

## **COMMITTEE ON PERSONNEL AND TENURE**

Draft Minutes: June 19, 2014

University of North Carolina General Administration, Executive Conference Room

### **OPEN SESSION**

The following members were present: Chair, John Fennebresque; Vice Chair, G.A. Sywassink; Secretary, James Holmes; Doyle Parrish, Therence Pickett, Richard Taylor, and Laura Wiley.

The following staff were present: Suzanne Ortega, William Fleming, Samantha McAuliffe, Brian Usischon, and Joanna Carey Cleveland.

The following Chancellors and System representatives were present: Chancellor Steve Ballard, Chancellor Saunders-White, Chancellor Carol Folt, Faculty Assembly Chair, Catherine Rigsby; Staff Assembly Chair, Susan Colby.

#### *1. Minutes of April 10, 2014*

Mr. Fennebresque requested a motion to approve the minutes of the April 10, 2014 and May 15, 2014 meeting.

**MOTION: BE IT RESOLVED** that the minutes of the April 10, 2014 and May 15, 2014 meetings be approved as circulated.

**Motion:** Mr. James Holmes

**Second:** Mr. Richard Taylor

**Motion Carried**

#### *2. Informational Report: Affordable Care Act Update*

Mr. Fleming introduced Mr. Brian Usischon, Associate Vice President for Human Resources and University Benefits Officer, who presented on the Affordable Care Act. Mr. Usischon provided an update on issues related to the compliance, coverage, cost, and control in the Affordable Care Act as it applies to the University. Approximately 7,000 individuals could now be eligible for coverage through the University, and assuring compliance in the areas referenced is very complex.

To comply with the Affordable Care Act, UNC has been proposing and promoting a plan that offers minimum value and minimum essential coverage (a plan that has a 60% actuarial value), and therefore meets the requirements of the Affordable Care Act. Only after proposing an alternative plan design did the State Health Plan consider different plan designs for coverage of non-permanent employees.

The current State Health Plan options were designed to attract and retain permanent employees and are very expensive (on average \$5,300 per year) to provide to a non-permanent workforce where there is high turnover. After studying this issue for two years, it has been determined that the State health Plan's option will still cost more money than buying a policy on our own. There are no new state or federal appropriations to cover the costs of providing health coverage to these employees. Therefore, it is important for UNC to maintain "control" of its non-permanent workforce and those employees eligible for coverage as a result of the Affordable Care Act.

The Committee on Public Affairs has approved as part of the State Legislative Policy Agenda, the authority for the University to purchase a health insurance policy for our non-permanent workforce. The Senate included a provision in their version of the Budget Bill, but the House did not. Mr. Usischon thanked the Committee for their support of this legislative policy agenda.

Committee members had an opportunity to ask Mr. Usischon specific questions related to the Affordable Care Act and the University's plan to implement policies for compliance.

### *3. Vote: EPA Salary Administration*

Mr. Fleming explained that because this is the short session of the General Assembly, there is the possibility that a budget will be approved and ratified by the end of June or early July. The budget may include salary increases for EPA employees. For that reason, UNC General Administration is seeking a limited delegated authority for the President to proceed with issuing guidance to campuses on EPA salary administration prior to the July meeting of the Board of Governors. This one-time delegation would then allow campuses to promptly begin working on their EPA salary administration in the event the General Assembly approves funding for EPA salary increases which will both promote efficiency of the EPA salary administration process and also limit the potential for audit exceptions associated with retroactive implementation.

Any guidance from the President would be in compliance with the parameters set by the General Assembly and Board of Governors' policies, and would be issued after the Board Chair's review and concurrence. This delegation applies only to the issuing of guidelines for FY14-15 if the General Assembly approves salary increases for EPA employees before the July-August Board of Governors' meeting. Any actions authorized by this delegation will be reported by the President to the Board at its August meeting.

The Committee agreed to support this request with an amendment added that any proposed EPA salary administration guidelines be first reviewed both by the Board Chair and the Chair of the Personnel and Tenure Committee.

The resolution requesting delegated authority to issue EPA salary administration guidelines to campuses for FY14-15 will be presented to the full Board for a vote during the following day's meeting.

#### 4. *Vote: 2014-2016 EPA Salary Ranges*

Mr. Fleming first reviewed the Chancellors' salary ranges provided in the meeting materials which are subject to the Committee's review and approval pursuant to Board Policy 200.6. These ranges are based on national data. The Committee Chair noted that he wanted the Committee to review Chancellor salaries this fall, including the market rates for the campuses and where we pay Chancellors within those ranges.

**MOTION: BE IT RESOLVED** that the salary ranges submitted for Chancellors be approved as presented.

**Motion:** Mr. Doyle Parrish  
**Second:** Mr. James Holmes  
**Motion Carried**

Mr. Fleming then provided a description of the analysis conducted to create the Tier I Senior Academic and Administrative Salary Ranges for the campuses and General Administration which are based on CUPA HR data. These ranges are subject to review and approval.

The Committee Chair requested that these salaries also be analyzed along with the Chancellor salaries to determine our competitiveness in the market.

**MOTION: BE IT RESOLVED** that the salary ranges for Tier I Senior Academic and Administrative Officer positions be approved as submitted.

**Motion:** Mr. James Holmes  
**Second:** Mr. Therence Pickett  
**Motion Carried**

#### 5. *Vote: 2014-2015 Medical Faculty Salary Ceilings*

Dr. Ortega presented the proposed medical faculty salary ceilings. Annually, UNC-Chapel Hill's Schools of Medicine, Dentistry, and Public Health as well as East Carolina University's Brody School of Medicine and School of Dental Medicine request approval from the Board of Governors for the creation of medical faculty salary ceilings. The Board of Governors reviews these salaries in accordance to UNC Policy 600.3.4 section D.1.c, which requires the Board of Governors, in consultation with the President, *to annually review the 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.*

For the UNC-Chapel Hill School of Dentistry and East Carolina University's School of Dental Medicine, the proposed salary ceilings are based upon amounts that allow for salary increases for current faculty related to clinical productivity, competitive recruitments, potential retention

actions, and comparison to salaries from the American Dental Association 2010-11 compensation of faculty.

For the UNC-Chapel Hill's and East Carolina University's Schools of Medicine, the proposed salary ceilings for each category and academic rank are based on one of three measures: (1) the "Association of American Medical Colleges, Summary Statistics on Medical School Faculty Compensation, 2012-2013, M.D. Degree, All Schools, All Regions 75th percentile"; (2) the highest UNC total salary with 25% productivity calculation, or (3) the previous prevailing salary ceiling cap. The proposed salary ceilings for Allied Health Sciences are based upon "the 75th Percentile of the 2013 Association of School of Allied Health Professionals Salary Data standardized for twelve month contracts; excluding M.D. degree".

For the School of Public Health, the proposed salary ceilings are based upon a comparison to the Association of School and Programs of Public Health ("ASPPH") faculty salary benchmarks on a year-to-year basis and a review of historical trends in salary increases from the annual ASPPH Salary Survey and other reports.

These salary ceilings are subject to the Board's review and approval.

**MOTION: BE IT RESOLVED** that the salary ceilings for UNC-Chapel Hill's Schools of Medicine, Dentistry, and Public Health East Carolina University's Brody School of Medicine and School of Dental Medicine be approved as submitted.

**Motion:** Mr. G.A. Sywassink

**Second:** Mr. Doyle Parrish

**Motion Carried**

## *6. Academic Affairs Reorganization*

Dr. Ortega presented a recommendation for reorganizing the Division of Academic Affairs at General Administration. The objectives of the reorganization are to clarify and make more accessible to internal and external stakeholders the functional areas and key contacts within GA. The proposed reorganization creates more recognizable functional areas and recognizes the increase in work load within functional areas particularly around strategic directions initiatives as well as campus safety. Additionally, the work at General Administration around competency based education is large-scale and important work to position the University for the 21<sup>st</sup> century. It is also important that we ensure the key policy decisions are based on data which has increased the demand and workload of our Institutional Research area. The proposal includes title changes that bring titles more in alignment with the scope of work and comparable positions across the organization. The reorganization also reduces the number of direct reports to the Senior Vice President for Academic Affairs. Finally, the titles are in appropriate recognition of some of the most productive individuals at General Administration.

With a search for a new Senior Vice President for Academic Affairs about to commence, this change is being presented now to help with recruitment and assist candidates for that position

in better understanding the scope of work of the division and the individuals responsible for various functional areas. There are no net new positions with this reorganizational proposal, only retitling of current positions.

The Committee Chair reiterated that although this proposal is presented with no salary increases at this time, salaries could be reevaluated at another time.

**MOTION: BE IT RESOLVED** that the proposed reorganization and title changes be approved as presented.

**Motion:** Mr. G.A. Sywassink  
**Second:** Mr. Richard Taylor  
**Motion Carried**

*7. Informational Report: Management Flexibility Report*

Pursuant to Board Policy 600.3.4, the President is required to review certain materials from campuses that have been awarded management flexibility agreements with their Boards of Trustees. The Committee received an executive summary that documents compliance by the campuses with the Board policy.

All background and supporting material related to key data elements is available through the Division of Academic Affairs if there are specific questions.

*8. Informational Report: Presidential Personnel Action Summary Report*

The report on personnel actions delegated to the President was provided in materials for review by the Committee members.

Mr. Fennebresque requested a motion to move into closed session.

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

**[N.C.G.S. §143.318.11(a)(1)(3)(5)&(6)]**

**Motion:** Mr. Doyle Parrish  
**Second:** Mr. Richard Taylor  
**Motion Carried**

*The meeting was moved into closed session.*

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

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

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

**Motion:** Mr. G. A. Sywassink

**Second:** Mr. Doyle Parrish

**Motion Carried.**

The Committee returned to Open Session.

The Committee asked Dr. Cam Enarson, Vice Dean for Finance and Administration at UNC-Chapel Hill's School of Medicine, to give a brief explanation of how medical faculty salary ranges are set and to give a high level explanation of medical compensation plans.

Dr. Enarson explained that medical compensation plans are governed by an overall School of Medicine compensation plan that was approved by the Board of Governors. Any annual changes are reviewed and approved by the Chancellor. The basic tenets of the plans include an annual salary set at the start of the year and incentive payments faculty members can achieve by reaching certain metrics that also are established at the start of the year. This formula governs how the pay is actually determined, which is no more frequently than on a quarterly basis.

The salary ceilings are set based upon national metrics available through the Association of American Medical Colleges assessment of all salaries. The data actually lags so the salary ceilings approved today are based on 2012-13 data and are already two years out of date. Salary ceilings are established in concert with East Carolina University to ensure that we are encompassing all faculty members. When analyzing data geographically, we are significantly lower than the northeast and western national salaries.

There being no further business, the meeting was adjourned.

---

Mr. James Holmes, Secretary

Attachment