



MEETING OF THE BOARD OF GOVERNORS
Committee on Personnel and Tenure

September 19, 2019 at 1:00 p.m.
University of North Carolina System Office
Center for School Leadership Development, Room 128
Chapel Hill, North Carolina

AGENDA

OPEN SESSION

- A-1. Approval of the Open Session Minutes of May 21, June 21,
and August 14 Wendy Floyd Murphy
- A-2. Informational Reports
 - a. Faculty Recruitment and Retention Fund Utilization Under
Delegated Authority to the President Kimberly van Noort
 - b. President's Delegated Faculty Promotion and Tenure
Conferral Report Kimberly van Noort
 - c. 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. Incentive Compensation Program for Chancellors Matthew Brody and Pete Brunstetter
- A-5. Updates to Established Salary Ranges for Chancellors Matthew Brody
- A-6. Paid Parental Leave Benefit for University Employees Matthew Brody
- A-7. Optional Retirement Plan (ORP) – “Like Plan” Provision Change Matthew Brody
- A-8. Proposed Board Member Training Requirement on Preventing
Sexual Harassment Matthew Brody

CLOSED SESSION

- A-9. Approval of the Closed Session Minutes of May 21, June 21,
and August 14 Wendy Floyd Murphy
- A-10. EHRA Salary Pre-Authorizations Requiring Approval by the
Committee on Personnel and Tenure Matthew Brody
- A-11. Informational Reports Matthew Brody
 - a. EHRA Salary Adjustment Pre-Authorizations Delegated to
the President or His Designee
 - b. EHRA Salary Adjustment and New Position Consultations with
the Chair and Vice Chair of the Committee on Personnel and Tenure

A-12. Faculty Appeals Subcommittee Report Kellie Hunt Blue

OPEN SESSION

A-13. Adjourn



MEETING OF THE BOARD OF GOVERNORS
Committee on Personnel and Tenure

DRAFT MINUTES

May 21, 2019

University of North Carolina System Office
Center for School Leadership Development, Room 128
Chapel Hill, North Carolina

This meeting of the Committee on Personnel and Tenure was presided over by Chair Wendy Murphy. The following committee members, constituting a quorum, were also present: Kellie Hunt Blue, H. Frank Grainger, N. Leo Daughtry, and R. Doyle Parrish.

Chancellor Jose Sartarelli and Interim Chancellor Kevin Guskiewicz participated. Dawn Brown, chair of the UNC Staff Assembly, and David Green, chair of the UNC Faculty Assembly, were also in attendance.

Staff members present included Matthew Brody, Kimberly van Noort, and Carolyn Pratt, and others from the UNC System Office.

1. Call to Order and Reading of Conflict of Interest Statement

The chair called the meeting to order at 12:34 p.m. and read the conflict of interest statement.

2. Approval of the Minutes of March 21, 2019 and April 24, 2019 (Item A-1)

The chair called for a motion to approve the open session minutes from March 21, 2019 and April 24, 2019.

MOTION: Resolved, that the Committee on Personnel and Tenure approve the open session minutes of March 21, 2019 and April 24, 2019.

Motion: Doyle Parrish

Motion carried

3. 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, and faculty recruitment and retention fund utilization under delegated authority to the president.

4. General Updates (Item A-3)

Matthew Brody updated the committee on the System Office's work regarding the development of a chancellor incentive compensation plan. Recommendations will come before the committee in September for formal consideration. Additionally, Mr. Brody mentioned that Dr. David English, the new System Office Vice President for Academic Programs, Faculty, and Research has been appointed to lead an internal working group to examine the peer groupings for our constituent institutions.

5. Diversity and Inclusion Policy Discussion Continued (Item A-4)

The committee reviewed proposed revisions to Section 300.8.5 of the UNC Policy Manual, which will set standard expectations regarding personnel, programming, metrics, and reporting for diversity and inclusion across the UNC System. Guests Dr. Kent Guion, Chief Diversity Officer at the University of North Carolina Wilmington, and Ms. Sheri Schwab, Interim Vice Provost for Institutional Equity and Diversity at North Carolina State University, joined the committee for this discussion to provide an additional perspective from each of their campuses.

MOTION: Resolved, that the Committee on Personnel and Tenure approve the establishment of Section 300.8.5 ("Policy on Diversity and Inclusion within the University of North Carolina") of the UNC Policy Manual and present it to the Board for vote on September's consent agenda.

Motion: H. Frank Grainger

Motion carried

6. UNC System Peer Grouping Change – UNCW (Item A-5)

The committee was informed about a recent change to the peer grouping designation for UNCW. UNCW will move from UNC System Peer Group 3 to UNC System Peer Group 2 based on a change in its Carnegie classification.

7. Presidential Authority for 2019-2020 EHRA and SHRA Annual Raise Process Guidelines (Item A-6)

The committee reviewed a resolution that would delegate authority to the president to develop and issue detailed instructions for the upcoming Annual Raise Process (ARP).

MOTION: Resolved, that the Committee on Personnel and Tenure approve the resolution to delegate ARP authority to the president and present the resolution to the Board for vote.

Motion: N. Leo Daughtry

Motion carried

8. 2018-2019 EHRA and SHRA Annual Raise Process Report for General Assembly (Item A-7)

The committee reviewed a summary of the fiscal year 2018-2019 EHRA and SHRA Annual Raise Process.

9. Closed Session

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

MOTION: Resolved, that the Committee on Personnel and Tenure 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 establish or instruct the staff or agents concerning the negotiations of the amount of compensation or other terms of an employment contract [N.C.G.S. 143-318.11(a)(5)]; 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: H. Frank Grainger

Motion carried

THE MEETING MOVED INTO CLOSED SESSION.

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

MOTION: Resolved, that the Committee on Personnel and Tenure return to open session.

Motion: H. Frank Grainger

Motion carried

THE MEETING RESUMED IN OPEN SESSION AT 1:59 p.m.

There being no further business, the meeting adjourned at 1:59 p.m.

J. Alexander Mitchell, Secretary



MEETING OF THE BOARD OF GOVERNORS
Committee on Personnel and Tenure

DRAFT MINUTES

June 21, 2019
University of North Carolina System Office
Center for School Leadership Development, Room 128
Chapel Hill, North Carolina

This meeting of the Committee on Personnel and Tenure was presided over by phone by Chair Wendy Murphy. The following committee members, constituting a quorum, also attended by phone: Kellie Hunt Blue, H. Frank Grainger, N. Leo Daughtry, Thomas C. Goolsby, and Doyle Parrish.

David Green, chair of the UNC Faculty Assembly, was also in attendance.

Staff members present included Tom Shanahan, Carolyn Pratt, and others from the UNC System Office.

1. Call to Order and Reading of Conflict of Interest Statement

The chair called the meeting to order at 9:00 a.m. and read the conflict of interest statement.

2. Closed Session

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

MOTION: Resolved, that the Committee on Personnel and Tenure 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 establish or instruct the staff or agents concerning the negotiations of the amount of compensation or other terms of an employment contract [N.C.G.S. 143-318.11(a)(5)]; 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: Kellie Hunt Blue

Motion carried

THE MEETING MOVED INTO CLOSED SESSION.

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

MOTION: Resolved, that the Committee on Personnel and Tenure return to open session.

Motion: H. Frank Grainger

Motion carried

THE MEETING RESUMED IN OPEN SESSION AT 9:12 a.m.

There being no further business, the meeting adjourned at 9:13 a.m.

J. Alexander Mitchell, Secretary



MEETING OF THE BOARD OF GOVERNORS
Committee on Personnel and Tenure

DRAFT MINUTES

August 14, 2019

University of North Carolina System Office
Center for School Leadership Development, Room 279
Chapel Hill, North Carolina

This phone meeting of the Committee on Personnel and Tenure was presided over by Chair Wendy Murphy. The following committee members, constituting a quorum, also attended by phone: Kellie Hunt Blue, J. Alex Mitchell, Rob Bryan, C. Philip Byers, and Michael Williford.

David Green, chair of the UNC Faculty Assembly, also attended by phone.

Staff members present included Matt Brody, Tom Shanahan, and others from the UNC System Office.

1. Call to Order

The chair called the meeting to order at 11:02 a.m.

2. Proposed Revisions to Section 200.8 of the UNC Policy Manual

The committee considered a proposed change to Section 200.8 (Policy on Chancellor Searches and Elections), amending the minimum number of chancellor candidates recommended to the president by the institution's board of trustees from three to two.

MOTION: Resolved, that the Committee on Personnel and Tenure approve the revisions to Section 200.8 and present them to the Board for vote on September's consent agenda.

Motion: C. Philip Byers

Motion carried

3. Closed Session

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

MOTION: Resolved, that the Committee on Personnel and Tenure 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 establish or instruct the staff or agents concerning the negotiations of the amount of compensation or other terms of an employment contract [N.C.G.S. 143-318.11(a)(5)]; 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: Kellie Hunt Blue

Motion carried

THE MEETING MOVED INTO CLOSED SESSION.

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

MOTION: Resolved, that the Committee on Personnel and Tenure return to open session.

Motion: Rob Bryan

Motion carried

THE MEETING RESUMED IN OPEN SESSION AT 11:35 a.m.

There being no further business, the meeting adjourned at 11:36 a.m.

J. Alexander Mitchell, 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:

- East Carolina University, one (1) approved request
- Elizabeth City State University, one (1) approved request
- University of North Carolina at Chapel Hill, twelve (12) approved requests
- The University of North Carolina at Charlotte, two (2) approved requests
- The University of North Carolina at Greensboro, four (4) approved requests

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
\$601,837 in recurring funds

Action: This item is for information only.



THE UNIVERSITY OF NORTH CAROLINA SYSTEM
PRESIDENT'S DELEGATED FACULTY RECRUITMENT AND RETENTION FUND REPORT

East Carolina University

Daniel Dickerson, professor in the Department of Mathematics, Science, and Instructional Technology Education, \$7,500 from the Faculty Recruitment and Retention Fund for salary and \$1,989 for benefits (\$110,500 **from** \$103,000, effective August 15, 2019)

Elizabeth City State University

Kuldeep Rawat, professor in the Department of Life Sciences, Physical Sciences, Mathematics, and Technology, \$16,000 from the Faculty Recruitment and Retention Fund and ECSU funding the cost of benefits (\$115,037 **from** \$99,037, effective May 7, 2019)

University of North Carolina at Chapel Hill

Daniel Kreiss, associate professor in the School of Media and Journalism, \$20,000 from the Faculty Recruitment and Retention Fund and UNC-Chapel Hill funding the cost of benefits (\$120,197 **from** \$100,197, effective July 12, 2019)

Sudhanshu Handa, professor in the Department of Public Policy, \$20,000 from the Faculty Recruitment and Retention Fund and UNC-Chapel Hill funding the cost of benefits (\$176,729 **from** \$156,729, effective July 15, 2019)

Yang Claire Yang, professor in the Department of Sociology, \$13,910 from the Faculty Recruitment and Retention Fund and UNC-Chapel Hill funding the cost of benefits (\$150,000 **from** \$136,090, effective July 15, 2019)

Kathleen Gates, assistant professor in the Department of Psychology and Neuroscience, \$10,000 from the Faculty Recruitment and Retention Fund and UNC-Chapel Hill funding the cost of benefits (\$97,946 **from** \$87,946, effective July 29, 2019)

Sharon Holland, professor in the Department of American Studies, \$10,000 from the Faculty Recruitment and Retention Fund and UNC-Chapel Hill funding the cost of benefits (\$153,908 **from** \$143,908, effective July 29, 2019)

Andrea Hussong, professor in the Department of Psychology and Neuroscience, \$10,000 from the Faculty Recruitment and Retention Fund and UNC-Chapel Hill funding the cost of benefits (\$158,732 **from** \$148,732, effective July 29, 2019)

Adrian Marchetti, associate professor in the Department of Marine Sciences, \$10,000 from the Faculty Recruitment and Retention Fund and UNC-Chapel Hill funding the cost of benefits (\$99,914 **from** \$89,914, effective July 29, 2019)

Barbara Osborne, professor in the Department of Exercise and Sport Science, \$9,949 from the Faculty Recruitment and Retention Fund and UNC-Chapel Hill funding the cost of benefits
(\$120,502 **from** \$110,553, effective July 29, 2019)

Eva Telzer, assistant professor in the Department of Psychology and Neuroscience, \$9,232 from the Faculty Recruitment and Retention Fund and UNC-Chapel Hill funding the cost of benefits
(\$102,480 **from** \$93,248, effective July 29, 2019)

Lauren Brinkley-Rubinstein, assistant professor in the Department of Social Medicine, \$10,000 from the Faculty Recruitment and Retention Fund and UNC-Chapel Hill funding the cost of benefits
(\$113,767 **from** \$103,767, effective August 6, 2019)

Layna Mosley, professor in the Department of Political Science, \$10,000 from the Faculty Recruitment and Retention Fund and UNC-Chapel Hill funding the cost of benefits
(\$144,648 **from** \$134,648, effective August 6, 2019)

Marcey Waters, distinguished professor in the Department of Chemistry, \$10,000 from the Faculty Recruitment and Retention Fund and UNC-Chapel Hill funding the cost of benefits
(\$164,741 **from** \$154,741, effective August 6, 2019)

The University of North Carolina at Charlotte

Miguel Pando, associate professor in the Department of Civil and Environmental Engineering, \$10,000 from the Faculty Recruitment and Retention Fund and UNCC funding the cost of benefits
(\$111,779 **from** \$101,779, effective April 29, 2019)

Sandra Dika, associate professor in the Department of Educational Leadership, \$15,707 from the Faculty Recruitment and Retention Fund and UNCC funding the cost of benefits
(\$93,777 **from** \$78,070, effective May 30, 2019)

The University of North Carolina at Greensboro

Tyreasa Washington, associate professor in the Department of Social Work, \$4,172 from the Faculty Recruitment and Retention Fund and UNCG funding the cost of benefits
(\$83,000 **from** \$78,828, effective April 25, 2019)

Lee Walton, associate professor in the School of Art, \$6,041 from the Faculty Recruitment and Retention Fund and UNCG funding the cost of benefits
(\$81,602 **from** \$75,561, effective April 26, 2019)

Jennifer Park, assistant professor in the English Department, \$3,300 from the Faculty Recruitment and Retention Fund and UNCG funding the cost of benefits
(\$74,000 **from** \$70,700, effective June 28, 2019)

Margaret Murphy, assistant professor in the Universities Libraries, \$2,731 from the Faculty Recruitment and Retention Fund and UNCG funding the cost of benefits
(\$56,000 **from** \$53,269, effective July 29, 2019)

AGENDA ITEM

A-2b. Informational Report: President's Delegated Faculty Promotion
and Tenure Conferral Report Matthew Brody

Situation: This is an informational report provided to the committee.

Background: Authority has been delegated to the president to approve faculty promotions and confer tenure for institutions without management flexibility.

Assessment: This meeting's report includes the following:

Faculty Promotion and Tenure Conferral at Elizabeth City State University:

- One (1) tenure conferral
- One (1) promotion and tenure conferral

Faculty Promotion and Tenure Conferral at Fayetteville State University:

- Twelve (12) promotion and tenure conferrals

Action: This item is for information only.



THE UNIVERSITY OF NORTH CAROLINA
PRESIDENT'S DELEGATED FACULTY PROMOTION AND TENURE CONFERRAL REPORT

Actions effective 8/1/2019

Elizabeth City State University

Tenure Conferral

- Mary-Lynn Chambers, associate professor, Language, Literature, and Communication Department

Promotion and Tenure Conferral

- Timothy Goodale, assistant professor to associate professor, Education, Psychology, and Health Department

Actions effective 8/4/2019

Fayetteville State University

Promotion and Tenure Conferral

- Timothy Buckner, assistant professor to associate professor, College of Arts and Sciences
- Li Chen, assistant professor to associate professor, College of Business and Economics
- Su Dong, assistant professor to associate professor, College of Business and Economics
- Beverly Edwards, assistant professor to associate professor, College of Arts and Sciences
- Eid Haddad, assistant professor to associate professor, College of Arts and Sciences
- Lenora Hayes, assistant professor to associate professor, College of Arts and Sciences
- Chandrika Johnson, assistant professor to associate professor, College of Education
- Ali Siamaki, assistant professor to associate professor, College of Arts and Sciences
- Mohsen Souissi, associate professor to full professor, College of Business and Economics
- Amanda Virelles, assistant professor to associate professor, College of Arts and Sciences
- Ereka Williams, assistant professor to associate professor, College of Education
- Sharon Williams, associate professor to full professor, College of Arts and Sciences

AGENDA ITEM

A-2c. Informational Report: New UNC System Office Appointments Under
Delegated Authority to the President Matthew Brody

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 compensation of senior academic and administrative officers and other employees exempt from the State Human Resources Act serving within 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:

UNC System Office Appointments:

- Five personnel appointments that are state-funded.
- One personnel appointment that is state and non-state funded.
- Two personnel appointments that are non-state funded.

System SAAO-I Appointments

- Four SAAO-I Position Reclassifications
- One SAAO-I Position Creation

Action: This item is for information only.



**THE UNIVERSITY OF NORTH CAROLINA
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 May 29, 2019 to August 19, 2019.

UNC System Office

Appointments

State Funded Positions:

Collin Mayer, Windows System Administrator, July 1, 2019, \$63,000 (vacant position)

Addison Miller, Assistant Director, CFNC Pathways, July 31, 2019, \$82,000 (vacant position)

Mary Griffin Inscoe, Higher Education Legal Fellow, August 1, 2019, \$50,000 (vacant position)

Earl Whipple, Vice President for Communications, August 12, 2019, \$196,000 (new position)

Blake MacIver, Assistant Vice President for Development Strategy & Operations, August 19, 2019, \$145,000 (vacant position)

Non-State Funded Positions:

Tracie Jones, Shared Service Center Business Analyst/WebFocus Programmer, July 15, 2019, \$95,000 (new position)

Mark Lindsay Bierman, Chief Executive Officer UNCTV, August 12, 2019, \$325,000 (vacant position)

State & Non-State Funded Positions:

Miriam Tripp, Director of Capital Planning, August 1, 2019, \$125,000 (vacant position)

UNC Institutions

New or Modified UNC System SAAO-I Positions or Appointments

ECSU:

Reclassification from SAAO-II (Chief of Staff) to SAAO-I (Vice Chancellor and Chief of Staff).

Reclassification from SAAO-II (General Counsel/Chief Operating Officer) to SAAO-I (Vice Chancellor for Operations and General Counsel).

FSU:

New SAAO-I position. Dean, College of Health, Science & Technology. The Fayetteville State University Board of Trustees has approved the split of the College of Arts and Sciences, which consists of ten departments and two schools into two separate colleges - College of Humanities and Social Sciences and College of Health, Science, and Technology - to leverage operational efficiencies across academic units and disciplines.

Reclassification from SAAO-I (Dean, College of Arts and Sciences) to SAAO-I (Dean, College of Humanities and Social Sciences).

UNCA:

Reclassification from SAAO-II (Associate Vice Chancellor for Human Resources) to SAAO-I (Vice Chancellor for Human Resources, Diversity & Equity, and General Counsel).

UNCW:

Reclassification from SAAO-I (Dean of Graduate School) to SAAO-I (Dean of Graduate School/ Interim Exec Director of Center of Marine Science).

AGENDA ITEM

A-4. Incentive Compensation Program for ChancellorsMatthew Brody and Pete Brunstetter

Situation: With few exceptions, compensation for University System senior executives, including the chancellors, has been delivered primarily in the form of permanent base salary as opposed to non-recurring incentive compensation. When the University engaged Buck Consulting to do a comprehensive analysis and redesign of the University's executive compensation program back in 2015, the concept of at-risk incentive compensation was identified as an emerging trend in higher education in order to more closely tie pay to performance. At the time, the Board of Governors opted not to pursue an incentive compensation program for the chancellors. However, there have been continued discussions by the Board of this concept and the Committee on Personnel and Tenure requested that System Office staff prepare and bring forward a proposal for incentive compensation for chancellors for the Board's consideration.

Background: Drawing on the original work of Buck Consulting and with added consultation with Sullivan Cotter, a consulting firm who also advises UNC Health Care on its executive compensation programs, the System Office staff has considered various options for the design of an incentive compensation program for the chancellors. Ultimately, a plan design was selected, that provides up to a 20% annual incentive compensation opportunity for chancellors based on a combination of individual performance at each chancellor's constituent institution, as well as performance on several System-wide performance goals selected by the President in consultation with the Board of Governors. The latter is intended to incent collaboration among the chancellors in pursuing System-wide goals that advance the overall strategic priorities of the University System. While base salaries will still be adjusted on a periodic basis to assure alignment with established market salary ranges, annual compensation adjustments will emphasize at-risk compensation under the proposed incentive compensation program as opposed to permanent additions to base pay.

Assessment: The committee is requested to authorize the president to finalize the incentive compensation program in a plan document, to bring forward to the committee and the Board the shared System-wide goals that would be utilized as part of this program, and to implement the program beginning with the 2020-2021 academic year. Attached are two documents related to this agenda item:

1. A resolution which delegates the above-stated authority to the president.
2. A presentation that provides background on the proposed program.

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



**RESOLUTION OF
THE BOARD OF GOVERNORS OF THE UNIVERSITY OF NORTH CAROLINA
INCENTIVE COMPENSATION PROGRAM FOR CHANCELLORS**

September 20, 2019

WHEREAS, the Board of Governors is responsible for establishing compensation, benefits and other terms of employment for chancellors on the president's recommendation pursuant to Section 300.1.1 of the UNC Policy Manual; and

WHEREAS, the Board of Governors recognizes that total compensation for executive talent in higher education continues to evolve as organizations compete to recruit and retain from a limited set of highly skilled leaders; and

WHEREAS, the Board of Governors wishes to focus compensation for chancellors more on at-risk incentive compensation tied to individual and institutional performance.

NOW, THEREFORE, BE IT RESOLVED, that the president is authorized and directed to develop and take all steps necessary to establish an incentive compensation program for chancellors that provides an annual incentive compensation opportunity not to exceed 20% of base salary and is based on criteria that includes the chancellor's annual individual performance review and also a set of shared system-wide goals developed in consultation with the chancellors and the Committee on Personnel and Tenure of the Board of Governors. The president shall report back to the Committee at its next scheduled meeting in November on the status of this initiative.

Adopted this ____th day of September, 2019

Harry Smith, Chairman

Secretary



PROPOSED INCENTIVE COMPENSATION PROGRAM FOR CHANCELLORS

Committee on Personnel and Tenure
September 19, 2019

Background: Chancellor Executive Compensation

- The University engaged Buck Consultants in 2015 to analyze and redesign the University's executive compensation program. Recommendations included:
 - Redesigned salary ranges for the President, Chancellors, and System Office Senior Officers, which are reviewed with the BOG every 2-years
 - **An incentive compensation program to more closely align pay with performance, which was noted as an emerging trend in higher education**
- The Board of Governors adopted the new salary structure, but limited incentive compensation to the President

Background: Chancellor Executive Compensation

- The Personnel and Tenure Committee has expressed interest in incentive compensation for Chancellor's on multiple occasions since 2015
- With few exceptions, chancellor compensation is presently delivered as base salary and 10% contributions to the SOARP executive retirement program
- Executive incentive compensation remains an emerging trend in public higher education, prevalent in private higher education, and common in the private sector

Basic Plan Elements

- The plan would provide eligibility for a total annual incentive award of up to to 20% of base salary
- Awards paid in cash with immediate to near-term vesting; up to 50% of any award amount may be directed by the president to a chancellor's SOARP
- Annual incentive compensation of 10% each for:
 - Results of each chancellor's annual performance assessment
 - Shared progress on 3 long-term, system-wide goals, measured annually by comparing actual performance to target performance

Basic Plan Elements

- Chancellor base pay would continue to be adjusted as needed to assure placement within their assigned market pay range, which begins at the 50th percentile
- New Chancellors would generally be assigned a starting salary that falls at the start of the market pay range, with occasional exceptions below or above
- Once within the market range, the emphasis for annual compensation adjustments will be the award of non-recurring incentive compensation as opposed to base pay adjustments

Program Eligibility

- Chancellors permanently employed in their position for no less than 1-year
- Chancellors subject to separate employment agreements ineligible, unless explicitly stated in the agreement
- President may exclude individual chancellors due to: adverse financial conditions, accreditation issues, substantial audit or compliance findings, or other matters negatively impacting institutional reputation or integrity

Checks and Balances

- President would obtain input from chancellors on selecting the system-wide goals, metrics and annual targets and seek final approval from the Board;
updated every 3 to 5 years
- President would consult with the Committee on Personnel and Tenure annually on proposed award amounts
- President would report all completed awards on an annual basis to the full Board
- All awards would be reported as public information

Proposed Implementation

- The program will be put in place during the 2020-2021 academic year, after which awards will be made on an academic-year basis
- For fiscal year 2019-2020, the President would focus primarily on one-time bonus payments in lieu of permanent base salary adjustments
- Base salary adjustments would still be considered for chancellors not yet within their salary market range in order to maintain basic market competitiveness

Next Steps

- The Committee on Personnel and Tenure and then the full Board is being asked to grant the President authority to develop and execute a formal plan document and to proceed with plan implementation
- The President would return to the Board no later than January, 2020 with full program details and a status report on implementation

QUESTIONS?

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AGENDA ITEM

A-5. Updates to Established Salary Ranges for Chancellors Matthew Brody

Situation: The UNC System engaged Buck Consulting to review and propose a new compensation structure and associated salary ranges for chancellors back in 2015. The Board of Governors adopted these salary ranges in April of 2015 as part of a comprehensive update to the University's executive compensation program and then approved a subsequent update to these same salary ranges in 2017. These executive salary ranges are subject to an updated market study every two years to assure continued market competitiveness.

Background: Buck Consulting was engaged to conduct an updated analysis of the established salary ranges for the chancellors, which were last updated in 2017, in order to assure alignment with the current labor market. Consistent with the market studies performed in 2015 and 2017, Buck Consulting used a blended market rate approach, which considers compensation data from both higher education and general industry in order to assure the ability to attract and retain the broadest set of individual talent for the University's chancellors.

Assessment: The UNC System Office of Human Resources recommends that the Board adopt the revised salary ranges for the chancellors, as reflected in the attached market study prepared by Buck Consulting for 2019. The proposed updates represent a total increase of 3.67% from the chancellor salary ranges last updated in 2017. A report of chancellor base salaries and bonuses/stipends for fiscal year 2018-2019 is also attached.

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

The University of North Carolina

Salary Structure Analysis
Chancellors
September 9, 2019

BUCK

Background

Background

- In 2015, the University of North Carolina System (“UNC”) worked with Buck Global (“Buck”) to design and implement the Chancellor salary structure (“the compensation structure”) to manage compensation for this employee group.
- In 2017, UNC applied a market adjustment to the compensation structure based on a structure adjustment analysis conducted by Buck.
- To ensure that UNC remains competitive within the markets against which it competes for talent, UNC has engaged Buck to refresh the 2017 structure adjustment analysis, applying the following approach:
 - Model the impact of aging the compensation structure based on historic market movement within a 50/50 blend of the following labor markets:
 - Higher Education
 - General Industry
- The following slides detail the results of this analysis.

Executive Summary

Executive Summary

- Buck analyzed the impact on the compensation structure of market movement within a blended market including higher education and general industry.
 - As UNC recruits and retains top talent from within higher education as well as from general industry, Buck aged the compensation structure according to the blended market (see slide 10 for structure detail, aged per the blended market).
 - This methodology will ensure that the compensation structure remains competitive within these markets.

UNC Salary Structure History

- The Chancellor compensation structure was designed to incorporate both the primary (higher education peers) and secondary (general industry) markets against which UNC competes for talent.
- The broad grade structure shown below has a spread of 150% (minimum to maximum).
- The market range represents the dispersion of market values for the various positions assigned to the grade.
- Market requirements for the midrange reflect the upper quartile of the primary market (i.e., UNC's comparison institutions) for each position.
- The ranges were also designed to be competitive with the lower quartile of general industry.
- Positions were assigned to the grade where the market-range best represented the 75th percentile of the primary market.

Current Structure

Grade	Current				
	Minimum	Market Range		Maximum	Spread
		Low	High		
CH1	\$450,340	\$669,881	\$906,310	\$1,125,851	150%
CH2	\$300,227	\$446,588	\$604,206	\$750,567	150%
CH3	\$240,182	\$357,270	\$483,366	\$600,453	150%
CH4	\$192,145	\$285,816	\$386,692	\$480,363	150%

UNC Salary Structure History – Chancellor Structure Detail

- Institution Chancellors assigned to the following grades within the Chancellor Structure.

Chancellor Structure

Grade	Institution
CH1	Chapel Hill
CH1	NC State
CH2	Charlotte
CH2	East Carolina
CH3	Greensboro
CH3	A&T State
CH3	Appalachian State
CH3	NC Central
CH3	Western Carolina
CH3	Wilmington
CH4	Asheville
CH4	Elizabeth City State
CH4	Fayetteville
CH4	Pembroke
CH4	School of Arts
CH4	Winston Salem
--	School of Science and Mathematics

Historic Structure Movement by Industry

- An analysis of historic market movement for salary structures in the comparison labor markets since 2018 finds that:
 - Structures within public institutions in higher education have moved 3.29% since 2018.
 - Structures within general industry have moved 4.04% since 2018.
 - Structures within the blended market have moved 3.67% since 2018.

Year of Data		Higher Education	General Industry	Blended
		% Adjustment	% Adjustment	% Adjustment
Actual	2018	1.49%	2.00%	1.74%
Projected	2019	1.78%	2.00%	1.89%
Aggregate		3.29%	4.04%	3.67%

UNC Chancellor Structure

Chancellor Structure – Blended Market

- A review of historic structure adjustments in the blended market since 2018 reveals a movement of 3.67%, overall.
- The exhibit below reflects the both the current Chancellor Structure as well as the impact of adjusting the structure across all data points to reflect the movement of the blended market.

Current Structure

Grade	Current				
	Minimum	Market Range		Maximum	Spread
		Low	High		
CH1	\$450,340	\$669,881	\$906,310	\$1,125,851	150%
CH2	\$300,227	\$446,588	\$604,206	\$750,567	150%
CH3	\$240,182	\$357,270	\$483,366	\$600,453	150%
CH4	\$192,145	\$285,816	\$386,692	\$480,363	150%

Blended Market

Grade	2019				
	Minimum	Market Range		Maximum	Spread
		Low	High		
CH1	\$466,851	\$694,441	\$939,538	\$1,167,128	150%
CH2	\$311,234	\$462,961	\$626,358	\$778,084	150%
CH3	\$248,987	\$370,369	\$501,087	\$622,468	150%
CH4	\$199,189	\$296,295	\$400,869	\$497,975	150%

Methodology

Methodology

- The following sources were used to calculate structure movement in the comparison labor markets since 2018:
 - **Higher Education:** The College and University Professional Association (“CUPA”)
 - Median actual salary increase data for 2018 were used, while projected/forecasted data for 2019 were used. Data were scoped to public institutions.
 - **General Industry:**
 - Buck Consultants Compensation Planning Survey
 - Median actual salary increase data for 2018 were used, while projected/forecasted data for 2019 were used. Data were scoped to all organizations.
 - WorldatWork Salary Budget Survey
 - Median actual salary increase data for 2018 were used, while projected/forecasted data for 2019 were used. Data were scoped to all organizations.
 - Consistent with best practice in calculating structure movement, Buck calculated an expected structure increase based on the annual actual salary increases as disclosed in each survey source.
 - The expected structure increase is typically 66.7% of the annual salary increase (e.g. If the annual salary increase was 3.0%, then the structure would be adjusted by 2.0%).





CHANCELLOR TOTAL COMPENSATION

Inst	Chancellor	Appt. Date	Base Salary (July 1, 2018)	Stipend/Bonus for 2018	Executive Retirement (SAORP for 2018)
UNC-CH	Interim Chancellor+		\$ 632,810	\$ -	\$ 63,281
NCSU	Woodson, Randy*	4/1/2010	\$ 664,387	\$ 200,000	\$ 64,861
UNCC	Dubois, Philip	7/1/2005	\$ 484,266	\$ -	\$ 47,276
ECU	Interim Chancellor+		\$ 450,000	\$ -	Not Participating
UNCG	Gilliam, Franklin	9/8/2015	\$ 409,609	\$ -	\$ 39,988
NCA&T	Martin, Harold	6/1/2009	\$ 393,224	\$ -	\$ 38,388
ASU	Everts, Sheri	7/1/2014	\$ 375,098	\$ 8,125	\$ 36,618
NCCU	Akinleye, Johnson	6/1/2013	\$ 325,000	\$ -	\$ 32,500
WCU	Brown, Kelli	7/1/2019	\$ 325,000	\$ -	Not Participating
UNCW	Sartarelli, Jose	7/1/2015	\$ 391,589	\$ -	\$ 38,228
UNCA	Cable, Nancy++	8/9/2018	\$ 330,000	\$ -	Approved by P&T
ECSU	Dixon, Karrie	1/2/2019	\$ 300,000	\$ -	Not Participating
FSU	Interim Chancellor+		\$ 354,994	\$ -	Not Participating
UNCP	Cummings, Robin	7/15/2015	\$ 313,271	\$ -	Not Participating
UNCSA	Interim Chancellor+		\$ 316,764	\$ -	Not Participating
WSSU	Robinson, Elwood	1/1/2015	\$ 291,305	\$ -	Not Participating
NCSSM	Roberts, J. Todd	10/1/2010	\$ 245,268	\$ 5,958	Not Participating

+ Base Salaries posted represents the salary for the immediate prior Chancellor holding the position.

Interim Chancellor salaries are as follows: UNC-CH \$550,000, ECU \$350,000, FSU \$275,000, UNCSA \$250,000.

++ Participation in the SAORP approved at the August, 15, 2019 meeting of the Committee on Personnel & Tenure.

AGENDA ITEM

A-6. Paid Parental Leave Benefit for University Employees Matthew Brody

Situation: On May 23, 2019, Governor Cooper signed Executive Order No. 95, which provides paid parental leave to eligible state employees. This executive order only applies to North Carolina departments and agencies for which the Governor has direct oversight responsibility and does not include the University of North Carolina System and its constituent institutions. The Governor's parental leave benefit provides eight weeks of fully paid parental leave to eligible state employees who have given birth to a child, or four weeks of paid parental leave to eligible state employees in other circumstances involving the birth of a child to the eligible employee, or the adoption, foster placement, or other legal placement of a child with an eligible state employee.

Background: The Governor's executive order does not currently apply to any employees of the University of North Carolina. The Board of Governors establishes leave benefits for employees that are Exempt from the State Human Resources Act (EHRA) in accordance with Sections 300.1.1, 300.2.1 and 300.2.11 of the UNC Policy Manual. Paid parental leave programs have become increasing popular tools to aid in the recruitment and retention of employees. Presently, the University only offers this benefit to faculty employees and not SHRA or EHRA non-faculty staff. Prior to issuance of the Governor's Executive Order No. 95, the UNC System Office was actively supporting a collaborative effort between the UNC System Staff Assembly and the NC State University Council on the Status of Women to develop a proposal for a paid parental leave program for all staff the University. The Council had already completed significant work to benchmark and develop a proposal for this benefit before the Governor issued his executive order.

Assessment: Following consultation with the Board of Governors, the President intends to seek approval from the North Carolina Office of State Human Resources to extend the provisions of the Governor's Executive Order on paid parental leave to the University's SHRA workforce. Concurrently, the System Office staff recommends the Board approve the attached resolution granting authority to the President to implement any necessary changes to existing University policies, or issue new regulations or guidance as deemed necessary by the President, to provide substantially equivalent benefits to EHRA employees of the University. Attached are two documents that support or execute this assessment:

1. A resolution granting the above-stated authority to the President.
2. A slide presentation that summarizes the background, proposal, and implementation plan for this resolution.

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



**RESOLUTION OF
THE BOARD OF GOVERNORS OF THE UNIVERSITY OF NORTH CAROLINA
PAID PARENTAL LEAVE BENEFIT FOR UNIVERSITY EHRA EMPLOYEES**

September 20, 2019

WHEREAS, North Carolina law grants the Board of Governors the authority and responsibility for the general determination, control, supervision, management, and governance of all affairs of the University and its constituent institutions, including the adoption of such policies and regulations as it may deem wise; and

WHEREAS, the Board of Governors has pursuant to this authority adopted holiday and leave entitlements for University employees exempt from the State Human Resources Act, located in Sections 300.1.1, 300.2.1 and 300.2.11 of the UNC Policy Manual; and

WHEREAS, on May 23, 2019, Governor Cooper signed Executive Order No. 95, which provides paid parental leave to eligible state employees pursuant to the definitions and provisions specified in the order; and

WHEREAS, the University of North Carolina wishes to provide paid parental leave benefits substantially equivalent to the provisions of the Executive Order No. 95 for University employees exempt from the State Human Resources Act, with an effective implementation date of no sooner than January 1, 2020 and no later than March 31, 2020;

NOW, THEREFORE, BE IT RESOLVED, that the President of the University of North Carolina is delegated authority by the Board of Governors to make necessary changes to applicable University policies and to amend or issue Regulations and/or Guidelines as deemed necessary by the President to implement paid parental leave benefits for University EHRA employees as set forth in this Resolution.

Adopted this ____th day of September, 2019

Harry Smith, Chairman

Secretary



PAID PARENTAL LEAVE BENEFIT

Committee on Personnel and Tenure
September 19, 2019

Paid Parental Leave Background

- Executive Order 95 provides paid parental leave to eligible state employees in NC state agencies for which the Governor has direct oversight responsibility (“Cabinet agencies”)
- Effective for Cabinet agencies on September 1, 2019
- VA State Government and all VA public universities implemented a similar benefit in 2018

UNC Paid Parental Leave Proposal

- The Executive Order provides:
 - eight weeks of paid leave to eligible employees who have given birth
 - four weeks of paid leave for non-birth parents in other circumstances involving the birth of a child or the adoption, foster placement, or other legal placement of a child with an eligible state employee

UNC Paid Parental Leave Proposal

- The University recommends that paid parental leave benefits be provided to all UNC System benefit-eligible employees substantially equivalent to the Executive Order
- If the Board approves these provisions for EHRA employees, the President will seek approval from the Office of State Human Resources to extend the same provisions to the University's SHRA workforce

UNC Paid Parental Leave Proposal

- The University estimates an annual cost of approximately \$4.26 million or 0.125% for a payroll of almost \$3.4 billion
- This cost is for projected overtime or cost of temporary employees as coverage for employees on parental leave
- The cost estimate does not include increased liabilities in vacation leave payouts and impact to the State Retirement System

Proposed Implementation Plan

- The University proposes a phased implementation between January 1 and March 31, 2020
- Allows System Office HR to revise and implement corresponding policies and/or regulations
- Constituent institutions will have time to update their human resource/payroll systems to account for this new category of leave

QUESTIONS?

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AGENDA ITEM

A-7. Optional Retirement Plan (ORP) – “Like Plan” Provision Change Matthew Brody

Situation: The University periodically reviews the UNC Optional Retirement Program plan document to ensure that it is consistent with relevant North Carolina statutes and IRS regulations. The ORP currently has a five year vesting schedule. In lieu of five years of service, employees may vest in the University contribution to the ORP if certain conditions are met. One of those conditions requires former employees to enroll in a “Like Plan” with their subsequent employer after separating from the University.

The University encourages the establishment of private organizations, as defined in UNC Policy 600.2.5[R] as associated entities. Associated entities engage in activities that are critical to and aligned with the mission, goals and objectives of constituent institutions. Employees of constituent institutions sometimes transfer to associated entities. To prevent a loss of retirement benefits, when transferring between organizations, the University is requesting a modification to the UNC ORP Plan document to keep these employees from forfeiting University contributions to the Optional Retirement Program.

Background: The University administers the Optional Retirement Program of the University of North Carolina (ORP) for the benefit of employees as an alternative to the State retirement system. The Board implemented the ORP in 1972 pursuant to legislation that authorized the Board to provide for the administrations of the ORP. Consistent with North Carolina General Statute § 135-5.1(e), the Board retained the authority to amend the ORP plan document; to designate companies to provide annuity contracts and serve as trustees for mutual funds; and to approve the form and contents of annuity contracts and trust agreements.

UNC System Office staff recommended to the President that the ORP plan document be amended to clarify that “Like Plan” includes associated entities or other foundations affiliated with institutions of higher education or health.

Assessment: Upon review of the attached Board resolution and ORP Plan Amendment No. 2, the president and System Office staff recommend approval of the amendment.

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



**RESOLUTION ON THE OPTIONAL RETIREMENT PROGRAM OF
THE UNIVERSITY OF NORTH CAROLINA**

WHEREAS, the University of North Carolina (hereinafter referred to as the "University") established the Optional Retirement Program of the University of North Carolina (hereafter "ORP" or the "Plan") for statutorily designated employees, and has been operating that Plan since 1972; and

WHEREAS, N.C.G.S. § 135-5.1(e) states that "The Board of Governors of The University of North Carolina may provide for the administration of the Optional Retirement Program and may perform or authorize the performance of all functions necessary for its administration"; and

WHEREAS, the Board of Governors reserved the right in Article VI of the Plan to amend the Plan; and

WHEREAS, the Board of Governors is now desirous of amending the Plan to make certain clarifying changes therein.

NOW THEREFORE, BE IT RESOLVED, that the Board of Governors hereby approves and adopts Amendment 2 to the Plan substantially in the form attached hereto as Exhibit A.

IN WITNESS THEREOF, the Board has caused this Resolution to be executed by its Chair and its seal to be affixed by the Secretary, both duly authorized, effective as indicated herein, but executed this _____ day of _____, 2019.

Attest: (SEAL)

THE BOARD OF GOVERNORS OF THE
UNIVERSITY OF NORTH CAROLINA

Secretary

By: _____
Chair

Exhibit A

AMENDMENT NO. 2
(to the Plan as Amended and Restated Effective January 1, 2014)

OPTIONAL RETIREMENT PROGRAM OF
THE UNIVERSITY OF NORTH CAROLINA

WHEREAS, The University of North Carolina (hereinafter referred to as the “University”) established the Optional Retirement Program of The University of North Carolina (hereinafter referred to as the “Plan”) as amended and restated effective January 1, 2014; and

WHEREAS, the Board of Governors of the University reserved the right in Article VI of the Plan to amend the Plan; and

WHEREAS, the Board of Governors of the University is now desirous of amending said Plan in order to make certain changes therein.

NOW, THEREFORE, the Plan is amended as follows, effective [_____, 2019]:

I. Section 1.21 of the Plan is amended in its entirety to read as follows:

“1.21 “Like Retirement Plan” means a retirement plan of an institution, organization or system of higher education or health care, or any supporting organizations, associated entities or foundations thereof, including without limitation high schools that are part of the National Consortium for Specialized Secondary Schools of Mathematics, Science and Technology, in each case in which the Participant participates through one or more annuity contracts of Insurance Companies, or through the purchase of one or more Investment Funds from a Plan-approved Mutual Fund Company, with whom the Participant participated in the Plan, or in which he or she could have participated if the Participant had continued participation in the Plan.”

IN WITNESS WHEREOF, the Board has caused this Amendment No. 2 to the Plan to be executed by its Chairman and its corporate seal to be affixed by the Secretary, both duly authorized, effective as indicated herein, but executed this _____ day of _____, 2019.

Attest: (SEAL)

THE BOARD OF GOVERNORS OF
THE UNIVERSITY OF NORTH CAROLINA

Secretary

By: _____
Chair

AGENDA ITEM

A-8. Proposed Board Member Training Requirement on Preventing Sexual Harassment..... Matthew Brody

Situation: The UNC System Office previously developed and distributed a self-paced training module on preventing sexual harassment tailored for members of the Board of Governors. Similar training is mandated for all active employees of the System Office. This training module was previously completed on a voluntary basis by members of the Board of Governors in December 2017. It has since been updated with new content, which provides a good opportunity to formalize this as a mandatory training requirement for the members of all governing boards across the University System, including the Board of Governors and the members of all of the constituent institution boards of trustees.

Background: As a public higher education institution, a federal contractor, and a large employer, the University of North Carolina is obligated to provide an environment for its students, employees, and visitors that is free from unlawful discrimination and harassment. The University's commitment to maintaining an environment free from unlawful discrimination is reflected in its nondiscrimination policies. The Board of Governors, boards of trustees, and University leadership all play an important role in communicating the University's commitment to these principles. For this reason, the University has partnered with the Association of Governing Boards of Universities and Colleges (AGB) to develop an online primer for the Board of Governors and institutional boards of trustees on federal sexual harassment laws and how they connect with the governance of the University and its policies.

Assessment: It is common practice at the System Office and for constituent institutions to provide mandatory training on preventing sexual harassment to employees as part of our good faith compliance efforts as an entity of state government and a federal contractor. Providing a standard training module system-wide for members of the University's governing boards further supports these efforts. A Board of Governors mandate will assure consistent delivery of this training for all current and future members of the University's governing boards.

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