

4. Review and Approval of Proposed Salary Adjustments ..... Tom Shanahan and Matt Brody

**Situation:** As a result of the 2015 Appropriations Act, the Board of Governors must now return to its previously established policies and procedures for reviewing proposed salary increases for certain University employees.

**Background:** The Appropriations Acts that were in effect from 2011 to 2015 required the Board of Governors to review and pre-authorize proposed salary adjustments of 10 percent or more for certain University employees. The 2015 Appropriations Act removed this requirement. Policies already established by the Board of Governors provide for review and approval of proposed compensation increases that exceed an established salary range, or that exceed the prior salary by \$10,000 or more and 15 percent or more.

**Assessment:** The existing provisions of Sections 200.6 and 600.3.4 of the UNC Policy Manual provide for review and approval of proposed salary increases. Prior actions of the Board of Governors delegated responsibility for reviewing proposed salary increases to the Committee on Personnel and Tenure, and provided a limited delegation to the President to approve certain temporary increases and time sensitive retention-based increases. The proposed resolution is the appropriate means for reverting to existing policy, and affirming previous delegations to the Committee on Personnel and Tenure and the President. The resolution does not delegate any actions involving salary adjustments for the chancellors.

The resolution directs the President to review *The Code* and the UNC Policy Manual to propose revisions consistent with the delegations in this resolution and also recommend other delegations of administrative authority that appear necessary or prudent to enable the University to function in a proper and expeditious manner.

**Recommendation:** The recommendation is that the Committee on Personnel and Tenure recommend restoration and affirmation of these proposed delegations to the president, along with direction to the President to review *The Code* and UNC Policy Manual for other delegations, as described above, to the Board of Governors. This item requires a vote.



**RESOLUTION OF THE BOARD OF GOVERNORS**

**REVIEW AND APPROVAL OF PROPOSED SALARY ADJUSTMENTS**

The Board of Governors may, pursuant to N.C. Gen. Stat. §§ 116-10 and 116-11(13), delegate any part of its authority to a committee of the board, to the President, or through the President to the boards of trustees and the chancellors of the constituent institutions.

From 2011-2015, the General Assembly’s Current Operations and Capital Improvements Appropriations Acts (“Appropriations Acts”) included a requirement that the Board of Governors authorize in advance certain proposed salary increases of 10 percent or more. The 2015 Appropriations Act removed this provision, which means the board shall now revert to its previously approved policies for salary adjustments as articulated in the existing provisions of Sections 600.3.4 and 200.6 of the UNC Policy Manual. The board affirms the June 2013 delegation to the Committee on Personnel and Tenure to review and authorize proposed salary adjustments not otherwise delegated to the President or the constituent institutions, and the April 2015 limited delegations of authority to the President for temporary and certain retention-based increases.

The Board of Governors finds that the establishment of compensation for individual employees is an important management function that should ordinarily be allocated to the President and the chancellors as the administrators with the most knowledge and understanding of the University’s operational and human resources needs, with appropriate oversight by the Board of Governors and the boards of trustees of the constituent institutions. Accordingly, the Board of Governors directs the President to review *The Code* and the UNC Policy Manual, recommend such additional delegations and allocations of administrative authority in the area of human resources that appear necessary or prudent to enable the University to function in a proper and expeditious manner, and propose revisions to the existing policy language to be consistent with this resolution, the General Statutes of North Carolina and the President’s recommendations.

This delegation will remain in effect until such time as the board rescinds it, either in whole or in part.

BE IT SO RESOLVED.

\_\_\_\_\_, 2016

APPROVED BY THE BOARD OF GOVERNORS OF  
THE UNIVERSITY OF NORTH CAROLINA

By: \_\_\_\_\_

Ann Lemmon  
Secretary of the University (Seal)