

January 29, 2025 at 11:15 a.m.
Via Videoconference and PBS North Carolina Livestream
UNC System Office
223 S. West Street, Room 1809
Raleigh, NC 27603

AGENDA

OPEN SESSION

- A-1. Approval of the Open Session Minutes Carolyn Coward
 - a. Open Session Minutes of November 13, 2024
 - b. Open Session Minutes of December 12, 2024

- A-2. Benefits Shared Services Overview..... Michael Vollmer and Brian Usischon

- A-3. Proposed Revisions to
Chapter 200 of the UNC Policy ManualPeter Hans, Andrew Kelly, and Michael Vollmer

CLOSED SESSION

- A-4. Approval of the Closed Session Minutes Carolyn Coward
 - a. Closed Session Minutes of November 13, 2024
 - b. Closed Session Minutes of December 12, 2024

- A-5. Executive Personnel Matter..... Peter Hans

OPEN SESSION

- A-6. Adjourn

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

November 13, 2024 at 2:30 p.m.
Via Videoconference and PBS North Carolina Livestream
UNC System Office
223 S. West Street, Room 1809
Raleigh, North Carolina

This meeting of the Committee on University Personnel was presided over by Chair Carolyn Coward. The following committee members, constituting a quorum, were present either in person or via videoconference: Temple Sloan, Woody White, Swadesh Chatterjee, and Jimmy D. Clark.

Chancellors participating were Robin Cummings, Sharon Gaber, and Aswani Volety. Shayna Hill, chair of the UNC Staff Assembly, was also in attendance.

Staff members present included Thomas Walker, Mary Griffin Insoe, and others from the University of North Carolina System Office.

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

The chair called the meeting to order at 2:30 p.m. on Wednesday, November 13, 2024, and reminded all committee members of their duty under the State Government Ethics Act to avoid conflicts of interest and appearances of conflicts of interest. The chair asked if there were any conflicts or appearances of conflicts with respect to any matter coming before the committee. No members identified any conflicts at the time. The minutes from the September 11, 2024, and October 17, 2024, meetings were approved by unanimous consent.

2. Retirement Program Overview (Item A-2)

The committee received a presentation on the retirement plans available to the University's benefits eligible workforce. All faculty and staff who work 30 or more hours per week are required to participate in a retirement program, and there are additional voluntary plans and supplemental deferred compensation arrangements that have varying eligibility rules.

3. 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 [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 [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 [G.S. 143-318.11(a)(6)].

Motion: Temple Sloan

Motion carried

THE MEETING MOVED INTO CLOSED SESSION AT 2:47 P.M.

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

THE MEETING RESUMED IN OPEN SESSION AT 2:56 P.M.

There being no further business and without objection, the meeting adjourned at 2:56 p.m.

Woody White, Secretary

DRAFT MINUTES

December 12, 2024 at 3 p.m.

Via Videoconference and PBS North Carolina Livestream

This meeting of the Committee on University Personnel was presided over by Chair Carolyn Coward. The following committee members, constituting a quorum, were present either in person or via videoconference: Temple Sloan, Woody White, Swadesh Chatterjee, and Jimmy D. Clark.

Staff members present included Mary Griffin Inscoe, and others from the University of North Carolina System Office.

1. Call to Order (Item A-1)

The chair called the meeting to order at 3 p.m. on Thursday, December 12, 2024, and reminded all committee members of their duty under the State Government Ethics Act to avoid conflicts of interest and appearances of conflicts of interest. The chair asked if there were any conflicts or appearances of conflicts with respect to any matter coming before the committee. No members identified any conflicts at the time.

2. 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 [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 [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 [G.S. 143-318.11(a)(6)].

Motion: Temple Sloan

Motion carried

THE MEETING MOVED INTO CLOSED SESSION AT 3:02 P.M.
(The complete minutes of the closed session are recorded separately.)

THE MEETING RESUMED IN OPEN SESSION AT 3:30 P.M.

There being no further business and without objection, the meeting adjourned at 3:30 p.m.

Woody White, Secretary

AGENDA ITEM

A-2. Benefit Shared Services Overview..... Michael Vollmer and Brian Usischon

Situation: The University manages many centralized shared services for constituent institutions in Human Resources, Advancement, and Information Technology. The goal of shared services is to improve efficiency and consistency across the organization while also reducing costs and freeing up resources to be used by constituent institutions for work more central to their mission.

Background: Working with the State Treasurer’s Office and the NC Office of State Human Resources, and following industry leading practices, the University System Office has provided a Center for Excellence to the constituent institutions for providing accurate employee benefit information for retirement plans, insurance plans, and other programs for many years. Those institutions then maintain a workforce who provides that information and administers plan enrollments for their employees.

In early 2024, Fayetteville State University requested assistance from the UNC System Office in employee benefit administration due to staff turnover in Human Resources. Working with FSU, the University System Office was able to establish a benefit shared service to centralize benefit administration to provide cost savings and resilience to FSU. Since onboarding FSU, the UNC System worked with the University of North Carolina Asheville, Winston-Salem State University, North Carolina State Education Assistance Authority, and PBS North Carolina to implement the service at those institutions. We are currently discussing expanding the service to additional campuses in 2025.

Assessment: During this meeting System Office staff will provide a brief presentation on benefit shared services.

Action: This item is for information only.

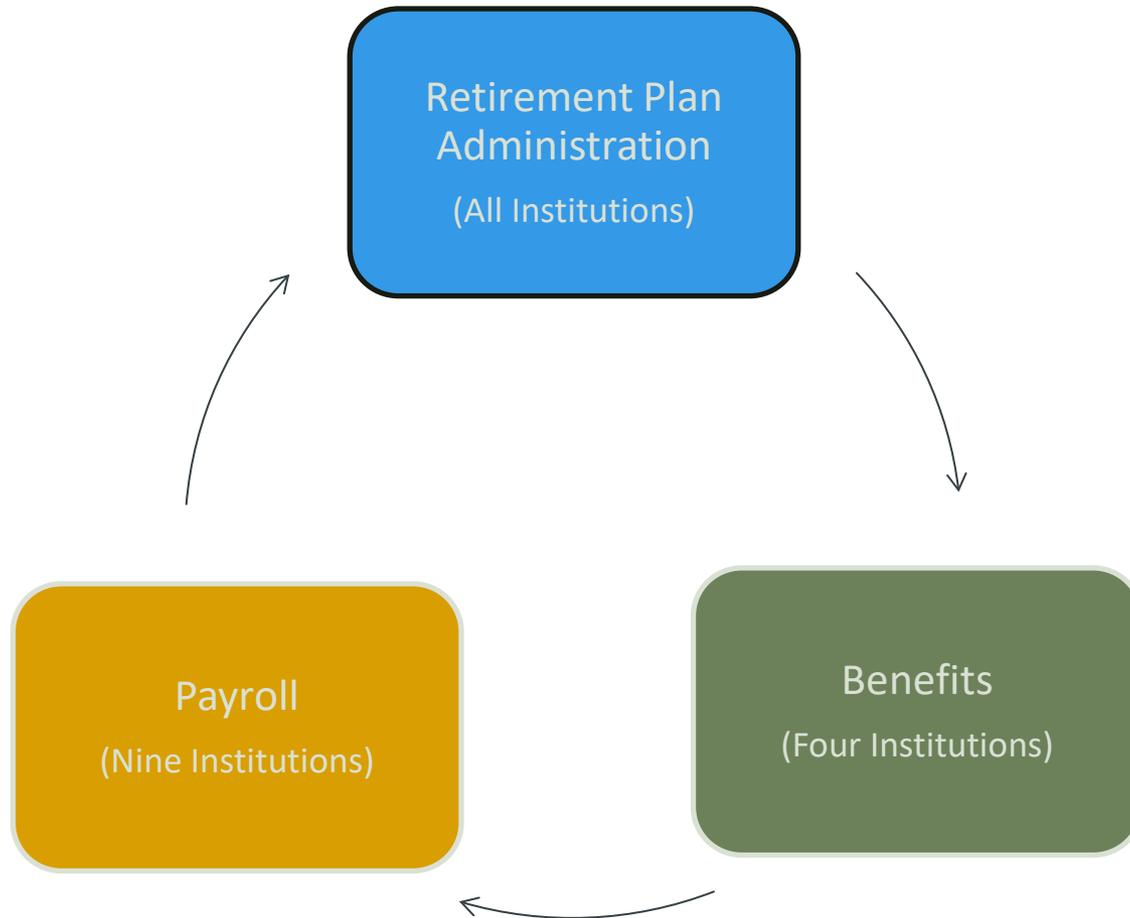




BENEFIT SHARED SERVICES

January 2025

Current UNC HR Shared Services



Benefit Shared Services Overview

- The UNC System Benefit Staff has served as a resource for campus benefits professionals for years.
- Beginning last year, we took advantage of some upcoming campus retirements at a number of campuses to establish a centralized benefit shared service center. The shared service center is able to provide accurate, timely benefit consulting to employees, at a lower cost, while maintaining backup capacity.
- Currently providing complete benefit services to
 - Fayetteville State University
 - University of North Carolina Asheville
 - Winston-Salem State University
 - the UNC System Office
 - NC State Education Assistance Authority
 - PBS- North Carolina
- We currently are having implementation conversations with three additional campuses. Depending on campus size, onboarding takes between 60 and 90 days.

Benefits to Employees

Benefits Shared Services provides consistent and accurate information to employees across all institutions on retirement plans, insurance plans, eligibility rules, dependent coverage, life event changes (marriage, birth of a child), and leaves of absence (FMLA, Parent Leave, etc.)

Including:

- New hire orientations and onboarding
- Retirement workshops
- Open enrollment workshops
- Call center availability
- Centralized email accounts with 24 hours response time
- Transaction processing (i.e. benefit deductions)
- Creating benefit communication, resources, and information to support employees and their dependents

Institutional Savings

- Institutions experience a between 30% to 40% cost savings over their existing spend by moving to the centralized model.
- Annual Cost savings to the initial institutions adopting Benefits Shared Services has been \$250,000.
- We expect additional cost savings as the benefit shared service center expands to additional campuses and we are able to further integrate it with the other HR shared services in payroll and retirement plan administration.





AGENDA ITEM

A-3. Proposed Revisions to Chapter 200 of the UNC Policy Manual..... Peter Hans, Andrew Kelly, and Michael Vollmer

Situation: Updates to two parts of Section 200 of the UNC Policy Manual are proposed. The first update to Section 200.4, *Assessment Process for the Chief Executive and Governing Boards of the University of North Carolina*, aligns the historical performance review requirements for the president and the chancellors with the current policy of annual qualitative and quantitative performance evaluations. The second revision amends Section 200.6, *Policy on Delegation of Authority to the President*, to codify the Enhanced Executive Performance Compensation used in the five most recent chancellor hirings.

Background: Since 2020, the president has been evaluated on quantitative and qualitative measures annually. Since 2021, the chancellors have also been evaluated on quantitative and qualitative measures annually. Prior to these changes, chancellor performance had been evaluated each second year of an appointment with a more comprehensive review every four years. The president was evaluated only every four years. With the previous change to annual evaluations of the performance of each chancellor and the president, the previous two and four-year evaluation cycles are no longer necessary. Maintaining the additional evaluations has proven expensive, time consuming and unnecessary. The policy has been amended to emphasize the annual qualitative and quantitative review.

The UNC Board of Governors and the president have placed a greater emphasis on compensating chancellors and senior leaders based on performance rather than solely base pay. Since 2021, chancellors have had an opportunity to earn up to 20 percent of their base pay as annual performance compensation. The Board has furthered this emphasis of performance compensation, while maintaining competitive salaries, for the past five chancellor hires. In those, compensation packages were approved with half of the chancellor's compensation based on performance. This policy amendment codifies the performance compensation structure used for those chancellors, enables the transition of existing chancellors into a performance focused compensation package, and encourages the use of performance compensation over base salary for senior leaders. Performance in this program is assessed under the same board approved metrics and criteria as the existing performance compensation program already authorized in Section 200.6 of the UNC Policy Manual and in use since 2021. Annually, institutions will certify the availability of appropriate funds necessary to make the awards prior to any award decisions.

Assessment: If approved, these proposed revisions to *The Code* and UNC Policy Manual will be presented to the full Board in February. Under Section 100.2 of the UNC Policy Manual, *Adoption of the UNC Policy Manual, Promulgation of Policies, and Use of Reporting Requirements*, the approval vote for a policy amendment will be through the consent agenda at the subsequent meeting.

Action: This item requires a vote by the committee and a vote by the full Board of Governors at the next meeting.

Assessment Process for the Chief Executive and Governing Boards of the University of North Carolina

Background

~~In 1996 the Board of Governors adopted an assessment process for chief executives and governing boards of the University. This revision of the assessment policy retains the philosophy that the assessment process should include the Board of Governors and the President as well as the institutional Boards of Trustees and the chancellors. This comprehensive assessment provides an opportunity for the Board of Governors to assess its own work as well as the performance of the President and for the institutional Boards of Trustees to comment to the President about their respective chancellor's performance as well as to review their own progress.~~

~~The objectives of these assessment processes are to build and sustain effective relationships within the University's constituents, to promote consensus building and develop group strength, and to develop strategic directions for achieving the mission of the University and the mission of each constituent institution. Regular and systematic assessments, if conducted properly, will enable the governing boards and the chief executives to fulfill more effectively their respective roles and responsibilities. This process affords the trustees an opportunity to provide information to the President regarding their respective chancellors. Also, this process provides a method for monitoring any potential problems that may require attention.~~

I

I. Purpose

~~Since 2020, the Board of Governors has taken a qualitative and quantitative approach to presidential compensation and performance assessment. In parallel, the Board of Governors delegated to the president (via Policy 200.6) the authority to develop a Chancellors' Incentive Compensation program. These changes have created an opportunity to align Policy 200.4 with updated policies and practices.~~

II. Board of Governors

The Board of Governors should perform a self-assessment every four years, at a time to be determined by the chairperson of the Board of Governors, after consultation with the ~~p~~President. The Board of Governors should review the most recent ~~long range planning documents~~ strategic plan for the University when they begin the assessment process and shall review the goals achieved, the goals unmet, and the goals that need modification. ~~Assessment tools such as those developed for the University of North Carolina in collaboration with~~ by the Association of Governing Boards (AGB) ~~Self Study Criteria~~ can be especially helpful in facilitating the goals of the assessment process. The Board of Governors should also review their previous self-assessment summaries. The Chairperson may appoint a committee and may retain an outside consultant to guide the Board in its self-assessment process.

III. Board of Trustees

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The Board of Trustees of each constituent institution will conduct a self-assessment every four years, at a time determined by the Chairperson of the Board of Trustees, after consultation with the chancellor and the pPresident. -The Board of Trustees should review the most recent institutional ~~long-range planning document strategic plan~~ and the most recent ~~long-range strategic~~ plan for the University adopted by the Board of Governors. -After reviewing the goals achieved, the goals unmet, and the goals that need modification, the Board of Trustees will conduct a self-assessment. -A review of these plans should provide the framework for the assessment. -Assessment tools such as those developed ~~for the University of North Carolina in collaboration with~~ by the Association of Governing Boards (AGB) ~~Self Study Criteria for a Single Campus~~ can be especially helpful in facilitating the goals of the assessment process. The Board of Trustees should also review their previous self-assessment summaries and may find the use of a consultant especially helpful. -The chancellor and board chairperson shall submit a summary report to the pPresident and the Board of Governors at the conclusion of the assessment. -This report will provide a basis for improving ~~the biennial~~ trustee orientation, the trustee conference held in the fall of odd-numbered years, and other programs of continuing education for trustees.

III. The President

A. The objective of the performance reviews of the pPresident is to promote good communication and build strong working relationships between the pPresident, the Board of Governors, and the constituent organizations of The University. -It is desirable for the Board of Governors to give informal feedback to the pPresident on an ongoing basis. -The more formal assessment of the pPresident is designed to provide focused feedback and the opportunity for professional reflection and development. The performance reviews will be performed in accordance with criteria described below:

1. ~~B.~~ The pPresident shall be assessed annually based on quantitative and qualitative criteria. Every year, the pPresident will provide the Board of Governors with a report assessing goals and accomplishments, and the Board will review the performance of the pPresident. UNC System staff shall also provide the Board with a summary of quantitative measures of performance including, but not limited to, those included in the pPresident's employment terms approved by the Board. An assessment committee, consisting of the officers of the Board and the chairs of the Board's standing committees, will review the report with the pPresident and may prepare a written response, which would be placed in the pPresident's personnel file along with the pPresident's report.

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~~2. Every fourth year the annual review for that year will be replaced by a comprehensive assessment that will include the Board, campus chancellors and heads of other University constituent organizations, University officers and staff, faculty, students and other internal and external constituencies. An assessment committee of the Board of Governors in consultation with the President will retain an outside consultant to guide the process, to gather written feedback from the Board, to conduct confidential interviews and to assist the committee in the preparation of a report. The final report along with any response from the President and the President's report on goals and accomplishments would be placed in the President's personnel file.~~

IV. The Chancellors

A. The objective of the performance reviews of a chancellor is to promote good communication and build strong working relationships between the chancellor and the pPresident, the Board of Trustees, and the campus constituents. -The assessment of chancellors is designed to provide each chancellor with feedback from each of these and to provide the chancellor with the opportunity for professional reflection and development. -The performance reviews of the chancellors will be conducted in accordance with criteria and procedures determined by the pPresident on the following schedule:

~~1B.~~ Every year, the chancellor will provide the pPresident with a report assessing goals and accomplishments, a copy of which may be provided to the Board of Trustees. -The pPresident will also review the performance of the chancellor— on quantitative measures including, but not limited to, those in the Chancellors’ Incentive Compensation program. The chancellor’s report and any written response from the pPresident will be placed in the chancellor’s personnel file.

~~2.~~ In the second spring after the appointment of the chancellor, and every four years thereafter, the Board of Trustees will review the performance of the chancellor. An assessment committee of the Board of Trustees will ask each trustee to fill out a questionnaire developed by the President’s office. The results will be shared with the President and reviewed in a meeting of the chancellor, the chair of the Board of Trustees and the President.

~~3.~~ In the fourth spring after the chancellor’s appointment, and every four years thereafter, the President and the Board of Trustees will conduct a comprehensive review of the chancellor’s performance that will include major campus constituencies such as faculty, students, and staff. The chairperson of the Board of Trustees will appoint an assessment committee. The Chairperson of the Board of Governors may appoint a member of the Governance Committee or another member of the Board of Governors to participate in the assessment. The assessment committee in consultation with the chancellor and the President may retain an outside consultant to guide the process, to gather written feedback from the Board, to conduct confidential interviews and to assist the committee in the preparation of a report. The final report along with any response from the chancellor and the President and will be placed in the chancellor’s personnel file.

~~For chancellors appointed prior to 2001 who have had a review by the Board of Trustees under the previous assessment policy, the reviews designated in paragraphs 2 and 3 above will be conducted in the spring of years in accordance with the existing biennial and quadrennial schedule.~~ VI. Other Matters

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

B. Relation to Federal Law. The foregoing policies as adopted by the Board of Governors are meant to supplement, and do not purport to supplant or modify, the requirements of federal and state law and existing university policy.

C. Regulations and Directives. The president is authorized to promulgate regulations and administrative memoranda to aid in the implementation of this Policy.

The UNC Policy Manual

200.6

Adopted 11/13/06

Amended 06/08/07

Amended 04/08/11

Amended 08/10/12

Amended 10/11/12

Amended 07/29/16

Amended 10/14/16

Amended 05/22/19

Amended 11/19/20

Amended 05/27/21

Technical Corrections 09/22/21

Technical Correction 01/13/22

Amended 04/07/22

Amended 11/17/22

Amended 01/25/24

Amended XX/XX/XX

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,ⁱ 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.ⁱⁱ

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.ⁱⁱⁱ

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.^{iv}

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. and paragraph H. 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.^v

(2) The Board of Governors shall retain authority over certain contract terms for athletic directors and head coaches of the constituent institutions.^{vi}

(3) The Board of Governors shall retain authority over non-promotional^{vii} salary increases for 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.

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(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 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 Exempt Professional Staff (EPS) 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 Program^{viii} and the Phased Retirement Program.^{ix}

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, a constituent institution or an affiliated institution if the action is for monetary relief and the amount in controversy is less than \$250,000.^x

2. The authority to approve the initiation of a lawsuit in the name of the University, a constituent institution or an affiliated institution if the action is a small claims action as provided in G.S. 7A-210.^{xi}

3. The authority to settle potential or pending litigation by or against a constituent or affiliated institution, or the University of North Carolina System, if the settlement is 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.^{xii}

4. Authority to approve the political activities of employees of the UNC System who are candidates for or serving in public office.^{xiii}

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 and Capital Improvement Projects

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.^{xiv}

2. Authority to approve capital improvement projects funded entirely with non-General Fund or non-State Capital and Infrastructure Fund money^{xv} that are projected to cost less than \$750,000.^{xvi}

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

4. Authority to administer and execute design and construction contracts for capital improvement projects, requiring the estimated expenditure of public money of \$4,000,000 or less. This authority may be exercised on behalf of the UNC System Office, affiliates, or the constituent institutions at the president's discretion.^{xvii}

5. Authority to approve an increase of up to 10 percent of the cumulative value of an originally awarded construction contract for a System Office, affiliate, or constituent institution capital improvement project previously authorized by the Board of Governors.^{xviii}

6. After the long-term financing of a capital improvement project has been approved in accordance with statutory requirements, the president may approve interim financing or bank loans as a means of short-term financing. The president shall report any such actions to the Committee on Budget and Finance at its next meeting.^{xix}

E. Institutional Trust Funds. Authority to delegate to the chancellors management of institutional trust funds.^{xx}

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. Chancellors cannot simultaneously participate in both incentive compensation programs, identified in this paragraph F. and separately in paragraph H. of this policy. Notwithstanding the foregoing, the Board of Governors retains the authority for the appointment of all chancellors and the approval of their initial terms of employment, and when considering the appointment of any chancellor, the Board of Governors shall be presented with a term sheet outlining the initial terms of employment for the appointment of that chancellor. Constituent institutions shall identify funds available for this program prior to the president making award decisions for the performance year.

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.

G. Campus Safety and Security. The authority to undertake measures to enhance the safety and security of the University of North Carolina and the constituent institutions. This authority is in addition to that delegated to the president pursuant to Section 1300.7 of the UNC Policy Manual. As provided in Section XV of Appendix I of *The Code*, chancellors are responsible for the maintenance of campus security of their respective constituent institutions subject to applicable provisions of state law and such policies as may be adopted by the Board of Governors or the board of trustees.

H. Enhanced Executive Incentive Compensation Program

1. Authority to establish and implement an enhanced executive incentive compensation program to provide the president an opportunity to award performance-based compensation to chancellors and other Senior Academic and Administrative Officers, both at the UNC System Office and the constituent institutions. Notwithstanding the foregoing, the Board of Governors retains the authority for the appointment of all chancellors and the approval of their initial terms of employment, and when considering the appointment of any chancellor, the Board of Governors

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shall be presented with a term sheet outlining the initial terms of employment for the appointment of that chancellor.

2. Authority to grant performance-based compensation awards to chancellors and Senior Academic and Administrative Officers under the enhanced executive incentive compensation program authorized under this section. Awards granted under this authority shall be determined annually, cannot exceed the chancellor or Senior Academic and Administrative Officer's base salary, and are the responsibility of the employing institution to fund. Eligible employees cannot simultaneously participate in both incentive compensation programs, identified in paragraph F. and paragraph H. of this policy. Providing an opportunity for an eligible employee to participate in either of the incentive compensation programs is within the president's sole discretion. Eligible employees cannot participate in this enhanced executive incentive compensation program and, separately, receive any performance-based bonus compensation awarded pursuant to UNC Policy and regulations on Non-Salary and Deferred Compensation, under 300.2.14, for performance during the same performance period. Chancellors and Senior Academic and Administrative Officers becoming eligible for awards under this section shall receive an adjustment in base salary consistent with an emphasis on enhanced executive incentive compensation over base salary. Constituent institutions may not use any general fund appropriations, tuition, or student fees to fund any chancellor performance award under this subsection. Constituent institutions shall identify funds available for this program prior to the president making award decisions for the performance year.
3. Authority to modify the enhanced executive 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.
4. Authority to provide existing chancellors and eligible Senior Academic and Administrative ~~administrative and academic~~ Officers the opportunity to participate in the enhanced executive incentive compensation program in the president's sole discretion.

II. The president will report all actions taken under the authority of the delegations in sections I.B., through I.F.H., 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.

ⁱThe secretary of the University is authorized to annotate the referenced policies and regulations to cross-reference these delegations.

ⁱⁱG.S., Chapter 126.

ⁱⁱⁱSections 300.1.1, 300.1.2, and 300.2 of the UNC Policy Manual.

^{iv}Section 600.3.4 of the UNC Policy Manual.

^vSection 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). The use of "UNC Center for Public Media" in the statute refers to PBS North Carolina.

^{vi}Section 1100.3 of the UNC Policy Manual.

^{vii}For 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.

^{viii}G.S.135-5.1

^{ix}Section 300.7.2 of the UNC Policy Manual.

^xSection 200.5 of the UNC Policy Manual.

^{xi}Section 200.5 of the UNC Policy Manual.

^{xii}Section 200.5 of the UNC Policy Manual.

^{xiii} Sections 300.5.1 and 300.5.2 of the UNC Policy Manual.

^{xiv}The 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.

^{xv}This delegation shall be interpreted consistent with G.S. 143C-8-12.

^{xvi}The 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.

^{xvii} Section 600.1.1 of the UNC Policy Manual. This delegation shall be interpreted consistent with G.S. 116-31.11. This delegation may be further delegated.

^{xviii} Section 600.1.1 of the UNC Policy Manual

^{xix} Section 600.1.1 of the UNC Policy Manual

^{xx}Sections 600.2.4 and 600.2.4.1 of the UNC Policy Manual.