



The University of North Carolina

POST OFFICE BOX 2688, CHAPEL HILL, NC 27515-2688

ERSKINE B. BOWLES, *President*

Telephone: (919) 962-1000 FAX: (919) 843-9695

E-mail: ebowles@northcarolina.edu

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

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at Chapel Hill

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at Charlotte

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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

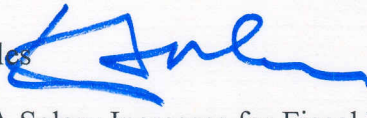
Constituent High School

North Carolina
School of Science
and Mathematics

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MEMORANDUM

To: Chancellors

From: Erskine Bowles 

Re: EPA and SPA Salary Increases for Fiscal Year 2010-2011

Date: July 26, 2010

The General Assembly has passed and the Governor has signed into law the Appropriations Bill and the accompanying Technical Corrections bill. As a result, the following provisions apply for salary increases during this fiscal year:

Salary adjustments from state funds are only allowed for the following reasons:

- Reallocations or promotions
- In-range adjustment for job change
- Career progression adjustments for demonstrated competencies
- Other adjustments related to an increase in job duties or responsibilities
- Adjustments for faculty from the Faculty Recruitment and Retention Fund, the Distinguished Professors Endowment Fund, or the University Cancer Research Fund for faculty involved in cancer research supported by that fund.

Salary adjustments from non-state funding sources may be provided to faculty, non-faculty, and other employees for any reason within EPA or SPA personnel guidelines as appropriate.

These provisions reflect additional flexibility for the University for the use of University Cancer Research Fund and for the use of non-state funding sources. We sought this flexibility at your request and will be relying on you to ensure its appropriate and prudent use.

At this time, UNC-General Administration will not place additional limits on the authority granted by the General Assembly to use non-state funds for salary increases; however, I urge you to be judicious in the use of this flexibility,

July 28, 2010

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keeping in mind the difficult fiscal situation that exists throughout the State, the recent increase in tuition, and the possibility of additional personnel reductions or furloughs. You should also ensure that the use of non-state funds for salary increases does not create salary inequities with faculty and staff funded from State funds.

The General Assembly also added a monitoring provision that requires the Office of State Budget and Management (OSBM) and the Office of State Personnel (OSP) to monitor all salary increases on a quarterly basis. OSBM and OSP have already released salary increase guidance which calls for the Agency Head (Chancellor) to pre-approve each salary increase and for each personnel action to include a statement that the Agency Head has approved the salary increase. Should you choose to delegate this authority, please do so in writing so that there is clear accountability. As soon as we have more information about how this monitoring will occur, we will share that information with you.

cc: Chief Academic Officers
Chief Financial Officers
Chief Human Resources Officers