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# Chapter 300 Personnel Policies

## 300.1.1 Senior Academic and Administrative Officers

The duties and responsibilities of the president and the chancellors, and of their respective senior staff members, and their relationships to one another, to the Board of Governors, to the Boards of Trustees, and to all other officers and agencies within and without the University are set forth in Chapter V of *The Code of The University of North Carolina*. To complement the provisions of Chapter V and further to clarify these duties, responsibilities, and relationships, the following regulations are adopted by the Board of Governors:

### I. Definition of "Senior Academic and Administrative Officers" (SAAO)

- A. Senior officers of the University of North Carolina who are subject to the provisions of Section II of this policy are designated as Tier I SAAO. This group includes the president [N.C.G.S. § 116-14(a)]; the vice presidents and other members of the president's professional staff designated by the Board of Governors on recommendation of the president [N.C.G.S. § 116-14(b)]; the chancellors of the constituent institutions [N.C.G.S. § 116-11(4)]; the vice chancellors, provosts, and deans<sup>[1]</sup> of the constituent institutions, and the directors of major administrative, educational, research and public services activities of the constituent institutions designated by the Board of Governors [N.C.G.S. § 116-11(5)].
- B. Other senior officers of the University of North Carolina who are subject to the provisions of Section III of this policy are designated as Tier II SAAOs. This includes (1) members of the president's professional staff other than those identified in subparagraph A, above [N.C.G.S. § 116-14(b)]; and (2) associate and assistant vice chancellors; associate and assistant deans; and other administrative positions within the constituent institutions, other than those identified in subparagraph A above, that have been designated by the president. [N.C.G.S. § 116-11(5)].<sup>[2]</sup>

### II. Tier I Senior Academic and Administrative Officers of the University of North Carolina as Defined in Section I.A., above, Shall be Subject to the Following Regulations.

#### A. Appointments and Discontinuation of Appointments

1. Tier I SAAOs are employed in their administrative positions pursuant to this policy. Except with regard to the appointment of the president and the chancellors, no contract or other writing (except for *The Code*) may vary these terms, nor may any oral agreement modify these provisions. The appointments of these Tier I SAAOs are subject to the approval of the Board of Governors or a board of trustees delegated such authority by the Board of Governors.<sup>[3]</sup> Such officers do not have tenure in their administrative positions. Except for the president and the chancellors, they serve at the discretion of their employer and are not appointed to serve for specified periods of time. The continuance of these administrators in office therefore is at all times subject to determination by the appropriate authority, as follows:
  - a. The president's continuance in office is determined by the Board of Governors.
  - b. The continuance in office of members of the president's professional staff is determined by the president.
  - c. The continuance in office of the chancellor of a constituent institution is determined by the Board of Governors, which may act to terminate such an appointment upon its own initiative or upon recommendation of the president. The Board of Governors in all instances shall consult the appropriate chair of the board of trustees prior to terminating the appointment of a chancellor. The president may place a chancellor on temporary leave, with or without pay, if the president has reason to believe that illness, injury, misconduct, neglect of duty, or other circumstances may interfere with the chancellor's performance of the duties of the position. Before placing a chancellor on temporary leave, the president shall consult with the chair of the Board of Governors, the chair of the Committee on Personnel and Tenure, and the appropriate chair of the board of trustees.
  - d. The continuance in office of vice chancellors, provosts, deans, and directors of major educational, research and public services activities of the constituent institutions shall be determined by the chancellor of the institution.
  - e. Notwithstanding the provisions of (b) and (d) above, the Board of Governors, in accordance with the provisions of Section 501B(6) of *The Code*, reserves the right to initiate action to terminate appointment of those officers when it deems such action to be necessary in the best interests of the University.
2. Tier I SAAOs of a constituent institution are subject to the direction and control of the chancellor and serve at the chancellor's discretion. They are employees at will; thus, the chancellor may not purport to confer on any such officer a period of employment of fixed duration or otherwise confer any property interest in such employment. However, such an officer may be appointed to a period of employment not to exceed a specified number of years, so long as the instrument accomplishing such an appointment states clearly that the incumbent officer is subject to removal at any time, during that period, at the option of the chancellor.
3. Tenure status as a member of the faculty of a constituent institution, held concurrently by any Tier I SAAO of the University is separate and distinct from the administrative office, and such tenure status is governed by the provisions of Chapter VI of *The Code* and by the tenure policies of the relevant constituent institution. Those tenure policies have no bearing upon and do not govern the administrative appointments covered by this policy.
4. Appointment of the President
  - a. The Board of Governors shall elect a president in accordance with N.C.G.S §116-14(a), Section 500A of *The*

Code, and any policies it adopts. The Board of Governors shall approve the salary and compensation of the president.

- b. The Board of Governors may approve a contract with the president. The contract may specify terms including, but not limited to, the president's term of employment; salary; benefits; performance-based incentives; other deferred or supplemental compensation, including endowment-funded stipends; provisions for the termination of the president's employment, including severance pay and retreat rights; and any other terms it agrees upon.
- c. In all other regards, the employment of the president is subject to *The Code*, the Policies of the Board of Governors, and the North Carolina General Statutes.

#### 5. Appointment of Chancellors

- a. The appointment of chancellors shall be made by the Board of Governors upon the recommendation of the president, in accordance with N.C.G.S § 116-11(4). All salary and non-salary compensation paid to or received by the chancellors in connection with their service as chancellors shall be approved by the Board of Governors upon recommendation of the president.
- b. The Board of Governors may approve a contract with a chancellor as recommended by the president. The contract may specify terms including, but not limited to, the chancellor's term of employment; salary; benefits; performance-based incentives; other deferred or supplemental compensation, including endowment-funded stipends; provisions for the termination of the chancellor's employment, including severance pay and retreat rights; and any other terms it agrees upon.
- c. In all other regards, the employment of chancellors is subject to *The Code*, the Policies of the Board of Governors, and the North Carolina General Statutes.
- d. Except as specifically otherwise provided in the contract, and except as provided in paragraph II.A.1(c) of this policy, after the Board of Governors has approved a contract with a chancellor, it will be the sole responsibility of the president to implement the terms of the contract.

#### B. Compensation

The compensation of Tier I SAAOs shall be set by the Board of Governors or a board of trustees delegated such authority by the Board of Governors.<sup>[4]</sup>

No president, chancellor, or other Tier I SAAO may be paid, in addition to his or her compensation as established pursuant to the foregoing requirements, for any services rendered to any institution-related foundation, endowment, or other entity that was established by officers of the University, that is controlled by the University, or that is tax exempt based on being a support organization for the University, without the express approval of the Board of Governors. This provision does not prohibit any institution-related foundation, endowment, or other entity that was established by officers of the University, that is controlled by the University, or that is tax exempt based on being a support organization for the University from providing some of the funds to support the Board of Governors' approved compensation of the president, chancellor, or other Tier I SAAO.

#### C. Equal Employment Opportunity

It is the policy and intention of the University of North Carolina that there be equal employment opportunity and freedom from unlawful discrimination in all employment within the University, as set out in Section 103 of *The Code*.<sup>[5]</sup> Employment in a Tier I SAAO position shall be conducted in accordance with all provisions of State or federal law or regulation prohibiting any such discrimination, and in accordance with applicable affirmative action plans.

#### D. Political Activity

Employment in Tier I SAAO positions shall not be adversely affected by the exercise of rights guaranteed by the First Amendment of the United States Constitution or by Article I of the North Carolina Constitution; provided, that employees in Tier I SAAO positions shall be subject to any limitations on political activity established by Article 5 of N.C.G.S. Chapter 126. The Board of Governors' policies concerning political activity, Policy 300.5 *et seq.*, as they may be revised from time to time, shall apply to Tier I SAAO positions covered by this policy.

#### E. Holiday and Leave Entitlement Holidays

##### 1. Holidays

A Tier I SAAO shall be subject to the same State-prescribed holidays given employees subject to the State Personnel Act.

##### 2. Annual Leave

###### a. Basic Leave Policy

A permanent full-time (1.00 FTE) Tier I SAAO shall be entitled to accrue 26 workdays of annual leave per year.<sup>[6]</sup> Annual leave is accrued at a monthly rate and is adjusted proportionately for permanent part-time employees who work halftime or more (.50 - .99 FTE). The monthly earnings amount is equal to one-twelfth (1/12<sup>th</sup>) of the annual rate for each month the employee works or is on approved leave with pay. Monthly

leave is earned when an employee works or is on approved leave with pay at least half the working days of a month.

The maximum number of unused days of annual leave that may be carried forward from one year to the next shall be 30 workdays. Annual leave in excess of 30 days will be automatically converted to sick leave at the end of the year.

b. Transfer of Accrued Annual Leave

An employing institution must establish campus-wide uniform guidelines regarding the transfer of accrued annual leave from a UNC constituent institution or State or local governmental agency whose leave is currently transferable in accordance with the policy prescribed for employees subject to the State Personnel Human Resources Act. Upon discontinuation of employment from the employing institution, the employee may either elect a payout of accrued annual leave (see d., below) or transfer the remaining balance of any unused annual leave to another State or local governmental agency, subject to the receiving agency's approval.

c. Advancement of Annual Leave

Subject to institutional policy and approval by the employee's supervisor, an employee may be advanced the amount of leave that can be accrued during the remainder of the year or during a twelve-month period. If an employee separates from the employing institution and has taken more annual leave than has been accrued, the employing institution must determine the amount of leave that the employee must repay to the institution and make deductions from the employee's final salary check accordingly.

d. Payout of Accrued Annual Leave

A Tier I SAAO who has accrued unused annual leave upon discontinuation of employment from the employing institution and who either does not elect or is not eligible to transfer such accrued leave to another State or local governmental agency, shall be paid for such unused annual leave subject to a maximum of 30 such days. Each institution shall establish guidelines for payout of leave if a change in employment status occurs and such employee is no longer covered by this policy.

3. Sick leave, family and medical Leave, family illness leave, civil leave, military leave, community service leave, and special annual leave bonus

A Tier I SAAO shall be entitled to such sick leave, family and medical leave, family illness leave, civil leave, military leave, community service leave, and special annual leave bonus as may be prescribed for employees subject to the State Human Resources Act.

However, with respect to sick leave, subject to institutional policy and approval by the employee's supervisor, a Tier I SAAO may be advanced the amount of sick leave that can be accrued during the remainder of the year or during a twelve-month period. If the employee separates from the employing institution and has taken more sick leave than has been accrued, the employing institution must determine the amount of leave that the employee must repay to the institution and make deductions from the employee's final salary check accordingly.

4. Miscellaneous Leaves of Absence

A Tier I SAAO who desires a leave of absence for an interval of 90 days or less must obtain the approval of the president, who shall report all such arrangements to the Board of Governors. A leave of absence for a period exceeding 90 days shall require the approval of the Board of Governors.

5. Voluntary Shared Leave

A Tier I SAAO shall be subject to the same provisions concerning shared leave as are applicable to employees subject to the State Personnel Act with the exception that the donation and acceptance of such leave shall be computed on the basis of days rather than hours.

F. Educational Entitlement

A Tier I SAAO is entitled to the same opportunities as other University employees to invoke the privilege of tuition waiver conferred by UNC Policy 1000.2.2.

G. Statutory and Other Rules of Employment

1. Privacy of Personnel Records

A Tier I SAAO enjoys the protections of and is subject to the provisions of Article 7 of N.C.G.S. 126, entitled, "The Privacy of State Employee Personnel Records."

## 2. Employment Preference for Veterans

A Tier I SAAO enjoys the protections of and is subject to the provisions of N.C.G.S. § 128-15, which provide for preference in employment for veterans of United States military service and their spouses and widows or widowers.

## 3. Employment of Related Persons

A Tier I SAAO is subject to the Board of Governors' policy concerning employment of related persons, Policy 300.4.2, as it may be revised from time to time, and any associated guidelines.

## H. Retirement

A Tier I SAAO may retire in accordance with the provisions of Chapter 135 of the North Carolina General Statutes.

## III. Tier II Senior Academic and Administrative Officers of the University of North Carolina as Defined in Section I.B., above, Shall be Subject to the Following Regulations

### A. Appointments

1. Tier II SAAOs are employed in their administrative positions pursuant to this policy. The authority to make appointments and determine salaries for positions within Section I.B(1) is exercised by the Board of Governors, on recommendation of the president, or a board of trustees delegated such authority by the Board of Governors; for positions within Section I.B(2), such authority is delegated by the Board of Governors to the chancellors and the respective Boards of Trustees of the constituent institutions.
2. Every Tier II SAAO appointment within a constituent institution covered by this policy shall be made by the chancellor, or the chancellor's delegate, by means of a letter of appointment that fulfills the requirements of this Section III.
3. Every letter of appointment to a Tier II SAAO position shall include:
  - a. The title of the position;
  - b. The initial salary;
  - c. A provision for the periodic review of compensation;<sup>[7]</sup>
  - d. A provision consistent with Sections III.A.4., and III.A.5., below, if contingencies based on availability of funding are applicable;
  - e. The annual leave entitlement of the employee;
  - f. Notice that the employment conferred is an "employment at will" subject to continuation or discontinuation at the discretion of the president or of the chancellor, with the exception of contracts or letters of appointment of directors of athletics, which may be for a term of years and are governed by Policy 1100.3; and
  - g. Notice that the employment is subject to this policy as originally adopted and as it may be periodically revised from time to time, and a copy of the policies shall be attached to the letter of appointment.
4. When a Tier II SAAO position is funded in whole or substantial part from sources other than continuing State budget funds or permanent trust accounts, the letter of appointment shall state that continuation of the employee's service in that position is contingent upon the continuing availability of funds from such other sources to support that position, shall specify the source of such funds, and shall state that the effect of such contingency may apply without the additional notice otherwise required by Sections III.B.1., III.B.2., and III.B.3.; provided, that the affected employee shall be informed at the earliest practicable date of the occurrence of such a funding contingency.
5. When a Tier II SAAO is to serve simultaneously in both a position covered by this policy and a position of University employment not covered by this policy, with the result that two different prescriptions may appear to obtain with respect to a particular condition of employment or a right or responsibility of the employee, one position shall be designated the base position to determine the conditions of employment and the rights and responsibilities of the employee. If appointment to a position covered by this policy occurs subsequent to an appointment to a position not covered by this policy, the letter of appointment to the position covered by this policy shall embody the required designation of base employment; conversely, if appointment to a position covered by this policy precedes appointment to the other category of University employment, the letter of appointment or contract establishing the second employment shall embody the required designation of base employment. In either case, the designation of base employment shall specifically describe the different rights, duties, and compensation for each position and the relationship, if any, between the two positions.

Any funding contingency of the type referred to in Section III.A.4., shall be set forth separately for the position covered by this policy and for the other position, since the operation of any such contingencies may be independent.

When an appointment to a Tier II SAAO position is to be accompanied by appointment to a faculty position that is intended to be nominal or honorary, or to create a faculty affiliation not entailing significant duties or compensation, the term "adjunct," or similar nomenclature, shall be used to identify the faculty appointment.

### B. Discontinuation of Employment

1. Discontinuation of Appointment, with Notice or Severance Pay

Employment within a Tier II SAAO position that is established by the letter of appointment to be an employment at will is subject to discontinuation at any time at the discretion, respectively, of the president or of the chancellor; provided, that such a discontinuation (as distinguished from discharge for cause, Section III.B.4.) shall be subject to advance timely notice of discontinuation or the payment of severance pay, in calendar days, as follows:

- a. During the first year of service, not less than 30 days notice prior to discontinuation of employment or the payment of severance pay for 30 days;
- b. During the second and third years of service, not less than 60 days notice prior to discontinuation of employment or the payment of severance pay for 60 days; and
- c. During the fourth and all subsequent years of continuous service, not less than 90 days notice prior to discontinuation of employment or the payment of severance pay for 90 calendar days.

The chancellor or the president may provide the employee with a combination of notice and severance pay that totals the respective required number of days. The determination of whether the employee shall receive notice of discontinuance of the appointment or severance pay or a combination of the two shall be in the sole discretion of the respective chancellor or the president.

## 2. Expiration of Term Appointment

Employment within a Tier II SAAO position that is established by the letter of appointment dated prior to December 1, 2004, to be for a stated definite term expires automatically at the conclusion of the stated term; such an appointment may be extended at the option of the employing institution on an employment at will basis, by written notice satisfying the requirements of Section III.A.

If the employing institution intends not to extend the employment, (a) with respect to a term of one year or less, no notice of intent not to extend shall be required; (b) with respect to a term of more than one year but less than four years, notices of intent not to extend shall be transmitted in writing at least 60 days prior to this expiration date of the term; (c) with respect to a term of four years or more, notice of intent not to extend shall be transmitted in writing at least 90 days prior to the expiration date of the term. Failure to provide written notices as required in subsections b. and c., above, shall result in the automatic extension of employment for a period, respectively, of either 60 days or 90 days, beyond the date the notice is given to the employee.

## 3. Termination of Employment Because of Financial Exigency or Program Curtailment or Elimination

Employment within a Tier II SAAO position that is established by the letter of appointment to be for a stated definite term may be terminated prior to expiration of the stated term because of (a) demonstrable, bona fide institutional financial exigency, or (b) major curtailment or elimination of a program.

“Financial exigency” is defined to mean a significant decline in financial resources of the University that compels a reduction in the university’s or the institution’s budget. The determination of whether a condition of financial exigency exists or whether there shall be a major curtailment or an elimination of a program shall be made, respectively, by the president or by the chancellor, with advance notice to and approval by the Board of Governors.

If the financial exigency or curtailment or elimination of a program is such that the contractual obligation to an employee within a position covered by this policy cannot be met, the employment of the individual may be terminated, subject to the following notice requirements:

- a. During the first year of service, not less than 30 days notice prior to termination;
- b. During the second and third years of employment, not less than 60 days notice prior to termination; and
- c. During the fourth and all subsequent years of service, not less than 90 days notice prior to termination.

## 4. Discharge for Cause

Any Tier II SAAO may be discharged for stated cause.

Discharge for cause is to be distinguished from discontinuation with notice (Section III.B.1.), automatic expiration of term (Section III.B.2.), and termination because of financial exigency or program curtailment or elimination (Section III.B.3.). Stated causes for discharge shall include, but not necessarily be limited to, incompetence, unsatisfactory performance, neglect of duty, or misconduct that interferes with the capacity of the employee to perform effectively the requirements of his or her employment. Discharge for cause is to be preceded by written notice of intent to discharge and is subject to invocation by the affected employee of the review procedures of Section III.C., of this policy. When an employee occupying a position covered by this policy has been notified of the intention to discharge for cause, the president or chancellor, as applicable, may suspend the employment at any time and continue the suspension until the president’s or chancellor’s decision concerning discharge has been reached; such suspension during this time period shall be with full pay. If the final university decision is to discharge the employee, then the employee may be discharged without further pay without regard to whether there is an appeal to a board of trustees or the Board of Governors in accordance with Section 611 of *The Code*. No provision

of this Policy 300.1.1 shall be interpreted to extend an employee's right to pay beyond the expiration of the employee's term of appointment while an appeal is pending under this policy.

#### C. Reviews

1. General Administration and each constituent institution respectively shall adopt and publicize procedures applicable to relevant cohorts of employees, under which covered employees may secure review of decisions concerning discharge for cause or other disciplinary action, or review concerning the interpretation and application of any provision of this policy; provided, however, that reviews concerning discontinuations, expiration of term appointments, or terminations of employment with notice, pursuant to Sections III.B.1, III.B.2., and III.B.3, may be brought only upon allegations of violations of applicable notice requirements or violations of any provision of Section III.D. or III.E., of this policy.
2. Decisions reached pursuant to such review procedures concerning the discontinuation, expiration of term appointment, termination, or discharge for cause may be appealed in accordance with the provisions of Section 611 of *The Code*.

#### D. Equal Employment Opportunity

It is the policy and intention of the University of North Carolina that there be equal employment opportunity and freedom from unlawful discrimination in all employment within the University, as set out in Section 103 of *The Code*.<sup>[8]</sup> Employment in a Tier II SAAO position shall be conducted in accordance with all provisions of State or federal law or regulation prohibiting any such discrimination, and in accordance with applicable affirmative action plans.

#### E. Protected Activity

Employment in Tier II SAAO positions shall not be adversely affected by the exercise of rights guaranteed by the First Amendment of the United States Constitution or by Article I of the North Carolina Constitution; provided, that employees in Tier II SAAO positions shall be subject to any limitations on political activity established by Article 5 of N.C.G.S. Chapter 126. The Board of Governors' policies concerning political activity, Policy 300.5.1., *et seq.* as they may be revised from time to time, shall apply to Tier II SAAO positions covered by those policies.

#### F. Holiday and Leave Entitlement

##### 1. Holidays

Employees in Tier II SAAO positions shall be subject to the same State-prescribed holidays given employees subject to the State Personnel Act.

##### 2. Annual Leave<sup>[9]</sup>

###### a. Basic Leave Policy

A permanent full-time (1.00 FTE) Tier II SAAO shall be entitled to accrue 24 workdays of annual leave per year. Annual leave is accrued at a monthly rate and is adjusted proportionately for permanent part-time employees who work halftime or more (.50 - .99 FTE). The monthly earnings amount is equal to one-twelfth (1/12<sup>th</sup>) of the annual rate for each month the employee works or is on approved leave with pay. Monthly leave is earned when an employee works or is on approved leave with pay at least half the working days of a month.

An employing institution shall define a year as either "fiscal year" (July 1 - June 30) or "calendar year" (January 1 - December 31). (Note: Employing institutions that have previously defined a year as "contract year" may continue to do so.) The scheduling of an employee's annual leave shall be subject to the approval of the employee's supervisor. With respect to an incumbent employee who is earning more than 24 days per year as of the date this policy becomes effective, such employee shall be entitled to continue to earn leave at the current rate.

The maximum number of unused days of annual leave that may be carried forward from one year to the next shall be 30 workdays. Annual leave in excess of 30 days will be automatically converted to sick leave at the end of the year.

###### b. Transfer of Accrued Annual Leave

An employing institution must establish campus-wide uniform guidelines regarding the transfer of accrued annual leave from a UNC constituent institution or State or local governmental agency whose leave is currently transferable in accordance with the policy prescribed for employees subject to the State Personnel Act [see State Personnel Manual, Section 5-1]. Upon discontinuation of employment from the employing institution, the employee may either elect a payout of accrued annual leave (*see* (d), below) or transfer the remaining balance of any unused annual leave to another State or local governmental agency, subject to the receiving agency's approval.

###### c. Advancement of Annual Leave

Subject to institutional policy and approval by the employee's supervisor, an employee may be advanced the amount of leave that can be accrued during the remainder of the year or during a twelve-month period. If an employee separates from the employing institution and has taken more annual leave than has been accrued, the employing institution must determine the amount of leave that the employee must repay to the institution and make deductions from the employee's final salary check accordingly.

d. Payout of Accrued Annual Leave

A Tier II SAAO who has accrued unused annual leave upon discontinuation of employment from the employing institution and who either does not elect or is not eligible to transfer such accrued leave to another State or local governmental agency, shall be paid for such unused annual leave. The amount paid to an employee who has been employed an aggregate of 24 months or less by one or more State or local governmental agencies is equal to one day for each month worked less the number of days of annual leave taken during the employment period. An employee who has been employed for more than 24 months shall be paid subject to a maximum of 30 such days. Each institution shall establish guidelines for payout of leave if a change in employment status occurs and such employee is no longer covered by this policy.

3. Sick Leave, Family and Medical Leave, Family Illness Leave, Civil Leave, Military Leave, Community Service Leave and Special Annual Leave Bonus

Tier II SAAOs shall be entitled to such sick leave, family and medical leave, family illness leave, civil leave, military leave, community service leave, and special annual leave bonus as may be prescribed for employees subject to the State Human Resources Act.

However with respect to sick leave, subject to institutional policy and approval by the employee's supervisor, an employee may be advanced the amount of sick leave that can be accrued during the remainder of the year or during a twelve-month period. If the employee separates from the employing institution and has taken more sick leave than has been accrued, the employing institution must determine the amount of leave that the employee must repay to the institution and make deductions from the employee's final salary check accordingly.

4. Leave of Absence without Pay

Tier II SAAOs may request a leave of absence without pay, subject to approval of such leave by the president or by the chancellor, as applicable.

5. Voluntary Shared Leave

Tier II SAAOs shall be subject to the same provisions concerning shared leave as are applicable to employees subject to the State Personnel Act with the exception that the donation and acceptance of such leave shall be computed on the basis of days rather than hours.

G. Educational Entitlement

Tier II SAAOs are entitled to the same opportunities as other University employees to invoke the privilege of tuition waiver conferred by UNC Policy 1000.2.2.

H. Statutory and Other Rules of Employment

1. Privacy of Personnel Records

Tier II SAAOs enjoy the protections of and are subject to the provisions of Article 7 of N.C.G.S. 126, entitled, "The Privacy of State Employee Personnel Records."

2. Employment Preference for Veterans

Tier II SAAOs enjoy the protections of and are subject to the provisions of N.C.G.S. § 128-15, which provide for preference in employment for veterans of United States military service and their spouses and widows or widowers.

3. Employment of Related Persons

Tier II SAAOs are subject to the Board of Governors' policy concerning employment of related persons, Policy 300.4.2, as it may be revised from time to time, and any associated guidelines.

I. Retirement

Tier II SAAOs may retire in accordance with the provisions of Chapter 135 of the North Carolina General Statutes.

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<sup>[1]</sup> Deans at the North Carolina School of Science and Mathematics fall within Section I.B. of this Policy.



<sup>[2]</sup>Other officers include (a) members of the chancellor's professional staff; (b) those responsible for the administrative direction of separately designated divisions or departments of institutional activity commonly associated with institutions of higher education; (c) those positions whose primary responsibility is to attract external funds for and/or market the University; and, (d) other officers holding positions characterized by active, continuing involvement in formulating, interpreting, and implementing institutional policy and exercising substantial independence of administrative authority and discretion in areas such as program planning and design and allocation of resources.

<sup>[3]</sup>Pursuant to NCGS § 116-11(13), and notwithstanding *The Code* or any other policy, the Board of Governors has delegated certain authorities to the president of the University. See Policy 200.6, *Delegation Authority to the President of the University*, adopted 11/13/06.

<sup>[4]</sup>See Footnote 3, above.

<sup>[5]</sup>Bona fide occupational qualifications or other exceptions to those general prohibitions, specifically provided for by State or federal law, may be applied to positions covered by this policy.

<sup>[6]</sup>For the purposes of determining leave under this policy, "year" shall be defined by the employing institution as either a "fiscal year" (July 1 - June 30) or a "calendar year" (January 1 - December 31). Institutions currently defining a "year" as a "contract year" may continue to do so.

<sup>[7]</sup>Subject to any compensation policies adopted by the Board of Governors or the board of trustees.

<sup>[8]</sup>Bona fide occupational qualifications or other exceptions to those general prohibitions, specifically provided for by State or federal law, may be applied to positions covered by this policy.

<sup>[9]</sup>Effective July 1, 2001.

300.1.1: Adopted 11/14/86 Amended 04/12/01, Amended 10/12/90 Amended 06/08/01, Amended 02/18/94 Amended 01/11/02, Amended 04/21/95 Amended 11/08/02, Amended 11/08/96 Amended 03/21/03, Amended 07/11/97 Amended 10/10/03, Amended 11/13/98 Amended 11/12/04, Amended 09/10/99 Amended 07/01/07, Amended 08/11/00 Amended 02/08/08, Amended 10/17/08 Amended 06/20/14, Amended 08/07/15

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## 300.1.1.1[R] Regulations Concerning Senior Academic and Administrative Officers<sup>[1]</sup>

### I. Background

On November 13, 1998, the Board of Governors took three actions that affect the employment of senior academic and administrative officers (SAAO) of the University:

- A. The board enlarged the complement of senior academic and administrative officers at each campus by approving, with the President's endorsement, the addition of positions recommended by the SAAO Review Committee from among those nominated by the campuses under the revised definition previously adopted by the Board of Governors in January 1998.
- B. The board approved a revised SAAO personnel policy that recognizes two separate categories of administrative employment: one category consists of positions that require Board of Governors approval for appointment and establishment of compensation; the other consists of positions for which decisions concerning appointment and compensation are delegated to the constituent institutions. The terms and conditions of employment for the two categories are different.
- C. The board prescribed that "administrators" shall be deemed eligible for enrollment in the Optional Retirement Program only if the position they occupy is within the SAAO category of employment (and subject to the "faculty status" prerequisite described in Section C hereinafter).

The purpose of these regulations is to identify and prescribe a schedule for accomplishing all actions now required to implement these enactments of the Board of Governors.

### II. Actions Required

- A. Accommodating approved additions to the SAAO category; elections as to SPA or EPA status.

Persons who currently occupy the positions that have been converted from SPA to the exempt SAAO category may elect to retain their SPA status rather than be reassigned to EPA status (although new appointees to such positions in the future uniformly will have EPA status). Each such incumbent must be provided an opportunity for a personal interview with an appropriate University official who will assist in determining how the change from SPA to EPA status would affect individual career plans. Directors of human resources and EPA personnel officers will receive detailed information concerning these interviews in their next meeting at General Administration, which is scheduled for early December. In order to assure ample time for individual interviews and individual employee elections as to status, no affected employee will move from SPA to exempt SAAO status before February 1, 1999.

Until further notice, no change is to be made in currently authorized levels of compensation for any of the positions subject to transition from SPA to exempt SAAO status by virtue of the November 13, 1998, action of the Board of Governors, either for incumbents or for new hires into such positions.

## B. Arraying SAAO positions within the revised SAAO personnel policies.

As noted above, the revised SAAO personnel policy recognizes two categories of administrative employment, for which different terms and conditions of employment obtain. One category (defined in Section I.A. of the revised policy) is subject to direct appointment and compensation oversight by the Board of Governors; the other (defined in Section I.B. of the revised policy) is subject to delegated campus oversight.

All SAAO positions--both those that were established on November 13, 1998, and those that were established previously by action of the Board of Governors (e.g., vice chancellors, associate and assistant vice chancellors, deans, and associate and assistant deans)--now must be assigned to the appropriate category under the revised SAAO personnel policy and made subject to the correspondingly different terms and conditions of employment.

Attachment 5 lists all SAAO positions, designated prior to November 13, 1998, that in the past have been subject to direct Board of Governors oversight (e.g., vice chancellors and deans). The operative presumption is that such positions remain subject to Board of Governors oversight, within the purview of Section I.A. of the revised SAAO personnel policy. However, with respect to any position that is marked by an asterisk, the position should be reviewed to determine whether it actually still qualifies for and should remain subject to board oversight (Section I.A. of the revised policy) or, under the revised board policy, should be removed and made subject to campus-administered oversight (Section I.B. of the revised policy). If, following such review, one or more of the positions should be removed to campus-administered oversight, a copy of the list should be returned to the Division of Academic Affairs at General Administration, with proposed changes marked and accompanying explanation of reasons for such changes, by no later than January 15, 1999. The President also retains the option of recommending to the Board of Governors that a position be removed from Board of Governors oversight to campus oversight.

All other SAAO positions established by the Board of Governors (i.e., other than those identified in Attachment 5) also must now be assigned to the appropriate category under the revised SAAO personnel policy: (1) those recognized before November 13, 1998, and traditionally subject to delegated campus oversight (e.g., associate and assistant vice chancellors, associate and assistant deans); (2) the former SPA positions newly designated as SAAO by the Board of Governors on November 13, 1998. The operative presumption is that all such positions are subject to campus oversight under Section I.B. of the revised SAAO personnel policy, with applicable terms and conditions of employment prescribed by Section III of the revised policy. Please review that aggregate list of SAAO positions, as augmented by the recently approved additions, to determine whether any such position should be considered for reassignment to direct Board of Governors oversight under Section I.A. of the revised SAAO personnel policy. Any such proposed reassignment should be presented to the Division of Academic Affairs at General Administration by no later than January 15, 1999. Again, the President retains the option of recommending to the Board of Governors that a position be removed from campus oversight to Board of Governors oversight.

## C. Limiting enrollment in the Optional Retirement Program (ORP).

By Administrative Memorandum Number 387, a moratorium was placed on enrollment in the Optional Retirement Program of otherwise eligible senior administrative officers of the University who do not hold faculty rank of instructor or above, due to unresolved questions about the proper interpretation of the enabling statute, N.C.G.S. § 135-5.1. Following additional discussion with interested State officials and the receipt of an opinion from the Attorney General, enrollment in the ORP, without reference to concurrent faculty status, may be offered to:

1. those persons who heretofore [prior to November 13, 1998] were appointed to a permanent full-time or permanent three-quarter-time employment position within the University now designated [on or before November 13, 1998] as a senior academic or administrative office and who hereafter properly elect to participate in the Optional Retirement Program; and
2. those persons who hereafter are appointed to a permanent full-time or permanent three-quarter-time employment position within the University now designated or hereafter designated as a senior academic or administrative office and who hereafter properly elect to participate in the Optional Retirement Program.

It is to be clearly understood that authority within the University to interpret the enabling ORP statute rests with the Board of Governors, and no variance from the board's policies and prescriptions is to be undertaken, with respect to eligibility for enrollment or other aspects of administering the ORP, without the express permission of the President, consistent with the requirements of the Board of Governors. The current, essential understanding, in that regard, is that only occupants of senior administrative positions approved pursuant to board definitions through implementing procedures mandated by the President may be offered enrollment in the ORP.

## III. Anticipated Future Actions

The decisions of the Board of Governors on November 13, 1998, when fully implemented, constitute a major step in achieving a more coherent and useful configuration and management of university employment. However, as anticipated in several recommendations of the SAAO Review Committee, additional steps will be required to complete work on the administrative category of employment.

First, the committee observed that some campuses may wish to augment their original list of SPA positions nominated as appropriate for conversion to SAAO status, based on the Board of Governors definitions. An opportunity to augment such lists, based on further review of each institutional work force, will be provided in the near future.

Second, there may be a number of administrative positions that historically have been treated as EPA but for which no entirely satisfactory rationale for exemption has been posited (e.g., positions within the so-called EPA non-faculty category of University employment) or which may fit more appropriately within the revised "instructional and research" complement. An inventory of such positions will be undertaken in the future to determine how they should be arrayed, so as to fit clearly within either the SAAO category or the instructional and research category, or be changed to an SPA classification.

Finally, it will be necessary, in the interest of fidelity to board standards and consistency among campuses, to reexamine some positions that currently may be considered SAAO by the campuses but that have not been evaluated in accordance with the definitions supplied by the Board of Governors in January 1998.

Additional instructions concerning these remaining steps in the process will be provided, with the assistance of the newly established EPA Advisory Board.

[This is a rewrite of Administrative Memoranda #387 and #391.]

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[\[1\]](#) Attachments have been omitted.

300.1.1.1[R]: Adopted 11/20/98, Amended 01/08/99

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