



The University of North Carolina

GENERAL ADMINISTRATION

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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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September 10, 2013

MEMORANDUM

TO: Members of the General Assembly

FROM: Charles E. Perusse *Charles E. Perusse*

SUBJECT: Report on the Use of Funds from the 2012-13 Reserve for
Compensation Increases

Session Law 2012-142, Modify 2011 Appropriations Act, requires the Board of Governors to report to the General Assembly on the use of funds provided in that bill for compensation increases to employees exempt from the State Personnel Act. This report summarizes the use of these funds.

If you have any questions, please contact Andrea Poole, Assistant Vice President for Finance, at arpoole@northcarolina.edu or (919) 962-3136.

Enclosure

cc: Ms. Lanier McRee
Fiscal Research Division

Ms. Dee Atkinson
Research Division

University of North Carolina System

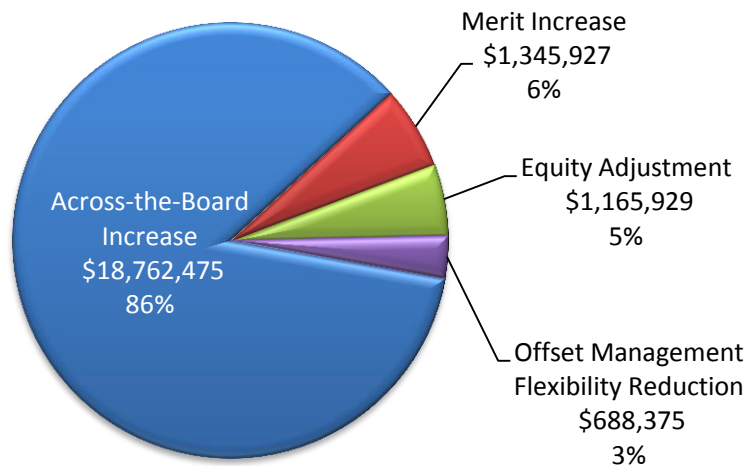
Report on the Use of Funds from the 2012-13 Reserve for Compensation Increases

As directed by S.L. 2012-142, the Director of the Budget transferred from the Reserve for Compensation Increases to the Board of Governors funds sufficient to provide employees who are exempt from the State Personnel Act (EPA) a salary increase of one and two-tenths percent (1.2%), including funds for the employers' retirement and social security contributions. The total amount transferred per this directive was \$21,962,706.

Section 25.1D(b) of S.L. 2012-142 stated, "These compensation funds may be used to award compensation increases to EPA employees, pursuant to policies adopted by the Board of Governors, including, but not limited to, any one or more of the following: (i) merit pay increases, (ii) across-the-board increases, (iii) recruitment bonuses, and (iv) retention increases. These compensation funds may also be used for one or more of the following (i) to offset the management flexibility reduction, or (ii) employ personnel. The provision also required the Board of Governors make a final report on the use of funds to the General Assembly no later than September 1, 2013. This report is submitted to fulfill this requirement.

The following page summarizes how each campus utilized the funds among the authorized purposes. The vast majority of funds, 86%, were used to support across-the-board increases. Using funds for this purpose was expected, given that university staff, like State employees, had been subject to a salary freeze for multiple years. Twelve colleges used a portion of the funds to for other authorized uses; most of these increases were provided due to an increase in job duties, educational attainment, or to address issues of equity. Additionally, three campuses used a portion of the funds to help offset the management flex cut.

Use of Funds from Reserve for Compensation Increases



University of North Carolina
Use of Funds from 2012-13 Reserve for Compensation Increases

Campus	Across-the-Board Increase	Merit Increase	Equity Adjustment	Offset Management Flex Cut	Employ Personnel	Recruitment and Retention	Total
Appalachian State University	1,114,870	223,425	43,133	-	-	-	1,381,428
East Carolina University	1,975,455	518,978	73,108	-	-	-	2,567,541
Elizabeth City State University	201,918	73,127	-	-	-	-	275,045
Fayetteville State University	452,865	-	-	-	-	-	452,865
North Carolina A & T State University	940,125	-	-	-	-	-	940,125
North Carolina Central University	659,381	24,046	-	109,796	-	-	793,223
North Carolina State University	3,861,999	-	9,328	562,919	-	-	4,434,246
UNC School of the Arts	158,279	20,515	13,004	15,660	-	-	207,458
UNC at Asheville	295,363	32,813	-	-	-	-	328,176
UNC at Chapel Hill	4,387,041	-	-	-	-	-	4,387,041
UNC at Charlotte	1,477,681	292,586	-	-	-	-	1,770,267
UNC at Greensboro	816,172	-	684,243	-	-	-	1,500,415
UNC at Pembroke	330,339	-	107,018	-	-	-	437,357
UNC at Wilmington	792,992	-	236,095	-	-	-	1,029,087
Western Carolina University	557,647	160,437	-	-	-	-	718,084
Winston-Salem State University	614,038	-	-	-	-	-	614,038
NC School Of Science & Mathematics	103,124	-	-	-	-	-	103,124
UNC-General Administration	23,186	-	-	-	-	-	23,186
Total	\$18,762,475	\$1,345,927	\$1,165,929	\$688,375	\$0	\$0	\$21,962,706