

InTouch: UNC Employee Forum News

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[Address to the UNC-Chapel Hill Board of Trustees](#)
[Erskine Bowles Responds to Censorship Petition](#)
[Legislative Summary for the 2007 Session](#)
[UNC Staff Employees Off the Clock: Jumping to \(Silver and Gold\) Conclusions](#)
[Everything You've Ever Wanted to Know About Wages and Benefits](#)
[At Work or At Will? The Shifting Sands of Staff Employment at Carolina](#)
[The Rise and Fall of Career Civil Service](#)
[Now You See It, Now You Don't: The Chimera of an Outsourcing Policy at Carolina](#)
[Your Feedback Requested](#)
[Ninth Annual Winter Blood Drive](#)
[Delegate Rosters](#)

From the Chair

Address to the UNC-Chapel Hill Board of Trustees

November 14, 2007

Ernie Patterson, Employee Forum Chair

Thank you for this opportunity to share with you some of the issues and concerns currently before the Employee Forum. I want to thank the University and especially the Administration for its support of the Forum and the Forum's goal of representing all non-faculty employees at UNC-Chapel Hill. Today I am here to ask for your support for a number of projects important to the staff at our University.

First, I would like to recognize and thank our Chancellor for listening to the Staff, Students and Faculty and adopting policies to make our campus smoke-free on January 1, 2008. I would also like to congratulate Chancellor Moeser on his retirement and his leadership of the Carolina First Campaign.

Next, I want to thank Brenda Malone and the HR staff for meeting with the Employee Forum's Carolina Literacy Initiative working group last month. Our group believes that by implementing the Carolina Literacy Challenge (CLC) on our campus, we would become the first public university in the nation to recognize the importance of literacy for all employees—and to take steps to do something about it. We believe the proposed Carolina Literacy Challenge will become a guiding light for other institutions both within our state as well as across the country.

The proposal calls for the use of existing resources as much as possible. It will:

- Contract with local non-profit organizations to provide hands-on training for adult basic skills resources and services.
- Redeploy existing hardware and software systems, thus extending the lifecycle of both and providing systems in UNC workplaces where employees do not currently have regular access to computers.
- Use ITS Computer Support employees to setup and service these systems.
- Establish one additional staff position to coordinate the use of outside resources and services and to facilitate and monitor implementation of the program from both an administrative and staff perspective.

This proposal attempts to save the University as much money as possible by using computer systems that would otherwise be surplus and by hiring adult literacy experts from outside the University to do the actual training.

We all recognize the literacy needs of employees at a modern University like UNC. Chancellor Moeser has talked about the "Carolina Way" many times. This program will be one great example of just what that phrase means—namely, helping employees to improve their lives and become more engaged employees. We hope this project can be started quickly, with the first classes beginning in early January.

Third, I want to congratulate our UNC Human Resources Department for the success of the Clerical Skills program. This program, along with the Clerical Internship Program started by the Employee Forum, has successfully helped a number of employees find better jobs. I am here to ask for your support of continued funding for this program from the Administration as another example of UNC following the "Carolina Way."

Please let Chancellor Moeser and his Administration know of your support for the Carolina Literacy Challenge and other similar programs like the Clerical Skills Program.

Finally, I would like to mention an area of work life at UNC that needs to be fixed, namely, the discipline and grievance system. There have been long-standing issues with the grievance system. Many employees have lost confidence in it because of procedural factors that favor management. Because it favors management, they are afraid to utilize the grievance process for fear of retaliation. In addition to the procedural problems, statistics provided by OSP indicate that there is a racial and gender bias at both ends of the system. African-American men are subject to disciplinary actions in numbers well above their representation in the workforce at UNC. At the same time, there appear to be institutional factors inhibiting their participation in the grievance process as employee-panelists who serve as judges in the cases of others.

The Employee Forum intends to study the possibility of utilizing binding arbitration as a substitute for current procedures. We would like to explore the use of binding arbitration at the agency level to determine how well it has worked in other states and at UNC Healthcare. Binding arbitration may be the only way to restore confidence and eliminate the racial and gender biases associated with the current grievance process. If the Employee Forum pursues legislation for a pilot study of binding arbitration, we would ask for the Board of Trustees' support.

Delegates of the Employee Forum want you to know that we are committed to working with the Administration and the Board of Trustees to make Carolina not only a great University but also a place where learning by everyone is nurtured, cherished and rewarded. Learning can take many forms. One way is to improve literacy, another is to encourage and reward an exchange of information between staff and administration on how to improve work processes at Carolina. Staff have many ideas on ways to do their jobs better and improve University services. Having supervisors and administrators learn from their staff and vice versa could result in major improvements. A case study illustrating the benefits of such exchange is attached to my remarks along with a description of the Carolina Literacy Campaign. I hope you will take time to read these documents and let us know your thoughts.

Thank You

Example of Efficient Staff at UNC

November 12, 2007

There are many staff at UNC who come up with ways to do their jobs better; most of this goes unknown to the average consumer of UNC services. Please see the case study example below.

The Information Technology Systems (ITS) department at UNC has a Telecommunications group that is responsible for all types of electronic communications at UNC. In the Networking group, a recent example of efficiency was seen. Two members of ITS-Telecommunications division, Dennis Payne and Mike Hawkins, were given an "Exemplar Award" by ITS for outstanding performance specifically for their work in the aftermath of a power outage. In July of this year, late during a weekday, an extended power outage occurred for much of the UNC campus. When power was restored, approximately 30 building locations on campus had one or more types of network electronics not come back on-line. Users in these locations did not have network access. Payne and Hawkins were cited for their efficient, timely response to this situation after normal business hours in restoring access to the effected locations.

Hawkins said, "The real story is not that we stayed after hours to get the work done although we always stay until the job is done. The real story of our quick recovery from this outage is that we have in place many efficient network

management tools and capabilities that we have developed by ourselves and with our vendors over the years. We do not accept ‘off the shelf’ technologies and capabilities to do our work. We have always pushed our vendors and ourselves to do things better. Most other large enterprise network staffs would have taken much more time to recover from such an outage.”

Responding to this statement, John Streck, Associate Vice Chancellor for Telecommunications said: “It would have taken days for many other networks to fix the outages we had.”

There are many stories of staff efficiency at UNC. This has just been one of them. There are additional efficiencies that could be gained if staff were more a part of collaborative management in more departments.

Carolina Literacy Challenge (CLC)

Proposal November 2007

Introduction

In 2005, the UNC Human Resources Department instituted a policy of accepting job and advancement applications online. Paper applications are no longer accepted. UNC is also revising a number of its day-to-day work practices in order to improve the collection of business data and to provide employees with quicker and better access to their benefits and compensation information. The innovations include:

- Direct deposit for **ALL** University paychecks – currently employees hired prior to 2000 are still able to receive their paychecks in hard copy;
- An automated Time Information Management (TIM) system;
- Online personnel benefits reports; and finally
- A new Enterprise Resource Plan.

Moving to direct deposit will force all employees to have access to a bank that accepts direct deposits. Among the 6,421 total SPA staff and 1,656 EPA Non-Faculty at UNC, many do not use computers as a part of their daily work, and have little, if any, access to them. Many of these employees will need assistance in developing the technical skills needed to use direct deposit and the other planned systems. Other employees will need financial literacy assistance in learning to use a checking account rather than cash. For others, the problem runs much deeper. The Orange County Literacy Council estimates that 500-600 of the University’s employees lack basic reading, writing, and math skills. For them, moving to a computerized system creates a significant employment and life challenge.

To address this problem, the Employee Forum proposes re-energizing the Work-Based Education program initiated in 1992 with a workplace literacy project. The Carolina Literacy Challenge (CLC) will focus on those employees who lack basic skills in using technology. The goal of the program is to prepare employees to use the new automated systems and in the process, to improve their opportunities for advancement by acquiring new transferable job skills.

Using the three (3) hours per week of employment time allocated to education through the Work-Based Education program, employees will have access to three (3) instructional content areas: Basic Finance and Technology, Advanced Finance, and Basic Literacy and ESOL. Each content area is described in more detail below.

Programming will be offered 18-24 hours per day at two or three sites on campus to ensure that employees have easy access to instruction during their time shift and close by the geographical location of their work site to minimize time away from the job. In general, each participant should expect to attend two to three 1.25-hour sessions per week. Depending upon the type of assistance needed, their commitment could be as short as two weeks or as long as two or more years. Individual intake interviews will be used to determine learning goals and time commitments, which will

then be specified in a learning contract with the employee.

Completion of this coursework will prepare employees to take advantage of existing training and education opportunities offered through Human Resources.

Need

Approximately 12-15% of adults in Orange County have significant literacy needs, 15-18% Triangle-wide. Alamance and Chatham Counties, where many employees live, have estimated rates topping 20-22% (Orange County Literacy Council).

The cost of low literacy skills to the state is staggering. A recently released study indicates each working age dropout costs North Carolina roughly \$1,219 per year in lost tax revenue, higher health care subsidies, and prison costs ([Milton & Rose D. Friedman Foundation](#), 2007). Using this figure, we estimate the cost to the state for those working-aged dropouts employed by UNC to be approximately \$600,000 per year. This does not take into consideration those who may have finished high school, but for a variety of reasons – such as social promotion– may have low literacy skills. It does not take into account those whose skills have diminished through lack of use, or the growing immigrant population, many of whom may not be literate in their native language. Further, this estimate does not include the costs to the county and municipal governments in terms of lost tax revenue and social services; nor does it include the direct cost to the University.

Those employees who are most in need of financial, technology and basic literacy skills training often have multiple constraints that make traditional programs impossible. Many work shifts that do not allow attendance in programs designed for 9-5 workers. Others have to work multiple jobs or live at such great distances that they are unable to come in during their “off-hours.” Family obligations, such as childcare, often take priority over a traditional class schedule. For others, the potential of being exposed as someone with low literacy skills is daunting. This fear of public exposure, and public humiliation, prevents them taking advantage of existing courses and programs.

The need for employees to build their literacy skills is immediate and the new online-only payroll policy will exacerbate the situation, as many as 400 university employees still receive paper checks. They will be the initial target group. The potential strain on managers and Human Resources to work with employees to understand this new system is great, and will increase dramatically once all benefit information is moved to the system. The University has realized success in the past with the Clerical Skills and GED programs. The new payroll system, however, requires a more aggressive and more flexible program.

The Workplace Literacy Pilot Project

This project will begin with an 18-month proof of concept pilot study. The pilot study will consist of the following phases:

Planning (December 2007)

- Hire a project coordinator;
- Identify and convene an Advisory Committee including representatives from Employees’ Forum, Human Resources, Board of Trustees, School of Education, Student Government, and the Campus Y;
- Identify physical locations and determine logistical and technical needs;
 - Option 1: 2-3 fixed locations – 24/hr, 5 days
 - Option 2: 1-2 fixed locations with point-to-point shuttle
- Develop learning contract with participants to determine time and attendance commitments and learning goals;
- Develop support contract to be signed by Human Resources or supervisor ensuring participant receives support of University, including access to instruction;
- Contract with outside training organizations to provide instructors, tutors, and instructional materials;
- Work with Human Resources to develop a triage system for determining which employees will go into planned online system training and which need the additional basic skills support offered through WPL;
- Recruit participants by making a series of public presentations and offering private consultations with potential

- participants;
- Formalize the intake process.

Evaluation (Ongoing)

- Formalize goals and objectives for the pilot project as well as metrics that will be used to decide whether the pilot project should become a standing program at the end of 18 months.
- Collect attendance and progress information and provide monthly updates to the Advisory Committee.

Implementation (January 1, 2008 to June 30, 2009)

Offer Basic Finance and Technology workshop daily at each of the learning sites;

- Offer Advanced Financial Skills workshop twice a week at each of the learning sites;
- Offer ongoing basic skills tutoring;
- Offer ongoing ESOL tutoring;
- Review monthly evaluation data and revise instruction, schedules, and/or intake process as needed.

Dissemination (April 2009)

- Based on the success of the pilot project, share the structure, materials, and lessons learned with other schools within the UNC system, community colleges, and major industries within North Carolina.

Instructional Content

Basic Finance and Technology

These employees are looking for help in acquiring the basic financial and technical skills needed to prepare them for the HR training on how to use the payroll and benefits system. Participants will learn to use a mouse, turn on the computer, login to a secure site, open a browser, navigate through web sites, and use basic search functions. Participants will also learn basic skills for protecting their personal identity in an online environment. The HR training on payroll and benefits systems will be adapted as part of the basic curriculum for this model, eliminating the need for additional HR training. Upon completion of this module, participants will be directed to existing technology training courses if they wish to acquire additional skills. We expect an average of 20 hours of instructional time will be needed per participant.

Financial Literacy Skills

These participants will be provided with basic financial training, directed towards personal management of both money and other resources. The training will also include basic financial planning decisions and how to plan for retirement and/or other major life events like purchasing a home, a car, etc.

Basic Literacy and ESOL

This program is designed to help low-literacy employees develop their reading, writing and basic math, and English-language skills. Participants will be identified through the Basic Finance and Technology classes, by their supervisor, or through self-selection. Instruction will be individualized, with some working in small groups and others in one-on-one tutoring sessions. Building literacy skills in adult learners is a long-term process and the time it takes depends on factors, such as initial skill level, diagnosed or undiagnosed learning difficulties, personal time commitment, and competing commitments outside of work hours (such as second jobs and/or families). Ideally, participants will commit to 28-35 hours per semester, or 2-2.5 hours per week. Each learner will be asked to complete a learning contract with

Human Resources to ensure that he/she understands the personal commitment required to make progress as well as the University's commitment to helping them.

Benefits

The potential benefits to employees, to the University and to the State are substantial. Employees will have the opportunity to gain enhanced workplace skills, build self-esteem and work toward increased self-sufficiency and financial security. The University will benefit by building a larger pool of skilled workers from its existing base. Providing employees with more opportunities for growth will decrease turnover

and over time can reduce the number of new employees who have to be recruited, hired, oriented and trained each year. Further, with employees better able to read and comprehend written instructions and processes, workplace safety and overall efficiency should also improve. For North Carolina, improving the financial, technology and basic literacy skills of all employees will ensure a more highly skilled workforce that is better prepared to thrive in a more technology-based economy and better prepared to make well-thought-out health, financial and lifestyle choices.

Erskine Bowles Responds to Censorship Petition

Last month a petition was submitted to UNC System President Erskine Bowles protesting the recent censorship of the *InTouch* newsletter by the UNC-Chapel Hill Administration and making certain demands for redress. Sponsors of the petition were Student Action with Workers (SAW), Students for Democratic Society, the Young Democrats, and Students for a Responsible Global Environment. It was delivered to Bowles' office by members of SAW and UE Local 150.

The demands the students made, the response that President Bowles gave, and a statement from Employee Forum Chair Ernie Patterson are as follows:

October 29, 2007

We the following members of the UNC-Chapel Hill community support UNC and Triangle area workers in their struggles to exercise their right to collective bargaining and support the repeal of Jim Crow-era N.C.G.S. 95-98, which criminalizes that right for public workers.

We demand the following:

-That you reverse the University Gazette's decision to censor the collective bargaining article from the Employee Forum's newsletter insert.

-That a written apology is sent to the Daily Tar Heel and that the article is sent to all students, alumni and UNC-CH community members.

-That the University community is encouraged to discuss collective bargaining issues in open forums attended by the administration

November 6, 2007

Dear Ms. Mirza:

I am responding to the petition that you presented to our Chief of Staff last Friday entitled "Stop Censorship of Workers' Human Right to Collectively Bargain!" First of all, I don't believe in censorship -- period. I also want to make it clear that I will always advocate for and support fair and open communication and debate, both written and verbal, on any topic, including collective bargaining, at any time within our University.

Sincerely,
Erskine B. Bowles

December 5, 2007

The UNC Employee Forum wants to thank Student Action with Workers and their colleagues for being so courageous and committed as to take up the cause of staff employees at Carolina regarding the censorship issue. We want to thank them for the significant effort it took to draft a petition, get signatures in support of it, and then make the historic presentation to President Bowles in late October. As Chair of the UNC Employee Forum, I want to personally thank you for all your work.

President Bowles' response to the petition shows that he is both a man of wisdom and an astute politician. Unlike those who have said that they believe in freedom of speech at Carolina so long as it conforms to their ideas about the "mission of the University," President Bowles has come out in support of freedom of speech *as* one of the missions of the University—without qualification.

President Bowles' affirmation is without doubt a vindication of staff employees at Carolina and the newsletter that they publish. It is also an implicit invitation for other University publications to feel freer, in the future, to confidently and boldly address some of the more difficult and debated issues facing this great institution.

We (the staff employees) have you to thank for President Bowles' letter strongly supporting free speech at UNC. When the history of censorship at UNC is written, one day, the role you have played in fighting it will certainly emerge as one of the shining moments of student activism on the side of justice.

Thank you.
Ernie Patterson, Chair

A PDF of the letter sent by President Bowles is available at <http://forum.unc.edu/documents/bowlesletter110607.pdf>.

Legislative Action Committee Report to the UNC Forum
Legislative Summary for the 2007 Session
by Mike Hawkins
Legislative Action Chair, UNC Employee Forum

Lawmakers ended the 2007 long session at 10:38 p.m. on August 2. While state employees and retirees did not see all requests met by the legislature in the final budget, dramatic improvements were made upon the governor's budget proposal. The final budget included a 4 percent pay increase for most state employees, 5 percent for university and community college faculty and a 2.2 percent cost-of-living adjustment (COLA) for retirees.

The indemnity portion of the State Health Plan will end in June 2008 and members will have the opportunity to choose better health care coverage in the PPO plans.

A bill was passed on collective bargaining through the House Judiciary Committee; the House Appropriations

Committee may consider the bill in next year's session.

During this session, the chair of the UNC Forum Ernie Patterson got House member Verla Insko to sponsor two bills that will be of benefit to UNC and state employees. These bills are:

HB 1727 – A bill to give state employees the ability to use sick leave in the shared leave program.

HB 1726 – A bill to provide public employees up to 5 paid community leave days for emergencies declared by the governor.

Both of these bills received a favorable vote in their initial committee hearings and will be taken up by House Appropriations next session.

In addition to these efforts by Forum leadership, the chair and others worked on the issue of a "smoke free" work environment and literacy. This involved grassroots lobbying at the legislature, at General Administration and at UNC.

In late news near the end of the session, there were several attacks designed to weaken state employees' rights. Staff at UNC have SEANC to thank for defending against these attacks. Most significantly, SEANC defeated a surprise provision to **House Bill 1005** that **would have removed more than 15,000 employees from the protections of the State Personnel Act**. SEANC's **action literally saved thousands of Department of Transportation employees from becoming "at will" employees with little or no protection.**

It will be important in the 2008 session of the NC legislature for UNC Forum members to actively lobby our elected officials on behalf of our efforts to over turn the state law prohibiting collective bargaining as well as the bills mentioned above.

For those who want more information on the overall performance of the legislature in this session, check NC Policy Watch - A Project of the North Carolina Justice Center. A report from this group can be found at: <http://www.ncpolicywatch.com/cms/?p=9681>. It is short—and packed with information that staff employees need to know.

In general NC Policy Watch gave this session a favorable nod, but you can see things in this report that are pro as well as con on many issues dealt with by the NC Legislature this year.

UNC Staff Employees—Off the Clock

Jumping to (Silver and Gold) Conclusions

by Brenda Denzler

When Lucy Schimmelfing (Division TEACCH, accounting) started coaching the SkipSations! jump rope competition and demonstration team nine years ago, it was just a temporary job that she volunteered to take on. A former '70s basketball Lady Tarheel, with a graduate degree from UNC in Physical Education, Schimmelfing was a natural to take over when her young daughter's jump rope team at school split to form an independent group.

"It was supposed to be an interim position," she said, "But I loved it, and I was pretty good at it, so I'm really happy to have been able to continue as coach."

Schimmelfing was good enough, in fact, to lead the team to international acclaim within three years. Since its inception, team members have traveled to Belgium, Australia and Canada to compete internationally as part of the U.S. National Team, bringing home silver medals in 2002 and 2004. In 2006 her daughter, now all grown up and serving as the team's assistant coach, brought home the gold.

Last April, the team went to Turkey to help the Turkish government hold its National Celebration of Children.

"We gave demonstrations every day for a week in an Istanbul amphitheater full of little children waving Turkish flags," Schimmelfing recalled. "They were so cute, and they treated the visiting SkipSations! like rock stars!"

If doing repeated high-energy jump rope demonstrations despite being jetlagged sounds like a challenge, it is. But Schimmelfing's team was up to it.

"We train in the gym for six hours a week," she said. "And we give a lot of demonstrations and performances, on top of that. So everyone is in pretty good shape."

Indeed, practicing and performing are just a part of what the team does. The rest of the time, they're doing outreach in the community. They teach club level classes for children in the Chapel Hill-Carrboro community two times a week at McDougle Elementary so that children can learn about jump rope as a sport. Once a year they give a jumping demonstration and workshop at Smart Start's Family Fun Festival. They also help with the Kids Rock program sponsored by UNC's Exercise Science Department

Best of all, they help other groups of jumpers become true teams and learn some of the jump rope skills that will give them a competitive edge.

"That's how the SkipSations! operate," said Schimmelfing. "We mentor others, and we mentor each other within our team. The older kids help the younger kids progress and develop their talent. As coach, my job is to organize and channel all of that knowledge and talent. Being a part of the SkipSations! is kind of like attending Life Skills U."

There are more and more people who are ready to sign up for a course. The team, originally composed of 23 members, now boasts 32 children—plus six parents who are training to compete in the adult age groups. The weekly SkipSations! club level programs reach another 60-80 local children.

"It's a great family activity. Mom, Dad and the kids, all in the same gym, all working on their jump skills and routines—with Mom and Dad working off in one corner of the gym so they won't embarrass their kids!" she laughed. (Anyone who has been a parent surely understands!)

What's next for the SkipSations!? Gold from South Africa, they hope. In January they're headed to the US Trials to try to make the U.S. National Team again and be able to compete in South Africa next summer in the 2008 World Rope Skipping Championships.

Everything You've Ever Wanted to Know...

About Wages and Benefits

For discerning employees who want to know more about the State of North Carolina's policies, procedures and projections for compensating its employees, the 2007 Compensation and Benefits Report is now available on-line at <http://www.osp.state.nc.us/CompWebSite/2007%20Comp%20and%20Benefits%20Report.pdf>.

The report is a 38-page PDF file that covers the following topics:

I. Executive Summary

II. Introduction

- North Carolina's Pay Philosophy
- Total Compensation

III. Economic Review

- Wage and Salary Trends
- Consumer Price and Employment Cost Indicators

IV. Compensation Trends

- Recruitment and Retention

V. Base Pay - Labor Market Data

- Methodology
- Market Analysis

- Average Salary Overall Comparisons
- Survey Findings for Selected Benchmark Classes
- Comparison to Southeastern States
- Comparison to Contiguous States
- Comparison of NC Base Pay Increases to Local Municipalities
- Comparison of Pay Increases of State Employees and NC Teachers
- New Graduates Starting Pay Analysis

Additional Analysis

- Turnover Rates and Cost
- Use of Salary Adjustment Funding

VI. Base Pay and Salary Adjustment Fund Recommendations and Projected Cost

VII. Fringe Benefits

- Total Compensation Model
- Paid Time Off Analysis
- Vacation, Sick Leave & Holidays
- Health Insurance
- Comparison to Southeastern States
- Comparison to Local Government Practices
- Supplemental Insurance Products (Post-Tax and Pre-Tax Plans)
- Statewide Flexible Benefits Program (NC Flex)
- Retirement
- Supplemental Retirement Programs
- Work Hours

VIII. Benefits Recommendations

The Executive Summary is only two pages long. We encourage employees to inform themselves about how and what the State is thinking.

At Work or At Will?

The Shifting Sands of Staff Employment at Carolina

It is the most basic divide between staff employees in the UNC system. It determines your likely pay scale, the kind of benefits you receive, and how long you can count on even having a job.

It is the difference between being SPA or being EPA Non-faculty.

Employees who are SPA are subject to the rules and regulations—and covered by the protections—of the State Personnel Act. These rules are set in some detail by the Legislature, and their implementation is monitored by the Office of State Personnel.

One of the fundamental protections provided by the Act is the assurance that once a person is hired by the State, he or she can reasonably expect to be able to pursue a long-term career in civil service. They can only be terminated for just cause—that is, for failing to do their jobs—or when there are general reductions-in-force in the employing agency.

State employees who are EPA Non-faculty are Exempt from the Personnel Act, leaving their employing departments much freer to do a number of things. For instance, set salaries. EPA Non-faculty jobs tend to pay better than comparable jobs that are classified as SPA. They also have a somewhat more generous benefit package.

They also have no long-term job security. EPA Non-faculty positions are short-term positions defined by contract and renewable (or not) at the will of the employer. In some cases, EPA-NF position contracts specify the term of employment; in others the position is at-will and can be terminated at any time for a good reason, a bad reason—or no reason at all.

This fall, President Erskine Bowles has convened an HR Task Force to make recommendations for ways that personnel management in the UNC system—one of the most expensive items in the budget, according to the PACE Report—can be made more cost efficient. Some studies done for General Administration over the last few years have suggested one way to do that: Take away the power that the Legislature currently exercises over University staff employees and give it to the University system to use at its discretion. In other words, make all staff employees effectively into EPA Non-faculty employees.

While President Bowles has decided not to pursue overt means of doing this (i.e., by asking the Legislature to hand over direct control and oversight to the University), it remains to be seen whether his Task Force will suggest measures that could effectively accomplish this, anyway.

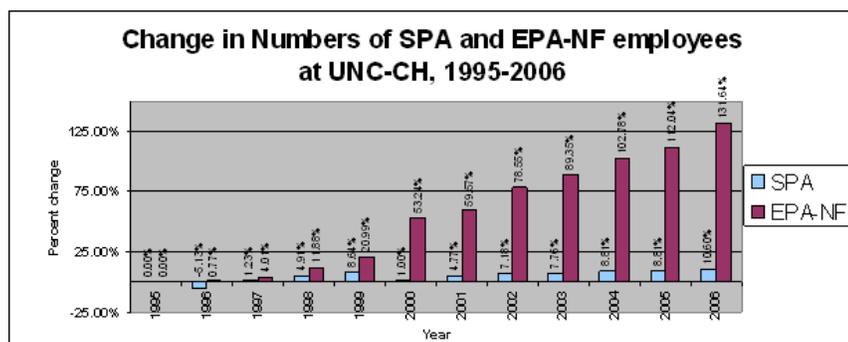
In the meantime, it is interesting to note that even under the current employment system, staff at Carolina are slowly becoming people who are strangers to the State Personnel Act. For more than a decade, the University has been shifting its staffing strategies away from the long-term career commitment implicit in SPA positions and toward the short-term utilitarian commitment embodied by EPA Non-faculty positions. That trend speeded up noticeably starting in 2000.

According to the UNC Fact Books for 1995 through 2006:

- Carolina has added 1,438 staff positions in the last 12 years. Of those, 59% have been EPA Non-faculty jobs and only 41% the more traditional SPA jobs.
- The preference for creating EPA-NF jobs rather than SPA jobs has been accelerating since the year 2000. In 1999, 78% of the staff jobs created were SPA positions (22% EPA-NF). By 2006, only 44% were SPA (56% EPA-NF).
- These figures are even more remarkable when we consider that they may be skewed.
 - In 1999, 40 of the EPA-NF jobs were not really newly created positions that year. They had been converted from SPA positions to EPA-NF.¹ If those 40 are taken out of the total number of jobs for 1999, it means that 92% of all the truly new staff positions created that year were for SPA employees.
 - By contrast, in 2006, when there were only 19 SPA to EPA-NF conversions¹, removing those from the total still only gives us 46% of all newly created positions that were SPA—half the levels that were being created only seven years earlier!
- By the end of 2006, the number of Carolina staff employees who were SPA had increased by 10.6% over 1995. The number of staff employees who were EPA-NF had increased by 131.65% in the same period.
- In the 12-year period from 1995 through 2006, one year stands out as particularly noteworthy due to the seismic jump in the figures: the year 2000. In that watershed year, the number of EPA-NF positions increased by nearly 27% over the year before while the number of SPA positions *decreased* by more than 7%.

It would appear that, one way or another, staff employees at Carolina are being slowly but surely removed from the State Personnel Act.

	Total Employees		% of change from 1995 level		% of change from previous year	
	SPA	EPA-NF	SPA	EPA-NF	SPA	EPA-NF
1995	5,519	648	0.00%	0.00%	0%	0.00%
1996	5,236	653	-5.13%	0.77%	-5.13%	0.77%
1997	5,587	674	1.23%	4.01%	6.70%	3.22%
1998	5,790	725	4.91%	11.88%	3.63%	7.57%
1999	5,996	784	8.64%	20.99%	3.56%	8.14%
2000	5,574	993	1.00%	53.24%	-7.04%	26.66%
2001	5,782	1,034	4.77%	59.57%	3.73%	4.13%
2002	5,915	1,157	7.18%	78.55%	2.30%	11.90%
2003	5,947	1,227	7.76%	89.35%	0.54%	6.05%
2004	6,005	1,314	8.81%	102.78%	0.98%	7.09%
2005	6,005	1,374	8.81%	112.04%	0.00%	4.57%
2006	6,104	1,501	10.60%	131.64%	1.65%	9.24%



Source: UNC Fact Books 1995 – 2006

1 Figures obtained from Matthew Brody (Asst. Provost for Academic Personnel) via email on July 12, 2007.

The Rise and Fall of Career Civil Service

by Steve Hutton, Epidemiology

While North Carolina's State Personnel Act (SPA) has been modified many times since its passage in 1965, career civil service remains a cornerstone of state government employment culture. The basic idea is that citizens of the state will be best served by long-term employees who are experienced and that commitment to a career in government is a sign of dedication to public service.

Traditionally, public employees have accepted that their pay might not be competitive with the private sector, but in exchange their benefits would be as good or better and there would be a higher level of job security. Today this implicit social contract is being undermined by numerous factors that, taken together, bode the decline and possibly the extinction of career civil service.

Why does it matter? Research on organizations defines a characteristic known as "organizational reproduction." Organizational reproduction or continuity includes all those factors that contribute to an organization reproducing itself day after day. It can include physical structures, information stored in files and computer memories, computer programs, policies, and most importantly, the knowledge and activities of people—the employees.

In any organization, management views their challenge as maintaining institutional continuity while minimizing the costs of continuity. In the last twenty years at UNC, there have been numerous efforts to cut continuity costs—most recently numerous recommendations in President Erskine Bowles' PACE Report.

Given the value of employee knowledge and experience, high rates of turnover become a threat to organizational continuity. If knowledge walks out the door without leaving behind a copy, the organization's ability to perpetuate itself is compromised.

Recently there has been considerable attention given to the prospect of faculty turnover at UNC as a consequence of baby-boomer retirements. The university administration has carefully estimated the number of faculty who will be leaving and the number of new hires required to replace them as well as to accommodate growth. In the case of faculty, organizational reproduction is a high priority, because faculty products—teaching and research—are our two most important products. A university depends on its reputation for doing both well, and quality faculty must be replaced by quality faculty.

However, this attention to faculty turnover has been accompanied by silence in regard to staff turnover, despite the fact that staff products are an important contribution to faculty products. In accordance with the culture of the invisibility and interchangeability of staff that prevails in the UNC system, our administration appears to believe there is no parallel problem when it comes to baby-boomer retirements combined with the system's anticipated growth

With Carolina's ten-year average turn-over rate for SPA staff alone running at 13% (1), the factors affecting institutional

continuity *qua* staff retention deserve some examination.

Factors Affecting Staff Turnover and Institutional Continuity

Task-shifting: Sometimes management decisions can affect continuity, even when continuity isn't the principal focus—for example, in the changing way that work tasks are assigned to SPA, to EPA Non-faculty or to temporary employees.

Some tasks formerly performed by career SPA employees have been shifted to temporary employees because those tasks are less vulnerable to continuity threats due to the diffusion of knowledge throughout the workforce. Years ago, for example, it was a challenge to find someone who knew how to work with spreadsheets. Loss of a person with that expertise represented a problem for organizational continuity. Today, however, even many temp workers understand spreadsheets, making it easier to shift those tasks away from expensive core personnel and give them to lower-cost temps.

Other tasks are being increasingly assigned to EPA Non-faculty positions rather than SPA, as revealed by the fact that while the number of SPA positions has not grown very fast in the last twelve years, the number of EPA-NF positions has grown substantially. (2) While EPA positions often pay more than similar SPA positions, they have a long-term cost advantage for management because the position can more easily be terminated when project funds run out. Presumably continuity is less of an issue when projects end, because the project-specific knowledge is no longer of value to the organization.

Career stagnation: Another way in which management decisions have affected continuity at UNC is in the loss of funds for employee development. Formerly a shared responsibility, the burden of career training has been increasingly shifted almost exclusively to employees' shoulders. Presumably, organizational productivity and continuity is thereby enhanced without cost to the university. However, this practice has caused employees, particularly younger employees, to leave public service after only a few years. They learn quickly that the University does not have the funds for, and therefore has little interest in, their career development.

Wage stagnation: Problems with career development are matched by problems in receiving reliable pay increases. Years ago, employees had the opportunity to earn step-increases within their pay grades as a merit reward. But the Legislature eliminated that system when they found it too costly to fund. They felt their hands were being tied in trying to manage the costs of government, in part due to SPA employees' ability to earn step increases. They calculated that they could painlessly sacrifice whatever institutional continuity these increases were buying.

Another unnecessary continuity cost, from management's perspective, is longevity pay, which the PACE Report recommends eliminating in favor of other forms of compensation, such as merit increases.

The challenges of career banding: Career banding is also affecting continuity. By eliminating narrow salary grades covering a range of skills in any given career path in favor of broader job categories and salary ranges, banding has eliminated the problem of employees getting stuck with no room for salary increases when they reach the maximum pay for their grade. That morale killer has now been substituted with another, however: paying some new hires more than employees with similar qualifications who have been employees for years. True, that situation existed prior to banding, but now it is more widespread and is leading to increasing complaints about age-discrimination.

In addition banding, which is supposed to foster career paths without the need to seek promotions, is in some instances failing to live up to its promise. For example, by dividing a whole career path into three proficiency and responsibility levels—contributing, journey and advanced—career banding is supposed to make it easier for talented, hard-working employees to climb the career ladder in their fields. However, some employees can never move up in their band from contributing to journey unless they perform certain tasks as part of their job, and in some areas that just cannot happen. As one sympathetic supervisor has lamented, "Those tasks will never be part of my employees' job."

Banding also purports to provide a solution to the problem of career employees whose skills are no longer needed. Presumably being part of a band allows employees to get the training to enlarge their skill sets to match organizational

needs and thus continue to advance in their careers rather than becoming outdated. The dilemma is that even if employees do this, there's often still no monetary reward to them for having made the effort. In fact, career-banding reinforces the shift of responsibility for career development to the employee.

These weaknesses in career banding exacerbate morale problems and increase turnover and continuity costs.

Out with the old staff, in with none: Outsourcing is also viewed as a way of accomplishing the organization's mission without the overhead of continuity costs by contracting with the private sector only as needed. Proponents of this cost-cutting strategy say that most or all of the tasks performed by career public servants can be more efficiently and cheaply done by outside contractors.

The risk with outsourcing is that desirable continuity can be entirely lost. For example, in a late 1990s study of how to outsource grounds keeping services, it became apparent that there was no private contractor or combination of contractors as capable of returning the University to service after a hurricane or blizzard as career employees. Similarly, the study of HVAC services (Heating, Ventilation, and Air Conditioning) discovered that only career employees were capable of reading the complex schematics of Carolina's infrastructure. As these two examples show, organizational continuity is not just a long-range concern but a daily one, as well, and both can be seriously compromised by an overly enthusiastic embrace of outsourcing as a panacea for budget problems.

Technological progress: Our increasingly automated and digital world also serves to shift continuity away from staff employees. In this case, it vests it in machines, instead. As more and more work procedures become automated, the rules and methods for accomplishing that work are increasingly enshrined in computers. Time that used to be spent by senior employees in pointing others to the correct policy and in interpreting policy is increasingly being shifted to web pages and computer-assisted training modules.

Decline in benefits: Many other personnel policies have implications for continuity. Younger employees are much more willing to shop around for the employer who will provide topnotch benefits—daycare services, maternity and family leave and healthcare benefits, for instance— in addition to a competitive salary.

One Impact: The Retirement System

All of these factors have played a role in elevating staff turnover rates and undermining organizational continuity at UNC. Faculty turnover has been less than 2%..., but faculty careers are encouraged through the system of tenure and other forms of seniority and reward. Annual turnover among staff, on the other hand, has been between 9% and 16% for the past 12 years.

According to OSP, the statewide cost of staff turnover in 2005 was over \$380 million (when turnover was more than 14%). That's not counting UNC Hospital, temporary employees, or internal turnover. Including these would probably push the costs to between one-half and three-quarters of a billion dollars annually.

But that cost is offset at least in part by what the State saves in actively or passively promoting certain kinds of turnover. About 32% of staff turnover occurs among those with less than two years of state service, and over 40% among those with less than three years. SPA employees who exit civil service prior to attaining their five-year vestment leave behind the interest earned on their retirement contributions—a boon for the State's bottom line. Similarly, the increasing proportion of temporary employees is a savings to the State because it reduces the State's required contributions to the retirement system while still allowing necessary work to get done.

Conspiracy...or side effect?

Has there been a conspiracy against career civil service for staff, or is the assault on civil service a mere side effect of decisions taken for other reasons? Some of the factors discussed above have been calculated decisions to sacrifice continuity in favor of other priorities. Others have impacted continuity as a side-effect. Taken together, however, there has been a considerable and constant decline since 1965 in the value placed on career civil service.

The question going forward is how much further the rubber band can be stretched before it breaks. Will we as a society continue to believe that citizens of the state will be best served by employees who are experienced and that commitment

to a career in government is a sign of dedication to public service? Will we pay for necessary continuity, or pay even more for turnover when it reaches its tipping point and spirals out of control?

 (1) According to figures from the Office of State Personnel rec'd January 2007, namely.

"Turnovers of SPA Permanent Employees in UNC-Chapel Hill -- FY1997 thru 2006"

Yr	Pay Grade	Total 'ees#	Voluntary	Involuntary	Retirement	Total Turnover	Total Turnover rate
1997	All	6507	786	89	96	971	14.9%
1998	All	6507	842	93	113	1048	16.1%
1999	All	6506	857	89	115	1061	16.3%
2000	All	6447	814	62	106	982	15.2%
2001	All	6128	407	20	45	472	7.7%
2002	All	6081	437	43	70	550	9.0%
2003	All	6410	436	75	66	577	9.0%
2004	All	6616	631	102	91	824	12.5%
2005	All	6421	694	111	148	953	14.8%
2006	All	6573	713	106	128	947	14.4%

10-Year Average 13.0%

(2) Between 1995 and 2006, according to figures provided in University "Quick Facts" data, the numbers of SPA jobs increased by 10.6%. In that same period, the numbers of EPA Non-faculty jobs increased by 131.64%.

Now You See It; Now You Don't

The Chimera of an Outsourcing Policy at Carolina

On December 4th through 6th, two of the dental technicians laid off in a mass outsourcing move by the School of Dentistry a year ago had their case heard by the State Office of Hearings and Appeals. The two, Jacqueline Maynard and Sharon House, maintain that the School's action disproportionately affected older workers with many years of state employment. They are seeking compensation for lost retirement income in their suit, which should be decided sometime early in 2008.

Just a few months after the dental techs were dismissed, 11 employees in Printing Services were also laid off. To date, no grievances or legal actions have been filed by any of those employees.

What was the difference? One difference was in the demonstrable need for the two kinds of work. While there was and continues to be a demand for the skills of the dental techs in the context of the teaching and clinical work done by the Dental School, the demand for the kinds of products being offered by the employees in Printing Services had been on the decline for several years due to changing technology. The unit could no longer bring in enough revenue to support itself.

Printing Services employees were in effect laid off "naturally" by the march of technological progress. The dental techs, however, were laid off solely for the purpose of trying to save money by shifting work from state employees to outside contractors.

There was one more very significant difference between the two groups of people. The management in Printing

Services worked carefully and openly with the affected employees for more than a year to explain the situation and try to find a solution other than laying them off and outsourcing the dwindling work being done by their unit. In doing this, they followed some of the principles and practices for outsourcing at UNC that were defined in a series of studies done by General Administration in the late 1990s.

The dental techs, on the other hand, were kept in the dark about the fact that their jobs were under review for outsourcing. They were not consulted for ways in which their jobs might be saved. And they were given very little advance notice about their impending layoff. While the dental techs' dismissal may have met the criteria for achieving "cost efficiencies" and "personnel flexibility" that are mandated in President Erskine Bowles' PACE Report, it totally ignored the 1990s policies for outsourcing.

The reason these policies could be so easily ignored, according to management, is because they don't really exist at all.

Gone With the Wind

In the wake of the dental tech situation, the Employee Forum asked Chancellor James Moeser why the Dental School had been allowed to ignore the University's outsourcing policies. In his response, the Chancellor said that those policies had been developed in the course of several studies into outsourcing that were done around 1997 and 1998, but that they were in fact never adopted for use. This statement did not conform to what numerous employees as well as a few long-time members of the State Employees' Association of North Carolina (SEANC) remembered.

In order to try to sort out the status of the policies that staff were remembering so clearly but management was disavowing, Forum Chair Ernie Patterson wrote to Leslie Winner, General Counsel for UNC General Administration, noting that the studies—and the policies arising from them—had probably cost at least \$2 million dollars and that memoranda from the period indicate that policy development was intended to be a part of the process. The policy that was supposed to have been produced by the studies, he noted, was important because neither the Office of State Personnel nor UNC-Chapel Hill specifically address outsourcing in their more general reduction-in-force policies.

Ms. Winner replied that according to her research into the question, no formal outsourcing policies were ever adopted by the Board of Governors or General Administration as a result of the outsourcing studies. However, she also indicated that since President Bowles' PACE Report makes numerous proposals for outsourcing, members of the Finance Division of General Administration now think it might be a good idea to address the lack of outsourcing policies.

It now appears that the momentum for devising and putting into place a set of outsourcing policies for UNC in the late 1990s was lost when the two top people responsible for the studies turned their attention elsewhere. William McCoy, then Vice-president for Finance for General Administration and the initiative's prime mover, was appointed Interim Chancellor after Chancellor Michael Hooker's passing in 1999. At about the same time Henry Holmes, who had been overseeing the details of the studies and associated policy development, retired. With no one to champion the successful conclusion of the project and secure the adoption of the policies by the Board of Governors, the entire effort drifted to a halt.

Until outsourcing policies are formulated and officially adopted, their absence means that there are no standards or rules that staff can reasonably expect the University to follow when it wants to lay off employees and outsource their jobs. And as the tale of these two recent outsourcings shows, there are better and worse reasons to outsource—and certainly better and worse ways to go about doing it.

The Challenges That Lie Ahead

One of the important issues that will need to be addressed in any future policy creation has to do with the way outsourcing conflicts with employees' legal rights. As SEANC District 25 pointed out in a January 1998 letter sent to Associate Vice Chancellor Bruce Runberg, the State Personnel Act defines career employment as an individual right given to all State employees. Outsourcing ignores those individual career rights and views employees only in terms of their work group—and a work group has no legal career rights.

Outsourcing as suggested in the 2006 PACE Report is particularly problematic in this regard. The Report places strong

emphasis on merit pay and other ways of rewarding individual performance. At the same time, the Report also suggests outsourcing as one important way for the UNC system to save money. The two suggestions are not very compatible.

Outsourcing lumps together the performance of individuals in a workgroup. A very productive individual, according to the standards set forth in the PACE Report, would normally deserve merit pay and other performance rewards. He or she could still lose their job, however, if other members of their work group were slackers, because according to the standards in the PACE Report, outsourcing is a good way to achieve cost efficiencies—particularly if a case can be made that there has been poor group performance.

Nearly ten years after one expensive round of studies stalled out, no one in management—neither in the UNC System nor at UNC Chapel-Hill nor in the Office of State Personnel—has addressed the question of individual rights versus workgroup productivity. Despite the increasing efforts of the private business community to enlarge their share of public expenditures by becoming outsourcers, no one has stepped up to the plate to codify outsourcing policies and procedures in a way that protects the rights of employees and simultaneously promotes workplace productivity and efficiency.

One result of this lack of a policy is the wildly varying approaches to outsourcing seen in the cases of the Printing Services employees and the dental techs. The lack of fair outsourcing policies to set the standards for management conduct at UNC has become a big cost inefficiency. If the recommendations of the PACE Report for further outsourcing come to pass in this policy-free environment, the costs could become even greater.

Your Feedback Requested

The Employee Forum would like to encourage all employees to fill out a very short survey being sponsored by the Office of University Relations – publishers of the University Gazette. The notice they have sent out is reprinted here, for your information:

The Office of University Relations would like to know more about the ways faculty and staff use print, online and e-mail sources for information about Carolina. This feedback will be instrumental in improving overall University communications.

Please take a few minutes to respond to a short survey of 10 questions, available online at <http://ir.unc.edu/communications/communications.htm>. The survey is completely anonymous, so please be candid.

If you prefer to complete a hard-copy version instead, go to <http://gazette.unc.edu> and click on the link for the PDF format of the November 14 issue of the *University Gazette*. The survey is on page 9.

However you choose to respond, your feedback will be very helpful. Thank you for taking the time to provide information, and if you have already completed the survey, your responses are appreciated.

Ninth Annual Winter Blood Drive

The 9th annual winter blood drive is scheduled on December 18th, 2007 at Wollen Gym between 7:30am and 1:00pm. Please mark your calendar for this great opportunity to show your support to the communities. For more information, please take a look at <http://www.unc.edu/blood/> or call Employee Services at 962-1483.

[Return to Top](#)