

***UNC General Administration
Process Notes for the Salary Pre-Approval Process
FY 2016-2017***

Overview

This document is intended to provide campuses with information and guidance on salary adjustments that require UNC General Administration (UNC-GA) or Board of Governors Approval.

Current Guidelines

EHRA – The President has granted constituent institutions delegated authority for most EHRA salary actions up to 20% and \$15,000. The President has been delegated authority by the Board of Governors for salary actions above 20% and \$15,000, up to and including 25% and \$25,000, and all externally posted competitive events. Salary actions that exceed the President’s delegated authorities require pre-approval by the Committee on Personnel and Tenure of the UNC Board of Governors. There are also higher delegations in place for certain temporary salary adjustments and for retention of an employee actively under recruitment, these details are addressed below.

SHRA – Salary actions that exceed 20% require the President’s approval.

Current Salary Codes

Each salary adjustment submitted for review must be assigned to one of the salary codes listed below. These salary codes were created by the North Carolina Office of State Budget and Management (OSBM), and align with the codes utilized for reporting on the quarterly salary increase report.

1a: Internal Competitive Event

- Employee applies for an internally-recruited job vacancy, is selected competitively, and changes jobs to a different position
- Internal promotions and waivers of recruitment for a position are reported here.

1b: External Competitive Event

- Employee applies for an externally recruited job vacancy, is selected competitively, and changes jobs to a different position

2a: *Increase in job duties or responsibilities*

- Includes reallocation or reclassification of job

- Includes salary supplements with no specific end date for department chair appointment, faculty center director appointment, faculty administrative rank, and named or distinguished professorship.
- Faculty rank promotions are reported here. Faculty rank promotions are subject to the salary pre-approval process, and count towards the cumulative fiscal year salary increase.

2b: Temporary Adjustment Related to an Increase in Job Duties or Responsibilities

- Salary will revert when temporary duties cease.
- UNC-GA salary pre-approval is not needed on temporary or interim increases that do not exceed 25% and \$25,000 of cumulative salary adjustments fiscal year-to-date up to 12 months in duration.
- Faculty Department Head/Chair appointments are not considered temporary increases, even if the stipend reverts, UNLESS the position will be held for an academic year or less in an interim capacity. If there is no specific end date the increase should be coded as 2a.
- Temporary salary increases do count cumulatively towards the permanent base salary exception process, and should be included in the submission with specific details regarding the amount and timeframe of the temporary adjustment.

3: Retention

- SHRA retentions must comply with OSHR policy and procedure, which specifies that the employee must have an official written offer. The offer of employment must be external to the state system and include the salary offered, location, and new job title.
- There is currently an expanded delegation for EHRA retentions that allows the President to approve retention adjustments up to and including 30%. This expanded delegation only applies to retention situations where it can be demonstrated that the individual has a written offer employment or is under active recruitment.

4: Career Progression Adjustments for Demonstrated Employee or Position Competencies within the Same/Current Level

- SHRA employees only.
- SHRA reallocations from one competency to another within the same class. Also includes SHRA competency improvements within the same class and competency code.
- "Additional duty" requests for SHRA employees would use Code 4, not Code 2A.

5: University Cancer Research Fund

6: Distinguished Professors Endowment Fund

- Applies to professorships that are supported by the state matched Distinguished Professors Endowment Fund

7: Faculty Recruiting and Retention Fund

- Specific allocation from UNC-GA
- Increases approved by the President through the Faculty Recruitment and Retention Fund do not require additional UNC-GA pre-approval but

do count cumulatively towards the permanent base salary exception process.

12: Other

- Detailed explanation must be provided in the justification.
- Includes adjustments for market, equity, and merit.
NOTE: Merit adjustments should only be provided during the annual raise process

Key Elements to Address in Submissions for Pre-Approval

1a: Internal Competitive Event

- Number of internal applicants that applied and the number interviewed
- If a waiver of recruitment was awarded, provide the Equal Opportunity Officers approved justification for the waiver
- Brief details regarding the change in duties/scope/complexity
- Education and experience if relevant to the proposed salary
- Summary of the relevant external market and internal equity evaluation
- Any other relevant factors, i.e., recruitment difficulties, declined offers, relevant position eliminations, cost savings, etc.
- If there is an increase in base salary and a supplement/stipend, provide details for both

1b: External Competitive Event

- Number of external applicants that applied and the number interviewed
- Brief details regarding the change in duties/scope/complexity
- Education and experience if relevant to the proposed salary
- Summary of the relevant external market and internal equity evaluation
- Any other relevant factors, i.e., recruitment difficulties, declined offers, relevant position eliminations, cost savings, etc.
- If there is an increase in base salary and a supplement/stipend, provide details for both

2a: Increase in Job Duties or Responsibilities

- Brief details regarding the change in duties/scope/complexity
- Education and experience if relevant to the proposed salary
- Summary of the relevant external market and internal equity evaluation
- Any other relevant factors, i.e., recruitment difficulties, declined offers, relevant position eliminations, cost savings, etc.
- If there is an increase in base salary and a supplement/stipend, provide details for both

2b: Temporary Adjustment Related to an Increase in Job Duties or Responsibilities

- Brief details regarding the duties/scope/complexity of the temporary appointment
- The proposed begin-date and end-date are required
- Summary of the relevant external market and internal equity evaluation
- Any other relevant factors, i.e., recruitment difficulties, declined offers, relevant position eliminations, cost savings, etc.

3: Retention

- Details of the offer or active recruitment activities
- Details of how the loss of the employee would impact the university
- Summary of the employee's special skills, experience, and/or qualifications
- Summary of the relevant external market and internal equity evaluation
- Any other relevant factors, i.e., recruitment difficulties, declined offers, relevant position eliminations, cost savings, etc.

4: Career Progression Adjustments for Demonstrated Employee or Position Competencies within the Same/Current Level

- Details regarding the additional skills, education, or certifications obtained by the employee
- Summary of how the skills, education, or certification benefits the institution
- Summary of the internal equity evaluation

7: Faculty Recruitment & Retention Fund

- Upload packet that includes the following details into the UNG GA Salary Pre-approval Submission System:
 - ❖ Strong endorsement by the chancellor for support of request for funds from the *University Faculty Recruitment and Retention Fund* to recruit and/or retain an exceptional faculty candidate/member.
 - ❖ Supporting documents, i.e., letter of offer from competing organization, summary of institutional funds committed to the recruitment and/or retention of the faculty candidate/member, etc.
 - ❖ Details of the compensation analysis that was conducted to support the proposed salary.

12: Other

- Justification for the salary increase (i.e. market, equity, merit, or pre-emptive retention)
- Summary of the relevant external market and internal equity evaluation
- For pre-emptive retentions, describe the impact of losing the key employee
- If there is an increase in base salary and a supplement/stipend, provide details for both

Key Terms and Definitions

90% Market for SHRA Increases: UNC-GA generally views 90% of the established market rate as a defensible proposed salary for competitiveness into new career progressions. Increases that are above 90% of the established market rate will be considered, but should include a strong salary argument with quantifiable data on market, comparable peer salaries, and/or special skills and experience.

Appointment Length and FTE Adjustment: UNC-GA approval is not required for appointment conversions and FTE adjustments as long as there is no additional change in the rate of pay (examples include a routine 9-to-12-month conversions, or a straight FTE change from 0.75 to 1.0).

Base Salary: A rate for a defined specific job or activity that excludes additional payments for overtime, summer school, course overloads, one-time bonuses, incentives, temporary activities, or secondary roles.

Coaching and Athletic Director Contracts: UNC-GA acknowledges that contracts for head coaches and athletic directors often structure staggered salary increases over a period of years. It is acceptable to include those future, explicit, staggered increases on the original salary increase that is being reviewed & approved under the Salary Review Process. The provisions for future increases must be clearly defined; and a copy of the contract should be submitted at the same time as the salary increase. For instance, if Coach A receives a \$100,000 increase every January 1st for the next 5 years, a single salary increase covering all 5 payments could be initially sent to GA along with the contract. However, if Coach A is to receive an undetermined salary increase every January 1st based on prior year performance, then each increase would be reviewed as a single request as they happen. (Additionally, please remember that GA Legal should always be copied on BOT-approved athletic director and coaching contracts.)

Clinical Faculty Pay Plans: Since it is commonplace that substantial components of salaries of full-time faculty members in clinical departments of schools of medicine derive from receipts for patient care by approved institutional clinical practice plans, it is acknowledged that the total salary of faculty members for full-time service in these disciplines should reflect their levels of productivity. Thus, it is consistent that the salary of a faculty member in a clinical department be subject to a positive adjustment if there is a substantial increase in the individual's level of participation in the practice plan. These increases are exempt from the pre-approval process as they are contractual obligations, and should be included in the June 30th salary for the purpose of calculating the increase above the June 30th salary.

Compensation Analysis: For every request we expect to see details regarding the compensation analysis that was conducted to determine the proposed salary. These details could include the average salary of similarly-situated positions, the 50th and 75th percentiles, the salary range of the incumbents in similarly-classified positions (i.e. lowest paid vs. highest paid), any special skills and qualifications of the incumbent, or any resulting cost savings to the university. *The details may vary from request to request and are extremely important on any increase with a sizable percentage or dollar increase.* This information helps build and support your case for the salary adjustment and provides UNC-GA with stronger grounds for a defensible approval.

Competitive Event: For an offer to be considered a competitive event (internal or external) the expectation is to generally see at least three candidates interviewed. Recognizing that there are some circumstances in which it will not be possible to obtain a pool of three viable candidates to interview, in those instances, please provide specific details regarding the search process and limited candidate pool. The request should always explicitly state whether the position was posted externally or internally.

Course Overloads: Course overloads are considered task-based compensation and are not included in the salary pre-approval process.

Cumulative Increase: The salary pre-approval process is based upon the cumulative increase for the fiscal year, not the increase between the current & proposed salary. The June 30 salary typically consists of all compensation being received on that date -- whatever amounts would have been reported as W-2 "wages, tips and other compensation" (not including overtime pay).

Current Salary: The employee's current salary. If the current salary is different from the June 30 salary, the justification should always include an explanation for the earlier increase.

Employee: Any permanent (benefits-eligible) full-time or permanent part-time employee with a recurring appointment of at least 9 months, a total FTE of .50 or more, and eligibility to participate in the State Health Plan. For this purpose, temps, student workers, post-docs (if not considered regular EHRA employees) and part-time, per-course adjuncts/lecturers do not fall under these protocols.

Funding Source: For each request the detail on the amount of the salary paid on state and non-state funds is required. When non-state fund sources are indicated, the name of non-state fund source must be listed.

Intra-Campus or Agency Transfers: SHRA hires from another campus or North Carolina state agency fall under the UNC-GA salary pre-approval guidelines. EHRA hires from another campus or agency do NOT fall under the UNC-GA salary pre-approval guidelines, as these employees are considered to be new hires.

June 30th Salary: The employee's salary on June 30th of the prior fiscal year including any across the board legislative adjustments.

Reclassifications/Title Changes: For reclassifications/title changes, the current and new title must be listed. If the title does not change, please list the current title as the proposed title as well. Do not say "Same" or leave the field blank.

Retroactive Increases: EHRA retroactive increases are only approved for exceptional circumstances. SHRA retroactive increases are not permitted. If a retroactive effective date is submitted, the request must include specific details regarding the request for the retroactive adjustment.

Salary Ranges: Salary ranges are required for all requests. For each submission it is required that campuses note whether the salary range was set by UNC-GA or at the campus level. Providing the Salary Range Minimum and Maximum is always required, and the campus will also have the option of providing a 50th and 75th percentile, if available. Any proposed salary below the established Minimum, or above the established Maximum, must be addressed in the justification. An exception must be granted for approval on increases that are below the salary Minimum and exceed the salary Maximum. If you have any questions about ranges or justifications for EHRA Faculty or Non-faculty requests, please contact your UNC-GA Representative for assistance.

Stipend/Supplement: A rate outside of the base salary paid for a secondary appointment, honorary award, or temporary appointment. (I.e. Department Head/Chair, Director of Graduate Programs). If a salary request includes an increase to base salary and the addition of a salary supplement/stipend, a justification should be provided for each portion of the increase. (For instance, a market adjustment to the base salary that brings the base salary more in line with a CUPA market rate, accompanied by a supplement/stipend for serving in the administrative role, should be carefully explained in the justification.)

Total Salary: Base Salary + Stipend/Supplement. The total salary should be used to determine the percentage of increase when the stipend/supplement is scheduled to be in place for an indefinite period of time.

Sample Justifications

Internal Competitive Search - Ms. Jane Smith is the selected candidate of an internal search; 17 people applied, and 6 were interviewed. She is being recommended for a promotion from a Study Abroad Advisor (EHRA) in the Office of International Affairs to an Assistant Director (EHRA) in the same department. As the Assistant Director Ms. Smith will be responsible for providing oversight for the study abroad operations, designing intercultural learning programs, and planning and supervising the activities of assigned staff. Ms. Smith possesses a Master's in International Studies and five years of directly-related experience. The salary is equitable to similarly-situated positions within the department and University, the average salary for similarly situated positions is \$50,000. Due to the criticality of the position, compounded by several other vacancies in the department, an EHRA search waiver was approved by EO Officer.

External Competitive Event - Ms. Jane Smith is the selected candidate of an external search; 17 people applied, and 6 were interviewed. She is being recommended for a promotion from a Study Abroad Advisor (EHRA) in the Office of International Affairs to an Assistant Director (EHRA) in the same department. As the Assistant Director Ms. Smith will be responsible for providing oversight for the study abroad operations, designing intercultural learning programs, and planning and supervising the activities of assigned staff. Ms. Smith possesses a Master's in International Studies and five years of directly-related experience. The salary is equitable to similarly-situated positions within the department and University, the average salary for similarly situated positions is \$50,000.

Increase in Job Duties or Responsibilities - Mr. Thomas' current position is being reclassified from an Assistant Dean of Study Abroad to an Associate Dean of Study Abroad. Current duties include managing faculty-led programs in Northern Europe including budget oversight, creating marketing materials, advising students on preparations for study abroad, and serving as the senior leadership for the Study Abroad Office. Due to program expansion, new duties will include assuming leadership of Central and Eastern European programs. Dr. Smith possesses a PhD in Higher Education and 10 years of directly-related experience. The proposed salary is equitable to similarly-situated deans; the average salary for similarly situated positions is \$90,000.

Temporary Adjustment - Due to retirement of current Head Lacrosse Coach, Mr. Gupta, Assistant Lacrosse Coach has been temporarily assigned as the interim Head Coach. As Interim Head Coach Mr. Gupta will be responsible for the day to day management and administration of the Lacrosse program. While performing these interim duties, Mr. Gupta will continue to serve as the Assistant Lacrosse Coach. For this temporary appointment Mr. Gupta will receive a temporary supplement/stipend of \$15,000 and this supplement/stipend will revert when the temporary duties cease.

The interim appointment will last 10 months, starting on 7/1/16 and ending on 3/30/17.

Retention – Professor Greg Anderson has received an external offer from Stark Industries for \$132,000. He is recognized nationally as an extremely valuable member of our Department. He is a leading scholar in social movement studies who has distinguished himself through the collection and sharing of primary data, the testing of theory-driven and substantively significant hypotheses, the use of novel methods of data analysis, and a highly effective collaborative working style. The research endeavors and grants would be significantly harmed by the loss of Dr. Anderson's contributions. The average salary for other Professors in the department is \$130,000. The department is opting to provide Dr. Anderson with a salary above the average to reflect his advanced knowledge and skill in the field.

Career Progression - Ms. Trish Trilby is being recommended for a salary adjustment following the completion of her law enforcement training. She is currently a Public Safety Officer - Contributing in the University Police Department within the Division of Environmental Health & Public Safety. Ms. Trilby was originally hired into the University Police Department on August 15, 2016 with a requirement of completing Basic Law Enforcement Training (BLET), which is a police academy that provides the knowledge, skills, and abilities required for entry-level employment as a law enforcement officer with the state, county, municipal governments, or private agencies. She is now a sworn police officer; and this request is to increase her salary to \$41,615 to align her salary with the minimum salary for other sworn police officers in the unit.

Market – The Biology department would like to provide a market adjustment to Dr. Timothy Hicks. Dr. Hicks current salary is below the CUPA 50th percentile. A salary increase to 150K will bring Dr. Hicks to the 75th percentile, and more closely align him with the other Associate Professors in the department whose average salary is \$159,000

Equity – The Academic Affairs department would like to provide an equity adjustment to Ms. Tiffany Jones, Assistant Director of Student Services. Ms. Jones current salary of \$40,000 is significantly below the salaries of comparable peers within the university; low - \$50,000, high - \$75,000, average - \$63,111. The proposed salary of \$55,000 will align with the salary of employees with similar scope, education, and experience.

Increase that Includes Base Adjustment and a Supplement/Stipend - For this appointment the employee will receive a \$10,000 stipend – stipends in this college range from \$5,000 - \$15,000 based on the scope and complexity of the department, in addition to the stipend the employee will also receive a market adjustment to the base salary that brings the base salary more in line with a CUPA market rate.

Distinguished Faculty Award - Dr. Tyler Kennedy has been selected as one of the 2016/17 recipients of the Distinguished Faculty in Biology Award Program. The Distinguished Faculty in Biology Award Program was established in 1955 by the Chancellor to recognize and reward emerging academic leaders among our faculty.

Faculty members selected for this award carry the title for as long as the recipient remains a full time faculty member and receive a \$20,000 stipend/supplement.

Increase that Includes an Appointment Length Change or FTE Adjustment –

This request includes an FTE adjustment from .75 to 1.0. For the purposes of this increase, the June 30 salary (\$30,000 at 0.75 FTE) and Current salary (\$30,000 at 0.75 FTE) were recalculated and represented at 1.0 FTE.”

The salaries should be represented on the submission in the following fashion:

June 30 Salary Numeric Field: recalculated as \$40,000 (1.0 FTE)

Current Salary Numeric Field: recalculated as \$40,000 (1.0 FTE)

Proposed Salary Numeric Field: \$65,000 (1.0 FTE)

Related Links

1. Salary Guidelines for FY2016-2017:
http://old.northcarolina.edu/hr/unc/classcomp/EHRA_Salary_Approval_Thresholds_-_President_Memo_-_FY17.pdf
2. Salary Approval Matrix:
http://old.northcarolina.edu/hr/unc/classcomp/EHRA_Salary_Approval_Matrix_-_FY17.pdf

Document History

- Approval of document on April 5, 2017.

Further Information and Technical Assistance

For additional information or assistance with salary pre-approval matters, please contact one of the following in General Administration Human Resources:

- EHRA Non-Faculty/SHRA - Keith Dupuis, Senior HR Consultant of Classification and Compensation (kedupuis@northcarolina.edu)
- EHRA Faculty - Mary Richardson, Senior HR Consultant of Classification and Compensation (mtrichardson@northcarolina.edu)

UNC General Administration
Salary Pre-Authorization Requirements for Employees Exempt from the State Human Resources Act

***** Delegated Authority *****

Salary Increase/Adjustment Type	BOT or Chancellor*	President**	BOG Committee on Personnel & Tenure
Promotion resulting from internally-posted competitive event or waiver of recruitment	Not to exceed 20% and \$15,000 of cumulative salary adjustments fiscal year to-date	Not to exceed 25% and \$25,000 of cumulative salary adjustments fiscal year to-date	All Other
Promotion resulting from externally-posted competitive event	Not to exceed 20% and \$15,000 of cumulative salary adjustments fiscal year to-date	All Other	None
Faculty rank promotion	Not to exceed 20% and \$15,000 of cumulative salary adjustments fiscal year to-date	All Other	None
Permanent base salary adjustment for retention of an employee actively under recruitment or in receipt of an offer	Not to exceed 20% and \$15,000 of cumulative salary adjustments fiscal year to-date	Not to exceed 30% of cumulative salary adjustments fiscal year to-date and any amount if approved for funding by the Faculty Recruitment and Retention Fund	All Other
All other permanent base salary adjustments (e.g., reclassification, permanent additional duties, equity, labor market, etc.)***	Not to exceed 20% and \$15,000 of cumulative salary adjustments fiscal year to-date	Not to exceed 25% and \$25,000 of cumulative salary adjustments fiscal year to-date	All Other
Salary supplement with no specific end date for department chair appointment, faculty center director appointment, faculty administrative rank, and named or distinguished professorship	Not to exceed 20% and \$15,000 of cumulative salary adjustments fiscal year to-date	Not to exceed 25% and \$25,000 of cumulative salary adjustments fiscal year to-date	All Other
All other temporary salary adjustments/supplements with a specific projected end date (e.g., interim/acting appointment, temporary additional duties, etc.)	Not to exceed 25% and \$25,000 of cumulative salary adjustments fiscal year to-date up to 12 months in duration	Not to exceed 30% of cumulative salary adjustments fiscal year to-date and 13 months in duration	All Other

Footnotes:

* BOT may delegate all or a part of this authority to the Chancellor; the Chancellor in turn may authorize the executive vice chancellor, provost, chief financial officer/chief business officer, chief and deputy chief human resources officer, or other senior officer with responsibility for campus-wide faculty human resources actions.

** Authorized designees of the President include the SVP for Academic Affairs, the SVP and COO, the VP for HR, and the Chief Classification & Compensation Administrator.

*** Federally-mandated prevailing wage decisions are excluded from the BOG salary increase process; campuses are delegated full authority to respond to such situations.

Additional Notes:

- 1) The "June 30 salary" SHOULD include the 1.5% Legislative Increase that was effective July 1. We allow across-the-board increases enacted on July 1 to be included in the June 30 salary so that they don't affect the cumulative increase percentage.
- 2) For campus without management flexibility, all Tier I SAAO salary actions require the endorsement of the Board of Trustees and pre-approval by the President.
- 3) Boards of Trustees may not further delegate pre-approval of salary actions for Tier I SAAO employees such as the Provost, Vice Chancellors, and Deans.

Rev 3/17/2017

2017-2018 BOG APPROVAL PROCESS

BOG's Personnel & Tenure Committee Submission Schedule
(April 2017-May 2018)

Deadline – 12PM on Following Dates:	Friday Meeting Date:
Tuesday, April 25, 2017	5/19/2017
Tuesday, June 20, 2017	7/14/2017
Tuesday, August 15, 2017	9/8/2017
Tuesday, October 10, 2017	11/3/2017
Tuesday, November 21, 2017*	12/15/2017*
Tuesday, January 2, 2018	1/26/2018
Tuesday, February 27, 2018	3/23/2018
Tuesday, May 1, 2018	5/25/2018

*May be rescheduled or cancelled; will confirm in Fall 2017

Additional note:

All EHRA increases (Faculty and Staff) that fall within the President's delegation will be reviewed on a weekly basis. Please submit increases by 12pm on Tuesdays. Except when a state holiday shortens our work week, we will attempt to have a response by the following Friday.

SHRA Increases will be reviewed on a weekly basis. Please submit by 12pm on Tuesdays. Except when a state holiday shortens our work week, we will attempt to have a response by the following Friday.