to Sections 200.6 and 600.3.4 of the UNC Policy Manual Regarding Delegations of Authority for Certain EHRA Compensation Actions.................... Matthew Brody

Situation: Proposed revisions to Section 200.6 (Policy on Delegation of Authority to the President) and 600.3.4 (Policy on Granting of Management Flexibility to Appoint and Fix Compensation) of the UNC Policy Manual modify existing delegations to the president and to the boards of trustees (BOTs) for certain EHRA compensation actions.

Background: Existing delegations for compensation actions provided in these policies set thresholds of delegated authority to the BOTs (and in certain circumstances, further delegated to the chancellor or chancellor's designee), the president or president's designee; with all remaining actions presented to the Board of Governors for approval.

The proposed revisions increase the level of actions that can be delegated to the BOTs, or to the president, for most types of permanent and temporary salary adjustments, thereby substantially reducing the need to seek System Office or BOG approval for these actions. BOTs would have the flexibility to delegate authority for approving most of these actions to the chancellor, or the chancellor's designees, with the exception of Tier I Senior Academic and Administrative Officers, such as the Provosts, Deans, and Vice Chancellors.

The proposed revisions will also permit the University to discontinue reliance on the employee's current salary as a factor in salary decision-making for internal promotional actions where an employee is assuming an entirely new position, and instead focus exclusively on the employee's positioning within the new salary range and their professional qualifications. This is intended to promote equal opportunity with respect to salary administration procedures among internal and external candidates.

In return for increasing the transactional authority for the constituent institutions, the proposed revisions will centralize the development of all EHRA non-faculty salary ranges within the System Office. Constituent institutions will no longer have the option of developing campus-level salary ranges for EHRA non-faculty positions. Campuses will retain the ability to set faculty salary ranges but only with System Office review and approval. In addition, the System Office is presently in the process of implementing new comprehensive faculty salary ranges for all campuses as a default option in lieu of campus-developed salary ranges.

Assessment: The current policies create a significantly higher administrative burden and processing time for internal promotional candidates than for external candidates, which discourages promotion and retention of internal candidates. These revised delegations will also permit the System Office and the Committee on University Personnel to focus on more strategic compensation matters as opposed to spending significant time and
effort on individual transactional activity that is best addressed at the campus level under the oversight of the chancellors as chief executives of their respective institutions.

Should the Board approve the proposed policy changes, the System Office will develop specific plans and a timeline for updating its existing salary ranges to address the needs of those campuses who presently develop and maintain their own EHRA salary ranges (see attachment: Current Source of EHRA Non-Faculty Salary Ranges by Campus). Existing campus ranges will remain in effect during the transition until replaced by new System Office salary ranges.

This item includes redline and clean copies of the proposed changes to both policies. The proposed revisions also include routine technical changes unrelated to the changes noted above.

**Action:** This item requires a vote by the committee, with a vote by the full Board of Governors through the consent agenda at the next meeting.
**Current Source of EHRA Non-Faculty Salary Ranges by Campus**

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<th>Institution</th>
<th>Uses System Office Tier I Senior Officer Ranges (All Required to Use System Office Ranges by Policy)</th>
<th>Uses System Office Tier II Senior Officer Ranges</th>
<th>Uses System Office EHRA Non-Faculty Instructional, Research &amp; IT Ranges</th>
<th>Uses System Office EHRA Non-Faculty Instructional, Research &amp; IT Ranges</th>
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Policy on Delegation of Authority to the President

I. Pursuant to N.C.G.S. § 116-11(13) (G.S.), and other North Carolina law as referenced herein, and notwithstanding The Code or any other Board of Governors policy, the Board of Governors delegates the following authorities to the president of the University of North Carolina (UNC) System:

A. Human Resources

1. Authority to establish and administer a human resources program for employees exempt from the North Carolina Human Resources Act.

   a. “Human resources program” shall include such personnel actions related to the establishment of positions and the administration of salary ranges; recruitment, appointments, salaries, base-salary adjustments, and temporary salary adjustments; promotion and tenure; leave programs; performance management; non-faculty discontinuation, discipline, and discharge; and non-faculty grievance and appeals processes.

   b. The president may approve management flexibility plans for special responsibility constituent institutions and may delegate limited authority for human resources actions to constituent institutions that are not authorized as special responsibility constituent institutions.

   c. Notwithstanding the above provisions, unless otherwise delegated:

      (1) The Board of Governors shall retain authority over the appointments and compensation and salary adjustments for the president, the chancellors of the constituent institutions, except as provided in paragraph F., of this policy, the chief executive officer of the UNC Health Care System, and the chief executive officer of the UNC Center for Public Media director.
(2) The Board of Governors shall retain authority over certain contract terms for athletic directors and head coaches of the constituent institutions.6

(3) The Board of Governors shall retain authority over non-promotional7 salary increases for Tier I Senior Academic and Administrative Officers of the constituent institutions that both exceed 10 percent of the June 30 base salary as of the most recent fiscal year and exceed the 75th percentile of the applicable salary range.

(34) The president shall consult with the Board’s Committee on University Personnel on appointments and, compensation, and salary adjustments for the senior officers of the UNC System Office who report directly to the president.

(4) The Board of Governors shall retain authority over adjustments to base salary for permanent faculty and for employees exempt from the State Human Resources Act when the proposed amount (1) exceeds the established salary range or (2) exceeds 25 percent and twenty-five thousand dollars ($25,000) of the compensation in effect at the end of the last fiscal year.

(5) The president shall consult with the chair of the Committee on University Personnel and may then approve an emergency retention salary increase for a Tier I Senior Academic and Administrative Officer of the constituent institutions in lieu of any required pre-approval by the Committee as set forth in section I.A.1.C. of this policy when necessary to avoid loss of any key senior officer to an external offer of employment. The details of such an action shall be reported to the committee at its next regularly scheduled meeting.

(d) Based on demonstrated institutional need and research activity, the president may authorize constituent institutions with special authority to directly create and/or modify EHRA non-faculty instructional, research, and information technology (IRIT) positions in accordance with UNC System Office classification procedures and guidelines. All such positions must fall within salary ranges established by the UNC System Office.

(e) All other approvals for human resources actions are delegated to the President, who may further delegate actions to the boards of trustees for the constituent institutions or the boards of trustees may further delegate such actions to the chancellors as provided in Section 600.3.4 of the UNC Policy Manual.

2. Authority to approve all actions relating to the administration of the Optional Retirement Program8 and the Phased Retirement Program.9

3. The president shall report in writing on actions taken under the authority of these delegations to the appropriate committee of the Board of Governors no less than annually, or as otherwise requested by the chair of the Board of Governors or the chair of the Committee on University Personnel.
B. Governance

1. The authority to approve the initiation of a lawsuit in the name of the University if the action is for monetary relief and the amount in controversy is less than $250,000.10

2. The authority to settle potential or pending litigation by or against a constituent institution or the University of North Carolina System, if the settlement is solely for monetary relief and the amount the University is to pay pursuant to the settlement is less than $250,000 or, if the University is to receive a payment, the amount the University claimed is less than $250,000.11

3. Authority to approve the political activities of employees of the UNC System who are candidates for or serving in public office.12

C. Reports. The authority to approve and submit any report the UNC System or the Board of Governors is required to submit to the General Assembly, the State Board of Education, or any other state or federal agency or officer.

D. Real Property

1. The power to authorize acquisition or disposition of the following interests in real property without obtaining approval of the Board of Governors, subject to any necessary approvals from state officials and agencies:
   a. Any interest in real property, other than a leasehold, with a value less than $750,000; and
   b. A leasehold interest in real property with annual value less than $750,000 and a term of not more than 10 years.

   The president’s authority may be exercised on behalf of the UNC System Office, affiliated entities, or the constituent institutions in the president’s discretion.13

2. Authority to approve capital improvement projects funded entirely with non-General Fund money14 that are projected to cost less than $750,000.15

3. Authority to approve advance planning of capital improvement projects, where the advance planning effort is to be funded entirely with non-General Fund money.

E. Institutional Trust Funds. Authority to delegate to the chancellors management of institutional trust funds.16

F. Chancellors’ Incentive Compensation Program

1. Authority to establish and implement an incentive compensation program to provide the president an opportunity to award performance-based compensation to the chancellors.

2. Authority to grant performance-based compensation awards to the chancellors as provided under the incentive compensation program. Awards granted under this
authority shall be one-time payments per year, cannot exceed 20 percent of the chancellor’s base salary, and are the responsibility of the constituent institution to fund.

3. Authority to modify the incentive compensation program as necessary to maintain alignment between performance goals established by the Board of Governors for the president and those established by the president for the chancellors.

II. The president will report all actions taken under the authority of the delegations in sections I.B., through I.F., above, to the appropriate committee of the Board of Governors either in writing before the next regular meeting of the Board of Governors or at the next regular meeting of the Board of Governors.

III. These delegations will remain in effect unless and until the Board of Governors rescinds them in whole or in part.

IV. Other Matters

A. Effective Date. The requirements of this policy shall be effective on the date of adoption of this policy by the Board of Governors.

B. Relation to State Laws. The foregoing policy as adopted by the Board of Governors is meant to supplement, and does not purport to supplant or modify, those statutory enactments which may govern or relate to the subject matter of this policy.

C. Regulations and Guidelines. This policy shall be implemented and applied in accordance with such regulations and guidelines as may be adopted from time to time by the president.

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1The secretary of the University is authorized to annotate the referenced policies and regulations to cross-reference these delegations.
2G.S., Chapter 126.
3Sections 300.1.1, 300.1.2, and 300.2 of the UNC Policy Manual.
4Section 600.3.4 of the UNC Policy Manual.
5Section 500 of The Code; Sections 300.1.1 and 1200.1 of the UNC Policy Manual; and G.S. 116-37(c) and 37.1(c).
6Section 1100.3 of the UNC Policy Manual.
7For the purposes of this policy, the term “non-promotional” means salary actions that do not relate to assuming an entirely new position but rather adjusting the salary of the existing position for reasons such as labor market, equity, retention, additional duties, reclassification, and other permitted miscellaneous reasons.
8G.S. 135-5.1
9Section 300.7.2 of the UNC Policy Manual.
10Section 200.5 of the UNC Policy Manual.
11Section 200.5 of the UNC Policy Manual.
12Sections 300.5.1 and 300.5.2 of the UNC Policy Manual.
13The Board of Governors may delegate additional authority to the president or boards of trustees for real property transactions consistent with Sections 600.1.3 and 600.1.3[R] of the UNC Policy Manual.
14This delegation shall be interpreted consistent with G.S. 143C-8-12.
15The Board of Governors may delegate additional authority to the president or boards of trustees for approval of capital improvement projects consistent with Section 600.1.1 of the UNC Policy Manual.
16Sections 600.2.4 and 600.2.4.1 of the UNC Policy Manual.
Policy on Delegation of Authority to the President

I. Pursuant to N.C.G.S. § 116-11(13) (G.S.), and other North Carolina law as referenced herein, and notwithstanding The Code or any other Board of Governors policy, the Board of Governors delegates the following authorities to the president of the University of North Carolina (UNC) System:

A. Human Resources

1. Authority to establish and administer a human resources program for employees exempt from the North Carolina Human Resources Act.
   a. “Human resources program” shall include such personnel actions related to the establishment of positions and the administration of salary ranges; recruitment, appointments, salaries, base-salary adjustments, and temporary salary adjustments; promotion and tenure; leave programs; performance management; non-faculty discontinuation, discipline, and discharge; and non-faculty grievance and appeals processes.
   b. The president may approve management flexibility plans for special responsibility constituent institutions and may delegate limited authority for human resources actions to constituent institutions that are not authorized as special responsibility constituent institutions.
   c. Notwithstanding the above provisions, unless otherwise delegated:
      (1) The Board of Governors shall retain authority over the appointments, compensation, and salary adjustments for: the president; the chancellors of the constituent institutions, except as provided in paragraph F. of this policy; the chief executive officer of the UNC Health Care System; and the chief executive officer of the UNC Center for Public Media.
(2) The Board of Governors shall retain authority over certain contract terms for athletic directors and head coaches of the constituent institutions.6

(3) The Board of Governors shall retain authority over non-promotional7 salary increases for Tier I Senior Academic and Administrative Officers of the constituent institutions that both exceed 10 percent of the June 30 base salary as of the most recent fiscal year and exceed the 75th percentile of the applicable salary range.

(4) The president shall consult with the Board’s Committee on University Personnel on appointments, compensation, and salary adjustments for the senior officers of the UNC System Office who report directly to the president.

(5) The president shall consult with the chair of the Committee on University Personnel and may then approve an emergency retention salary increase for a Tier I Senior Academic and Administrative Officer of the constituent institutions in lieu of any required pre-approval by the Committee as set forth in section I.A.1.C. of this policy when necessary to avoid loss of any key senior officer to an external offer of employment. The details of such an action shall be reported to the committee at its next regularly scheduled meeting.

d. Based on demonstrated institutional need and research activity, the president may authorize constituent institutions with special authority to directly create and/or modify EHRA non-faculty instructional, research, and information technology (IRIT) positions in accordance with UNC System Office classification procedures and guidelines. All such positions must fall within salary ranges established by the UNC System Office.

e. All other approvals for human resources actions are delegated to the President, who may further delegate actions to the boards of trustees for the constituent institutions or the boards of trustees may further delegate such actions to the chancellors as provided in Section 600.3.4 of the UNC Policy Manual.

2. Authority to approve all actions relating to the administration of the Optional Retirement Program8 and the Phased Retirement Program.9

3. The president shall report in writing on actions taken under the authority of these delegations to the appropriate committee of the Board of Governors no less than annually, or as otherwise requested by the chair of the Board of Governors or the chair of the Committee on University Personnel.

B. Governance

1. The authority to approve the initiation of a lawsuit in the name of the University if the action is for monetary relief and the amount in controversy is less than $250,000.10
2. The authority to settle potential or pending litigation by or against a constituent institution or the University of North Carolina System, if the settlement is solely for monetary relief and the amount the University is to pay pursuant to the settlement is less than $250,000 or, if the University is to receive a payment, the amount the University claimed is less than $250,000.¹¹

3. Authority to approve the political activities of employees of the UNC System who are candidates for or serving in public office.¹²

C. Reports. The authority to approve and submit any report the UNC System or the Board of Governors is required to submit to the General Assembly, the State Board of Education, or any other state or federal agency or officer.

D. Real Property

1. The power to authorize acquisition or disposition of the following interests in real property without obtaining approval of the Board of Governors, subject to any necessary approvals from state officials and agencies:
   a. Any interest in real property, other than a leasehold, with a value less than $750,000; and
   b. A leasehold interest in real property with annual value less than $750,000 and a term of not more than 10 years.

   The president’s authority may be exercised on behalf of the UNC System Office, affiliated entities, or the constituent institutions in the president’s discretion.¹³

2. Authority to approve capital improvement projects funded entirely with non-General Fund money¹⁴ that are projected to cost less than $750,000.¹⁵

3. Authority to approve advance planning of capital improvement projects, where the advance planning effort is to be funded entirely with non-General Fund money.

E. Institutional Trust Funds. Authority to delegate to the chancellors management of institutional trust funds.¹⁶

F. Chancellors’ Incentive Compensation Program

1. Authority to establish and implement an incentive compensation program to provide the president an opportunity to award performance-based compensation to the chancellors.

2. Authority to grant performance-based compensation awards to the chancellors as provided under the incentive compensation program. Awards granted under this authority shall be one-time payments per year, cannot exceed 20 percent of the chancellor’s base salary, and are the responsibility of the constituent institution to fund.

3. Authority to modify the incentive compensation program as necessary to maintain alignment between performance goals established by the Board of Governors for the president and those established by the president for the chancellors.
II. The president will report all actions taken under the authority of the delegations in sections I.B., through I.F., above, to the appropriate committee of the Board of Governors either in writing before the next regular meeting of the Board of Governors or at the next regular meeting of the Board of Governors.

III. These delegations will remain in effect unless and until the Board of Governors rescinds them in whole or in part.

IV. Other Matters

A. Effective Date. The requirements of this policy shall be effective on the date of adoption of this policy by the Board of Governors.

B. Relation to State Laws. The foregoing policy as adopted by the Board of Governors is meant to supplement, and does not purport to supplant or modify, those statutory enactments which may govern or relate to the subject matter of this policy.

C. Regulations and Guidelines. This policy shall be implemented and applied in accordance with such regulations and guidelines as may be adopted from time to time by the president.

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1The secretary of the University is authorized to annotate the referenced policies and regulations to cross-reference these delegations.
2G.S., Chapter 126.
3Sections 300.1.1, 300.1.2, and 300.2 of the UNC Policy Manual.
4Section 600.3.4 of the UNC Policy Manual.
5Section 500 of The Code; Sections 300.1.1 and 1200.1 of the UNC Policy Manual; and G.S. 116-37(c) and 37.1(c).
6The use of “UNC Center for Public Media” in statute refers to PBS North Carolina.
7For the purposes of this policy, the term “non-promotional” means salary actions that do not relate to assuming an entirely new position but rather adjusting the salary of the existing position for reasons such as labor market, equity, retention, additional duties, reclassification, and other permitted miscellaneous reasons.
8G.S.135-5.1
9Section 300.7.2 of the UNC Policy Manual.
10Section 200.5 of the UNC Policy Manual.
11Section 200.5 of the UNC Policy Manual.
12Sections 300.5.1 and 300.5.2 of the UNC Policy Manual.
13The Board of Governors may delegate additional authority to the president or boards of trustees for real property transactions consistent with Sections 600.1.3 and 600.1.3[R] of the UNC Policy Manual.
14This delegation shall be interpreted consistent with G.S. 143C-8-12.
15The Board of Governors may delegate additional authority to the president or boards of trustees for approval of capital improvement projects consistent with Section 600.1.1 of the UNC Policy Manual.
16Sections 600.2.4 and 600.2.4.1 of the UNC Policy Manual.
I. Purpose

A. Pursuant to N.C.G.S. 116-11(13) (G.S.), and other North Carolina law as referenced herein, and in an effort to enhance the administrative efficiency of the University, the Board of Governors has delegated to the president the authority to establish a human resources program and to approve management flexibility plans at constituent institutions for faculty and EHRA non-faculty (those employees exempt from various provisions within Chapter 126 of the North Carolina General Statutes).¹

B. In accordance with this authority, the president may further delegate authority for approving human resources matters within the UNC System Office. Section II of this policy describes authorities that may be delegated by the president for human resources actions to the boards of trustees of all the constituent institutions. Section III delineates such delegations that are reserved solely for institutions with management flexibility (special responsibility constituent institutions).

C. Also in accordance with this authority, the president hereby further delegates the authority to administer certain human resources actions as described in section II of this policy to the boards of trustees for all constituent institutions.

D. Also in accordance with this authority, the president hereby further delegates additional authority to administer certain human resources actions as described in section III of this policy to the boards of trustees for institutions with management flexibility (special responsibility constituent institutions).

EC. The authority granted by the Board of Governors through the president is subject to The Code of the University of North Carolina (The Code), policies of the Board of Governors, and all applicable federal and state laws, policies, regulations, and rules.² Along with any other rules and regulations the Board of Governors and/or the president adopt, this policy requires each constituent institution to comply with all rules and regulations concerning equal employment opportunity; to act in recognition of funding availability and constraints within each institution's
budget; and to take into account the actions of the Governor, the Office of State Budget and Management, and the North Carolina General Assembly.

II. Authority Delegated to All Constituent Institutions (With or Without Management Flexibility)

A. The president delegates to the board of trustees for each constituent institution the authority to execute the following personnel actions for faculty and EHRA non-faculty instructional, research, and public service (IRPS) employees:

1. Permanent and temporary appointments and salaries within the salary ranges established by the UNC System Office, excluding Tier I Senior Academic and Administrative Officers (Tier I SAAOs).

2. Promotion, including faculty rank changes but excluding tenure.

3. Permanent and temporary salary increases or stipends.

2. Permanent non-promotional salary adjustments within the salary ranges established by the UNC System Office for all EHRA non-faculty employees excluding Tier I and Tier II SAAOs and head coaches, associate coaches, and assistant coaches for which delegations are otherwise specified herein.

3. Permanent non-promotional salary adjustments within the salary ranges established by the UNC System Office for Tier II SAAOs up to a new base salary of $125,000 and that do not exceed 10 percent of the June 30 base salary as of the most recent fiscal year or that do not exceed the 75th percentile of the salary range regardless of amount of increase.

4. Non-promotional salary increases for head coaches, associate coaches, and assistant coaches that do not exceed 25 percent of the June 30 base salary as of the most recent fiscal year and do not exceed $25,000.

5. Temporary salary actions for the duration of an appointment as an academic department chair or academic department head not greater than $50,000 annually above the total compensation in effect at the end of the last fiscal year. For clinical department chair, clinical department head, or clinical division head appointments within a School of Medicine or Dentistry, this delegated authority is not greater than $75,000 annually for the duration of such appointment.

6. All other temporary salary adjustments related to interim, acting, or other time-limited assignments or appointments with a duration of up to 36 months or up to $50,000 annually above the base salary in effect at the end of the last fiscal year, excluding such actions for Tier I SAAOs. This delegated authority does not permit exceeding the relevant salary range established by the UNC System Office for the position in which an individual is serving in an interim or acting capacity.

7. Faculty rank promotions but excluding conferral of tenure. All such faculty rank promotions must fall within the established salary range for the role.
B. The president further authorizes the boards of trustees for the constituent institutions to delegate any of these actions to their chancellors, or to specific designees of the chancellor by title, as they deem appropriate, excluding actions for Tier I SAAOs.

C. Notwithstanding the delegations above provisions in sections II.A. and II.B., the president may establish regulations and guidelines that modify, suspend, or limit delegation for certain actions (for example, salary adjustments) within these categories one or more of the aforementioned delegations of authority at the president’s discretion by administrative memorandum or duly authorized regulation.

III. Delegation of Authority to Boards of Trustees of Institutions with Management Flexibility

A. Simultaneous with the president’s authorization of an institution’s management flexibility plan, the board of trustees of that institution is delegated the authority to execute the following additional personnel actions in addition to those enumerated in section II.A. of this policy, which it shall not delegate further unless the president or the Board of Governors shall allow:

1. Upon recommendation of the chancellor, appoint all permanent and temporary appointments and fix the salary and non-salary compensation for all vice chancellors and other Tier 1 senior academic and administrative officers (as defined in Section 300.1.1 I.A. of the UNC Policy Manual) Tier I SAAOs, with the exclusion of the chancellor, within the salary ranges established by the UNC System Office.

2. Approve appointments and salary changes for SAAO Tier 1 appointments, with the exclusion of the chancellor.

3. Upon recommendation of the chancellor, establish salary ranges for SAAO Tier 2 positions, consistent with both the salary ranges and the policies established by the Board of Governors and the regulations and guidelines established by the president. The institution may otherwise elect to adopt salary ranges established by the UNC System Office for these positions.

4. Upon recommendation of the chancellor, and consistent with the approved tenure policies and regulations of each institution, confer permanent tenure.

B. Simultaneous with the president’s authorization of an institution’s management flexibility plan, the board of trustees of that institution is also delegated the authority for the following personnel actions, which it may further delegate to the chancellor and may authorize the chancellor to further delegate on a limited basis to specific designees of the chancellor by title, as they deem appropriate.
1. Establish faculty salary ranges within different academic disciplines, based on relevant data.

21. Appoint and fix the compensation for faculty awarded the designation of Distinguished Professors.

32. Establish IRPS positions and salary ranges. When authorized by the president or the president’s designee, establish faculty salary ranges within different academic disciplines, based on relevant market data. These salary ranges shall be subject to review and approval by the UNC System Office upon request. Absent such an authorization by the president, the constituent institutions shall utilize faculty salary ranges established by the UNC System Office.

C. Salaries and salary ranges shall be consistent with salary ranges established or authorized by the UNC System Office and consistent with guidelines established by the president. Notwithstanding the delegations above and the provisions of any existing approved management flexibility plan, the Board of Governors and/or, in sections III.A. and III.B., the president may establish policies, regulations, or guidelines that modify, suspend, or limit delegation for certain actions (such as establishing mandatory salary ranges or salary adjustments) within the delegations listed in III.A., and III.B., one or more of the aforementioned delegations of authority at his or her discretion by administrative memorandum or duly authorized regulation.

IV. Responsibility of the Board of Governors and the President

A. The Board of Governors shall:

1. Issue a resolution each year that (a) interprets legislative action regarding University employee salaries and (b) sets annually or delegates such authority by resolution as it deems appropriate to the president.

2. Shall set every other year, or more frequently as it shall decide, the salary range for the president and, in consultation with the president, the salary ranges for the chancellors. These ranges will be based upon relevant available market data.

23. Authorize the president’s salary and, based on recommendations from the president, the chancellors’ salaries.

34. Authorize appointments and employment contracts for the chancellors, the president, the chief executive officer of the UNC Center for Public Media director, and the chief executive officer of the UNC Health Care System as well as authorize certain contract terms and conditions for athletic directors and head coaches at constituent institutions as defined in Section 1100.3 of the UNC Policy Manual.

5. May authorize permanent salary adjustments for the president and chancellors, regardless of amount. The president will continue to consult with the Board on salary adjustments for the president’s senior team.
6. May authorize all non-promotional salary increases for head coaches, associate coaches, and assistant coaches that exceed 25 percent of the base salary in effect at the end of the last fiscal year and exceed $25,000.

7. May authorize all other salary actions for Tier I SAAOs that are not otherwise delegated to the boards of trustees of the constituent institutions or to the president.

B. The president or president’s designees shall:

1. Establish and approve the establishment of all SAAO Tier 1 and SAAO Tier 2 positions and their salary ranges, with the exclusion of those defined in IV.A., above. In addition, the president will consult with the Board’s Committee on University Personnel for appointments and compensation for senior officers who report directly to the president and may approve emergency retention salary adjustments for Tier I SAAOs of the constituent institutions and of the UNC System Office in consultation with the chair of the committee. Any such emergency retention salary adjustments will be reported to the Committee on University Personnel at its next scheduled meeting.

2. May authorize any significant changes in the organizational structure of a constituent institution, such as re-organization resulting in the creation of a new vice chancellor, dean, or equivalent administrative position.

3. Review annually the faculty salaries set by the medical schools at the University of North Carolina at Chapel Hill and East Carolina University to ensure that the salaries are coordinated and are consistent with relevant data in a national medical labor market.

4. Provide guidelines at least annually to the constituent institutions regarding EHRA appointments and salary actions.

5. Provide periodic faculty salary studies based on peer data.

6. May withdraw or further limit the delegation of management flexibility from any institution that does not adhere to the policies and procedures set forth in this policy. The president will notify the institution of the discrepancies, and if these are not adequately addressed in the judgment of the president, then the president shall withdraw the delegation. The president may reinstate delegation or remove restrictions to a constituent institution upon further review and following the requirements established in section V., of this policy.

7. Will establish classification categories and salary ranges for EHRA IRIT positions.

8. May approve temporary salary adjustments for EHRA employees that exceed the authority granted to constituent institution boards of trustees and not otherwise retained by the Board of Governors.
9. May authorize Tier I SAAO non-promotional salary increases for institutions with management flexibility that exceed 10 percent of the June 30 base salary as of the most recent fiscal year or the 75th percentile of the salary range regardless of amount of increase. Any Tier I SAAO actions transmitted for approval by the president must receive prior formal endorsement by the institution’s board of trustees.

10. May authorize Tier I SAAO non-promotional salary increases for institutions without management flexibility that do not exceed 10 percent of the base salary in effect at the end of the last fiscal year and the 75th percentile of the salary range. Any Tier I SAAO actions transmitted for approval by the president must receive prior formal endorsement by the institution’s board of trustees.

11. May authorize all Tier II SAAO non-promotional salary increases not otherwise delegated to the boards of trustees of the constituent institutions.

C. The Board of Governors and/or the president shall:

1. Conduct performance audits on policies, practices, and other matters related to delegation of management flexibility.

2. For institutions without management flexibility, the president and the Board of Governors shall have the same responsibilities and authority as set forth in Section 300.6.1 of the UNC Policy Manual, Policy on Selection Criteria and Operating Guidelines for Special Responsibility Constituent Institutions.

V. Submitting Institutional Plans for Management Flexibility for Personnel Appointments. The president has the authority to approve institutional management flexibility plans for personnel appointments. Upon approval, the board of trustees of a special responsibility constituent institution shall have the authority delegated by this policy. An institutional plan shall include the following:

A. Policies and procedures for promotion and tenure of faculty.

1. An institutional policy for promotion and tenure that complies with The Code of the University of North Carolina System, complies with current federal and state law, and provides clear requirements for promotion and the conferral of permanent tenure.

2. A schedule and process for periodic review of promotion and tenure policies, including a process for amending promotion and tenure policies subject to review by the president or president’s designee.

B. Policies and procedures for salary administration and recruitment and selection of senior academic and administrative officers (SAAO) and EHRA non-faculty.

1. Policies and procedures for establishing salary ranges for SAAO Tier 2 and for instructional, research, and public service (IRPS) EHRA non-faculty positions, consistent with the salary ranges and the policies established by the Board of Governors and the regulations and guidelines established by the president. The institution may otherwise elect to adopt salary ranges established by the UNC System Office for these positions.
2. Policies and procedures for the recruitment and selection of senior academic and administrative officers and other EHRA non-faculty positions.

C. Policies and procedures for compensation policies for faculty and EHRA non-faculty.

1. An institutional policy on non-salary compensation of faculty and EHRA non-faculty, and on compensation from non-state sources such as grants, endowment funds, practice plan funds, etc.

2. Documentation of comprehensive salary studies that establish salary ranges for tenured faculty within different disciplines based on relevant data and for EHRA non-faculty, including methodology and relevant data [market data in the event the constituent institution is delegated authority to establish such ranges by the UNC System Office].

3. Documentation of EHRA salary-setting guidelines provided to institutional management.

D. Policies and procedures for audits and accountability.

1. Documentation that the institution has not had audit findings related to personnel practices, salary, or payroll for the previous three years or, if there have been audit findings in this period, documentation supporting that any findings have been remedied.

2. Documentation of appropriate accountability procedures in the event that if the board of trustees delegates the authority granted pursuant to this policy to the chancellor.

VI. Implementation of the Delegated Authority under Management Flexibility. The president shall determine the effective date of the delegation authorized by this policy upon approval of the institution’s management flexibility plan.

VII. Other Matters

A. Effective Date. The requirements of this policy shall be effective on the date of adoption of this policy by the Board of Governors.

B. Relation to State Laws. The foregoing policy as adopted by the Board of Governors is meant to supplement, and does not purport to supplant or modify, those statutory enactments which may govern or relate to the subject matter of this policy.

C. Regulations and Guidelines. This policy shall be implemented and applied in accordance with such regulations and guidelines as may be adopted from time to time by the president.

1Section 200.6 of the UNC Policy Manual.
2See Section 200.6 of the UNC Policy Manual for limitations on the president’s delegated authority.
For the purpose of this policy, the term “appoint” means the initial appointment, reappointment, or an appointment that constitutes a formal promotion.

For the purpose of this policy, the term “non-promotional” means salary actions that do not relate to assuming an entirely new position but rather adjusting the salary of the existing position for reasons such as labor market, equity, retention, additional duties, reclassification, and other permitted miscellaneous reasons.

The delegation authorized by this policy is in addition to the delegation by the Board of Governors to the boards of trustees contained in the Appendix 1 to The Code.

For the purpose of this policy, the term “appoint” means the initial appointment, reappointment, or an appointment that constitutes a promotion or a significant change in position responsibilities.

Throughout this policy, all actions of a board of trustees of a special responsibility constituent institution to “fix the compensation” of employees are subject to the limitations contained in sections II and III of this policy; the policies of the Board of Governors; guidelines and regulations established by the president; and institutional plans, policies, and procedures.

The chancellor may delegate authority only to the executive vice chancellor, provost, chief financial officer/chief business officer, and/or chief human resources officer, or any other director-level or senior officer with responsibility for campus-wide EHRA human resources actions.

Use of “UNC Center for Public Media” in statute refers to PBS North Carolina.

In order for an institution to have management flexibility for personnel appointments, the institution must be designated and maintain the status of a special responsibility constituent institution.

As applied to the North Carolina School of the Arts and the North Carolina School of Science and Mathematics, the terms “tenure policy” or “policy for promotion and tenure,” as used herein, refer to the institution’s policy governing the appointment of faculty.

When used in this policy, the phrase “relevant data” indicates that the institution shall draw comparisons to peer institutions as approved by the Board of Governors. Data from peer institutions will be used when available except in instances in which a campus can demonstrate legitimate labor market differences that justify the use of a supplemental or alternative set of peer institutions.
Policy on the Delegations of Authority and Granting of Management Flexibility on Human Resources Matters

I. Purpose

A. Pursuant to N.C.G.S. 116-11(13) (G.S.), and other North Carolina law as referenced herein, and in an effort to enhance the administrative efficiency of the University, the Board of Governors has delegated to the president the authority to establish a human resources program and to approve management flexibility plans at constituent institutions for faculty and EHRA non-faculty (those employees exempt from various provisions within Chapter 126 of the North Carolina General Statutes).¹

B. In accordance with this authority, the president may further delegate authority for approving human resources matters. Section II of this policy describes authorities that may be delegated by the president for human resources actions to the boards of trustees of all the constituent institutions. Section III delineates such delegations that are reserved solely for institutions with management flexibility (special responsibility constituent institutions as per UNC Policy Manual 600.3.1).

C. The authority granted by the Board of Governors through the president is subject to The Code of the University of North Carolina (The Code), policies of the Board of Governors, and all applicable federal and state laws, policies, regulations, and rules.² Along with any other rules and regulations the Board of Governors and/or the president adopt, this policy requires each constituent institution to comply with all rules and regulations concerning equal employment opportunity; to act in recognition of funding availability and constraints within each institution’s budget; and to take into account the actions of the Governor, the Office of State Budget and Management, and the North Carolina General Assembly.

II. Authority Delegated to All Constituent Institutions (With or Without Management Flexibility)

A. The president delegates to the boards of trustees for all constituent institutions the authority to execute the following personnel actions for EHRA employees:
1. Permanent and temporary appointments within the salary ranges established by the UNC System Office, excluding Tier I Senior Academic and Administrative Officers (Tier I SAAOs).

2. Permanent non-promotional salary adjustments within the salary ranges established by the UNC System Office for all EHRA non-faculty employees excluding Tier I and Tier II SAAOs and head coaches, associate coaches, and assistant coaches for which delegations are otherwise specified herein.

3. Permanent non-promotional salary adjustments within the salary ranges established by the UNC System Office for Tier II SAAOs up to a new base salary of $125,000 and that do not exceed 10 percent of the June 30 base salary as of the most recent fiscal year or that do not exceed the 75th percentile of the salary range regardless of amount of increase.

4. Non-promotional salary increases for head coaches, associate coaches, and assistant coaches that do not exceed 25 percent of the June 30 base salary as of the most recent fiscal year and do not exceed $25,000.

5. Temporary salary actions for the duration of an appointment as an academic department chair or academic department head not greater than $50,000 annually above the total compensation in effect at the end of the last fiscal year. For clinical department chair, clinical department head, or clinical division head appointments within a School of Medicine or Dentistry, this delegated authority is not greater than $75,000 annually for the duration of such appointment.

6. All other temporary salary adjustments related to interim, acting, or other time-limited assignments or appointments with a duration of up to 36 months or up to $50,000 annually above the base salary in effect at the end of the last fiscal year, excluding such actions for Tier I SAAOs. This delegated authority does not permit exceeding the relevant salary range established by the UNC System Office for the position in which an individual is serving in an interim or acting capacity.

7. Faculty rank promotions but excluding conferral of tenure. All such faculty rank promotions must fall within the established salary range for the role.

B. The president further authorizes the boards of trustees for the constituent institutions to delegate any of these actions to their chancellors, or to specific designees of the chancellor by title, as they deem appropriate, excluding actions for Tier I SAAOs.

C. Notwithstanding the provisions in sections II.A. and II.B., the president may modify, suspend, or limit one or more of the aforementioned delegations of authority at the president’s discretion by administrative memorandum or duly authorized regulation.

III. Delegation of Authority to Boards of Trustees of Institutions with Management Flexibility

A. Simultaneous with the president’s authorization of an institution’s management flexibility plan, the board of trustees of that institution is delegated the authority to execute the following
additional personnel actions in addition to those enumerated in section II.A. of this policy, which it shall not delegate further unless the president or the Board of Governors shall permit.\(^5\)

1. Upon recommendation of the chancellor, all permanent and temporary appointments\(^6\) and non-salary compensation\(^7\) for all Tier I SAAOs, with the exclusion of the chancellor, within the salary ranges established by the UNC System Office.

2. Upon recommendation of the chancellor, and consistent with the approved tenure policies and regulations of each institution, confer permanent tenure.

3. Upon recommendation of the chancellor, all permanent non-promotional salary adjustments for Tier I SAAOs within the salary ranges established by the UNC System Office that do not exceed either 10 percent of the June 30 base salary as of the most recent fiscal year or that do not exceed the 75\(^{th}\) percentile of the salary range regardless of amount of increase. Any Tier I SAAO actions transmitted for approval by the president and/or Board of Governors must receive prior formal endorsement by the institution’s board of trustees.

B. Simultaneous with the president’s authorization of an institution’s management flexibility plan, the board of trustees of that institution is also delegated the authority for the following personnel actions, which it may further delegate to the chancellor and may authorize the chancellor to further delegate to specific designees of the chancellor by title, as they deem appropriate.\(^8\)

1. Appoint and fix the compensation for faculty awarded the designation of Distinguished Professors.

2. When authorized by the president or the president’s designee, establish faculty salary ranges within different academic disciplines, based on relevant market data. These salary ranges shall be subject to review and approval by the UNC System Office upon request. Absent such an authorization by the president, the constituent institutions shall utilize faculty salary ranges established by the UNC System Office.

C. Notwithstanding the provisions in sections III.A. and III.B., the president may modify, suspend, or limit one or more of the aforementioned delegations of authority at his or her discretion by administrative memorandum or duly authorized regulation.

IV. Responsibility of the Board of Governors and the President

A. The Board of Governors:

1. Shall issue a resolution each year that interprets legislative action regarding University employee salaries or delegates such authority by resolution as it deems appropriate to the president.

2. Shall set every other year, or more frequently as it shall decide, the salary range for the president and, in consultation with the president, the salary ranges for the chancellors. These ranges will be based upon relevant available market data.
3. Shall authorize the president’s salary and, based on recommendations from the president, the chancellors’ salaries.

4. Shall authorize appointments and employment contracts for the chancellors, the president, the chief executive officer of the UNC Center for Public Media, and the chief executive officer of the UNC Health Care System as well as authorize certain contract terms and conditions for athletic directors and head coaches at constituent institutions as defined in Section 1100.3 of the UNC Policy Manual.

5. May authorize permanent salary adjustments for the president and chancellors, regardless of amount. The president will continue to consult with the Board on salary adjustments for the president’s senior team.

6. May authorize all non-promotional salary increases for head coaches, associate coaches, and assistant coaches that exceed 25 percent of the base salary in effect at the end of the last fiscal year and exceed $25,000.

7. May authorize all other salary actions for Tier I SAAOs that are not otherwise delegated to the boards of trustees of the constituent institutions or to the president.

B. The president or president’s designees:

1. Will review and approve the establishment of all SAAO positions and their salary ranges, with the exclusion of those defined in IV.A., above. In addition, the president will consult with the Board’s Committee on University Personnel for appointments and compensation for senior officers who report directly to the president and may approve emergency retention salary adjustments for Tier I SAAOs of the constituent institutions and of the UNC System Office in consultation with the chair of the committee. Any such emergency retention salary adjustments will be reported to the Committee on University Personnel at its next scheduled meeting.

2. May authorize any significant changes in the organizational structure of a constituent institution, such as re-organization resulting in the creation of a new vice chancellor, dean, or equivalent administrative position.

3. Will review annually the faculty salaries set by the medical schools at the University of North Carolina at Chapel Hill and East Carolina University to ensure that the salaries are coordinated and are consistent with relevant data in a national medical labor market.

4. Will provide at least annually to the constituent institutions guidelines regarding EHRA appointments and salary actions.

5. Will provide faculty salary ranges by rank and discipline to the constituent institutions for their use unless an institution is authorized by the president or president’s designee to develop such ranges independently subject to UNC System Office review.
6. May withdraw or further limit the delegation of management flexibility from any institution that does not adhere to the policies and procedures set forth in this policy. The president will notify the institution of the discrepancies, and if these are not adequately addressed in the judgment of the president, then the president shall withdraw the delegation. The president may reinstate delegation or remove restrictions to a constituent institution upon further review and following the requirements established in section V., of this policy.

7. Will establish classification categories and salary ranges for EHRA IRIT positions.

8. May approve temporary salary adjustments for EHRA employees that exceed the authority granted to constituent institution boards of trustees and not otherwise retained by the Board of Governors.

9. May authorize Tier I SAAO non-promotional salary increases for institutions with management flexibility that exceed 10 percent of the June 30 base salary as of the most recent fiscal year or the 75th percentile of the salary range regardless of amount of increase. Any Tier I SAAO actions transmitted for approval by the president must receive prior formal endorsement by the institution’s board of trustees.

10. May authorize Tier I SAAO non-promotional salary increases for institutions without management flexibility that do not exceed 10 percent of the base salary in effect at the end of the last fiscal year and the 75th percentile of the salary range. Any Tier I SAAO actions transmitted for approval by the president must receive prior formal endorsement by the institution’s board of trustees.

11. May authorize all Tier II SAAO non-promotional salary increases not otherwise delegated to the boards of trustees of the constituent institutions.

C. The Board of Governors and/or the president shall:

1. Conduct performance audits on policies, practices, and other matters related to delegation of management flexibility.

2. For institutions without management flexibility, the president and the Board of Governors shall have the same responsibilities and authority as set forth in Section 300.6.1 of the UNC Policy Manual, Policy on Selection Criteria and Operating Guidelines for Special Responsibility Constituent Institutions.10

V. Submitting Institutional Plans for Management Flexibility for Personnel Appointments. The president has the authority to approve institutional management flexibility plans for personnel appointments. Upon approval, the board of trustees of a special responsibility constituent institution11 shall have the authority delegated by this policy. An institutional plan shall include the following:

A. Policies and procedures for promotion and tenure of faculty.
1. An institutional policy for promotion and tenure that complies with *The Code* of the University of North Carolina System, complies with current federal and state law, and provides clear requirements for promotion and the conferral of permanent tenure.

2. A schedule and process for periodic review of promotion and tenure policies, including a process for amending promotion and tenure policies subject to review by the president or president’s designee.

B. Policies and procedures for salary administration and recruitment and selection of senior academic and administrative officers (SAAO) and EHRA non-faculty.

C. Policies and procedures for compensation policies for faculty and EHRA non-faculty.

1. An institutional policy on non-salary compensation of faculty and EHRA non-faculty, and on compensation from non-state sources such as grants, endowment funds, practice plan funds, etc.

2. Documentation of comprehensive salary studies that establish salary ranges for tenured faculty within different disciplines based on relevant market data in the event the constituent institution is delegated authority to establish such ranges by the UNC System Office.

3. Documentation of EHRA salary-setting guidelines provided to institutional management.

D. Policies and procedures for audits and accountability.

1. Documentation that the institution has not had audit findings related to personnel practices, salary, or payroll for the previous three years or, if there have been audit findings in this period, documentation supporting that any findings have been remedied.

2. Documentation of appropriate accountability procedures if the board of trustees delegates the authority granted pursuant to this policy to the chancellor.

VI. Implementation of the Delegated Authority under Management Flexibility. The president shall determine the effective date of the delegation authorized by this policy upon approval of the institution’s management flexibility plan.

VII. Other Matters

A. Effective Date. The requirements of this policy shall be effective on the date of adoption of this policy by the Board of Governors.

B. Relation to State Laws. The foregoing policy as adopted by the Board of Governors is meant to supplement, and does not purport to supplant or modify, those statutory enactments which may govern or relate to the subject matter of this policy.
C. Regulations and Guidelines. This policy shall be implemented and applied in accordance with such regulations and guidelines as may be adopted from time to time by the president.

1Section 200.6 of the UNC Policy Manual.
2See Section 200.6 of the UNC Policy Manual for limitations on the president’s delegated authority.
3For the purpose of this policy, the term “appoint” means the initial appointment, reappointment, or an appointment that constitutes a formal promotion.
4For the purpose of this policy, the term "non-promotional" means salary actions that do not relate to assuming an entirely new position but rather adjusting the salary of the existing position for reasons such as labor market, equity, retention, additional duties, reclassification, and other permitted miscellaneous reasons.
5The delegation authorized by this policy is in addition to the delegation by the Board of Governors to the boards of trustees contained in the Appendix 1 to The Code.
6Throughout this policy, all actions of a board of trustees of a special responsibility constituent institution to “fix the compensation” of employees are subject to the limitations contained in sections II and III of this policy; the policies of the Board of Governors; guidelines and regulations established by the president; and institutional plans, policies, and procedures.
7The chancellor may delegate authority only to the executive vice chancellor, provost, chief financial officer/chief business officer, and/or chief human resources officer, or any other director-level or senior officer with responsibility for campus-wide EHRA human resources actions.
8Use of “UNC Center for Public Media” in statute refers to PBS North Carolina.
9See in particular Section 600.3.1.A.2.
10In order for an institution to have management flexibility for personnel appointments, the institution must be designated and maintain the status of a special responsibility constituent institution.
11As applied to the North Carolina School of the Arts and the North Carolina School of Science and Mathematics, the terms “tenure policy” or “policy for promotion and tenure,” as used herein, refer to the institution’s policy governing the appointment of faculty.
12When used in this policy, the phrase “relevant data” indicates that the institution shall draw comparisons to peer institutions as approved by the Board of Governors. Data from peer institutions will be used when available except in instances in which a campus can demonstrate legitimate labor market differences that justify the use of a supplemental or alternative set of peer institutions.
## EHRA Policy Changes Proposal Summary
(Provisional Revisions to UNC Policies 200.6 and 600.3.4)

### Existing Policy

<table>
<thead>
<tr>
<th>Proposed Policy Changes</th>
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</table>

### Permanent Salary Adjustments

**BOT** delegated* authority up to 20% and $15K based on June 30 salary.

**BOT** delegated* authority for all salary actions within established System Office salary ranges including:
- Head, Associate, and Assistant Coach non-promotional salary increases not to exceed 25% based on the June 30 salary AND not to exceed $25,000.
- Tier II SAAO non-promotional salary increases up to a new base salary of $125,000; not to exceed either 10% based on the June 30 salary OR the 75th percentile of the salary range regardless of amount of increase.
- For institutions with management flexibility, Tier I SAAO non-promotional salary actions not to exceed either 10% based on the June 30 salary OR the 75th percentile of the salary range regardless of amount of increase.
- For institutions without management flexibility, the BOT has no delegated authority for any Tier I SAAO permanent salary adjustments although such actions must be endorsed by the BOT prior to seeking approval of the president or BOG.

**President** delegated authority for:
- Retentions up to 30% and $25K
- Externally posted promotions unlimited; no BOG approval
- All other actions up to 25% and $25K

Calculations based on June 30 salary

**President** delegated authority for all other EHRA salary actions except those reserved for BOG (see below), including delegated authority to president for approval of:
- Tier II SAAO non-promotional salary increases that exceed a new base salary of $125,000 AND exceed 10% based on the June 30 salary OR exceed the 75th percentile of the salary range regardless of amount of increase.
- For institutions with management flexibility, Tier I SAAO non-promotional salary increases that exceed 10% based on the June 30 salary OR exceed the 75th percentile of the salary range regardless of amount of increase.
- For institutions without management flexibility, all Tier I SAAO non-promotional salary increases except those that exceed 10% based on the June 30 salary AND the 75th percentile of the salary range.

**BOG** approval required for all other salary actions.

**BOG** approval required for:
- Salary adjustments for president, and chancellors regardless of amount (President will continue to consult with BOG on senior team salary adjustments).
- Head, Associate, and Assistant Coach non-promotional salary increases that exceed 25% based on the June 30 salary AND exceed $25,000.
- Campus Tier I SAAO non-promotional salary increases that exceed 10% based on the June 30 salary AND the 75th percentile of the salary range; however, president may approve emergency retention salary increases in consultation with CUP chair which are reported to the CUP at its next scheduled meeting.

### Temporary Salary Adjustments

**BOT** delegated* authority up to 25% and $25K for duration of 12 months based on June 30 salary.

**BOT** delegated* authority for:
- Temporary salary adjustments for the duration of an academic department chair or department head appointment not greater than $50K based on June 30 salary. For a clinical department chair, department head, or clinical division head, this delegated authority shall be up to $75K.
- All other temporary salary actions with duration up to 36 months or $50K based on June 30 salary. For institutions lacking management flexibility, the BOT has no delegated authority for any Tier I SAAO temporary salary adjustments.
**President** delegated authority up to 30% and $25K and duration of 13+ months based on June 30 salary.

**President** delegated authority for all other temporary salary actions, including all temporary salary actions for Tier I SAAO for institutions lacking management flexibility.

BOG approval required for all other salary actions.

<table>
<thead>
<tr>
<th><strong>Salary Ranges</strong></th>
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<tbody>
<tr>
<td>Campuses have option to develop their own SAAO Tier II, EHRA IRIT, and faculty salary ranges.</td>
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<tr>
<td>• All campuses required to use System Office salary ranges for EHRA non-faculty positions.</td>
</tr>
<tr>
<td>• The System Office will implement standard faculty salary ranges by rank and discipline that will be required by default for all campuses. The campus may utilize locally developed faculty salary ranges with the president's approval.</td>
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</tbody>
</table>

*BOT may delegate all salary actions to Chancellor with exception of Tier 1 SAAO*