OPEN SESSION

FOR ACTION

1. Approval of Non-Salary and Deferred Compensation Policy Changes (outlining Bonus Program provisions)
   Dr. Becci Menghini, Vice Chancellor for Human Resources & Equal Opportunity and Compliance

2. Approval of School of Social Work Faculty Salary Ranges
   Dr. Becci Menghini, Vice Chancellor for Human Resources & Equal Opportunity and Compliance

FOR INFORMATION

1. Innovate Carolina: Update on Economic Development and Innovation District
   Doug Rothwell, Chair of Economic Development Council and Co-Chair Downtown Together Taskforce
   Sheryl Waddell, Director of Economic Development and Innovation Hubs
   Michelle Bolas, Chief Innovation Officer and Executive Director, Innovate Carolina
   Trustee Vinay Patel

*Some of the business to be conducted is authorized by the N.C. Open Meetings Law to be conducted in closed session.
Situation: The Committee has for its approval an updated EHRA Policy on Non-Salary and Deferred Compensation.

Background: Section 300.2.14 of the UNC Policy Manual provides UNC System universities with the authority to provide non-salary compensation for all personnel exempt from the North Carolina Human Resources Act, except for the chancellor and the president. Accordingly, the University of North Carolina at Chapel Hill maintains a policy on Non-Salary and Deferred Compensation.

Assessment: On May 26, 2022, the Board of Governors of the University of North Carolina authorized the boards of trustees for UNC system universities to provide for sign-on bonuses, retention bonuses, and/or performance bonuses such that those constituent campuses might recruit and retain needed talent to support the operations of the university, and authorized the UNC System President to issue any regulations or guidance necessary to implement that authority.

On August 31, 2022, the UNC System President issued Section 300.2.14.2[R] of the UNC Policy Manual, Regulation on Delegated Authorities Regarding Non-Base Salary.

At its meeting in September, 2022, the UNC-CH BOT approved a resolution delegating the authority to establish a bonus program and to approve sign-on, retention and performance-based bonuses issued under the May 26, 2022 resolution and Section 300.2.14.2[R] to the Chancellor and his designees.

The University has developed a bonus program in compliance with Section 300.e.14.2[R] and has included the specifics, as well as the eligibility criteria, in the Policy on Non-Salary and Deferred Compensation. This program mirrors, where possible, the bonus program for SHRA employees governed by OSHR.

Action: The University seeks BOT approval of the updated policy on Non-Salary and Deferred Compensation outlining the parameters of the bonus program for EHRA employees.
Non-Salary And Deferred Compensation

Title

Non-Salary And Deferred Compensation

Introduction

Purpose

This policy sets forth specific definitions and procedures for the payment of non-salary and deferred compensation to EHRA employees of The University of North Carolina at Chapel Hill (“UNC-Chapel Hill”). Any such compensation may only be paid in accordance with the provisions of this Policy and only after receiving the approvals specified herein.

The Board of Governors of the University of North Carolina, through Sections 300.2.14 and 300.2.14.1[R] of the UNC Policy Manual, requires each constituent institution to have a policy on non-salary and deferred compensation for employees who are exempt from the State Human Resources Act ("EHRA employees"). This Policy implements that mandate and establishes guidelines and procedures for non-salary and deferred compensation for EHRA employees at UNC-Chapel Hill.

Scope of Applicability

This Policy applies to all EHRA employees at UNC-Chapel Hill - except as noted below:

1. The Chancellor is exempt from this Policy. Subsection III of Section 300.2.14 of the UNC Policy Manual addresses non-salary and deferred compensation for the Chancellor; Section 300.1.5 addresses the official residence provided to the Chancellor.
2. Compensation that is authorized by a faculty practice plan and/or faculty incentive pay plan, approved by the Chancellor and duly reported to the Board of Trustees and Board of Governors, is exempt from this Policy. Other forms of non-salary compensation provided to employees covered by these plans are subject to this Policy.
3. The Athletic Director and Head Coaches to whom individual employment contracts are issued and approved by the Board of Trustees and Board of Governors are exempt from this Policy, except that non-salary and/or deferred compensation that fall outside of the terms of such contracts is subject to this Policy. These employees are otherwise subject to Section 1100.3 of the UNC Policy Manual. All other Athletic Coaches are covered by this Policy, whether employed at-will or under term appointments.

Policy
Policy Statement

Within the parameters outlined below, non-salary compensation may be provided to EHRA employees for reasons that are relevant to attracting or retaining faculty and staff of the highest possible quality.

1. Decisions concerning non-salary compensation must be consistent with the University's Policy on Prohibited Discrimination, Harassment, and Related Misconduct and not be based in whole or in part on any employee's protected status.
2. In accordance with Section 300.2.14, this Policy specifies non-salary compensation that is provided to defined categories of EHRA employees at UNC Chapel Hill.
3. Advance approval by the Board of Trustees is required for any non-salary compensation not specifically authorized in this Policy or that exceeds the specified compensation limits; approval for any deferred compensation not already permitted under UNC policies must be granted by the Board of Governors.

Funding Sources & Tax Reporting

1. The funding source for non-salary compensation may not be State-appropriated funds, unless either specifically noted in this Policy or separately approved by the Board of Trustees, and then only when permitted by guidelines issued by the Office of State Budget and Management.
2. Non-salary compensation may be funded by an associated entity of UNC-Chapel Hill only if permitted by that entity's policies and if the compensation meets all other requirements of this Policy. Such compensation remains subject to advance review and approval by the applicable University central offices per Section VII of this Policy.
3. To comply with Internal Revenue Service (“IRS”) regulations, certain forms of non-salary compensation may require individuals to maintain written records to document business and non-business (i.e., personal) use to ensure appropriate tax withholding and reporting by University Payroll Services. Such records must be provided by the subject employee when requested by the University.
4. Employees receiving non-salary compensation are responsible for ensuring their individual compliance with any applicable State and Federal tax laws. Employees should consult with the relevant taxing authority or their personal tax advisor for more information regarding the applicable tax regulations.

Types of Non-Salary Compensation

1. Household Moving Expenses
   a. Based on available resources, Department Heads have the option to include moving expenses as part of a hiring offer for relocating EHRA employees. Not every offer is intended or required to include such provisions, and its inclusion should be based on business necessity to attract well-qualified candidates.
   b. In accordance with the State Budget Manual, moving expenses cannot be paid from State-appropriated funds for initial employment. Actual costs of moving standard household goods and personal effects may be paid from non-State-
appropriated funds and requires three estimates in accordance with the State Budget Manual.

c. The Chancellor has issued a standing authorization to supervising Deans to provide moving expenses (up to a designated limit) as part of an initial appointment offer for EHRA employees serving within a School/College.

d. The Chancellor has issued a standing authorization to the Athletic Director for moving expenses (up to a designated limit) as part of an initial appointment offer for coaches, assistant/associate coaches, assistant/associate athletic directors, and other EHRA instructional Athletics staff.

e. Such delegations and authorization levels may be subsequently changed or updated outside of this Policy, as long as any such change remains in compliance with overarching UNC System and University policy.

f. Household moving expenses for all other EHRA employees or in amounts exceeding designated limits must be authorized in advance on a case-by-case basis by the Chancellor, Executive Vice Chancellor and Provost, or supervising Vice Chancellor.

2. Home Search Expenses

a. Based on available resources, Department Heads have the option to include expenses arising from home searches as part of a hiring offer for relocating EHRA employees. Not every offer is intended or required to include such provisions, and its inclusion should be based on business necessity to attract well-qualified candidates.

b. The inclusion of home search expenses in a hiring offer must have the approval of the supervising Vice Chancellor, Dean, or Athletic Director.

c. The State Budget Manual provides guidance for employee travel and subsistence for the purpose of conducting a home search with family. This Policy allows for up to three such two-day trips. Such home search expenses related to initial employment cannot be paid from State-appropriated funds.

3. Temporary Housing as Part of Initial Hiring

a. Based on available resources, Department Heads have the option to include temporary housing assistance as part of a hiring offer for relocating EHRA employees. Not every offer is intended or required to include such provisions, and its inclusion should be based on business necessity to attract well-qualified candidates.

b. Positions categorized as faculty, senior academic and administrative officers, coaches, assistant/associate coaches, assistant/associate athletic directors, and other EHRA instructional athletics personnel may be reimbursed for receipted temporary housing costs as part of the initial hire. This reimbursement cannot exceed $2,500 per calendar month for up to six months, at the discretion of the supervising Vice Chancellor, Dean, or Athletic Director.

c. All other categories of EHRA employees may be authorized to receive reimbursement for temporary housing expenses within these same limits on a case-by-case basis by the Chancellor, the Executive Vice Chancellor and Provost, or supervising Vice Chancellor.

d. An EHRA employee who does not utilize the entire authorized housing allowance may be permitted (but is not required) by the supervising senior officer to utilize
any remaining amount to extend the arrangement for a period not to exceed three additional months beyond their allotted duration. The total of all such expenditures, including any extension, may not exceed the total allowance authorized as part of the hiring offer, nor may any individual monthly reimbursement exceed $2,500.

e. The Chancellor has the authority to authorize a housing allowance in an amount up to $3,000 per calendar month and/or a total duration of up to one year under special circumstances to attract unique or hard-to-recruit talent to the University.

f. Temporary housing costs that exceed the authorized amount or duration must be submitted on a case-by-case basis for advance review and approval by the Board of Trustees.

4. Temporary Housing & Incidental Expenses as Part of a Remote Duty Assignment

a. Any EHRA employee covered by this Policy may be reimbursed for receipted expenses, including temporary housing and other incidental living costs necessary to facilitate a temporary out-of-state or foreign-duty work assignment (e.g., study abroad assignments, remote research stations), not to exceed $2,500 per calendar month for a period not to exceed one year, with the approval of the Chancellor, the Executive Vice Chancellor and Provost, or the supervising Vice Chancellor or Dean.

b. The Chancellor has the authority to authorize temporary housing and other incidental living costs per item 4.a above in an amount not to exceed $3,000 per calendar month and/or a total duration of up to 18 months, when deemed necessary to conduct legitimate University business that is out-of-state or related to a foreign-duty work assignment.

c. Any reimbursements that exceed these limits or duration must be authorized in advance on a case-by-case basis by the Board of Trustees.

d. The payment of any extraordinary dependent educational expenses must be authorized in advance on a case-by-case basis by the Board of Trustees.

5. Ongoing Housing Required by Job Assignment

Lodging or housing provided to an employee as a required condition of employment (e.g., a facility caretaker) or housing provided to resident staff employed by the Division of Student Affairs to work in University residence halls may be permitted with the approval of the Chancellor, the Executive Vice Chancellor and Provost, or the supervising Vice Chancellor or Dean.

6. Vehicle Allowances

a. The Chancellor is authorized (but not required) to provide the use of one leased vehicle, courtesy vehicle, or comparable vehicle allowance to the Executive Vice Chancellor and Provost, any of the Vice Chancellors, and the Director of State Relations for the primary purpose of conducting University business. The annual taxable income value for any non-business use of said vehicle and related operating expenses may not exceed $7,500.

b. The Athletic Director is authorized (but not required) to provide the use of one leased vehicle, courtesy vehicle, or comparable vehicle allowance to the Assistant/Associate Athletic Directors, Head Coaches, Assistant/Associate Coaches, and Head Trainers for the primary purpose of conducting University
business. The annual taxable income value for any non-business use of said vehicle and related operating expenses may not exceed $7,500.

c. Vehicle allowances for all categories of EHRA employees except those listed above, or which exceed any of the specified limits above, must be submitted on a case-by-case basis for advance review and approval by the Board of Trustees.

7. University-Affiliated Club Memberships
   a. Positions categorized as Senior Academic and Administrative Officers (SAAO) Tier I, the University's Deputy Chief Advancement Officer, and the Chief Advancement Officer of each School/College may be provided with individual memberships at any on-campus University-affiliated club for job-related purposes. The Chancellor must approve all such memberships, with the exception of the Chief Advancement Officers of a School/College, which must be approved by the supervising Dean.
   b. University departments may hold a "departmental" membership, in the name of the Department Head, for departmental business use only at the University's institution-affiliated clubs, if such memberships are allowed by club policy. Such departmental memberships must be approved in advance by the Chancellor and/or the applicable Vice Chancellor who oversees the department in question.
   c. All personal use of departmental memberships is prohibited. In no case may the funding source for either individual or departmental memberships be State appropriated funds.

8. External Club Memberships
   a. The Executive Vice Chancellor and Provost and the Vice Chancellor for Advancement may be provided with one external club membership for job-related purposes.
   b. Any such club must have a policy prohibiting discrimination against individuals or groups protected by federal or North Carolina law.
   c. Any University-paid external club memberships provided to other EHRA employees or additional University-paid external club memberships provided to the two senior officers noted above must be submitted on a case-by-case basis for advance review and approval by the Board of Trustees.

9. Athletic Facility Memberships
   a. The following EHRA employees may (but are not required) to receive paid membership or access to University athletic and physical fitness facilities (as appropriate) for job-related purposes by the supervising Vice Chancellor, Dean or Athletics Director:
      i. Individuals who hold academic rank and a primary faculty appointment in the Department of Exercise and Sport Science and whose primary role is to provide physical education instruction to students.
      ii. EHRA professionals in the Departments of Exercise and Sport Science, Campus Recreation, and Athletics whose primary responsibilities involve providing direct physical training to students/athletes and/or ensuring the safety and maintenance of fitness and physical education equipment.
      iii. In no case may the funding source be State-appropriated funds.
b. All other University-paid memberships in health clubs/fitness facilities for all other categories of EHRA employees must be submitted on a case-by-case basis for advance review and approval by the Board of Trustees.

10. Campus Athletic & Cultural Events
   a. Positions categorized as Senior Academic and Administrative Officers (SAAO) Tier I as well as other EHRA professionals whose primary responsibilities include solicitation of donors may be provided with complimentary admission to University-related athletic or cultural events for job-related purposes, including complimentary admission for an accompanying guest, such as a spouse/partner, if the guest is expected to assist in University-related hosting activities.
   b. Complimentary athletics event tickets may be provided for coaches and athletics administrators in accordance with a standardized, position-based schedule that is maintained by the Athletic Director and approved by the Chancellor.
   c. Ongoing or routine athletics or cultural event complimentary admission provided to any individual or similarly situated group of EHRA employees for discretionary (non business-related) use must be submitted on a case-by-case basis for advance review and approval by the Board of Trustees and must be reported for tax purposes.
      i. An exception is permitted for excess single-use tickets to campus events that could not otherwise be sold (and as a result are deemed to have no market value) and will be distributed as occasional employee recognition/appreciation awards by the Chancellor, Executive Vice Chancellor and Provost, or the supervising Vice Chancellor or Dean.

11. Incentive-Based Compensation for Certain Athletics Employees
    Incentive-based compensation beyond base salary provided to any EHRA employee in the Department of Athletics (other than specific compensation for the Athletic Director and Head Coaches with individual contracts covered by Section 1100.3 of the UNC Policy Manual), for reasons including, but not limited to, reaching performance goals such as post-season playoffs or student-athlete academic achievement levels, must be approved by the Board of Trustees. Such approvals may be on a case-by-case basis or by a standard schedule proposed to the Board of Trustees by the Athletic Director with the Chancellor's concurrence.

12. Incentive-Based Compensation for Other Employees
    Any form of incentive-based compensation beyond base salary to be paid to any EHRA employee in recognition of performance or productivity, except as provided for in this Policy, must be expressly authorized by the Chancellor and the Board of Trustees and conform with any relevant policies and guidelines of the Board of Governors then in effect.

13. Educational Assistance, Dependent Care, and Related Benefits
    Any employer-provided benefits in excess of current IRS limits for qualified educational assistance, dependent care, or similar benefit programs must be submitted on a case-by-case basis for advance review and approval by the Board of Trustees and must be reported to Payroll as taxable compensation on a case-by-case basis.
Sign-on, Retention, and Performance Bonuses

In accordance with Section 300.2.14.2[R] of the UNC Policy Manual, EHRA employees may be eligible for sign-on, retention, and performance bonus programs, subject to the requirements outlined in this policy. There is no automatic entitlement to sign-on, retention, or performance bonuses by any employee of the University.

1. Source of Funds

Schools or divisions may fund bonuses using any source of funds, including state or non-state appropriations, if the funding source permits an expenditure for this purpose. For state funds, such use must be permissible under the policies of the Office of State Budget and Management.

2. Approvals

Schools or divisions must submit all requests to pay a sign-on, retention, or performance bonus to any EHRA employee to the Office of Human Resources. Such requests must include the documented need and/or justification for the requested bonus. All bonus programs for Tier I SAAOs must be approved by the Board of Trustees. Bonuses for all other EHRA employees must be approved by the Vice Chancellor for Human Resources and Equal Opportunity and Compliance or the Senior Associate Vice Chancellor for Human Resources and Academic Personnel prior to communication and payment to the employee.

3. Eligible Employees

a. Only candidates for or employees in permanent EHRA positions are eligible for bonuses under this policy.

b. The University will not award any bonus under this policy to an employee who:
   i. has received an end of appointment notice;
   ii. did not receive an overall rating of at least “meeting expectations” on their most recent annual appraisal, or if an annual performance appraisal was not required, is deemed to not be in “good standing”;
   iii. is currently working under a performance improvement plan; or
   iv. is no longer actively employed in their position.

b. An employee may receive either one sign-on bonus or one retention bonus, but not both, within any 24-month period. Receipt of a sign-on or retention bonus does not preclude an employee from receiving a performance bonus as otherwise allowed by this policy.

c. Receipt of a retention bonus does not preclude an employee from receiving a retention salary increase for a competitive offer as allowed by existing salary administration policy and regulation.

d. An eligible employee may receive only one performance bonus award per year and the award should be made as close to the prior year’s performance appraisal cycle as reasonably possible.

e. Tier I SAAOs are not eligible for performance bonuses but may be eligible for sign-on and retention bonuses if approved by the Board of Trustees.

f. Performance-based pay for clinical faculty is covered under approved clinical incentive pay plans and is not included in this program.
4. Sign-on and Retention Bonuses

a. Additional Requirements and Limitations for Sign-on and Retention Bonuses

i. To be eligible for a sign-on bonus, the candidate must not have worked for the University as a permanent EHRA employee in the last 12 months.

ii. To be eligible for a sign-on or retention bonus, the employee must work at least 20 hours per week.

iii. Retention bonuses may not be awarded in an across-the-board manner to broad classes of employees.

b. Sign-on Bonus Criteria

Sign-on bonuses are discretionary and intended to serve as a recruitment incentive. A sign-on bonus must be based on at least one of the following specific, demonstrated recruitment needs:

i. For a Specific Job Classification

To enhance the ability to recruit qualified candidates during labor market shortages, a school or division may elect to offer sign-on bonuses to candidates hired into positions for a specific job classification within the University, division, facility, or unit. To qualify, the school or division must demonstrate that the job classification is critical to the University’s mission, there is a labor market shortage, and the inability to hire qualified candidates would impair delivery of essential services.

ii. For an Individual Position

A school or division may elect to offer a sign-on bonus for an individual position if the school or division can demonstrate that the position is critical to the University’s mission, the labor market is particularly competitive for the skillset and experience required for that position, and the University’s inability to recruit and hire a qualified candidate would negatively affect the delivery of essential services. This option is typically reserved for instances where the position is the sole individual, or one of two individuals, fulfilling a role at the University.

iii. For a Moving Allowance

A school or division may provide a sign-on bonus in lieu of a moving allowance if a moving allowance is not otherwise provided separately.

c. Retention Bonus Criteria

Retention bonuses are discretionary and intended to enhance retention of employees whose knowledge, skill, and abilities are vital to fulfill the school or division’s goals and/or strategic plan and whose loss would negatively affect University operations. A retention bonus may only be awarded when a school or division can demonstrate and document at least one of the following specific, individual retention needs:

i. For a Specific Job Classification
In parallel with sign-on bonuses for specific job classifications, a school or division may elect to provide retention bonuses to retain a group of employees in a specific job classification when the University is offering sign-on bonuses as a recruitment incentive to attract qualified candidates for positions in that job classification. To qualify, the school or division must demonstrate that the job classification is critical to the University’s mission, there is a labor market shortage, and the loss of employees in that role would impair the delivery of essential services.

ii. For an Individual Position

A school or division may elect to offer a retention bonus to an individual in the following scenarios:

1) In parallel with a sign-on bonus for an individual position, to retain an employee when the University has offered a sign-on bonus as a recruitment incentive to an individual in a similar critical position within the same school or division and the school or division can demonstrate the labor market is particularly competitive for the skillset and experience required for that position and losing the individual would affect the delivery of essential services; or

2) To retain an employee who is likely to leave the University to an entity external to the University and the school or division can document conditions in the labor market that demonstrate a heightened risk for loss of critical talent that would negatively affect University operations.

iii. Tied to a Special Initiative:

A unit or department may elect to offer a retention bonus to retain a team of employees assigned to a Special Initiative of the University where their combined skills and understanding of the initiative are critical to its successful completion, failure to complete the initiative would negatively affect University operations, and conditions in the labor market demonstrate a heightened risk for loss of critical talent.

d. Bonus Amount

i. Any sign-on bonus may not exceed the lesser of $25,000 or 20 percent of the annualized base salary of the new position.

ii. Any retention bonus may not exceed the lesser of $25,000 or 20 percent of the employee’s current base salary.

iii. Bonuses for eligible employees working in part-time (less than one FTE) positions will be prorated based on hours worked.

e. Bonus Payout

i. A sign-on bonus or retention bonus may be paid in one lump sum or paid out in installments over the 12 months following the hire date or following the payment of the first installment.
ii. Sign-on and retention bonuses are not subject to retirement contributions to either the Teachers’ and State Employee’s Retirement System or the UNC Optional Retirement Program.

c. Repayment Agreement

Before an employee may receive a sign-on or retention bonus, the employee must sign an agreement under which the employee agrees to repay the bonus, in whole or part, if the employee leaves the University voluntarily or involuntarily before the completion of 12 months consecutive service. The agreement must also state that if the employee does not terminate employment with the University but moves to another school or division or to another occupational group before completion of 12 months of service, the employee forfeits any remaining unpaid installment of their bonus. The “period of consecutive service” follows eligibility rules for state service credit and leave accruals. Periods of leave without pay do not count toward the required 12 months of service.

5. Performance Bonuses

Performance bonuses are discretionary and are intended to recognize merit, reward exceptional performance and effectiveness substantially beyond expectations of the position. They are not intended to supplant base salary adjustments when deemed necessary and appropriate, such as addressing essential labor market or equity situations.

a. Role of Performance Appraisal

A performance bonus and its amount must be tied to specific criteria and quantitative and qualitative goals documented in a non-faculty employee’s annual performance plan or in the provisions of a written incentive compensation plan for faculty. Such criteria and goals should align with the school or division and University’s strategic plan.

b. Performance Bonus Criteria

A performance bonus must be based on at least one of the following specific, demonstrated performance achievements:

i. Contribution

The employee has made substantial contributions to the fulfillment of goals, mission and objectives of the department, school/division, or University. Contributions must be visible, measurable, and broadly acknowledged by colleagues and school/division and/or University administrators.

ii. Collaboration/Creativity

The employee has identified and implemented creative and innovative ideas or solutions that increase efficiency or effective use of University resources, the effects of which must be apparent at the school/division or University level and must be visible, measurable, and broadly acknowledged by colleagues and school/division and/or University administrators.

iii. Commitment
The employee delivered outstanding results in the areas of teaching, research, and/or service and demonstrates an exemplary work ethic to meet departmental, school/division, or University goals, the results of which must be visible, measurable, and broadly acknowledged by colleagues and school/division and/or University administrators.

c. **Bonus Amount**

Performance bonus compensation awarded in a single fiscal year may not exceed either 20 percent of the employee’s current base salary or $50,000.

d. **Bonus Payout**

iv. A performance bonus should be made as close to the prior year’s performance appraisal cycle as reasonably possible.

v. A performance bonus may be paid in one lump sum or paid out in installments over the course of the fiscal year in which it was awarded.

vi. Performance bonuses are subject to retirement contributions to either the Teachers’ and State Employee’s Retirement System or the UNC Optional Retirement Program.

vii. If the employee leaves the position in which the performance bonus was earned prior to the full bonus being disbursed, then the employee will receive the remainder of the performance bonus at the time of separation from the position.

Deferred Compensation

1. **Deferred Compensation for Tier I Senior Academic and Administrative Officers Other than the Chancellor**

Tier I Senior Academic and Administrative Officers (SAAOs) are eligible pursuant to Section 300.2.14.1[R] of the UNC Policy Manual for deferred compensation in the form of annual contributions to a qualified executive retirement plan administered by the UNC System Office, on recommendation of the Chancellor with the approval of the Board of Trustees. Approval to participate in the qualified executive retirement plan does not automatically constitute approval to receive contributions to the plan. In order to receive contributions to the plan, the Chancellor must annually recommend any such contribution for approval by the Board of Trustees.

a. **Notification to UNC System Office**

For each Tier I SAAO employee approved by the Board of Trustees to participate in the retirement plan, the University will provide written notification to the UNC System Office that includes the following:

i. The source(s) of funds from which the contributions will be made and the amount of the proposed contribution(s) as a percentage of the eligible employee’s base salary;
ii. Whether the contribution(s) will be ongoing until appointment end or will expire in a specified period; and

iii. The vesting period that will apply to all contributions made to the eligible employee’s qualified executive retirement plan account.

b. Permissible Contribution Amount

Contributions to any individual employee participating in the qualified executive retirement plan must occur once annually and may not exceed ten percent (10%) of the employee’s current base salary in effect at the time the contribution is made by the UNC System Office.

c. Entitlement to Contributions

No employee, position, or group of positions is entitled to contributions to the qualified executive retirement plan. All such contributions are voluntary on the part of the University and may be suspended or discontinued at any time and for any reason by the UNC Board of Governors, the Board of Trustees, or the president. Further, contributions are subject to availability of institutional funds, and no contribution will be made if an employee has received notice of an end of appointment and/or is no longer currently actively employed by the University regardless of prior approvals or written commitments of same.

d. Source of Funds

Contributions may be made with any source of funds, including state or non-state appropriations if the funding source permits an expenditure for this purpose.

e. Vesting Period

The University must identify and communicate to the employee at the time of the initial contribution a specified vesting period, which may be immediate but may not exceed five (5) years.

f. Administrative Procedures

Contributions under this Policy may only be made to the applicable qualified executive retirement plan administered by the UNC System Office using forms and procedures established by the Plan Administrator, who will provide these forms and procedures to the University’s chief human resources officer upon request.

2. Other Deferred Compensation Plans

a. The State of North Carolina and UNC-Chapel Hill offer employees certain deferred compensation benefits, including voluntary (employee-paid) 457, 403(b), and 401(k) options. Employer contributions to these plans by UNC-Chapel Hill or its affiliated entities are not permitted under UNC policy for employees covered by this Policy.
b. This Policy does not prohibit regular employer contributions to the State of North Carolina Teachers and State Employee's Retirement System (TSERS) or the University of North Carolina Optional Retirement Program (ORP) as provided by State law or UNC policy.

c. Unless expressly outlined in this Policy or otherwise approved by the Board of Governors, UNC-Chapel Hill or its associated entities may not provide any other employer-paid, entity-paid, or privately-paid options for deferred compensation to any employee covered by this Policy.

Roles & Responsibilities

- All non-salary compensation for EHRA employees must be requested by the supervising Department Head using forms published for this purpose jointly by the Executive Vice Chancellor and Provost and the Vice Chancellor for Human Resources.
- Any allowable non-salary compensation may not be implemented or paid without final approval from the Office of the Executive Vice Chancellor and Provost (for Faculty) or the Office of Human Resources (for EHRA Non-Faculty) unless otherwise explicitly set forth in this Policy.
- Any requests for non-salary compensation that require advance approval by the Board of Trustees or the Board of Governors under this Policy must be transmitted to the applicable Board(s) with the Chancellor's concurrence.

Exceptions

1. Exclusions from the Definition of Non-Salary Compensation:
   a. Non-salary compensation does not include:
      i. Base salary.
      ii. Salary supplements for additional temporary, acting, or interim responsibilities.
      iii. Lump sum payments for additional duties disbursed promptly upon completion of the work assignment.
      iv. Stipends associated with named or endowed professorships.
      v. Compensation to correct a payroll error that is promptly disbursed upon discovery.
      vi. One-time payment for awards related to recognition programs established and approved by the Chancellor, the Executive Vice Chancellor and Provost, or by the Vice Chancellor for Human Resources or his/her designee and included in the published Office of Human Resources Awards Registry.
   b. Items that are required by the University for the express purpose of conducting University business are also not considered "non-salary compensation" and thus are excluded from this Policy. Examples include:
i. Reimbursement of professional or work-related travel expenses, including mileage reimbursement for business use of a personal vehicle, and allowable per-diem meal expenditures.

ii. Payment of required visa-related fees for work authorization of non-resident alien employees.

iii. Provision of equipment to perform the work of the position (even if used at home) including computers, cellular phones, personal data assistants (PDA), pagers and similar work-related items.

Definitions

1. Non-Salary Compensation: Non-salary compensation includes, but is not limited to, payment of moving expenses, provision of a motor vehicle or motor vehicle allowance, provision of housing or housing allowance, club memberships, or any other special benefit of monetary value provided to employees for job-related reasons.

2. Deferred or Delayed Compensation: "Deferred" or "delayed" salary or compensation is defined as but not limited to:
   a. Any payment or contribution by UNC-Chapel Hill or one of its associated entities, whether paid directly to the employee, to the employee's account or plan, or to a person acting in a capacity similar to a trustee for the employee, and which is paid later than the regular or next subsequent payment cycle.
   b. Traditional 457 deferred compensation plans, retirement plans or accounts, annuities, and life insurance that accumulate cash value. This definition includes both tax-qualified and non-qualified plans and any other similar form of payment, whether tax-sheltered or not.

3. Special Initiative: a defined project with specific goals, an expected beginning and end, and dedicated staff who spend a substantial amount of their time on that project.

UNC System Policy Manual

Contact Information

Policy Contact

<table>
<thead>
<tr>
<th>Address</th>
<th>Phone Number</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office of Human Resources</td>
<td>(919)843-2300</td>
<td><a href="mailto:hr@unc.edu">hr@unc.edu</a></td>
</tr>
<tr>
<td>Address</td>
<td>Phone Number</td>
<td>Email</td>
</tr>
<tr>
<td>---------------------</td>
<td>--------------</td>
<td>-------</td>
</tr>
<tr>
<td>104 Airport Drive, CB #1045 Chapel Hill, NC 27599</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Situation: The Committee has for its approval new faculty salary ranges for the School of Social Work.

Background: Section 600.3.4 of the UNC Policy Manual, Policy on the Delegations of Authority and Granting Management Flexibility in Human Resource Matters, provides that simultaneous with the president’s authorization of an institution’s management flexibility plan, the board of trustees of that institution is also delegated the authority to establish faculty salary ranges within different academic disciplines based on relevant market data.

Assessment: Recruiting and retaining the most qualified Social Work faculty continues to be a challenge for the UNC School of Social Work, particularly given the demand for seasoned, licensed professionals in other work spaces. The School of Social Work seeks to extend its faculty ranges to remain competitive in the market and to ensure the continued success of its training programs. It is recommended that the BOT approve these proposed updated salary ranges for the School of Social Work.

Action: This item requires approval by the Board of Trustees.
The School of Social Work is updating their current faculty salary ranges due to increases in the market and to remain competitive in recruiting the highest talented faculty. In the past, they've used CUPA metrics, but this year, the school used the AAUDE’s 50th percentile as their targeted midpoint for their Instructor, Assistant Professor, and Professor (including Distinguished Professors) ranks, and used the AAUDE’s average for the Associate Professor rank, as the median was lower than the benchmark for Assistant Professors. The School pays all faculty the same, regardless of which faculty track they are on.

### Current Ranges

<table>
<thead>
<tr>
<th>What is the Department reference appt?</th>
<th>What is the Department reference point?</th>
<th>System Office Spreads (Not Less than 60%)</th>
<th>Max - Min / Min = Range Spread</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ranks</td>
<td>Minimum</td>
<td>Midpoint</td>
<td>Maximum</td>
</tr>
<tr>
<td>Professor</td>
<td>$ 97,400</td>
<td>$ 170,450</td>
<td>$ 243,500</td>
</tr>
<tr>
<td>Associate Professor</td>
<td>$ 62,893</td>
<td>$ 100,000</td>
<td>$ 137,107</td>
</tr>
<tr>
<td>Assistant Professor</td>
<td>$ 59,028</td>
<td>$ 85,000</td>
<td>$ 110,972</td>
</tr>
<tr>
<td>Instructor</td>
<td>$ 48,846</td>
<td>$ 63,500</td>
<td>$ 78,154</td>
</tr>
</tbody>
</table>

The School of Social Work's goal is to pay at the 80% percentile of CUPA’s salary survey and our faculty salary ranges have been developed with that target as our midpoint.

### Proposed Ranges

<table>
<thead>
<tr>
<th>What is the Department reference appt?</th>
<th>What is the Department reference point?</th>
<th>System Office Spreads (Not Less than 60%)</th>
<th>Max - Min / Min = Range Spread</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ranks</td>
<td>Minimum</td>
<td>Midpoint</td>
<td>Maximum</td>
</tr>
<tr>
<td>Professor</td>
<td>$ 122,657</td>
<td>$ 214,650</td>
<td>$ 306,643</td>
</tr>
<tr>
<td>Associate Professor</td>
<td>$ 62,725</td>
<td>$ 99,733</td>
<td>$ 136,741</td>
</tr>
<tr>
<td>Assistant Professor</td>
<td>$ 59,660</td>
<td>$ 85,911</td>
<td>$ 112,162</td>
</tr>
<tr>
<td>Instructor</td>
<td>$ 57,945</td>
<td>$ 75,328</td>
<td>$ 92,711</td>
</tr>
</tbody>
</table>

The School of Social Work used the AAUDE's fixed term 50th percentile as the midpoint for the Instructor and the Assistant Professor ranks, the AAUDE's fixed term average was used as the midpoint for Associate Professors, and the AAUDE's tenure-track/tenure 50th percentile was used as the midpoint for the Professor (including Distinguished) rank.
Economic Development Strategy – Innovation District and Hub

Board of Trustee Meeting, November 10th

Doug Rothwell, Chair of Economic Development Council and Co-Chair Downtown Together Taskforce

Michelle Bolas, Chief Innovation Officer and Executive Director of Innovate Carolina

Sheryl Waddell, Director of Economic Development and Innovation Hubs
Innovate Carolina’s Mission

Strategic and well-connected innovation practices leverage public investment in knowledge and discovery to create economic, social and human impact.
INNOVATE CAROLINA

UNC-Chapel Hill’s central team for innovation, entrepreneurship and economic development

Chief Innovation Officer
Executes the University-wide strategy for innovation, entrepreneurship and economic development as set by the Chancellor.

Innovation Practitioners
Skilled experts who put innovation into practice through their combined experience in scientific research development, commercialization, venture creation and business strategy.

Chief Innovation Officer Charge

Innovation Strategy
How do we create a unified strategy and governance for and visibility into the use of innovation resources?

Alignment of Investment + Mission
How do we align the University's investments in innovation with its mission?

External Engagement
How do we engage external industry, research and community partners with a singular focus?

Return on Investment
How do we know what works and measure the impact made by UNC innovation?
CAROLINA ECONOMIC DEVELOPMENT STRATEGY

PLACE
Create a positive first impression of Chapel Hill and Carolina

DISTRICT
Catalyze a downtown innovation district

HUB
Anchor the District with a Carolina innovation hub

REGIONAL HUBS
Cultivate a network of Carolina regional innovation hubs
CHAPEL HILL INNOVATION DISTRICT

• America’s only innovation district adjacent to a top-five public research university
• Collaboration between UNC-Chapel Hill, Town of Chapel Hill and Downtown Partnership
• Part of the Carolina Economic Development Strategy
100 BLOCK OF E. ROSEMARY & FRANKLIN

INNOVATION DISTRICT: PHASE 1

1. Innovation Hub. Innovate Carolina programs + services. Industry anchor. Startup accelerator. 7 stories (118K sf) w/ 2 floors of UNC space (20K sf)
2. Porthole Alley / University Gateway. Entry point for visitors. UNC visitor center, admissions office, student collaboration area, retail space. 125,000 sf
3. Life Sciences Center. Wet lab with workspaces and equipment for researchers and biotechs. 7 stories total (240K sq. ft.) with 2 floors of lab space (60K sf)
4. Downtown Parking Center. Convenient parking in new structure built by the Town. Retail porch for events, food trucks. 1,100 spaces
5. Professional Apartments. New community from Grubb Properties. Luxurious and affordable urban living. 7 stories, 150 units
6. Hotel and Conference Center. Destination for personal and professional travelers. 7 stories, 150 units
LOOK AHEAD

Focus on Innovation Hub
INNOVATION HUB & COWORKING SPACE

- 20,000 sf home to Innovate Carolina and UNC innovation programs
- Anchor for industry relationships
- Flexibility for startups
INDUSTRY @ THE HUB

Johnson & Johnson
INNOVATION

Bioventure Partners

DURHAM TECH

FUJIFILM

Hutchison PLLC

SIEMENS Healthineers

DHIT
DIGITAL HEALTH INSTITUTE FOR TRANSFORMATION

BIOME by Novartis
INNOVATION PROGRAMMING
@ THE HUB
GROUND FLOOR LAYOUT

- Coffee Cafe w/ stadium seating
- Collaboration space
- 10 Private offices
- 10 Dedicated Desks
- 12 Flexible working areas
- 6 Meeting rooms
- Huddle spaces
- Wellness Room / Mother’s Room
- Bike Room
GROUND FLOOR MEETING ROOM
FIRST FLOOR LAYOUT

- 6 Private offices with private terraces
- 7 Private offices
- 23 Dedicated desks
- Coffee bar and collaboration space
- 3 Meeting rooms
- Shared terrace for large events
FIRST FLOOR OFFICES
Connecting both sides of Franklin Street