



## The University of North Carolina

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*Constituent Universities*  
Appalachian State  
University

East Carolina  
University

Elizabeth City  
State University

Fayetteville State  
University

North Carolina  
Agricultural and  
Technical State  
University

North Carolina  
Central University

North Carolina  
State University  
at Raleigh

University of  
North Carolina  
at Asheville

University of  
North Carolina  
at Chapel Hill

University of  
North Carolina  
at Charlotte

University of  
North Carolina  
at Greensboro

University of  
North Carolina  
at Pembroke

University of  
North Carolina  
at Wilmington

University of  
North Carolina  
School of the Arts

Western Carolina  
University

Winston-Salem  
State University

*Constituent High School*  
North Carolina  
School of Science  
and Mathematics

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April 5, 2010

The Honorable Anthony Foriest  
The Honorable Douglas Yongue  
Joint Legislative Education Oversight  
North Carolina General Assembly  
16 West Jones Street  
Raleigh, North Carolina 27601

Dear Sen. Foriest and Rep. Yongue:

Pursuant to Section 9.25 of Session Law 2009-451, please find attached the University of North Carolina's report regarding the separation and transition policy for UNC administrators.

Thank you for your continued support of the University of North Carolina.

Sincerely,

Erskine Bowles

enclosure

**Report to the Joint Legislative Education Oversight Committee  
Regarding Separation and Transition Policy for UNC Administrators  
April 1, 2010**

The Board of Governors of the University of North Carolina has been engaged in an extensive review of its policies and regulations regarding payments to administrators who voluntarily or involuntarily terminate their administrative positions and either return to a faculty position (in the case of a tenured faculty member) or take a different administrative position within the university. The requirement for this review is found in Section 9.25 of S.L. 2009-451 (Appropriations Act of 2009) and is noted here:

**\*SECTION 9.25.\* The Board of Governors of The University of North Carolina shall review its current policies regarding the salary payments and other payments made to its top administrators (from the level of President of The University of North Carolina through dean level) as part of a transition and separation package when any of these administrators voluntarily or involuntarily terminates employment in the administrative position and moves down to a lesser position of employment on either a permanent or temporary basis within The University of North Carolina. The Board of Governors shall report to the Joint Legislative Education Oversight Committee by April 1, 2010, its findings and recommendations for changes to the policies, if any.**

This report describes the process followed by the Board of Governors and the policy changes that resulted. The Board of Governors, after initial discussion of the issues involved, determined that it would separate the review process into two phases: (1) review of the policy governing administrative separation of Chancellors and the President and (2) administrative separation of other senior administrators (Vice Chancellors and Deans). The Board began its review by collecting information about policies of other Universities regarding administrative separation. During its deliberations, the Board heard comments and concerns from the President, Chancellors, Chief Academic Officers, and Trustees and reviewed information about practices at other universities.

**1. Review of Policy on Administrative Separation for Chancellors and President**

At its January meeting, the Board approved a revised policy for Administrative Separation for Chancellors and Presidents, a copy of which is attached. The new policy incorporates the following major changes:

- The period of research leave for a Chancellor who is returning to the faculty was reduced to six months, with the possibility of an extension at the discretion of the President;
- The research leave is only available to Chancellors or Presidents who have served at least five years in that position;

- The compensation during the research leave is at an appropriate faculty salary, rather than at the higher chancellor's salary that was authorized under the previous policy;
- Prior to the research leave, the Chancellor or President must submit a work plan and must provide a written report at the conclusion of the research leave;
- If the Chancellor/President fails to return to the faculty at the conclusion of the research leave, repayment may be required; and
- If a Chancellor or President assumes an administrative position, the salary for the new position must be commensurate with the duties of the new position.

This policy has been incorporated into the UNC Policy Manual and formally transmitted to each campus.

## **2. Review of Policy on Administrative Separation for Vice Chancellors and Deans**

After completion of the revisions to the administrative separation policy for Chancellors and the President, the Board and UNC General Administration staff discussed proposed revisions to the existing Regulation for Senior Administrators. As part of the process, input from the Personnel and Tenure Committee of the Board of Governors, Chancellors, Chief Academic Officers, and Chief Human Resources Officers was received and incorporated. The President has endorsed a Regulation that will be presented for review by the Personnel and Tenure Committee of the Board at its April 2010 meeting. Significant changes to the Regulation include:

- Research leaves of up to one semester are available at the discretion of the Chancellor only to tenured faculty serving for a period of five years or more in Senior Administrative positions at the level of Vice Chancellor or Dean (or Directors of major University wide functions);
- Research leaves are compensated at a faculty salary level;
- If the Senior Administrator fails to return to the faculty for at least one semester, the Chancellor may require repayment of the leave; and
- Prior to the research leave, the administrator must submit a work plan with expected outcomes for approval by the Chancellor or President.

A copy of the proposed Regulation is attached. Once this review is completed at the April 8-9, 2010 Board of Governors meeting, President Bowles is prepared to sign the Regulation and the new Regulation will be formally communicated to each campus. Each campus will then be required to bring existing policies into compliance with the revised Regulation.

### **Administrative Separation of the President and Chancellors**

1. **Return to a faculty position:** If a chancellor resigns from the position of chancellor, or if the president resigns from the position of president, after having served in that position for at least five years, if the chancellor or the president will assume a tenured or non-tenured faculty position at a constituent institution of the University of North Carolina, and if there is not good cause to terminate the chancellor's or the president's service at the time that the chancellor or president resigns, then the chancellor or president will receive a research leave upon the following terms:

- a. The leave shall be for a period of six months;
- b. The chancellor or president shall receive a faculty salary during the leave commensurate with salaries of faculty members of comparable rank and experience in comparable positions;
- c. Up to six additional months of leave may be approved by the president when in his or her discretion additional leave time is warranted;
- d. Non-salary compensation such as a house and an automobile will not be continued during the research leave;
- e. Prior to beginning the leave, the chancellor or president will submit a work plan for the leave period, to include a description of the expected outcomes. The plan will be reviewed and recommended by the President for approval by the Board of Governors. At the conclusion of the research leave, the former chancellor shall submit a summary report to the president, the Board of Governors, and the applicable Board of Trustees;
- f. At the end of the research leave, the chancellor or president will assume the faculty position with a nine month appointment or with a length comparable to others in the department, with duties and responsibilities in accordance with departmental expectations of faculty of comparable rank and experience. Ongoing responsibilities will be determined by the campus. The continuing annual faculty salary will be determined through the regular campus salary setting process. In the event that a chancellor or president does not assume a faculty position at the end of the research leave in accordance with this policy, the president is authorized, in his or her discretion, to require repayment of compensation paid during the leave period from the nonreturning chancellor. With respect to the president, such discretionary authority rests with the Board of Governors.

These provisions related to research leave do not apply to individuals who have not served as chancellor or president for at least five years. If any paid research leave is granted under those circumstances, it requires approval by the Board of Governors upon the President's recommendation.

**Return to an administrative appointment:** If a chancellor or president resigns from his or her position to return to another administrative position within the University, the terms for such a return must be recommended by the president and approved by the Board of Governors.

2. **Separation from the University:** In some cases, a chancellor or a president may not be assuming a faculty position. It may be in the best interest of the University and a chancellor for the president to negotiate a severance agreement with a chancellor. In these circumstances, the president may, at the president's discretion, determine that the circumstances justify providing severance pay in the amount of the chancellor's full administrative pay for up to 90 days. Non-salary compensation such as a house and an automobile will not be continued during this period of full compensation, although the president may allow the chancellor a reasonable amount of

time to vacate the chancellor's house. Any agreement that results in a longer period of compensation must be approved by the Board of Governors.

The Board of Governors may, in its discretion, negotiate a severance agreement with a president who is resigning and is not assuming a faculty position.

3. President: For any action under this policy for which the president takes an action or makes a recommendation to the Board of Governors regarding chancellors, the Board will assume that responsibility in the case of the president.

4. Separate agreement: If the Board of Governors enters into a written agreement with a president or a chancellor, the terms of that agreement shall supersede this policy.

5. Effective Period: This policy as revised effective 01/08/10 applies to individuals who begin service as chancellor or president on or after the effective date. The original policy adopted on 8/12/05 remains in full force and effect for the president and chancellors appointed prior to the effective date of this revised policy.

DRAFT

3/10/10

## Regulation on Administrative Separation

### 1. Administrative Separation and Return to a Tenured Faculty Position.<sup>1</sup>

- a) **Return to a Tenured Faculty Position.** An administrator who holds a concurrent tenured faculty appointment may return to that appointment with all the rights and responsibilities of faculty in the home department, unless a proceeding is initiated to discharge or demote the tenured faculty member. If there has been an administrative stipend during the appointment, that stipend should be removed. The salary will be adjusted from a 12-month administrative salary to a 9-month or 12-month faculty salary that is commensurate with the salaries of comparable faculty members.
- b) **Research Leave.** At the discretion of the Chancellor, or the President in the case of a UNC General Administration employee, the Chancellor or President may provide for up to a one semester research leave for any tenured faculty member who has served in one or more consecutive Senior Academic and Administrative Officer positions subject to *Policy 300.1.1.1.A* for at least five years in order to provide an opportunity for the faculty member to prepare for teaching and research responsibilities. Prior to the beginning of the research leave, the administrator shall submit a work plan for the leave period to include expected outcomes. The plan will be reviewed and approved by the Chancellor. In the event that an employee of UNC General Administration is returning to the faculty of a constituent institution, the President shall review and approve the work plan. The leave will be paid at a salary commensurate with the salaries of comparable faculty members.
- c) **Exception Provision.** Exceptions may be made to recognize extraordinary circumstances including, but not limited to, extended or superior service in administrative roles. Any exception to these provisions must be approved by the Board of Trustees and by the President.
- d) **Failure to Return to Faculty Role.** In the event that the faculty member does not assume faculty responsibilities for at least a semester after the research leave in accordance with this policy, the Chancellor, or the President in the case of the UNC General Administration employee, is authorized, in his or her discretion, to require repayment of compensation paid during the leave period from the non-returning faculty member.

**2. Reappointment of an Administrator without Faculty Return Rights.** An administrator leaving a position that is categorized as "at will" has no claim to a position at the university; however, there may be circumstances in which assignment to another administrative or teaching position would be beneficial for both the institution and the employee. In these cases, the new salary should be

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<sup>1</sup> Campuses that do not have tenured faculty positions will follow campus-based policies approved by the President that are consistent with the intent of this Regulation.

appropriate to the assignment. Any exception must be approved by the Board of Trustees and by the President. This Regulation does not supersede any notice or severance pay required by Board of Governors policy.

**3. Separation from the University.** In some cases, it may be in the best interests of the institution to negotiate a severance agreement with an administrator. UNC policy addresses timely notice for termination of Senior Academic and Administrative Officers hired pursuant to *Policy 300.1.1.B*. In certain circumstances, these employees are entitled to notice of the discontinuation of their employment with full pay for up to 90 days or severance pay, depending on their length of service. A Chancellor or the President may, at his or her discretion, determine that the circumstances justify continuing full pay for employees subject to *Policy 300.1.1.A* for up to 90 days. Any agreement that results in a longer period of compensation must be approved by the Board of Trustees, or the Board of Governors for employees of UNC General Administration.

**4. Retirement.** Nothing in these Regulations shall prevent a tenured faculty member from immediately participating in phased retirement, consistent with existing UNC policies.

**5. Coverage.** These regulations apply to Senior Academic and Administrative Officers hired on or after the approval date. Employees serving as Senior Academic and Administrative Officers prior to the approval date remain covered under the previous regulations dated 2/13/04.