

InTouch: UNC Employee Forum News

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Personnel Flexibility: What Does it Mean?

Should SPA staff employees in the University system be removed from under the legislative authority of the State Personnel Act, as UNC System President Erskine Bowles' PACE Report advocates?

The idea is not new. "Personnel flexibility" (PF), so called because it involves abolishing the current rules governing SPA jobs and giving the University more direct control over its employees, has been around for years.

PF first emerged as an issue of debate in the mid-to-late 1990s when various interests wanted to remove the UNC Health Care System's personnel functions from under the control of the NC General Assembly and the Office of State Personnel. In 1998, an amendment tacked onto a budget bill allowed this to happen.

In 2001, Chancellor James Moeser appointed a committee at UNC-Chapel Hill to recommend the characteristics of an independent personnel system, looking forward to a time "when [UNC] has the flexibility to develop its own system." The final report was presented in June 2002, along with a minority report that briefly pointed out areas of concern that the main report had failed to address, such as what might happen to the protections provided by law for SPA employees. (For the report, go to <http://www.ais.unc.edu/ir/personnel/flex/2Personnel%20Flexibility%20Report%20June%202002.pdf>; for the minority report, see http://www.ais.unc.edu/ir/personnel/flex/NEW_persflex_minority_rpt3.pdf.)

With the PACE Report that was submitted in November 2006 to UNC System President Erskine Bowles' office, personnel flexibility has once again been moved to the front burner as an important issue. PF was cited in the Report as a critical way for the University system to save money, and several illustrations were provided of legislatively mandated personnel policies that were not cost-effective and could be re-shaped or eliminated if SPA employees were not under legislative control. (For a summary of the "HR" section of the PACE Report, go to <http://forum.unc.edu/documents/SummaryPointsrePACEonpersonnelflex.pdf>.)

In light of the possibility that all University SPA employees could find themselves working under changed terms and conditions if personnel flexibility is allowed, the *InTouch* newsletter is planning a series of "pro and con" articles on the subject in the coming months.

We hope you will not only read and think carefully about these articles, but pass them along to your co-workers and friends, too. Personnel flexibility could be the key to a better and more secure future for University staff employees...or a terrible misstep that will ultimately subvert employee rights and benefits. Or something in between. Read the *InTouch* over the next few months and decide for yourself.

UNC General Administration Defining New HR System: Employee Input Sought

In response to the PACE Report recommendation that UNC-system SPA employees be removed from the State personnel system, UNC President Erskine Bowles has asked his staff in General Administration (GA) to begin defining a new human resources system.

According to Ann Lemmon, UNC's Associate Vice President for Human Resources, GA staffers have been asked to look at questions of programs, system requirements, and staffing needs as they envision the future for University employees. Part of the information Bowles has asked his team to collect, says Lemmon, includes feedback from employees about the potential benefits of having a separate personnel system for UNC, as well as their concerns about having such a system.

Lemmon says that despite the fact that planning is under way, it is not yet clear whether Bowles will actually ask the Legislature to hand over all University SPA personnel functions to GA. She encourages employees to work through the new system-wide Staff Assembly to make their voices heard on all of these issues.

However, according to J.C. Boykin, UNC Staff Assembly Chair, the request that Bowles' office has made to the Assembly is "not to be construed as a solicitation of comments concerning the pros and cons of the University Personnel System, nor the State Personnel System." Instead, Bowles' office is strictly interested in ideas employees may have about what "would make our personnel system better and more user friendly."

The deadline for submission of "user-friendly" ideas is March 9th.

Employees wishing to contribute to this process can write to the UNC-Chapel Hill Employee Forum office at forum_office@unc.edu. Contributions will be forwarded to the proper parties.

From the Chair, Ernie Patterson ...

Concerns about the PACE Report

On February 12th, Employee Forum Chair Ernie Patterson wrote the following letter to UNC System President Erskine Bowles concerning the recent PACE Report's recommendation that SPA employees in the University system be withdrawn from the control of the State Personnel Act.

Dear President Bowles:

In a recent discussion with Associate Vice President for Human Resources Ann Lemmon, I was pleased to hear that you and your administration have not finalized any decisions concerning personnel flexibility. Reading the PACE Report has left a number of UNC-Chapel Hill staff with a contrary impression. Employees here are gun-shy about personnel flexibility since the Legislature removed the UNC Health Care System from the authority of the State Personnel Act. They are troubled by the numbers of layoffs that accompanied that move and the quite lucrative bonuses that HCS administrators received soon afterward. In addition, they have received chilling reports from HCS employees and their families about working conditions in the system since the pull-out.

The PACE Report seems to foreclose any approach to solving administrative difficulties other than completely removing the University System from the State Personnel Act. It dwells with irritation on the fact that the Legislature and the Office of State Personnel control the financial rewards given to SPA employees, especially rewards like bonus leave and longevity pay, and that the compensation system fails to tie rewards to specific "products" that advance the University's mission.

Bonus leave and longevity pay, the Report concludes, are bad personnel and resource management practices. The only way to change these practices, says the Report, is to remove the University from the State system. To buttress this position, the Report cites other kinds of problems in how the current personnel system functions, with the conclusion, again, that the only real way to address problems is to remove University employees from the State system.

Could we not petition the Legislature to modify portions of the State Personnel Act in order to address some of these problems just as easily as—perhaps more quickly and easily than—trying to convince it to do away with the Act altogether for tens of thousands of employees?

The Report does not raise alternatives to dealing with the wide range of institutional problems other than removing the University System from the State Personnel Act. The Report does not address the possible negative consequences of removal for employees.

Finally, and most troublingly, the Report gives the impression that only after achieving legislative approval for a pull-out will General Administration begin to design the new personnel system.

Staff employees at Chapel Hill believe that this path would put the cart before the horse. A proposed new system should be designed with considerable ground-level—not just managerial-level—staff employee input. General Administration should provide reasonably detailed information about the old and the proposed new systems and then allow employees to express their opinions about which system will best meet the needs of the University.

In our conversation, Ms. Lemmon had said that "prior to asking the legislature to pass any legislation, [you] wanted to hear from the staff across the UNC System." In this spirit, I ask you to issue the same kind of challenge to all of the UNC campuses regarding problems in our personnel system that you did for the other parts of the PACE report. Challenge your staff—particularly SPA staff who would be most significantly affected by changes in the SPA system—to submit their ideas, concerns, and proposals for repairing the current system or building a better one.

In the effort to repair or replace our current personnel system, we urge the University to look for models beyond other higher education and state government personnel plans. We should look at companies like SAS, Microsoft, and EMC to understand how their personnel systems work, and we should incorporate their best practices into any system we propose. This information could form the basis of a comprehensive proposal for a better and more efficient system for all state workers—not just those in the UNC System—an achievement that would certainly be in line with the University's core mission to be of service to the people of North Carolina. Such a comprehensive proposal could also provide the University and its many staff employees with a shared vision of our future and, as a result, a shared Legislative agenda.

I believe that by working together in a fully open and honest process that respects the needs and interests of both staff employees and the University, we can develop policies and procedures that will benefit and be accepted by everyone. We look forward to joining you in pursuit of this opportunity.

Yours truly,

Ernie Patterson
Chair, UNC-Chapel Hill Employee Forum
Member, UNC Staff Assembly

State Personnel Administration to Get Review

It's report card time! It looks like the State Personnel Administration, which is in charge of personnel policies and practices affecting more than 93,000 state workers (22,289 of them being University system SPA staff employees), will be getting an audit within the next few months.

A Request for Proposals issued January 31st by the N.C. General Assembly's Government Performance Audit Committee calls for vendors to submit bids to conduct a review of how the state manages its "human capital." The final report will be expected by June 22nd.

The RFP comes in the wake of an independent 2005 Government Performance Project report that gave a "C+" to the State Personnel Administration and the recent 2006 PACE Report from the UNC system's General Administration office that identified human resources functions as a major area of waste. The Report recommended effecting "cost efficiencies" by pulling SPA employees in the 16 university campuses out of the State Personnel system.

The audit will cover two areas of concern: career banding and a system-wide review of the State Personnel System's structures and authority, including (but not limited to) a review of existing HR statutes (found in G.S. 126).

The final report is expected to include not only recommendations for changes but also drafts of any legislation that might be deemed necessary to make those changes a reality.

The last audit conducted by the N.C. General Assembly was made in 1992. The Audit Committee reports that its findings are "still well regarded...and in use today." This report can be found at <http://www.ncleg.net/GPAC/planbud.html>.

Keeping PACE: UNC-Chapel Hill Employees Offer Savings Ideas

Last month the Employee Forum encouraged staff employees to step forward and share their cost-saving ideas as a contribution to President Erskine Bowles' PACE initiative—an effort to make the UNC system more cost efficient and effective. In response, nearly 70 UNC-Chapel Hill staff contacted us to share their thoughts.

The Forum organized, summarized, and forwarded these ideas to David Perry, our campus' PACE initiative officer, who combined them with similar suggestions from deans, directors and department heads to produce a 6-page Interim Report that was submitted to Bowles' office late in February.

The Interim Report identified three broad areas for improvement: business processes, energy efficiency and operations, and cost avoidance measures. Perry indicates that in the coming months, many of the specific suggestions that were made will be examined in more depth and possibly implemented.

A copy of the Interim Report was not yet available at the time of this writing, pending its release by Chancellor James Moeser. A copy of the suggestions submitted by UNC-Chapel Hill employees (stripped of personally identifying information) is available on the Forum's website at http://forum.unc.edu/documents/EF_PACE_survey_results.pdf

Resolutions Update

Health Plan Enrollment, Honoring John Heuer, Promoting Free Tuition

The Employee Forum approved three resolutions at its February 7th meeting.

The first resolution decried the lack of information accompanying the State Health Plan open enrollment period. The Forum's Health Benefits committee, chaired by Robert Agans, drafted the resolution in response to reports that the Plan would not be able to provide concrete cost or benefits information to subscribers at the time of enrollment. Instead, employees will be expected to make their health plan choices without full information, potentially committing themselves to a year's worth of premiums they cannot afford or a plan that will not meet their health needs. State Health Plan administrators say that the Legislature will determine the final premium rates later this year.

Second, the Forum approved a resolution recognizing 2000 Forum Chair John Heuer and making him an honorary lifetime member of the Forum. Heuer has been active in a wide variety of progressive causes, most notably the University's Sustainability Coalition, as well as UNC Toastmasters. He recently retired from Facilities Services as a construction renovation design technician.

Finally, the Forum approved a resolution supporting a proposal to provide free tuition at UNC System institutions and North Carolina community colleges to all children of UNC faculty and staff. Providing this benefit would require an endowment of approximately \$40 million. The Forum and the proposal sponsors, which include Provost Emeritus Dick Richardson and the Faculty Council, hope that the Carolina First campaign will take on responsibility for raising these funds as it reaches the end of its very successful capital campaign.

The text of these three resolutions can be found on the Forum's website at <http://forum.unc.edu/resolutions.htm>

Printing Services Lay-Offs, Outsourcing Announced

On February 1st, Dr. Richard Mann, Vice Chancellor of Finance and Administration, announced the University's decision to out-source the offset printing function at UNC Printing Services and lay off the 11 employees who work in that area. The circumstances surrounding this action prompted Forum Chair Ernie Patterson to write the following letter to UNC-Chapel Hill Chancellor James Moeser on February 23rd.

Dear Chancellor:

As chair of the UNC-Chapel Hill Employee Forum, I would like to congratulate your Administration on—and express the Forum's appreciation for—the way the recently announced downsizing process was handled at Printing Services. From the information provided to me by Dr. Mann and after hearing from a number of employees across campus, it is clear that in this situation the University has set a new standard for reasonable action, open and effective communications, and compassionate employee care when it comes to taking such difficult actions.

We know that in this case your Administration worked hard to make sure that the affected workers were informed early-on about the financial issues and the problems associated with generating enough revenue. It is also clear that your Administration has worked hard with these employees to attempt to improve revenue so that layoffs would not be necessary. After such effort, making the decision to close part of the printing operations must have been difficult.

When the shutdown could no longer be avoided, your Administration's actions toward the affected employees have been exemplary. You have provided them with 5 months' notice and given them help in trying to find new employment not only by using the resources of our own HR department, but also by arranging for them to work with an outsourcing firm. Finally, any employees who have not found work after the 5 months will receive the full layoff benefits to which they are entitled.

These are the kinds of behaviors that many of us who have worked at UNC-Chapel Hill for many years have come to expect from our University. It makes us pleased and proud to be part of an institution that not only serves the State in so many ways, but also takes care of its own with such openness and honor.

I hope you will convey our warmest regards to the members of your Administration who had, and continue to have, a hand in doing this difficult job, and doing it right.

Sincerely,

Ernie Patterson
Forum Chair

Kronos: Time (and Attendance) Marches On

Implementation of the University's new Kronos time and attendance tracking system is proceeding apace.

In the wake of the selection of default, campus-wide time reporting standards for SPA, EPA and other kinds of employees in early January, managers and HR facilitators from several different areas of campus have met with the project's senior manager, Kim Curtis, and other members of the Kronos implementation team to learn more about the features of the system and how it can be configured.

On the basis of this information, some departments are making requests to use time capture methods that will differ from the default methods; others have already done so and received the necessary approval. The deadline for making new requests, which was originally set in early February, was extended to the end of the month.

The final and complete roll-out of the Kronos system is not projected to happen until the summer of 2008. It will take that long to set up the computer equipment that will run the system; install and configure special equipment such as teletime servers and badge swipe terminals; configure the Kronos program with all of the rules settings it will need to automatically manage a variety of compensation issues such as overtime, comp time and leave accrual; and transfer employee data from the University's existing systems into Kronos.

The first official Kronos implementation is scheduled to take place in July 2007 when the Leave Liability System will be transferred completely to Kronos. Since HR facilitators are required to reconcile their Leave accounts each year at this time, it seemed like a good time to begin making the move to the new system. HR facilitators will get an intensive two-hour training to help them understand and work with the new program.

The next big roll-out is scheduled to occur in October 2007, when some UNC-Chapel Hill employees from IT, nursing, and public safety will begin recording their time and attendance records using Kronos. After a 4-6 week evaluation period, roll-out will be extended to other units on campus a few thousand employees at a time.

Anyone wishing to know more about Kronos or its implementation should contact Kim Curtis at 962-0016 or curtisk@email.unc.edu.

David Perry Named Interim Associate Vice Chancellor for Human Resources

A temporary successor to retiring Associate Vice Chancellor for Human Resources Laurie Charest has been announced. In a January 31st memo, Richard Mann, Vice Chancellor for Finance & Administration, named David Perry, Senior Associate Vice Chancellor for Finance & Administration, as the interim head of Human Resources effective February 1, 2007.

Mr. Perry can be reached in this capacity at 962-1554 or at drperry@unc.edu.

Update: Associate Vice Chancellor for Human Resources Search Committee

The search committee charged with finding a new Associate Vice Chancellor for Human Resources met for the first time on January 18th with an executive search firm, Brill Neumann Associates of Boston, which has been hired to assist in the search process. Committee members, which include two Employee Forum delegates, learned about the search process and provided information about the structural and cultural features of the university and the AVCHR position.

The committee met with Brill Neumann again on February 6th in order to review a draft position description that was to be posted that day on the university EPA Non-faculty job site (https://hr.unc.edu/EPA-Job/EPA_NF_Job_Openings.pdf), as well as in several human resources trade association publications.

The position description is a much more detailed document than the job notice and as of this writing is not yet completed. The detailed position description will be in final form before the committee meets again on March 19th. At that time, Brill Neumann will work with the committee both to conduct an initial assessment of a selected group of candidates with serious potential and to develop the questions to be asked of candidates selected for interviews.

Also on March 19th the committee will work to form its strategy for asking questions (for example, whether each member will ask the same question of every candidate) and for making selection decisions.

The committee anticipates that by the last week of March, it will be able to conduct an initial round of brief introductory interviews with the most promising of the candidates considered at its March 19th meeting.

Free Generic Medications through March 31, 2007

If you participate in the State Health Plan (including the Blue Options PPO), now is a great time to fill or refill your prescriptions for generic drugs.

Just visit a participating network pharmacy and present your State Health Plan ID, and the State Health Plan will waive your co-payment. Generic drug prescriptions filled through Medco by Mail are also eligible.

If you are currently taking a brand-name drug and would like to take advantage of the co-payment waiver program, talk to your doctor about whether you can switch to a generic version of your medication.

The co-payment waiver program ends March 31st.

For more information, call 1-800-336-5933 or visit the State Health Plan website at www.shpnc.org.

Free Smoking Cessation Support

Are you a smoker who's been wanting to quit? For a limited time, the North Carolina State Health Plan will provide generic over-the-counter (OTC) nicotine replacement therapy patches for free.

Through the state health plan's pharmacy benefit, all plan members, including PPO members and indemnity plan members, are eligible to receive the free generic patches from January 1 to March 31, 2007.

To participate, you need to obtain a prescription for generic OTC nicotine replacement therapy patches from your physician and fill the prescription at a local participating network pharmacy.

For more information, please call 1-800-336-5933 or visit state health plan website at http://statehealthplan.state.nc.us/pdf/SmokingCessation_flyer.pdf. If the link doesn't work for you, please go to website at <http://statehealthplan.state.nc.us/> and click on the link "Smoking Cessation Support" on the lower left side.

New Grievance Protection for Disabled SPA Position Applicants

The State Personnel Commission has adopted a policy that allows employees (SPA permanent and temporary) and applicants for SPA positions to file a grievance if they are dissatisfied with a decision on a request for reasonable accommodation due to a disability. This provision has been added to the Dispute Resolution and Staff Grievance Policy, effective February 1, 2007.

For more information on this new policy, contact Martha Fowler, Grievance Coordinator, at 843-8676.

Doubly Divided: The Racial Wealth Gap

“Why is it that 40 years after Civil Rights laws outlawed discrimination, people of color still have only 18 cents for every white dollar of wealth?”

How is wealth created? How does an individual, a family, or a group of people accumulate wealth? If you believe the American Dream, anyone can prosper in this land of opportunity if they just use the right combination of hard work, perseverance and creativity. The Dream says that if you work hard and save money, you will eventually reach a comfortable standard of living, often one that exceeds that of your parents and grandparents before you.

But what if hard work is not enough? What if forces larger than yourself, including your own government, have stacked the deck against you? A look back at U.S. history shows how, for non-white Americans, the Dream has been more like a mirage. In “Doubly Divided: The Racial Wealth Gap,” Meizhu Lui takes a hard look at this mirage and the obstacles to wealth that exist for Native Americans, African Americans, Latinos and Asian Americans.

Lui points out the ways in which “specific laws, policies, rules, and court decisions have made it more difficult for nonwhites to build wealth, and transferred wealth they did own to whites.”² She discusses the short- and long-term economic impact of the transfer of Native American and Mexican land to whites, the New Deal’s exclusion of the majority of blacks, the consequences of citizenship restrictions for Asian immigrants, and more. To read the full text of Lui’s article, go to <http://www.racialwealthdivide.org/documents/doublydivided.pdf>.

http://www.racialwealthdivide.org/color_of_wealth/

² “Doubly Divided: The Racial Wealth Gap” in *The Wealth Inequality Reader* (edited by Dollars and Sense and United for a Fair Economy, 2004).

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