

MEMORANDUM

TO: HR Advisory Committee (HRAC)

FROM: Marie Y. Williams *Marie Y. Williams*
Associate Vice Chancellor for Human Resources

SUBJECT: BOG Reporting and Consultation Requirements under the Special Provisions of the Current Operations Appropriations Act of 2017

DATE: July 31, 2017

The Current Operations Appropriations Act of 2017 included special provisions for (1) salary adjustments when 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 than the employee's June 30, 2017 total annual compensation, and (2) the creation of new positions where the associated salary budget is \$70,000 or greater.

The following criteria is based on guidance provided by UNC General Administration (UNC GA) to date; however we continue to seek clarification as necessary to ensure we are complying with the Act and UNC GA's interpretation of it.

Scope: The provisions apply to SHRA, EHRA faculty, and EHRA non-faculty, including SAAOs, County Extension (COSS) employees, Post Docs, and temporary employees. Positions impacted include permanent, time-limited, and temporary positions.

Effective Date and Funding Sources: The provisions apply regardless of funding source and are effective for salary and position actions effective July 1, 2017 or later.

Salary Actions: Salary adjustments will require reporting and consultation with the UNC Board of Governors when 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 than the employee's June 30, 2017 total annual compensation. Proposed salary actions covered by this process may not be implemented until formal notification has been received from UNC GA.

1. "Total annual compensation" means base salary and non-base temporary pay and/or salary supplements, including interim/acting appointments and temporary increased duties. Task-based compensation, including summer school payments, course overloads, and overtime are not considered under this process.
2. EHRA salary actions that are the result of an external competitive event (public job posting) where an employee is transferring from another institution within the UNC system are considered external hires and are excluded from this process.

3. SHRA salary actions that are the result of an external competitive event (public job posting) where an employee is transferring from a state agency or another institution within the UNC system are considered transfers under Office of State Human Resources (OSHR) regulations and are therefore subject to this process.
4. The \$1,000 SHRA across-the-board legislative increase will not count towards the 5% calculation. However, any EHRA ARP (Annual Raise Process) adjustment will be included in the 5% calculation.
5. Increases in FTE or conversions from 9-month to 12-month employment with no increase in the rate of pay will not be subject to these provisions. However, if the salary is increased after the straight conversion is applied it will be subject to these provisions.
6. EHRA salary actions subject to these provisions can be effective as early as the first of the month in which UNC GA authorization is received. SHRA salary actions can be effective no earlier than the date UNC GA authorizes the salary action.
7. Existing salary approval procedures will remain in place for salary actions for employees with a total annual compensation of less than \$100,000 on June 30, 2017, unless the proposed salary is \$100,000 or above. These procedures are described in detail on the [EHRA Compensation Web site](#) and the [Talent Solutions SHRA Compensation Web site](#).

Position Actions: The creation of new permanent, time-limited, and temporary positions will require reporting and consultation with the UNC Board of Governors when the associated salary budget or the proposed salary for the selected candidate is \$70,000 or greater. Proposed position actions covered by this process may not be implemented until formal notification has been received from UNC GA.

1. "New position" means a position that did not previously exist or a position that existed but without any previously attached funding.
2. "Associated salary budget" means the established funding for a position necessary to support the starting salary of a selected position incumbent, regardless of funding source.
3. Reclassifications of existing positions, whether filled or vacant, are not subject to this provision.
4. For positions that are less than 1.0 FTE, any FTE or budget change that causes the position to exceed the \$70,000 threshold within 12 months of the position's creation will require UNC GA reporting and consultation. Budget or FTE changes after 12 months will not be covered by this provision as the position will no longer be considered "new".
5. New temporary positions with a planned budgeted salary amount of less than \$70,000 for the anticipated duration of the assignment will not be subject to this provision. However, if

the assignment is extended within 12 months of the position's creation resulting in total gross compensation paid to the employee equal to or greater than \$70,000, Board of Governors reporting and consultation will be required. For example, if a temporary assignment is anticipated to last 6 months and the employee will be paid \$60,000 for the six months of work, the reporting and consultation process is not required. If, however, the assignment is extended and the employee will now receive additional pay of \$15,000 for total gross pay of \$75,000, the reporting and consultation process is required. We are working on a process to operationalize this requirement and will need your assistance in identifying impacted positions until a process is in place.

Board of Governors' Reporting and Consultation Process: Submitted actions will be reviewed by UNC GA 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 Promotion and Tenure.

1. Proposed actions that fall under these provisions should continue to be submitted to University Human Resources via the PeopleAdmin system. When submitting proposed actions, please factor in time for a thorough analysis of the action prior to submission to UNC GA.
2. UNC GA will expedite processing for actions involving critical retention where the employee either has an offer of employment or is actively being sought for recruitment by an entity external to NC State.
3. If the 1st or the 15th of the month falls on a day when UNC GA offices are closed, the deadline will be the next business day.
4. During the five calendar day review period, the Chair of the Board of Governors and the Chair of the Committee on Personnel and Tenure may flag any proposed actions for more detailed review. If the proposed action is flagged, UNC GA will discuss the action with the UNC System President, solicit any necessary additional information from University HR, and consult further with the Chairs. Proposed salary and position actions covered by this process may not be implemented until formal notification has been received from UNC GA.
5. Informational reports of implemented actions covered by this process will be provided to the members of the Board of Governors' Committee on Personnel and Tenure at their regularly scheduled meetings.

We appreciate your partnership in meeting these new requirements. We are awaiting further guidance from UNC GA on the implementation of Special Annual Leave and expect to have detailed guidance on the application and implementation of the EHRA Exemption for IT professionals in the fall. A memorandum from Provost Arden and Vice Chancellor Douglass regarding the EHRA Annual Raise Process will be coming out shortly.

If you have questions on the provisions or the processes, please contact your Talent Solutions Consultant or EHRA Consultant.