MEMORANDUM

TO: Deans, Directors, and Department Heads

FROM: Warwick A. Arden
       Executive Vice Chancellor and Provost
Scott R. Douglass
       Vice Chancellor, Finance and Administration


DATE: July 20, 2017

The 2017-19 biennial state budget, as approved by the General Assembly is now in effect. One of the provisions of the budget sets forth new requirements for the University to report and consult with the Board of Governors regarding certain salary and position actions, regardless of funding source. These new requirements differ substantially from our existing human resources procedures and will require immediate changes in our procedures regarding selected salary and position actions. These changes are effective July 1, 2017 and apply to SHRA, EHRA faculty, and EHRA non-faculty positions, including County Extension (COSS) employees.

The new requirements require reporting and consultation with the Board of Governors for the following actions prior to those actions taking effect:

1. Any proposed salary adjustment where the employee’s June 30, 2017 or current total proposed annual compensation is $100,000 or greater; and the proposed salary adjustment is 5% or greater. "Total proposed annual compensation" includes base salary and salary supplements, including those for interim/acting appointments.
2. The creation of new positions where the associated salary budget or the proposed salary for the selected candidate is $70,000 or greater. "New Position" is defined as a position that did not previously exist or a position that existed, but without any previously attached funding.

Actions that fall under these provisions will require thorough analysis and consultation prior to submission to UNC-General Administration. Submitted actions will be reviewed by UNC-General Administration on the 1st and 15th of the month, with a five (5) calendar day review period by the Chair of the Board of Governors and the Chair of the Committee on Personnel and Tenure. Expedited processing will be permitted for actions that involve critical retention of an employee. At the end of the five calendar days, UNC-General Administration will notify institutions that the consultation has concluded and the proposed actions may be implemented.

Existing procedures will remain in place for salary actions for individuals with total annual compensation of less than $100,000 or for the creation of new positions with a salary budget or proposed salary of less than $70,000.
University Human Resources will shepherd the on-campus reporting and consultation process and will provide detailed guidance for campus partners as soon as more information is available from UNC-General Administration regarding this and the other provisions listed below:

- $1,000 across the board legislative increases for SHRA employees
- Funds for EHRA compensation increases
- Special Annual Leave Bonus
- EHRA status for certain IT Professionals

Please contact University Human Resources if you have questions about the special provisions described in this memorandum.