

TO: School/Division HR Officers and Secondary Contacts
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This document shares important information relating to two requirements within the Current Operations Appropriations Act of 2017, passed by the General Assembly last month. After the Act passed, UNC General Administration notified system universities that it would provide guidance memos, directing how the new requirements, which impact non-faculty and faculty employees, both temporary and permanent, must be implemented.

We have now received a guidance memo regarding the new requirements for the UNC System and its constituent institutions to report to and consult with the Board of Governors regarding certain salary and position actions, as well as guidance directing how the SHRA legislative increase must be implemented. Details regarding these actions are listed below. We expect to receive additional guidance memos on other legislative provisions, including bonus leave awards and the EHRA annual raise process. We will update you on those pieces as we receive that information.

Requirement for BOG Reporting and Consultation for Certain Salary and Position Actions

Effective July 1, 2017, the new requirements require reporting and consultation with the BOG for:

- Any salary adjustment where the employee's June 30 or current **total** proposed compensation (including supplements or other temporary compensation) is \$100,000 or greater and the proposed salary increase is five percent or greater
- Creation of new positions or appointments with an associated salary budget of \$70,000 or more

Exemptions:

- 1) Salary increases associated with faculty rank promotions that have an effective date of July 1, 2017 are exempt from this requirement.
- 2) In an attempt to honor decisions and actions that were in process prior to the effective date, any salary or position action that had received final approval as of July 5 is not subject to the new process.
- 3) The SHRA legislative increase will not count toward the five percent increase calculation because the SHRA legislative increase is an across the board increase. (Because the EHRA annual raise process is not an across-the-board increase, it will be subject to this process.)

Under the new requirements, affected actions will be submitted as they are received to General Administration HR. GA HR will report all actions to the BOG Chair and the Chair of the Board's Personnel and Tenure Committee on the first and fifteenth of each month, for their review within five days. After this period, institutions will be notified that the action can proceed or that additional review is required.

Note: The vast majority of the campus process will remain the same as it currently stands. In certain circumstances, additional information – such as budgeted salary for new SHRA and EHRA positions or faculty/post-doc/etc. appointments that are not position-based – will be required.

SHRA Legislative Increase

The Appropriations Act of 2017 (SB 257) provides a \$1,000 salary increase to the June 30, 2017 salary for eligible SHRA employees effective July 1, 2017, with no consideration of the maximum of the range. A pro-rata percentage applies for eligible part-time employees.

Additional eligibility criteria include:

- Employees with permanent (full-time/part-time), probationary, and time-limited appointments are eligible, including those permanent full-time employees who work a 9-, 10-, or 11-month work schedule.
- The increase does not apply to employees separated from state service prior to July 1, 2017 or to employees hired effective July 1, 2017 or later.
- Employees on approved leave of absence without pay should receive the legislative increase upon reinstatement.
- Employees are eligible for the increase without consideration of performance ratings or disciplinary actions.
- Longevity payments for July will be calculated to reflect the legislative increase.
- Any eligible employee whose annual salary is paid either partially or fully from sources other than the General Fund shall receive the legislative increase.

For UNC-Chapel Hill employees, the SHRA legislative increase will be reflected in the August 4 paycheck.

If you have questions, please contact your appropriate OHR or APO consultant.