

July 7, 2015

TO: Vice Chancellors and Deans

FROM: Charles D. Leffler, Vice Chancellor for Finance and Administration



SUBJECT: Continuing Budget Authority for Fiscal Year 2015-16

As you are aware, the State Legislature has not reached agreement on the 2015-17 Biennial Budget. However, on June 30, 2015, the North Carolina General Assembly ratified, and Governor McCrory signed, Senate Bill 534 authorizing continuing budget authority for state government operations.

Specific provisions of the bill relevant to the University are as follows:

- The Continuing Resolution remains in effect until August 14, 2015 or until a new State Budget Bill is passed and signed by the governor.
- The University may continue to expend state appropriated funds at the same level for which operations were funded on a continuing basis for FY 2014-15.
- The language of the Continuing Resolution prohibits employees from receiving any "automatic step increases, annual, performance, merit, bonuses, or other increments," effective on or after July 1, 2015 until authorized by the General Assembly.

With regard to the last bullet, the campus sought further clarification from UNC-General Administration. UNC-GA, in turn, sought clarification from the Office of State Human Resources, who reached out to the General Assembly budget writers for additional information. The General Assembly has adjourned until July 13, so clarification may not be immediately forthcoming.

Therefore, at present, UNC-GA is advising that UNC system institutions should hold off on processing any SPA (SHRA) salary increases, with the exception of promotional increases resulting from job vacancies being filled through an externally-posted competitive search. EPA (EHRA) actions should continue to be processed in accordance with the guidance issued by UNC-GA on April 30, 2015, which was an attachment to the May 11, 2015 memorandum, "Limits on Salary Actions for Fiscal Year 2015-16". This memorandum is attached and is also available on Budget Central:

<http://budget.ncsu.edu/budgetcentral/documents/051115-LimitsonSalary-3D.pdf>.

Thank you for your continued patience and diligence as we close the old fiscal year and begin a new one in the absence of an approved State budget.

Attachment

cc: W. Randolph Woodson, Chancellor  
Warwick A. Arden, Executive Vice Chancellor and Provost  
Barbara Carroll, Associate Vice Chancellor for Human Resources  
Steve Keto, Associate Vice Chancellor for Finance and Resource Management  
College and Division Business Leads



Provost and Executive  
Vice Chancellor  
and  
Vice Chancellor for  
Finance and Business

Holladay Hall  
Raleigh, NC 27695

May 11, 2015

**MEMORANDUM**

TO: Deans, Directors, and Department Heads

FROM: Warwick A. Arden, Provost and Executive Vice Chancellor

Charles D. Leffler, Vice Chancellor for Finance and Business

SUBJECT: Limits on Salary Actions with Effective Dates of July 1, 2015 or later

Please see the attached memorandum from UNC General Administration. Effective immediately, and until salary guidelines for the next fiscal year have been issued by the State and by UNC-GA, campuses are asked to restrict their requests for, and commitments of, salary increases that would have effective dates of July 1, 2015, or later.

Campuses are instructed not to approve any further salary adjustments of less than 10% at the campus level – or to request UNC-GA approval of adjustments of 10% or more – with July 1 or later effective dates, *except* if the adjustment falls into one of the scenarios described in the attached memo.

These restrictions continue to allow for consideration of competitive search recruitments with significant job changes, retention counteroffers, promotions in faculty rank, and similar, but they curtail actions such as minor reclassification, merit, and equity adjustments with effective dates of July 1 or later. These restrictions cover all positions, regardless of source of funds.

We expect that these restrictions will remain in place until the State has passed an official budget for fiscal year 2015-16 and issued guidance and funding to the UNC-GA Board of Governors, and until UNC-GA issues subsequent guidance to the campuses. UNC-GA has indicated it will monitor salary activity closely for compliance.

If you have questions, please contact Human Resources' Talent Solutions at 919-515-7175 or EPA Administration at 919-513-7630.

cc: Barbara Carroll, Associate Vice Chancellor for Human Resources  
Steve Keto, Associate Vice Chancellor for Finance & Resource Management  
Kathy Lambert, Senior Director, Human Resources  
Barbara Moses, University Budget Officer  
College & Division Financial and HR Leads

Attachment

**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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**General Administration**

Main: 919-962-1000

Web: [www.northcarolina.edu](http://www.northcarolina.edu)

April 30, 2015

To: CAOs, CHROs, CFOs

From: Junius Gonzales, Sr. Vice President for Academic Affairs and  
Matthew S. Brody, Vice President for Human Resources

As you're all aware, the end of the fiscal year presents a period of uncertainty until the State Budget is finalized and the Board of Governors establishes EPA salary administration guidelines for the upcoming fiscal year (2015-16).

During this period of time, we do not want to unduly restrict campus flexibility with regard to time sensitive compensation decisions, or those that impact critical operations. On the other hand, we also do not want to prematurely process EPA salary actions effective July 1<sup>st</sup> or later that might circumvent the upcoming EPA annual raise process guidelines that must be approved by the Board of Governors.

Accordingly, effective immediately, campuses should begin limiting EPA salary increases effective July 1<sup>st</sup> or after, regardless of amount, ONLY to the following specific salary increase reasons. [Note: This does not impact actions with an effective date prior to July 1<sup>st</sup>]:

- Competitive events and waivers of recruitment, when the individual is assuming an entirely new position
- Promotions to a higher faculty rank
- Reclassifications that result in a substantially different job title, EPA classification, or job duties [added compensation resulting from non-critical or less substantial changes in titles or duties should be recognized in the annual raise process]
- Addition of a non-permanent faculty administrative title, such as Associate Dean, Chair, Vice Chair, etc.
- Renewal of a term appointment
- Retention increases, when an individual is actively under recruitment or has received a documented job offer [purely pre-emptive retention increases should await the upcoming annual raise process]
- Temporary additional duties, including acting/interim assignments

- US DOL prevailing wage decisions
- Contractual obligations, including special employment agreements, approved incentive pay plans, and other legal commitments
- Salary increases that must be accomplished on a specific date (e.g., 7/1) by federal regulation or federally sponsored research guidelines, such as certain postdoctoral scholar salary increases which may only occur within a specific time window and cannot await the annual raise process [where there is discretion with respect to the timing, the increase should be addressed in the annual raise process]
- Urgent or time critical equity adjustments that address a specific, active EEO concern [others should await the upcoming annual raise process]
- Salary increases for temporary EPA employees

Increases that fall under the above reasons continue to follow the normal 10% pre-approval guidelines, when applicable. Outside the specific circumstances noted above, campuses should defer all remaining discretionary EPA salary increases (e.g., market, equity, permanent additional duties, merit, etc.) until such time as GA releases salary increase instructions for FY 2015-16.

Campuses may use their discretion in proceeding with any salary increase action effective July 1<sup>st</sup> or later that was already formerly submitted and in-process with the central HR Office or Provost's Office, on or before the date of this memo, in accord with current guidelines. But a good faith effort should be made to limit this activity from this point forward. The above guidelines also have no effect on the processing of SPA salary increases. Any limitations on SPA actions will follow relevant guidelines from OSHR, if and when issued.

Finally, we would also like to note that while the BOG P&T Committee does not officially meet in June and July, we will be proposing the scheduling of one or more off-cycle P&T telephone meetings during that time, in order to handle the 10% pre-approval process. Details will soon follow.

Please contact GA Human Resources or GA Academic Affairs, as appropriate, if you have any questions with respect to the above matters.

Cc: GA Human Resources Council