



NORTH CAROLINA SCHOOL OF
SCIENCE AND MATHEMATICS

Title	INSTITUTIONAL PLAN FOR MANAGEMENT FLEXIBILITY TO APPOINT AND FIX COMPENSATION
Authority	Chancellor
History	Effective July 1, 2007
Legal Reference	BOG 600.3.4 Granting Management Flexibility to Appoint and Fix Compensation
Additional References	
Responsible Offices	Chancellor
Classification	6600

I. Introduction

Board of Governors Policy 600.3.4 “Granting of Management Flexibility to Appoint and Fix Compensation” provides for the delegation to the Boards of Trustees of Special Responsibility Constituent Institutions the authority to administer various personnel actions. The North Carolina School of Science and Mathematics (NCSSM) received “special responsibility” status in 2002 and will become a “constituent institution” effective July 1, 2007. Until now, the NCSSM Board of Trustees has independently administered these personnel actions under N.C. Gen. Stat. § 116-235(c) (Attachment A) with support from the Office of State Personnel when requested. In order to maintain the Board of Trustee’s functions in this area, NCSSM now submits the following Institutional Plan of Management Flexibility to Appoint and Fix Compensation, hereafter referred to as the Institutional Plan. Upon approval of this Institutional Plan by the Board of Governors, certain personnel actions will be delegated by the Board of Governors to the NCSSM Board of Trustees.

This request is made in the context of comprehensive review and re-alignment of NCSSM policies and practices from its current status as an independent state agency affiliated with the University to its forthcoming status as a full constituent of the University. This transition process spans the 2006-2007 year at all levels of the campus. At the same time, NCSSM and UNC-General Administration staff have jointly developed policy proposals (Attachment B-1) to the Board of Governors which, if approved, will make slight adjustments to University policies in order to accommodate NCSSM’s unique stance as a specialized science, math and technology high school or national and international renown. Changes particularly germane to this Institutional Plan are:

Attachment	Policy	Effects
B-2	Code 500B	Making NCSSM a constituent institution does not impair any pre-existing term of office, appointment or employment of personnel
B-3	Code 602	Acknowledging that NCSSM does not have tenure for faculty members
B-4	300.1.1	Deans at the NCSSM remain Tier II SAAOs and do not become Tier I SAAOs as is true for other constituent institutions. Deans at the NCSSM function more like department chairs function at other institutions

B-5	600.3.4	<ol style="list-style-type: none"> 1. Substituting NCSSM policy governing appointment of faculty for tenure policy in list of required policies 2. Requiring the NCSSM Board of Trustees to set its faculty salary schedule to be comparable to the highest paid public school teachers in NC instead of requiring a faculty salary study based on peer data 3. Excepting NCSSM faculty from BOG approval of salary increase greater than \$10,000 or 15% when the increase is pursuant to a step-wise increase on the faculty salary schedule (pending)
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Approval Process and Content of the Institutional Plan

Board of Governors Policy 600.3.4 requires that NCSSM demonstrate compliance with each of the nine requirements listed below and to submit a plan to the Senior Vice President for Academic Affairs for review and approval by the Board of Governors of the Personnel and Tenure Committee of the Board. The Institutional Plan for NCSSM describes how these requirements are or will be fulfilled. Operational details which explain NCSSM’s needs as a high school are high-lighted where certain practices or the rationale for such practices differ significantly from the University.

Timetable

Nov. '06 – Jan. '07	General Counsel review sticky issues of policy alignments	Winner, Nazareth-Phelps
Jan.-Feb. 2007	NCSSM BOT approves policy revisions	Nazareth-Phelps
February 21, 2007	NCSSM submits draft and key documents	Nazareth-Phelps to Waldrup
March 9, 2007	UNC gives preliminary feedback	Waldrup
March 16, 2007	NCSSM submits formal proposal	Nazareth-Phelps to Martin
April 5, 2007	UNC gives formal comments	Martin, Lemmon, Waldrup
April 16, 2007	NCSSM adjusts request as needed	Nazareth-Phelps
April 20, 2007	BOG mailing deadline	Waldrup
May 11, 2007	BOG grants request	Waldrup
May 21, 2007	BOT mailing deadline	Nazareth-Phelps
June 8, 2007	Final opportunity for NCSSM BOT to make policy adjustments prior to effective date of legislation making NCSSM a constituent institution (7/1/07)	Nazareth-Phelps

Effective Date of the Delegation of Authority

The delegation authorized under Board of Governors policy 600.3.4 and this Institutional Plan shall be effective July 1, 2007.

II. Institutional Plan

A. Policies and procedures for the recruitment and selection of senior academic and administrative officers¹

¹ A working table of necessary revisions to this and other NCSSM policies can be found in Attachment C-1.

Senior Academic and Administrative Officers (SAAOs) are employed according to the “Employment Policy for Senior Academic and Administrative Officers Exempt from the State Personnel Act.” (Attachment C-2) This policy was originally modeled on Board of Governors Policy 300.1.1 as it existed in 1991. In consultation with staff at UNC General Administration, it was revised on January 11, 2007 to fully implement the current BOG 300.1.1. Note: BOG 300.1.1 is coming before the Board of Governors to add a footnote that deans at NCSSM are subject to Section I.B. of that policy. (Attachment B-4) This exception reflects the actual functions those employees fill with respect to the smaller scale of the high school.

Until now, all EPA and SPA recruiting and selection at NCSSM has followed Office of State Personnel requirements. For SAAO positions except the Chancellor and deans (who are discussed separately below), the Chancellor or respective vice chancellor coordinates with the Office of Human Resources regarding all position authorization, advertising, appointment of a campus-wide interview team, application and applicant screening, initial campus interviews, and EEO/Affirmative Action review. Each interview team presents three names to the Chancellor, who may interview one or more candidates and makes the decision to offer the position to the final candidate.

If the final candidate accepts the offer, the Chancellor may approve beginning work subject to formal appointment by the Board of Trustees or Board of Trustees Executive Committee meeting at its next regular meeting.

NCSSM intends to write a new SAAO recruitment and selection procedure by July 1, 2007. This new procedure will be similar to the new EPA Faculty Recruitment and Selection Procedure (Attachment D-2) drafted by the Department of Human Resources and Division of Academic Programs and submitted with this Institutional Plan. The primary difference between these two procedures will be that for SAAOs the interview committee would have broader campus representation to balance the necessarily fewer levels of recommendation and review. Any relevant recommendations on the faculty procedure made by UNC will of course be incorporated into the SAAO procedure.

Deans

The recruitment, selection, and role of deans at NCSSM differ significantly than for their University counterparts. Deans at NCSSM have historically been regular faculty on multi-year contracts who are appointed to additional administrative duties on a year to year basis and concurrently granted “release time” from 25% of their teaching load during the 10-month academic year. While dean positions are advertised and external candidates considered carefully, there are few comparable peer institutions in which candidates can develop both the academic and residential experience with minors needed at NCSSM. The current deans are Science, Mathematics, Humanities, Counseling Services² and Distance Learning Technologies. There has been recent interest from the Faculty Council in developing a method for faculty to be involved in the initial hiring and periodic evaluation of their departmental deans. No formal proposal has been made to the Chancellor, and if such a proposal is made, it is anticipated that the faculty council and administration would seek to make collaborative recommendations to the Board of Trustees.

Chancellor

NCSSM has had three regular chancellors in its 25 year history, the most recent being appointed in 1999 via a highly competitive national search conducted by the Board of Trustees. The interview team

² Guidance counselors at NCSSM are, like their peers in North Carolina public schools, “faculty” rather than “staff.”

included campus-wide representation. In the future, the Chancellor will be recruited following the University practices set forth under Board of Governors Policy 300.1.1.

B. Policies and procedures for the recruitment and selection of faculty

NCSSM employs roughly 80 faculty members in three divisions (Academic Programs, External Programs and Student Life). The faculty at NCSSM are generally 10-month instructors hired pursuant to the Regulations on Faculty Employment (Attachment D-1) for a series of two single-year then multi-year fixed term contracts of 2, 3, 5, 7, and 10 years successively. NCSSM does not offer tenure nor does it rank its faculty. Recruiting and selection for new faculty is the same as described above for SAAOs, with the key difference that interview teams are weighted more heavily toward interdisciplinary faculty participation rather than campus-wide participation. **(Attachment D-2: EPA Faculty Recruitment and Selection Procedure)** All final candidates meet with the Chancellor before a final offer is made. New faculty are appointed to a one-year contracts for the first two academic years and must demonstrate satisfactory performance and good “fit” before becoming eligible for the series of multi-year contracts. **(Attachment E-1: Administrative Procedures for Evaluation)**

Evaluation and Reappointment

All faculty are evaluated annually. Except in the first year of employment, in which a faculty member is evaluated by the departmental dean and the division vice chancellor, faculty evaluation, and consequently faculty re-appointment to multi-year contracts, is a joint enterprise of two peer groups (the department and the Faculty Council’s Evaluation Committee) and two administrative groups (the academic deans and the vice chancellors who supervise faculty). The complete process of faculty evaluation leading to possible reappointment can be found in **Attachment E-2: Procedures to Implement the Regulations on Faculty Employment**. **Attachment F** contains the Faculty Council’s procedures. The Chancellor considers all four recommendations before reaching a recommendation to the Board of Trustees to reappoint or a decision not to reappoint. A negative decision can be appealed to the Board of Trustees, and henceforth, to the Board of Governors.

C. Schedule and process for periodic review of faculty appointment policies (in lieu of a tenure policy)

The Regulations on Faculty Employment were written over a two-year period with legal support from UNC General Administration and originally approved by the Board of Trustees in March 1995 for implementation in the 1995-1996 school year. Technical corrections updating titles and page numbers were approved in 2005, but no substantive changes have occurred since 2003. A high level review of topics which must be addressed to fully align the Regulations with current Board of Governors policies is included in **Attachment G**. The Policy itself requires two readings before the full Board of Trustees in order to amend its substantive provisions.

NCSSM requests permission to continue using the existing Regulations on Faculty Employment during the 2007-2008 academic year and to implement revised Regulations by January 2009. To give the faculty and administration ample opportunity to collaboratively develop recommendations to the Board of Trustees, the following timetable is suggested:

August 2007	Chancellor convenes review team
October 2007	Review team provides an interim report to the Chancellor and Faculty Council
December 2007	Interim progress report(s) from the Chancellor and Faculty Council to the BOT

January 2008	Draft revisions to the President for review
February 2008	Adjustments as needed
March 2008	BOT – first reading
June 2008	BOT – second reading and approval
	Transmit to President for comment and possible approval
September 2008	BOT – first reading of recommended changes, if any
December 2008	BOT – second reading of recommended changes, if any President approves
January 1, 2009	Effective date of revised Regulations

Beginning in January 2013 and at least every five years thereafter, the Chancellor will again convene a review team charged with developing collaborative recommendations to be presented to the Board of Trustees at their March meeting. Revisions will become effective July 1.

Until the Regulations are revised to fully align to University policies, the following appeal mechanisms are recommended:

- (1) The campus should continue to follow the Regulations on Faculty Employment.
- (2) In addition, faculty have the opportunity to appeal to the Board of Governors in areas which University faculty also have that right, namely, appeals pursuant to sections 603 and 604 of *The Code*. In hearing such appeals, the Board of Governors will apply the substantive and procedural provisions of the Regulations on Faculty Employment. In these cases, the Board of Governors decision will serve as the final agency decision.

Attachment H summarizes the endpoints of various possible grievances and appeals.

Since most concerns regarding the Regulations are peripheral procedural items not affecting substantive due process rights, NCSSM and UNC General Administration have agreed to present a resolution to the Board of Governors at its May 2007 meeting which will affirmatively permit NCSSM to continue to follow the current regulations, with additional avenues for appeal to the Board of Governors under section 603 and 604 of *The Code* as described above, for all personnel actions taken prior to January 1, 2008.

D. Salary ranges for administrative positions not included in the annual Board of Governors study

Even before becoming part of the University, NCSSM has submitted a BD-119 and compared salaries of senior administrators (except deans, discussed below) to the smallest UNC constituent institutions such as the North Carolina School of the Arts, Elizabeth City State University, Winston-Salem State University, and UNC-Ashville, formerly Tier 5. During this transition year, NCSSM has informally been included by the President in Group 6 with the system’s two other specialty mission institutions, UNC-Ashville and the North Carolina School of the Arts. **Attachment I** contains the most recent annual **EPA Administrators Salary Report**.

Going forward from July 1, 2007, most senior administrator positions at NCSSM will not be ones for which the Board of Governors establishes salary ranges. (Those which will be included are the Chancellor and Vice Chancellors for Academic Programs, Finance and Operations, Development, and Student Life.) As required by the Board of Governors, salary ranges for these positions will be established based on comparisons to data from UNC peer institutions prepared by the College and University Professional Association for Human Resources (CUPA-HR), to the extent applicable. In cases

in which data from UNC peer institutions is not sufficiently comparable, salary ranges from sources such as the Society for Human Resource Management (SHRM), the American Association of University Professors (AAUP) data, and other comparable data secured by NCSSM's Office of the Vice Chancellor for Finance and Operations.

NCSSM is committed toward working toward the target of the 80th percentile as identified by the Board of Governors. In the event that the data used to establish salaries does not specifically identify the 80th percentile, NCSSM will use the closest percentile identified. For many years NCSSM has been thinly staffed, with administrators who in essence provide the equivalent managerial services of a single school, a school district and the state educational agency without the support of UNC General Administration, the NC Department of Public Instruction, or any other state agency. Support staff and options for increasing non-teaching staff are extremely limited because 95% of the operating budget is from State funds. Consistent with Board of Governors policy, a priority for several years has been to adjust all salaries to market conditions, to changes in responsibility and increased performance expectations, and to address inequities which have arisen over time.³

Special note: It has been the policy of the Board of Trustees to permit 3-year contracts to senior administrators (except those deans/directors who already hold concurrent faculty contracts). In the spirit of transition to the University, no new contracts have been entered since the transition process began in Spring 2006, and most of the contracts will expire June 30, 2007. However, a handful of these contracts must be honored until they expire. See Code 500B. The phase out will be complete by June 30, 2009. With this shift, it is anticipated that the importance of establishing and maintaining inter-campus equity will become even more important to recruit and retain qualified and high-performing administrators.

Deans

At NCSSM, deans and certain department heads who hold concurrent faculty appointments are appointed to their administrative duties on a year-to-year basis. When a dean or department head holds a base faculty appointment, the base salary is determined by placement on the **NCSSM Faculty Salary Schedule. (Attachment J-1)** Administrative compensation is limited to:

- (1) A standard 5% increase for academic deans and department heads
- (2) Two additional months of employment. It is expected that the SAAO perform only administrative duties during the two additional months. Unusual teaching duties may be compensated upon prior written approval of the Chancellor.
- (3) Leave in accordance with the SAAO employment policy

See complete description of the base faculty salary schedule in Section E of this request.

E. Evidence of comprehensive salary ranges for faculty

At NCSSM, all regular faculty hold the title of "Instructor." There is no rank, tenure or difference in compensation based on the discipline or subject matter taught by the instructor. Instead, under NCSSM's system of contract-based employment, all instructors are placed on a 10-month, 31-step salary schedule which is built on the 31-step salary schedule for North Carolina public school teachers plus longevity pay and the highest local salary supplements paid to public school teachers in North Carolina.

³ An equity study of 100 SPA positions was conducted in March 2005 resulting in roughly 60 positions being reclassified or receiving in-range salary adjustments. The anticipated implementation cost over five years is \$255,000.

(Attachment J-2: Instructions to Prepare the NCSSM Faculty Salary Schedule). To build the schedule, NCSSM annually reviews website information or contacts other institutions such as the North Carolina Association of Educators (NCAE), and public school districts such as the Wake County Public Schools, Charlotte-Mecklenburg Schools, Chapel Hill-Carrboro Schools, and Durham Public Schools. The Board of Trustees approves the schedule each year and delegates administration of the schedule, i.e. placement of individual instructors on the schedule, to the Chancellor. The instructor is placed on the scale based on years of experience, with additional compensation available for 6-year certificate, doctorate degree, discipline coordinator/convener duties, certification by the National Board for Professional Teaching Standards, an 11th month of employment as a faculty member, and a limited number of “curriculum development days.” **(Attachment J-1: NCSSM Faculty Salary Schedule)**

In years which the General Assembly grants a percentage increase to public school teachers, NCSSM reflects the same percentage increase for its teachers. In some years, this percentage is higher than UNC EPA employees generally, i.e. NCSSM teachers have received larger raises than NCSSM administrators. NCSSM requests to continue this practice after merging into the University.

F. Policies governing compensation from non-state sources

At NCSSM, the same policies and procedures apply to all compensation decisions, regardless of the source of funding. Until now, such decisions were made under state budgeting regulations. The NCSSM Operations Division will be reviewing additional guidelines from the Office of the President and updating campus documents in 2007-2008. These updates will be published in the division’s Standard Operating Procedures.

G. Policies governing non-salary compensation

Non-salary compensation may only be awarded in accordance with Section III. of the Employment Policy For Senior Academic and Administrative Officers Exempt from the State Personnel Act. **(Attachment C-2)** Non-salary compensation for officers other than the Chancellor may only be approved by the Board of Trustees upon recommendation of the Chancellor. Non-salary compensation for the Chancellor may only be approved by the Board of Governors upon recommendation of the President. NCSSM does not offer deferred compensation. In practice, the School has not awarded any non-salary compensation to individuals other than via the Chancellor’s Board-approved contract. The School does hold three memberships, provided from non-state funds, which departments may access for meetings and retreats and individuals may access for specific fund-raising duties. Reimbursement for business expenses must be made in accordance with the State Budget Manual. All non-salary compensation is awarded in accordance with the school’s non-discrimination policy.

H. No personnel-related audit findings within three years

According to NCSSM’s Office of Internal Audit, the State Auditor has issued **no findings** related to personnel practices, salary or payroll for the fiscal years ending June 30, 2004, 2005, and 2006. **(Attachment K)**

I. Evidence of appropriate accountability procedures in the event that the Board of Trustees delegates management flexibility authority to the Chancellor

Consistent with past practice and not inconsistent with Board of Governors policy, this Institutional Plan intends to delegate various appointment and compensation-setting functions to the Chancellor.

Attachment L summarizes the current practices and indicates changes effective July 1, 2007 in bold text.

To ensure proper oversight and accountability, the Chancellor will provide a summary report of delegated personnel actions at each December and June meeting of the NCSSM Board of Trustees.

List of Attachments [Note: original attachments are available from the Office of Chancellor]

- A. N.C. Gen. Stat. § 116-235 (Additional Powers and Duties of the NCSSM Board of Trustees)
- B. Items relating to BOG Policy Changes
 - B-1. Policy Changes by Committee
 - B-2. Code 500 B Chancellors and Staffs
 - B-3. Code 602 Academic Tenure
 - B-4. 300.1.1 Senior Academic and Administrative Officers
 - B-5. 600.3.4 Granting of Management Flexibility to Appoint and Fix Compensation
- C-1. Working Issues for NCSSM Management Flexibility Request
- C-2. Employment Policy for Senior Academic and Administrative Officers Exempt from the State Personnel Act
- D-1. Regulations on Faculty Employment
- D-2. EPA Faculty Recruitment and Selection Procedures
- E-1. Administrative Procedures for Faculty Evaluation
- E-2. Procedure to Implement Regulations on Faculty Evaluation
- F. Faculty Council Procedures for Faculty Evaluation
- G. Review Items Needed to Update the Regulations on Faculty Employment
- H. Appellate summary
- I. EPA Administrators Salary Report
- J-1. Faculty Salary Schedule
- J-2. Instructions for Preparing the Faculty Salary Schedule
- K. Letter from the Office of Internal Audit
- L. Delegation of Authority Chart