

# **University of North Carolina School of the Arts**

## **Policy for Compensation Strategy**

**Authority:** Chancellor

**Source of Authority:** Office of State Personnel, UNC Policy Manual

**History:** Approved by BOT December 2008

**Related Policies:** OSP Career Banding Policies; Faculty Manual; Chapter 300 UNC Policy Manual

**Responsible Offices:** Human Resources, Academic Office, Chief Operating Office

### **1. PURPOSE**

This Policy for Compensation Strategy outlines the principles and provides guidance relating to the design, implementation, and administration of the compensation program for the University of North Carolina School of the Arts.

### **2. SCOPE**

This policy applies to all positions within UNCSA including Faculty, EPA-NT, SPA, temporary and other employees on special assignment.

### **3. DEFINITIONS**

Please note that the Office of Human Resources at UNCSA manages all human resources issues for all employees at UNCSA, including SPA, EPA-NT and Faculty. Consequently, this Policy for Compensation Strategy addresses salary and compensation issues for all employee classifications.

### **4. POLICY**

The State of North Carolina, the UNC system and UNCSA strive to compensate employees at a level that encourages a high level of performance and rewards excellence, while maintaining a level of market competitiveness necessary to recruit and retain a competent work force.

### **5. PROCEDURES**

Each year, a salary increase is provided to every eligible employee in accordance with the budget and rules established by the General Assembly and UNC General Administration. In addition to any legislative increase, salary adjustments, if possible, are awarded, as appropriate, based on the policies that apply to each position type, as established by the UNC system, the Office of State Personnel or any other applicable state agency. In all cases salary adjustments are considered based on the following elements:

- A) Merit
- B) Market
- C) Equity
- D) Competency
- E) Availability of funds

Availability of funds is the most significant barrier in awarding salary adjustments. In an effort to address these issues, the Office of Human Resources (OHR) conducts a salary review at the end of each fiscal year to determine how certain salaries for certain positions compare to market rates. OHR reviews such comparative compensation data with the Chief Operating Officer, Chief Academic Office, and Chancellor to provide guidance and counsel for compensation and financial planning and allocation for the coming fiscal year. The specific compensation goals are outlined in each category below.

### **Positions Subject to the Personnel Act (SPA Positions)**

SPA salaries are established according to salary administration policies created by the Office of State Personnel (OSP). Appropriate salary ranges are determined for each class title, branch and competency level by OSP.

Salary increases for SPA employees are made in accordance with the Career Banding Pay Plan. UNCOSA makes salary decisions for career banded positions based on the competency evaluation and market reference rate established by the State.

### **Positions Exempt from the State Personnel Act (EPA Positions)**

EPA-NT salary ranges are identified in the UNC General Administration Salary Survey document. In cases where no comparable position exists, the Office of Human Resources conducts a salary survey to determine an appropriate range. Increases are established and implemented at the beginning of the fiscal year, July 1, and are based on merit, market, equity, competency, and available funds.

Faculty salary ranges and comparisons are identified by the Academic Office in conjunction with data provided by UNC General Administration and appropriate salary survey comparisons. Increases are established and implemented at the beginning of the fiscal year, July 1, and are based on merit, market, equity, competency, and available funds.

UNCOSA's goal is to compensate EPA employees, both non-teaching and Faculty, at the 80<sup>th</sup> percentile of the salary range for a particular position, as identified by UNC General Administration or appropriate salary surveys. Salary increases (beyond or in addition to the legislative increase) are considered each fiscal year and are awarded first to employees that are below the established salary range, then to other employees based on how far an employee's salary falls below the 80<sup>th</sup> percentile, merit and availability of funds.

## **6. DISTRIBUTION**

The Director of Human Resources shall report on salary and compensation issues to the Board of Trustees twice a year, at the first regular meeting of the academic year and the regular meeting falling closest to the date of commencement.

