



**MEMORANDUM****TO:** Deans, Directors and Department Heads**FROM:** Warwick A. Arden, Executive Vice Chancellor and Provost   
Charles A. Maimone, Vice Chancellor, Finance and Administration **SUBJECT:** Important Updates: Special BOG Salary and Position Consultation Process and Exceptions to the Suspension of HR Actions**DATE:** July 8, 2020

The North Carolina General Assembly recently passed House Bill 1096, and the governor subsequently signed the bill into law. Among its various provisions, HB 1096 repeals a statutory requirement for the Board of Governors to monitor certain university salary and position actions that met designated thresholds.

The University of North Carolina System recently provided two important procedural updates. The updates are related to the salary increase exceptions and the Board of Governors special consultation process. Those updates are described below. The changes outlined in this memorandum are effective immediately.

**Salary Increase Exception Modification:** The suspension of nonessential HR actions remains in effect. However, a modification has been made to allow equity-related salary adjustments intended to address equal opportunity considerations for members of a protected class. While such actions remain subject to all regular preapproval requirements, they are exempted from the suspension of nonessential HR actions, with the expectation that the relevant equal opportunity considerations are justified as part of a salary request.

All other equity-related adjustments remain subject to the suspension as previously communicated in the 3D memo dated March 27, 2020.

**BOG Consultation Process:** Based on legislative approval, the Board of Governors has rescinded the special consultation process that was applied to:

1. Cumulative salary adjustments of 5% or greater over the prior June 30 salary that resulted in a salary of \$100,000 or greater.
2. Newly established positions budgeted at \$70,000 or greater.

Standing Board of Governors policies and UNC System procedures concerning delegation and preapproval of salary and position actions are now in effect. The special consultation process was discontinued to restore efficiency to salary and position actions; however, the UNC System urges significant diligence and special care going forward to ensure there will be no need for the process to be reinstated.

For your reference, the following is a summary of the standing UNC System preapproval thresholds.

**Salary Actions**

<b>Salary Adjustment Type</b>	<b>Chancellor's Authority</b>	<b>UNC System HR Office Authority</b>	<b>UNC BOG Authority (prior approval by NC State BOT)</b>
<b>Important note: Calculations are based on the cumulative salary increase to the employee's June 30, 2020, salary.</b>			
EHRA externally posted event	Not to exceed 20% and \$15,000	Everything above 20% and \$15,000	N/A
EHRA internally posted event or waiver of recruitment	Not to exceed 20% and \$15,000	Not to exceed 25% and \$25,000	Above 25% and \$25,000
EHRA retention	Not to exceed 20% and \$15,000	Not to exceed 30% and \$25,000	Above 30% and \$25,000
EHRA additional duty payment or secondary appointment	Not to exceed 20% and \$15,000	Not to exceed 25% and \$25,000	Above 25% and \$25,000
EHRA temporary/interim appointment	Not to exceed 25% and \$25,000 up to 12 months	Not to exceed 30%, \$25,000 and 13 months	Above 30%, \$25,000 and 13 months
EHRA market or equity adjustments	Not to exceed 20% and \$15,000	Not to exceed 25% and \$25,000	Above 25% and \$25,000
All SHRA actions	Not to exceed 20%	Everything above 20%	N/A

**Position Actions**

<b>Position Type</b>	<b>NC State Delegation (BOT, Chancellor, Provost or UHR)</b>	<b>UNC System Office HR Delegation</b>
SAAO Tier 1	N/A	Establish and modify positions, set salary ranges; reported to BOG
SAAO Tier 2	Set salary ranges	Establish and modify positions
Faculty	Establish and modify positions	N/A

Other EHRA non-faculty	Set salary ranges, establish and modify positions; reported to UNC System HR	N/A
SHRA	Establish and modify positions in classifications with delegated authority	Establish and modify positions in classifications with delegated authority

**Additional Information**

If you have general questions regarding salary increase exemptions or the special consultation process, please contact Lori Preiss, director of classification and compensation in University Human Resources, at [lapreiss@ncsu.edu](mailto:lapreiss@ncsu.edu).