

Constituent Universities

Appalachian
State University

East Carolina
University

Elizabeth City
State University

Fayetteville State
University

North Carolina
Agricultural and
Technical State
University

North Carolina
Central University

North Carolina
State University
at Raleigh

University of
North Carolina
at Asheville

University of
North Carolina
at Chapel Hill

University of
North Carolina
at Charlotte

University of
North Carolina
at Greensboro

University of
North Carolina
at Pembroke

University of
North Carolina
at Wilmington

University of
North Carolina
School of the Arts

Western Carolina
University

Winston-Salem
State University

Constituent High School

North Carolina
School of Science
and Mathematics

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July 27, 2017

MEMO TO: *Chief Human Resources Officers and Chief Academic Officers*

SUBJECT: *Fiscal Year 2017-2018 EHRA Compensation Updates*

With the adoption of the new State Budget by the Legislature, we wish to share several important EHRA compensation-related updates for fiscal year 2017-2018. This includes the EHRA annual raise process (ARP) instructions and updated salary ranges for EHRA senior academic and administrative officers (SAAO) and instructional, research, and public service (IRPS) positions.

EHRA Annual Raise Process Instructions

Each constituent institution must conduct an annual raise process (ARP) for EHRA faculty and EHRA non-faculty employees for the 2017-2018 fiscal year. All ARP increases will be retroactive to July 1, 2017, and implemented preferably by September 30, 2017, but no later than October 31, 2017. "**Attachment A**" contains detailed instructions on the ARP process.

Updated EHRA Salary Ranges

On a two-year cycle, GA Human Resources accomplishes updates to the EHRA salary ranges for SAAOs and also provides reference ranges for IRPS positions. This fiscal year brings updates to all of these job classifications.

For those EHRA job titles where the College and University Personnel Association (CUPA) market data indicates a decrease in average compensation, the applicable salary ranges will be left unchanged and re-studied next fiscal year. For all other EHRA job titles, the 50th and 75th percentiles will be increased by a total of 5% and the range minimums and maximums recalculated accordingly.

This approach is informed by the average calculated amount of higher education compensation growth as measured by CUPA over the last two years as well as the parameters of this year's EHRA annual raise process. We will reassess the CUPA-HR compensation survey data next fiscal year to determine if any additional adjustments are called for during this biennium.

The newly updated SAAO salary ranges have now been published on the GA-Human Resources web site at the following locations.

- SAAO Tier I: <http://old.northcarolina.edu/hr/unc/classcomp/T1-Ranges-2017-2019.pdf>
- SAAO Tier II: <http://old.northcarolina.edu/hr/unc/classcomp/T2-Ranges-2017-2019.pdf>

Updated reference salary ranges for IRPS positions will be published shortly, and the Chief Human Resources Officers will be notified as soon as these are available.

Salary Pre-Approval and BOG Reporting and Consultation Guidelines

As a reminder, we now have new BOG salary increase reporting and consultation procedures in place per the 2017 Appropriations Act in addition to existing GA and BOG salary pre-approval guidelines. Matrices that summarize all of these requirements are available in the classification and compensation section of the GA Human Resources web site at: http://old.northcarolina.edu/hr/unc/class_comp.htm.

Questions

If you have questions on any of the items described in this memo, please contact GA Human Resources. Keith Dupuis is the point of contact for SHRA and EHRA non-faculty matters and Mary Richardson for faculty matters.

Sincerely,

Dr. Junius Gonzales, Senior Vice President for Academic Affairs



Matthew S. Brody, Vice President for Human Resources



Attachment

cc: President Margaret Spellings
Chancellors
UNC GA Senior Officers
Chief Financial Officers
Chiefs of Staff
General Counsels

Attachment A

The University of North Carolina General Administration Fiscal Year 2017-2018 Annual Raise Process (ARP) Instructions for Employees Exempt from the State Human Resources Act (EHRA)

***Note:** There is no across-the-board or automatic legislative increase for EHRA employees for fiscal year 2017-2018. Instead, legislative increase funds for EHRA employees will be applied to a pool allocated to each campus for use in the ARP process. The ARP process will be supported by these legislatively allocated funds in combination with any local budget resources determined by Chancellors to be appropriate for a recurring annual salary adjustment.*

The ARP for Faculty and Non-Faculty Employees Exempt from the State Human Resources Act (EHRA) for fiscal year 2017-2018 must be accomplished in accordance with the following instructions:

1. There is a positive requirement that an ARP process be conducted by each institution that, at minimum, utilizes the allocated legislative salary increase funding for fiscal year 2017-2018 for EHRA employees.
2. There is no requirement that additional local funding above and beyond this pool be used for the ARP, and any supplementation of the legislative increase pool is at the discretion of the Chancellor.
3. The ARP increase shall be retroactive to July 1, 2017.
4. The ARP process shall apply to “permanent” or “regular” (typically benefits eligible) EHRA faculty and staff who were active in this employment status as of January 1, 2017 and remain in this status as of the first of the month that the ARP increase is paid; “non-permanent” or “temporary” EHRA faculty and staff are **not** eligible for this process.
5. The ARP increase, if any, shall be awarded on an individual employee basis at management’s discretion. This shall not be considered an employee entitlement and should **not** be implemented in an automatic or across-the-board fashion. This differs from the SHRA legislative adjustment process.
6. The ARP increase, when awarded, must be based on the following criteria: individual meritorious performance, including teaching, service, publications, and/or research productivity for faculty, and retention of key or hard-to-recruit personnel. Secondary criteria that may be considered include equity and labor market.
7. Any individual ARP increase for fiscal year 2017-2018 shall not result in a new base salary that is 4.99% or greater of the June 30, 2017 base salary. Therefore, any base salary adjustments made effective July 1, 2017 to date count toward the ARP cap of 4.99%. So for example, if an employee has already received a 3% increase in this fiscal year, but prior to the ARP, only 1.99% remains eligible for an ARP increase. If an employee has received greater than 4.99% in the current fiscal year prior to the ARP, then there is no eligibility for any ARP increase amount.

8. As in past years, faculty rank promotions do **not** count toward the ARP cap. So in the case of a faculty member who received a promotion-related base salary increase in the current fiscal year but prior to the ARP, the faculty member remains eligible for an ARP adjustment up to the indicated cap of 4.99%. While advance individual submissions for BOG consultation will **not** be required for ARP increases for promoted faculty with salaries of \$100,000 or greater with a cumulative adjustment of 5% or greater (including the ARP), institutions will be required to submit a summary of these actions to General Administration at the conclusion of the ARP process for reporting to the BOG. A template for this purpose will be forwarded in the near future.
9. ARP-related increases must be completed and receive all necessary approvals preferably by September 30, 2017, and in any case, **no later than October 31, 2017**. Any salary increase actions after that point must be processed on a current basis, per regular salary increase procedures. Constituent institutions should make all necessary technical and payroll arrangements to satisfy this deadline.
10. An ARP-related increase may not exceed an established EHRA salary range, unless GA has approved a specific salary range exception for purposes of the ARP. For campuses with management flexibility that have BOT-approved EHRA salary ranges for Tier II Senior Academic and Administrative Officers (SAAO), the ARP increase may not exceed any campus-based salary range unless the BOT approves an exception or has delegated authority to the Chancellor to grant such exceptions within prescribed limits.
11. Annual salary adjustments tied to BOT and/or BOG-approved faculty incentive pay plans or other special BOT/BOG-approved special compensation plans are exempt from the ARP guidelines and should follow the provisions of those plans.
12. Subject to any limitations imposed under the State Retirement System and the legislative appropriations process, faculty members who entered the Phased Retirement Program on July 1, 2017 are not eligible for an ARP salary increase; however, faculty members who entered the Phased Retirement Program in 2016 or prior years are eligible for salary increases and merit pay based on annual evaluations.
13. The ARP increase must be specifically included in the relevant quarterly salary increase report provided to UNC General Administration, and such increases must be identified by a separate “ARP” salary increase reason. We will use the same quarterly code for fiscal year 2017-2018 as was used in the previous fiscal year: “12B – EHRA Annual Raise Process Increase.” It is possible that we may also need to request a summary of ARP activity in advance of the quarterly reporting cycle if General Administration receives a time sensitive request for this information. We will avoid any extra reporting requirements to the greatest extent possible.