



MEETING OF THE BOARD OF GOVERNORS  
Committee on Personnel and Tenure

April 21, 2021 at 12:45 p.m.  
Via Videoconference and PBS North Carolina Live Stream  
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 February 17, 2021..... Kellie Hunt Blue
- 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. Salary Increase Metrics ..... Matthew Brody
- A-5. Performance Review of Tenured Faculty Report..... Kimberly van Noort
- A-6. Proposed Revisions to Section 200.6 of the UNC Policy Manual (Incentive Compensation Program for Chancellors).....Jonathan Pruitt and Andrew Kelly

### CLOSED SESSION

- A-7. Approval of the Closed Session Minutes of February 17, 2021..... Kellie Hunt Blue
- A-8. EHRA Salary Pre-Authorizations Requiring Approval by the Committee on Personnel and Tenure..... Matthew Brody
- A-9. Informational Report: EHRA Salary Adjustment Pre-Authorizations Delegated to the President or His Designee ..... Matthew Brody

### OPEN SESSION

- A-10. 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

February 17, 2021

Via Videoconference and PBS North Carolina Live Stream

This meeting of the Committee on Personnel and Tenure was presided over by Chair Kellie Hunt Blue. The following committee members, constituting a quorum, also attended: Reginald Ronald Holley, R. Doyle Parrish, W. Louis Bissette, Jr., Carolyn Coward, Art Pope, and Dwight D. Stone.

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

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

The chair called the meeting to order at 12:32 p.m., and read the Conflict-of-Interest Statement.

### 2. Approval of the Minutes of January 20, 2021 (Item A-1)

The chair called for a motion to approve the open session minutes of January 20, 2021.

**MOTION:** Resolved, that the Committee on Personnel and Tenure approve the open session minutes of January 20, 2021, as distributed.

**Motion:** Dwight D. Stone

**Motion carried**

Roll Call Vote	
Blue	Yes
Holley	Yes
Parrish	Yes
Coward	Yes
Pope	Yes
Stone	Yes

### 3. Informational Reports (Item A-2)

The committee received an informational report on new UNC System Office SAAO-I appointments under delegated authority to the president.

#### 4. General Updates for the Committee (Item A-3)

Mr. Matthew Brody provided general Human Resources updates to the committee on various topics, including COVID-19 and plans to update various EHRA non-faculty salary ranges based on new 2020 market data.

#### 5. Salary Increase Metrics (Item A-4)

The committee reviewed an informational report on recent salary increase request activity. The report reflects a substantive decrease in recent salary increase requests, largely due to the president's direction in response to System-wide concerns over the budget and the COVID-19 pandemic. Mr. Brody specifically noted an additional breakdown of state and non-state funds has been added.

#### 6. Briefing of Workforce Job Categories (JCAT) and Functional Roles (Item A-5)

The committee received a briefing on the background and use of job category codes (JCATs) in analyzing the composition of the University's workforce. These JCATs are helping prepare a study on the growth of the University's administrative positions over the past five years.

#### 7. 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 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 [N.C.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 [N.C.G.S. 143- 318.11(a)(6)].

**Motion:** Reginald Ronald Holley

**Motion carried**

Roll Call Vote	
Blue	Yes
Holley	Yes
Parrish	Yes
Coward	Yes
Pope	Yes
Stone	Yes

**THE MEETING MOVED INTO CLOSED SESSION.**

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

**Without objection, the meeting moved back into open session.**

**THE MEETING RESUMED IN OPEN SESSION AT 1:28 p.m.**

There being no further business, the meeting adjourned at 1:28 p.m.

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R. Doyle Parrish, 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:**

- North Carolina State University, two approved requests
- University of North Carolina at Charlotte, two approved requests
- University of North Carolina at Greensboro, two approved requests
- University of North Carolina Wilmington, one approved request

**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

**\$186,051** in recurring funds

**Action:** This item is for information only.



## **Report: Faculty Recruitment and Retention Fund Utilization Under the Delegated Authority to the President**

### **North Carolina State University**

Tammrah Gordon, professor in the Department of History, \$6,750 from the Faculty Recruitment and Retention Fund and NC State University funding the cost of benefits  
(\$98,249 **from** \$91,499 effective March 11, 2021)

Tsai Lu Liu, professor in the Department of Graphic & Industrial Design, \$12,500 from the Faculty Recruitment and Retention Fund and NC State University funding the cost of benefits  
(\$172,152 **from** \$159,652, effective March 19, 2021)

### **The University of North Carolina at Charlotte**

Erin Fitzpatrick, assistant professor in the Department of Special Education and Child Development, \$10,000 from the Faculty Recruitment and Retention Fund and UNC Charlotte funding the cost of benefits  
(\$76,500 **from** \$66,500 effective February 12, 2021)

Andrew Truman, assistant professor in the Department of Biological Sciences, \$13,339 from the Faculty Recruitment and Retention Fund and UNC Charlotte funding the cost of benefits  
(\$90,000 **from** \$76,661, effective March 25, 2021)

### **The University of North Carolina at Greensboro**

Delma Ramos, assistant professor in the Department of Teacher Education and Higher Education, \$10,000 to cover the cost of salary and \$2,126 to cover the costs of benefits from the Faculty Recruitment and Retention Fund and UNC Greensboro funding any remaining cost of benefits  
(\$76,000 **from** \$66,000 effective March 10, 2021)

Eric Willie, associate professor in the School of Music, \$6,000 from the Faculty Recruitment and Retention Fund and UNC Greensboro funding the cost of benefits  
(\$72,731 **from** \$66,731 effective March 23, 2021)

### **The University of North Carolina at Wilmington**

Jessica Magnus, professor in the Cameron School of Business, \$20,000 from the Faculty Recruitment and Retention Fund and UNC Wilmington funding the cost of benefits  
(\$149,264 **from** \$129,264 effective February 24, 2021)



## AGENDA ITEM

A-2b. Informational Report: President's Delegated Faculty Promotion  
and Tenure Conferral Report ..... Kimberly van Noort

**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 Conferrals at North Carolina Central University:**

- Four (4) tenure conferrals
- Six (6) promotion and tenure conferrals

**Action:** This item is for information only.



## **President's Delegated Faculty Promotion and Tenure Conferral Report**

***Actions effective 3/12/2021***

### **North Carolina Central University**

#### **Tenure Conferral**

- Kwame Hawkins, associate professor, Arts and Design
- Browne Lewis, professor, Law
- Rakesh Malhotra, associate professor, Environmental, Earth, and Geospatial Sciences
- Yolanda VanRiel, associate professor, Nursing

#### **Promotion and Tenure Conferral**

- Jennifer Barrow, assistant professor to associate professor, Allied Professions
- Tony Frazier, assistant professor to associate professor, History
- Dionne McLaughlin, assistant professor to associate professor, Curriculum and Instruction
- Nigel Pierce, assistant professor to associate professor, Allied Professions
- Kimberly Powell, assistant professor to associate professor, Human Sciences
- Levette Scott, assistant professor to associate professor, Allied Professions

**AGENDA ITEM**

A-2c. Informational Report: New UNC System Office and SAAO-I 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 the compensation of senior academic and administrative officers and other employees exempt from the State Human Resources Act serving at 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:**

- Three personnel appointments that are non-state funded

**Action:** This item is for information only.



## **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 January 27, 2021, to March 24, 2021.

### ***UNC System Office***

#### **Appointments**

##### **Non-State Funds:**

Heatherlyn Mayer, IT Business Analyst, 3/17/2021, \$90,000, new position

Lydie Fon Mancho, IT System Administrator, 3/8/2021, \$78,000, new position

Mary Shuping, NCSEAA Director, Governmental & External Affairs, 3/1/2021, \$135,000, new position

**AGENDA ITEM**

A-4. Salary Increase Metrics ..... Matthew Brody

**Situation:** An informational report on recent salary increase requests compared to an identical period of time last fiscal year.

**Background:** The Board has delegated to the president or his designee the ability to approve certain salary increases that constituent institutions are not permitted to authorize without Board pre-authorization. While a list of approved salary increases is reported back to the committee at each meeting during closed session, an additional report has been created to show the change in volume of these salary increases year-over-year from 2020 to 2021.

The report displays increases approved under the President's authority from January 28 through March 29, 2021, broken down by increase type and employee type. The numbers from the same period in 2020 are displayed for comparison. These numbers do not include increases that exceeded the authority of the president and required a full vote of the committee, which are presented in another report.

The report also lists the number of salary requests from January 28 through March 29, 2021, that were returned to institutions to be reduced, either to an amount within the institution's delegated authority, or to a lower amount that still required the president's or Board's approval.

Finally, the report lists the number of extensions of temporary salary increases processed under the president's authority from January 28 through March 29, 2020 and from January 28 through March 29, 2021.

**Assessment:** The report is attached.

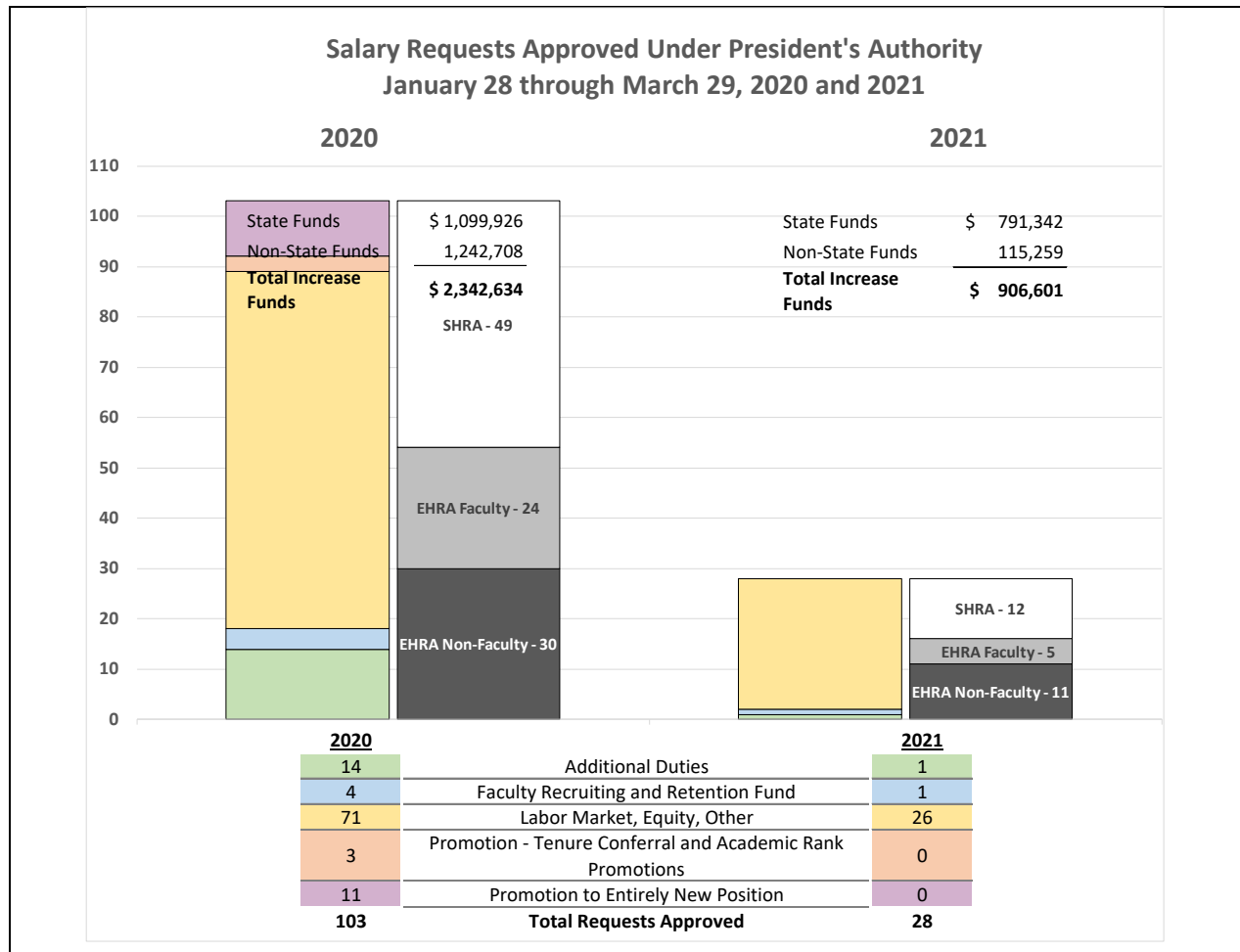
**Action:** This item is for information only.



# THE UNIVERSITY OF NORTH CAROLINA SYSTEM

## Summary of Newly Proposed EHRA and SHRA Salary Increase Activity Approved Under President's Delegated Authority

The following is a comparison of salary increases approved under the president's authority from January 28 through March 29, 2021, and from the same period of 2020.<sup>1</sup>



From January 28 through March 29, 2021, there were seven salary increases either returned to campuses with instructions to keep the increase within their delegated authority, or approved at a reduced amount still exceeding their delegated authority:

- Returned to campus to stay within delegated authority: seven
- Approved a reduced amount above delegated authority: 10

Extensions of previously approved temporary salary adjustments, such as active interim and acting appointments, are not included in the above counts. Extensions were processed by the System Office under the president's delegated authority as follows:

- For the 2020 reporting period: eight
- For the 2021 reporting period: 56; a substantive number of interim/acting appointment extensions are due to the decision by institutions to delay filling certain vacant positions permanently due to COVID-19.

<sup>1</sup> Post-docs and Fellows hired into permanent positions are treated as external hires and thereby excluded from these figures.

**AGENDA ITEM**

A-5. Performance Review of Tenured Faculty Report ..... Kimberly van Noort

**Situation:** Presentation of the 22nd Performance Review of Tenured Faculty, or post-tenure review, encompassing the academic year 2019-2020.

**Background:** The Board of Governors of the University of North Carolina adopted policy and guidelines for Performance Review of Tenured Faculty (Sections 400.3.3 and 400.3.3.1[G] of the UNC Policy Manual), or post-tenure review, in 1997, and strengthened them in 2014. The 2014 update included guidelines that “assure the continuing rigorous application of post-tenure review as intended by the Board of Governors” and is intended “to support and encourage excellence among tenured faculty.”

**Assessment:** A total of 644 tenured faculty underwent performance reviews by their peers in academic year 2019-2020, with 281 exceeding expectations, 339 meeting expectations, and 24 (3.7%) not meeting expectations. Of the 24 not meeting expectations, 20 received the designation for the first time, and the remaining four are still in their first year of the institution’s mandatory development program. Twenty faculty members at three institutions were unable to complete their post-tenure review, due to the COVID-19 pandemic, and will be reviewed in the next cycle.

**Action:** This item is for information only.



# THE UNIVERSITY OF NORTH CAROLINA SYSTEM

## PERFORMANCE REVIEW OF TENURED FACULTY REPORT

April 21, 2021

University of North Carolina System  
Chapel Hill, North Carolina

# Introduction

The Division of Academic Affairs began collecting campus data on the outcomes of post-tenure review of faculty in 1988.<sup>1</sup> The Board of Governors of the University of North Carolina adopted policy and guidelines for Performance Review of Tenured Faculty, or post-tenure review, in 1997, and strengthened them in 2014.<sup>2</sup> The 2014 update included guidelines that “assure the continuing rigorous application of post-tenure review as intended by the Board of Governors” and is intended “to support and encourage excellence among tenured faculty” by:

- Recognizing and rewarding exemplary faculty performance;
- Providing for a clear plan and timetable for improvement of unsatisfactory faculty performance; and
- Providing for the imposition of appropriate sanctions, which may include a recommendation for discharge in the most serious cases, of those whose performance remains unsatisfactory.

The University of North Carolina System institutions developed their own policies and procedures within the Board of Governors’ requirements, which included the following:

- Ensuring a cumulative review no less frequently than every five years for each tenured faculty member;
- Involving peers as reviewers;
- Including written feedback to faculty members as well as a mechanism for faculty response to the evaluation; and
- Requiring individual development or career plans for each faculty member receiving less than satisfactory ratings in the cumulative review, including specific steps designed for improvement, a specified timeline for development, and a clear statement of consequences should improvement not occur within the designated timeline.

This report summarizes the outcomes of post-tenure reviews conducted during the 2019-2020 academic year at the fifteen UNC System institutions that grant tenure. Key findings from the report:

- 644 tenured faculty underwent performance reviews conducted by their peers
  - 281 faculty were found to exceed expectations (43.6%)
  - 339 faculty were found to meet expectations (52.6%)
  - 24 faculty were found to not meet expectations (3.7%)

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<sup>1</sup>The University of North Carolina School of the Arts and the North Carolina School of Science and Mathematics do not award tenure.

<sup>2</sup>Sections 400.3.3 and 400.3.3.1[G] of the UNC Policy Manual.

## Outcomes of Performance Reviews

The UNC System collected data and information from the 15 institutions with tenure processes for the 22nd year, and Table 1 includes information on the outcomes of post-tenure performance review for the last 10 years. During academic year 2019-20, System institutions found 3.7% of eligible tenured faculty members did not meet expectations based on criteria established by the Board of Governors and the individual institutions. The previous academic year represents the second highest percentage not meeting expectations in the past ten years, second only to the 3.9% in academic year 2011-12, and above the ten-year average of 2.9%.

**Table 1. Ten-Year Post-Tenure Review Trends, 2010-11 to 2019-20**

Year	# Faculty Reviewed	# of Faculty Not Meeting Expectations	% Not Meeting Expectations
2010-11	690	18	2.6%
2011-12	779	30	3.9%
2012-13	698	24	3.4%
2013-14	1,434	38	2.6%
2014-15	715	16	2.2%
2015-16	772	21	2.7%
2016-17	801	17	2.1%
2017-18	774	25	3.2%
2018-19	1,222	36	2.9%
2019-20	644	24	3.7%
10-Year Total	8,529	249	2.9%

Source: Survey of tenure-granting UNC institutions, December 2020

The number of total faculty reviewed in 2019-20 dropped dramatically from the previous academic year. As noted in previous reports, the majority of East Carolina University's (ECU) academic units review tenured faculty in the same year. Thus, they have reviewed most faculty across the institution every fifth year, whereas other UNC System intuitions review a subset of tenured faculty every year.

Tenured professors represented the majority of faculty reviewed (402, or 62.4%), with associate professors accounting for 37% (238). Only two assistant professors and two librarians (0.3% each) underwent reviews during the most recent cycle.

Table 2 shows the number of faculty found unsatisfactory in post-tenure performance reviews at each campus during the past 10 years.

**Table 2: Number of Faculty Not Meeting Expectations in Post-Tenure Reviews: 2009-10 to 2018-19**

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	Total Faculty Not Meeting Expectations
ASU	3	2	2	2	1	-	1	-	3	-	14
ECU	-	-	-	16	-	-	-	3	8	-	27
ECSU	1	-	-	1	-	-	-	-	-	-	2
FSU	-	1	2	1	-	-	-	1	-	2	7
NC A&T	2	2	-	3	3	-	-	1	-	-	11
NCCU	1	1	1	2	-	2	3	-	-	-	10
NCSU	5	7	7	4	2	5	3	6	12	10	61
UNCA	1	-	2	1	2	2	2	-	1	-	11
UNC-CH	4	13	7	5	4	8	4	6	6	7	64
UNCC	-	-	3	1	2	-	3	5	3	3	20
UNCG	-	1	-	-	-	-	-	-	-	-	1
UNCP	-	-	-	1	-	1	1	1	1	-	5
UNCW	-	1	-	1	1	-	-	-	-	1	4
WCU	1	2	-	-	1	2	-	2	1	-	9
WSSU	-	-	-	-	-	1	-	-	1	1	3
<b>TOTAL</b>	<b>18</b>	<b>30</b>	<b>24</b>	<b>38</b>	<b>16</b>	<b>21</b>	<b>17</b>	<b>25</b>	<b>36</b>	<b>24</b>	<b>249</b>

Source: Survey of tenure-granting UNC institutions, December 2020

Twenty-four faculty (3.7%) of those reviewed did not meet expectations, with nine of those at the rank of professor and the remaining 15 being associate professors. Faculty members who receive “does not meet expectations” reviews work closely with their departments to make improvements and are reviewed annually until their performance is deemed to “meet expectations.” The department chairs, deans, and colleges closely monitor progress of these faculty, with the length of time of the improvement plan differing by institution, ranging between one to three years. Of the 24 faculty who did not meet expectations, 20 received this designation for the first time, and they have begun working with their departments on mandatory development plans as detailed in each institutions’ policies and procedures related to Section 400.3.3 of the UNC Policy Manual. The four faculty members who did not meet expectations for a second time, all associate professors at NC State University, are completing the first year of their development and improvement plan.

When collecting data for this year’s report, the UNC System requested the number of post-tenure reviews institutions could not complete due to the COVID-19 pandemic. Three institutions could not complete reviews due to COVID-19 issues: Appalachian State University (14 faculty members), University of North Carolina at Chapel Hill (five), and Winston-Salem State University (one). These institutions will complete all of these reviews during the 2020-21 cycle.

## Appendix A

### 2019-20 Post-Tenure Review Information by Institution

	ASU	ECSU	ECU	FSU	NC A&T	NCCU	NCSU	UNCA	UNC-CH	UNCC	UNCG	UNCP	UNCW	WCU	WSSU	TOTAL
1. Number of PTRs conducted																
Tenured Professor	56	4	4	8	18	3	83	9	123	31	19	9	22	7	6	402
Tenured Associate Professor	18	3	1	6	28	11	35	2	36	30	22	13	15	9	9	238
Tenured Assistant Professor	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	2
Tenured Professional Librarians	0	0	0	0	0	0	0	0	0	0	0	0	0	2	0	2
<b>Total reviewed</b>	<b>74</b>	<b>7</b>	<b>5</b>	<b>16</b>	<b>46</b>	<b>14</b>	<b>118</b>	<b>11</b>	<b>159</b>	<b>61</b>	<b>41</b>	<b>22</b>	<b>37</b>	<b>18</b>	<b>15</b>	<b>644</b>
2. Outcome																
Exceeded expectations	45	5	3	5	18	4	10	6	111	9	23	8	21	13	0	281
Met expectations	29	2	2	9	28	10	98	5	41	49	18	14	15	5	14	339
Did not meet expectations	0	0	0	2	0	0	10	0	7	3	0	0	1	0	1	24
<b>Total</b>	<b>74</b>	<b>7</b>	<b>5</b>	<b>16</b>	<b>46</b>	<b>14</b>	<b>118</b>	<b>11</b>	<b>159</b>	<b>61</b>	<b>41</b>	<b>22</b>	<b>37</b>	<b>18</b>	<b>15</b>	<b>644</b>
3. Faculty who did not meet expectations																
Did not meet expectations for the first time	0	0	0	2	0	0	6	0	7	3	0	0	1	0	1	20
Did not meet expectations for the second time or more	0	0	0	0	0	0	4	0	0	0	0	0	0	0	0	4
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>0</b>	<b>7</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>24</b>

Source: Survey of tenure-granting UNC institutions, December 2020

## AGENDA ITEM

### A-6. Proposed Revisions to Section 200.6 of the UNC Policy Manual (Incentive Compensation Program for Chancellors) .....Jonathan Pruitt and Andrew Kelly

**Situation:** Section 502 B(3) of *The Code* states that the chancellors of the constituent institutions of the University of North Carolina System are “responsible to the president for the administration of the institution. . . .” Reviewing chancellor performance and compensation is a core duty of the president. In the fall of 2019, the Board of Governors passed a resolution calling for the creation of an incentive compensation program for the University’s chancellors and approved a plan for that program developed under Interim President Roper. The program was not implemented prior to the naming of a permanent president. In light of the performance-based terms of President Hans’ appointment, it is critical that an incentive compensation program for chancellors be aligned with the president’s goals.

**Background:** The proposed policy revisions to Section 200.6 delegates authority to the president to develop and implement an incentive compensation program for chancellors that reflects the goals established by the Board of Governors for the president. The draft policy reflects the Board’s original intent to ensure that incentive compensation awards: are one-time, performance-based payments; are capped at no more than 20 percent of a chancellor’s base salary; and are the responsibility of the constituent university to fund. While periodic adjustments to base salaries may be considered to ensure alignment with market trends, under the proposed policy annual compensation adjustments will reflect one-time, non-recurring compensation under an incentive compensation program as opposed to permanent additions to base pay. The proposed policy revision also includes routine technical corrections unrelated to the incentive compensation program. The third attachment (“Chancellors’ Incentive Compensation Program - Draft Framework April 2021”) is intended to provide added context for the Committee’s information.

**Assessment:** The committee is requested to repeal the September 2019 resolution on incentive compensation and to approve the delegation of authority to the president to proceed in taking the necessary steps to implement an incentive compensation program. Those steps will include a report from the president as required under Section 200.6 for actions taken under delegated authorities.

**Action:** This item requires a vote by the committee, with a vote by the full Board of Governors through the consent agenda at the next meeting.

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 / /21

### 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,<sup>1</sup> the Board of Governors delegates the following authorities to the president of the University:

#### A. Human Resources

1. Authority to establish and administer a human resources program for employees exempt from the State Human Resources Act.<sup>2</sup> (N.C.G.S. Chapter 126).

a. "Human resources program" shall include such personnel actions related to the establishment of positions and the administration of salary ranges; recruitment, appointments, salaries, and salary adjustments; promotion and tenure; leave programs; performance management; non-faculty discontinuation, discipline, and discharge; and non-faculty grievance and appeals processes (\$300.1.1, \$300.1.2, and \$300.2.1).<sup>3</sup>

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.<sup>4</sup> (\$600.3.4).

c. Notwithstanding the above provisions, unless otherwise delegated:

(1) The Board of Governors shall retain authority over the appointments and compensation for the president, for the chancellors of the constituent institutions except as provided in paragraph F of this policy, for the chief executive officer of the UNC Health Care System, and for the UNC-TV-UNC Center for Public Media executive-director-and general manager.<sup>5</sup> (\$300.1.1, The Code §500, N.C.G.S. §116-37(c), The Code §900, N.C.G.S. §116-37.1(c), and §1200.1).

(2) The Board of Governors shall retain authority over certain contract terms for athletic directors and head coaches of the constituent institutions.<sup>6</sup> (\$1100.3).

(3) The president shall consult with the Board's Committee on Personnel and Tenure on appointments and compensation for the senior officers of the UNC ~~General Administration~~ System Office who report directly to the president.

(4) The Board of Governors shall retain authority over adjustments to base salary for permanent faculty and for employees exempt from the State Human Resources Act when the proposed amount (1) exceeds the established salary range or (2) exceeds ~~twenty-five~~ 25 percent ~~(25%)~~ and twenty-five thousand dollars (\$25,000) of the compensation in effect at the end of the last fiscal year.<sup>7</sup>

2. Authority to approve all actions relating to the administration of the Optional Retirement Program<sup>8</sup> ~~(N.C.G.S. §135-5.1)~~ and the Phased Retirement Program ~~(§300.7.2)~~.<sup>9</sup>

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 Personnel and Tenure.

B. Governance

1. The authority to approve the initiation of a lawsuit in the name of the University if the action is for monetary relief and the amount in controversy is less than \$250,000.<sup>10</sup>

2. The authority to settle potential or pending litigation by or against a constituent institution or the University of North Carolina System, if the settlement is solely 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.<sup>11</sup>

3. Authority to approve the political activities of employees of the University who are candidates for or serving in public office.<sup>12</sup>

C. Reports. The authority to approve and submit any report the University 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

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 University of North Carolina System Office, affiliated entities, or the constituent institutions in the president's discretion.<sup>13</sup>

2. Authority to approve capital improvement projects funded entirely with non-General Fund money<sup>14</sup> that are projected to cost less than \$750,000.<sup>15</sup>

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

E. Institutional Trust Funds. Authority to delegate to the chancellors management of institutional trust funds.<sup>16</sup>

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.

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.

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

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<sup>1</sup>The secretary of the University is authorized to annotate the referenced policies and regulations to cross-reference these delegations.

<sup>2</sup>G.S. Chapter 126.

<sup>3</sup>Sections 300.1.1, 300.1.2, and 300.2 of the UNC Policy Manual.

<sup>4</sup>Section 600.3.4 of the UNC Policy Manual.

<sup>5</sup>Section 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).

<sup>6</sup>Section 1100.3 of the UNC Policy Manual.

<sup>7</sup>~~The Board approved further authority delineations at the April 2015 meeting, see “Resolution to Delegate Limited Authority for Approval of Salary Adjustments to the President,” and reaffirmed in March 2016 “Resolution of the Board of Governors Review and Approval of Proposed Salary Adjustments.”~~

<sup>8</sup>G.S.135-5.1

<sup>9</sup>Section 300.7.2 of the UNC Policy Manual.

<sup>10</sup>Section 200.5 of the UNC Policy Manual.

<sup>11</sup>Section 200.5 of the UNC Policy Manual.

<sup>12</sup>Section 300.5.1 of the UNC Policy Manual.

<sup>13</sup>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.;

<sup>14</sup>This delegation shall be interpreted consistent with G.S. 143C-8-12.

<sup>15</sup>-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.

<sup>16</sup>Sections 600.2.4 and 600.2.4.1 of the UNC Policy Manual.

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 \_\_/\_\_/21

### 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,<sup>1</sup> the Board of Governors delegates the following authorities to the president of the University:

A. Human Resources

1. Authority to establish and administer a human resources program for employees exempt from the State Human Resources Act.<sup>2</sup>

a. "Human resources program" shall include such personnel actions related to the establishment of positions and the administration of salary ranges; recruitment, appointments, salaries, and salary adjustments; promotion and tenure; leave programs; performance management; non-faculty discontinuation, discipline, and discharge; and non-faculty grievance and appeals processes.<sup>3</sup>

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.<sup>4</sup>

c. Notwithstanding the above provisions, unless otherwise delegated:

(1) The Board of Governors shall retain authority over the appointments and compensation for the president, for the chancellors of the constituent institutions except as provided in paragraph F of this policy, for the chief executive officer of the UNC Health Care System, and for the UNC Center for Public Media director.<sup>5</sup>

(2) The Board of Governors shall retain authority over certain contract terms for athletic directors and head coaches of the constituent institutions.<sup>6</sup>

(3) The president shall consult with the Board's Committee on Personnel and Tenure on appointments and compensation for the senior officers of the UNC System Office who report directly to the president.

(4) The Board of Governors shall retain authority over adjustments to base salary for permanent faculty and for employees exempt from the State Human Resources Act when the proposed amount (1) exceeds the established salary range or (2) exceeds 25 percent and twenty-five thousand dollars (\$25,000) of the compensation in effect at the end of the last fiscal year.

2. Authority to approve all actions relating to the administration of the Optional Retirement Program<sup>7</sup> and the Phased Retirement Program.<sup>8</sup>

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 Personnel and Tenure.

B. Governance

1. The authority to approve the initiation of a lawsuit in the name of the University if the action is for monetary relief and the amount in controversy is less than \$250,000.<sup>9</sup>

2. The authority to settle potential or pending litigation by or against a constituent institution or the University of North Carolina System, if the settlement is solely 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.<sup>10</sup>

3. Authority to approve the political activities of employees of the University who are candidates for or serving in public office.<sup>11</sup>

C. Reports. The authority to approve and submit any report the University 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

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 University of North Carolina System Office, affiliated entities, or the constituent institutions in the president's discretion.<sup>12</sup>

2. Authority to approve capital improvement projects funded entirely with non-General Fund money<sup>13</sup> that are projected to cost less than \$750,000.<sup>14</sup>

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

E. Institutional Trust Funds. Authority to delegate to the chancellors management of institutional trust funds.<sup>15</sup>

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.

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.

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

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<sup>1</sup>The secretary of the University is authorized to annotate the referenced policies and regulations to cross-reference these delegations.

<sup>2</sup>G.S. Chapter 126.

<sup>3</sup>Sections 300.1.1, 300.1.2, and 300.2 of the UNC Policy Manual.

<sup>4</sup>Section 600.3.4 of the UNC Policy Manual.

<sup>5</sup>Section 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).

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<sup>6</sup>Section 1100.3 of the UNC Policy Manual.

<sup>7</sup>G.S.135-5.1

<sup>8</sup>Section 300.7.2 of the UNC Policy Manual.

<sup>9</sup>Section 200.5 of the UNC Policy Manual.

<sup>10</sup>Section 200.5 of the UNC Policy Manual.

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<sup>12</sup>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.

<sup>13</sup>This delegation shall be interpreted consistent with G.S. 143C-8-12.

<sup>14</sup>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.

<sup>15</sup>Sections 600.2.4 and 600.2.4.1 of the UNC Policy Manual.

Chancellors' Incentive Compensation Program  
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**I. PROGRAM OBJECTIVES**

The program is intended to support the following objectives:

- a. Aligning the goals of each individual chancellor with the goals that the Board of Governors has established for the president, such that each chancellor has incentive to make meaningful contributions to System-wide goals and metrics;
- b. Focusing annual compensation decisions on one-time awards that reflect performance on quantitative and qualitative measures; and
- c. Rewarding chancellors who demonstrate exceptional levels of performance on key measures in greater proportion than to those who demonstrate average performance.

**II. PROGRAM PARAMETERS**

- a. Awards will be based on performance as assessed on a combination of quantitative and qualitative metrics.
- b. Awards will be one-time, nonrecurring, and funded by the institution.
- c. The total amount of award cannot exceed 20 percent of base salary.
- d. Awards can only be made once per year.
- e. The president will report awards to the Personnel and Tenure Committee.

**III. CRITERIA FOR INCENTIVE-BASED AWARDS**

Incentive-based awards will be based on two components:

- 1. The chancellor's contribution to annual progress on System-level goals established for the president by the Board of Governors, as reflected by performance on individual goals set by the president for the chancellor and aligned with those System-level goals.**
  - a. This category will be quantitative in nature and will be based on institutional performance on goals and metrics that align with those have been established for the president by the Board of Governors and have been set out in an agreement between the president and the chancellor.
  - b. Chancellors will have an opportunity to earn up to **50 percent of the total incentive-based award based on this category (10 percent of base salary).**
  - c. Each chancellor's individual goals will be specific, time-limited, and measurable with readily available data on an annual basis.
  - d. Those goals will clearly identify threshold, target, and stretch levels of performance for each metric in each year, with awards proportional to the level of performance. To earn the full incentive-based award, chancellors will have to meet or exceed the stretch level,

Chancellors' Incentive Compensation Program  
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and performance that does not meet the threshold level will not count toward the incentive-based award. Performance that falls between the threshold and stretch level will be awarded proportionally.

- e. Those quantitative goals will include the following metrics: on-time graduation; education and related expenses per degree completed; and average student loan debt of bachelor's degree recipients.
- f. Progress toward each performance goal will be assessed annually by comparing actual improvement over the baseline year to the expected improvement over the baseline year called for in the agreement between president and chancellor.
- g. Awards made in a given academic year will be based on performance data from the previous academic year.

**2. The president's annual assessment of the chancellor.**

- a. This category will include both qualitative and quantitative measures, with an emphasis on input from System Office leaders on institutional effectiveness and demonstrated progress on key performance indicators ("KPIs") in areas such as finance, facilities, human resources, and compliance.
- b. This category comprises **50 percent of the total annual incentive award**, which is equivalent to **10 percent of base salary**, and is based on criteria including:
  - i. Management and operations, including the effectiveness of the chancellor's leadership team;
  - ii. Leadership and governance;
  - iii. Academic quality and achievements;
  - iv. Key Performance Indicators (KPIs) in finance, human resources, risk management, and other areas; and
  - v. Contribution to advocacy for the System's legislative agenda.

**IV. PROGRAM AUTHORITY AND RESPONSIBILITY**

- a. Authority
  - i. Except as otherwise specifically provided, this incentive program will be administered by the president.
  - ii. Quantitative goals and associated metrics will be established by the president and reported to the Committee on Personnel and Tenure ("committee"). These goals will be reviewed and updated as deemed necessary by the president at least every three years.

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b. Responsibility/Rights

- i. The president has the right to amend the program from time to time, to suspend it for a specified period or to terminate it entirely, or any portion thereof, including for reasons of lack of funding at one or more constituent institutions.
- ii. If the incentive program is suspended or terminated during a performance period, the participant may, at the discretion of the president, receive a prorated incentive award based on performance achieved through the performance measurement date immediately preceding such suspension or termination.
- iii. Each university shall be responsible for covering the cost of any incentive awards paid under the program from eligible sources of funds, which may be state or non-state appropriations, as long as the funding source permits an expenditure for this purpose.
- iv. All records for the incentive program will be maintained by University of North Carolina System Office.