

5. 2015 Management Flexibility Report

Situation: The 2015 review of campus management flexibility reports for FY 2013-14 has been completed. Board policy 600.3.4 requires the President to review certain materials from campuses that have management flexibility agreements with their Board of Trustees.

Background: The attached Executive Summary explains the purpose of management flexibility, outlines the reporting requirements, and summarizes the results of the 2013-2014 campus reports.

Assessment: The attached executive summary documents campus compliance.

Action: This item is for information only.

Management Flexibility Report

July 1, 2013 - June 30, 2014

Note: The Management Flexibility Report for the period of July 1, 2014 – June 30, 2015 will be provided at the April, 2016 BOG meeting

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Management Flexibility

UNC Policy 600.3.4: “Granting of Management Flexibility to Appoint and Fix Compensation”

Purpose:

- Enhance the administrative efficiency of the University
- Board of Governors (BOG) delegates to the Boards of Trustees (BOT) for management flexibility institutions the authority to administer various personnel actions.

Institutions with Management Flexibility Have the Following Authority...

- The Chancellor may recommend and the BOT may approve salaries and non-salary compensation for Tier I senior academic and administrative officers (e.g., Provost, Vice Chancellors, Deans) consistent with GA salary ranges and policies/regulations/guidelines. *Non-management flexibility institutions must receive approval of the President to approve salaries and non-salary compensation for Tier I senior academic and administrative officers (SAAOs).*
- The Chancellor may recommend and the BOT may establish salary ranges for Tier II SAAOs in lieu of using GA salary ranges. *Non-management flexibility institutions may not establish salary ranges for Tier II SAAOs and must use GA salary ranges.*
- The BOT may establish salary ranges within different disciplines and appoint and set salaries for faculty with permanent tenure. This authority may be delegated to the Chancellor. *Non-management flexibility institutions must receive approval of the President for salary ranges, but may appoint and set salaries for faculty with permanent tenure.*

Institutions with Management Flexibility Have the Following Authority...

- The Chancellor may recommend and the BOT may confer permanent tenure. *Non-management flexibility institutions must receive approval of the President to confer tenure to members of faculty.*
- The BOT may appoint and set salaries for faculty awarded the designation of Distinguished Professors. This authority may be delegated to the Chancellor. *Non-management flexibility institutions must receive approval of the BOG to appoint and set salaries for faculty awarded the designation of Distinguished Professors.*
- The BOT may award compensation from non-state sources. This authority may be delegated to the Chancellor. *Non-management flexibility institutions may not award compensation from non-state sources, and must receive approval of the President.*

Management Flexibility granted between 2002 - 2010

Over the course of 8 years, the Board of Governors has reviewed and granted management flexibility to Board of Trustees at 14 institutions.



Institutions without
Management Flexibility:



Board of Trustee Reporting Requirements

Each Board of Trustees submits an annual report that includes:

- List of Tier I SAAOs (e.g., Provost, Vice Chancellors, Deans)
- Number of faculty who were conferred tenure
- Salaries and any non-salary compensation for Tier I SAAOs
- A description of most recent salary equity analysis for employees exempt from the State Human Resources Act
- Any audit findings relevant to personnel practices, salary or payroll

SAAO Tier I Appointments

Requirement:

Report on all Tier I SAAO appointments

Appointments include vice chancellors, provosts, and deans.

Institution	# New SAAO-I Staff	# Continuing SAAO-I Staff
ASU	1	11
ECU	3	17
NCA&T	1	14
NCSSM	1	4
NCSU	0	19
UNCA	2	5
UNC-CH	4	21
UNCC	2	14
UNCG	3	16
UNCP	0	11
UNCSA	0	12
UNCW	1	12
WCU	2	16
WSSU	1	9
UNC Total 6/30/14	21	181

Conferral of Tenure

Institution	Faculty Reviewed for Tenure	Faculty Granted Tenure	New Faculty Hired with Tenure	Institution	Faculty Reviewed for Tenure	Faculty Granted Tenure	New Faculty Hired with Tenure
ASU	32	30	6	UNCC	39	35	12
ECU	60	57	2	UNCG	30	30	7
NCA&T	31	21	3	UNCP	19	17	0
NCSSM	0	0	0	UNCW	22	22	0
NCSU	60	57	17	UNCSA	0	0	0
UNCA	7	6	0	WCU	21	18	35
UNC-CH	63	62	13	WSSU	20	18	1

	Faculty Reviewed for Tenure	Tenure Granted Positions	New Faculty Hired with Tenure
UNC Total	404	373	96

Tier I Senior Officer Appointments

Requirement:

Report on salary and non-salary compensation for all Tier I SAAOs.

Observation:

- Salaries were within established 2013-14 Salary Ranges.*
- Seven (7) campuses listed non-salary compensation.

*salaries reported above the 2013-14 range were a result of having a distinguished professorship, a salary approved under an earlier BOG salary range, or by approval of UNC GA.

Non-Salary Compensation by Institution

Non-Salary Compensation	ASU	ECU	NCSU	UNC CH	UNCC	UNCSA	UNCW
Athletic Tickets				X			
Club Membership			X	X	X		
Moving Expenses			X				
Clinical Faculty Supplemental Benefits		X		X			
Temporary Housing at Hire (part of relocation package)			X	X			
Vehicle	X	X	X	X	X	X	X

Salary Equity Analysis

Requirement:

Provide the most recent analysis of equity issues relevant to the employment of faculty and administration.

Observations:

- Campuses utilized various methodologies to compare salaries of employees in like administrative categories or like disciplines.
- Two campuses submitted a salary equity analysis based on gender and race.
- Others provided a partial analysis or submitted affirmative action plans with an analysis of the workforce and placement goals.

Salary Equity Analysis, cont.

Goal of Salary Equity Analysis: To assure campuses are not undercompensating protected class individuals. Salaries should be based on defensible business reasons.

UNC GA Action:

- Clarify expectations to campuses with respect to the content and methodology used for salary equity analysis
- Provide focused training opportunity for campus Equal Opportunity Offices in addressing this requirement
- Explore outside resources to assist campuses who do not have sufficient internal expertise in this area

Summary of Audit Findings

Requirement:

The report should specifically detail any findings regarding personnel practices, salary or payroll for the previous year and remedial action taken in response to audit findings.

Observations:

Two campuses identified findings relevant to personnel practices: Appalachian State and NC A&T.

NOTE: All institutions submit audit reports in real time to UNC GA's Office of Compliance and Audit Services. A summary of annual campus internal audit activities is submitted to the BOG Audit Committee each October.

Summary of Audit Findings, cont.

ASU

Finding	Recommendation	Resolved per Internal Audit?
Summer employment program did not follow hiring practices	Discontinue department program and follow campus hiring practices for temp employees.	Yes
EHRA employee received 2 salary increases within 2 month period (6/1/13 & 8/1/13)	Exercise diligence in preventing act or appearance of circumventing policy.	Yes
Timeliness of training not in compliance with the State Ethics Act.	Complete training within 6 months of hire, and refresher every 2 years.	Yes

Summary of Audit Findings, cont.

NC A&T

Finding	Recommendation	Resolved per Internal Audit?
Salary payment continued for two former employees after separation from the university.	Employee causing errors discharged. Recoup of overpayment sought.	Follow-up by Audit scheduled for FY 2015-2016.

Next Steps

- Obtain information from campuses and report out to P&T on 2014-2015 Management Flexibility Report by April 14, 2016 P&T Meeting.
- Revisit current management flexibility reporting requirements and policy.
- Develop recommended changes to make this process more value adding for the constituent institutions, UNC GA, and P&T.