

ADMINISTRATIVE MEMORANDUM

SUBJECT Administrative Council Meeting
 May 28, 1991

NUMBER 308

DATE May 29, 1991

The Administrative Council met at 1:30 p.m. on Tuesday, May 28, 1991, in the General Administration Building.

Chancellors in Attendance

All chancellors, except Chancellors Moran and Oxendine and Interim Chancellor Carroll, were present.

Information Reports

Vice President Robinson reviewed the current responses within the General Assembly to Governor Martin's proposed options for further 1991-1992 budget reductions. He noted that there was considerable discussion of the proposed reduction in state contributions to the employee retirement system. He also discussed the impact on the University of a reduction in equipment purchases and the elimination of additional non-teaching positions. He stated that the proposed increases in tuition would not cover the amounts needed to fund increases in enrollment. He discussed other options that were being considered in the General Assembly and noted that there was a general consensus that there would be a substantial tuition increase this year.

He noted that members of the General Assembly continue to express concern about tuition rates for out-of-state students and high salaries for certain employees. He stated that he tries to explain salaries in three categories: medical, teaching faculty, and administration. With respect to medical salaries he points out the competitive factors that would allow most medical faculty to make much more in the private sector and also points out the substantial fees that are generally generated. With respect to teachers he notes that our faculties are no longer in the first or second quintile but when all benefits are compared their average salaries drop to the third and fourth quintile. With respect to administrators he points out that we try to compensate them at something close to the average of the other university administrators in the country, but we are falling behind.

Chancellor Hardin and other chancellors complimented Dr. Robinson on the good job he was doing in the legislature.

Vice President Memory gave a brief report on the Triangle University Licensing Consortium (TULC). The preliminary agreement that he has secured will permit the campuses that are not a part of TULC to have invention disclosures processed by TULC through Dr. Memory's office.

Vice President Dawson discussed the schedule of campus visits by the consultants who are reviewing the proposed campus mission statements. He distributed a schedule of the visits and indicated that at least two consultants will visit each campus. He urged the chancellors to allow the consultants to get a feel of their campuses and to give them a chance to hear from key people particularly those who would be involved in any changed or new activity.

The President discussed the University's participation in the combined campaign for state employees and urged the chancellors to give careful consideration to this matter.

Chancellors Monteith and Leutze gave brief descriptions of their recent travels. Chancellor Monteith visited Egypt to sign an agreement which will result in ten Egyptian students attending North Carolina State each year. Chancellor Leutze visited Poland and Estonia for the Globe Watch television program and gave interesting examples of how the people in those countries were adapting to new freedoms.

Vice President Robertson noted that the chancellors' annual reports were due on August 1 and urged them to write reports as if they were writing to a spouse of a new faculty member to tell the significant things that happened during the preceding year.

Vice President Dawson urged the chancellors to consider the difficult actions that will almost certainly be required to deal with cutbacks in employment. Dr. Dawson emphasized that the cuts will, most likely, be worse than the \$59 million round of cuts proposed by the Appropriation Committees earlier in the session.

Dr. Dawson stated that he did not believe that there would be a requirement to cut any teaching positions that were currently filled. But he emphasized that if any Chancellor determined that the layoff of teachers would be required, the Board of Governors would have to address this matter specifically by declaring a state of financial exigency and that faculty members may not be terminated without this prior action by the Board of Governors.

He noted that the contemplated actions of the General Assembly would result in the adjustment of student/faculty ratios and that these ratios will not likely be brought back to the levels that existed a year and a half ago for some time. He urged the chancellors to give some thought to whether or not they wanted to continue all the programs that are now in existence.

With respect to non-teaching EPA employees, Dr. Dawson stated that the situation is even worse. He stated that no relief could be expected and that the only possible way to soften this blow would be in funds that might be available as a result of an enrollment increase. Even in those circumstances chancellors should be careful since the establishment of new non-teaching EPA positions would be closely scrutinized.

It is, therefore, necessary to think about who will have to be let go and to tell those employees that, if there is no money to fund their positions, they will be released.

He stated that chancellors should be careful if they were considering adjustments to fill non-teaching positions with faculty members paid from faculty "brackets." He noted that the state auditor will be carefully reviewing the use of faculty positions.

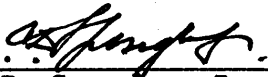
Mr. Robinson discussed some of the problems chancellors may have in communicating with employees and in dealing with employees' rights after being terminated. With respect to SPA employees he urged the employees to discuss the matter with their personnel directors who would be prepared to give good counsel. He noted the following: (1) SPA employees are entitled to between two and six weeks' notice; (2) we assume that each employee has an entitlement to severance pay of up to four months depending upon the employee's age and years of service. In order to make payment of the severance pay the employer and the state personnel office must petition the Director of the Budget to make provision for the severance pay; and (3) an employee may request to be put on the priority list for alternate state employment. If the employee receives such employment, severance pay would presumably be adjusted or eliminated.

With respect to EPA non-teaching positions, the University contracts generally state that an employee is entitled to 30, 60 or 90 days' advanced notice depending on the time of service. He noted that we are already out of time in most cases but suggested that the chancellors consider giving conditional notice to affected employees as soon as possible. (The regulations regarding this matter were adopted by the Board of Governors on February 13, 1981.)

President Spangler noted that only two campuses had received inquiries regarding indirect costs and requested all chancellors to immediately notify him of any inquiry of overhead receipts or indirect costs.

* * *

The meeting adjourned at approximately 3:32 p.m.


C. D. Spangler, Jr.