

InTouch: UNC Employee Forum News

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From the Chair

Address to the Board of Trustees

Employee Forum, Ernie Patterson, Chair

January 23, 2008

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.

I would like to begin by recognizing and once again thanking our Chancellor for listening to the staff, students and faculty and adopting policies to make our campus smoke-free on January 1, 2008. Members of the Forum will continue to work with the administration to insure that this effort is successful and that help is available for those who wish to quit smoking.

Next, I want to thank Chancellor Moeser and the students serving on the Chancellor's Advisory Committee for their support of the Employee Forum's Carolina Literacy Initiative. The Forum recognizes 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. In addition to providing UNC with another opportunity to serve North Carolina directly, we are confident that this initiative will become a guiding light for other institutions within our state as well as across the country. Brenda Malone and the HR staff are working on the proposal, and we are looking forward to its presentation to the budget committee for funding.

As you know, a proposal will soon be delivered from President Bowles' office to the Board of Governors concerning the creation of a semi-autonomous human resources system for the University. If approved by the Board, the proposal will be forwarded to Raleigh for possible enactment by the NC Legislature. Staff employees at Carolina have been able to study this proposal in depth and have begun to share their responses to it. The consensus seems to be that the proposal raises a number of questions and concerns. One concern is the lack of detailed information about exactly what changes a new HR system would seek to make in staff employees' working conditions. Because the creation of a largely independent UNC-based HR system is such a monumental step, the Forum advocates an extremely cautious approach until there is more complete, detailed information about the changes the administration is planning to make.

Finally, the members of the Forum would like to congratulate both the Board of Trustees and the University on its vision for Carolina North. The successful development of Carolina North along with the increased demands that will be placed upon Carolina as a result of our growing enrollment will require all of us to roll up our sleeves and work hard together for many years. Both of these events will also require that UNC works closely with surrounding governments and businesses to insure that there are adequate solutions in place for housing and transportation.

A recent survey of traffic in Chapel Hill revealed that as many cars leave Chapel Hill for other work destinations as commute to our campus. While the outgoing traffic is obviously composed of those who can afford to live in Chapel Hill, University studies have shown that much of the incoming traffic consists of University employees -- staff, fixed-term and tenure track faculty and students who cannot afford to live here. To reduce this traffic and move Carolina closer to becoming a truly “green” campus, the Forum supports efforts to provide “affordable” housing.

The reality is, however, that there will never be enough “affordable” housing in Chapel Hill, given the multiple tax burdens and other costs of living in our southern part of heaven. In 2007, the median family income for Durham Metro Area was \$53,184. (1) According to mortgage lenders, such a family could afford a home costing between \$200,000 and \$240,000. At UNC, the median *staff* employee income is less than \$45,000, meaning that more than half of UNC’s employees would find it impossible to purchase a home in Chapel Hill or Carrboro, where last year’s median home price was more than \$450,000.

Fortunately, there are businesses in our area that have been successful in providing reasonably affordable housing in surrounding communities—such as Powell Place by East West Partners near Pittsboro and other developments in Mebane and Graham. UNC needs to create a taskforce that will work with both state and local governments and private businesses to find ways to provide affordable and convenient housing and transportation solutions for our University colleagues who must live in these more distant areas. By taking action now, UNC can insure its future and improve the lives of its employees.

Our University without Students, Staff, and Faculty would shut down and quickly return to the forest. Over the past few years, the University has focused on building facilities and expanding infrastructure. In the near future UNC must similarly invest in its employees and students. We must work with private businesses and local governments so that needed housing, transportation, and other services are available. We must work with the local educational system to insure that the next and future generations are ready to take up the responsibility of running this University. We must work with our existing employees so that they can provide the highest quality of service to our students and communities. In addition, we must insure that everything we do focuses on the goal of providing quality, viable education that prepares our graduates for success in their careers and lives.

Thank You

(1) http://www.huduser.org/datasets/il/index_mfi.html

Like to Travel?

JOIN THE EXPLORERS

A travel club is forming for faculty, staff and grad students that will arrange affordable trips that coincide with university breaks, giving members a chance to travel with people they know or might want to know.

Itineraries might be a few days to a few weeks long, with destinations as well as optional excursions and down time. The first itinerary will probably be a 15-day trip through Italy in mid-summer.

There are no dues, fees or meetings. Professional travel companies will handle the arrangements.

For information, email: hjshealy@email.unc.edu

An Employee Forum Survey

Why Do You Work Here?

More than 8,000 people are staff employees at UNC-Chapel Hill. Just over a thousand of us started working here

within the last two years. Nearly 400 of us have worked here for 26 years or more!

The Employee Forum would like to know why.

Why did you come to work at Carolina? What drew you to come—and what is making you stay?

To tell us about your employer/employee relationship with UNC and the State of North Carolina, please take our short (really short!) survey at http://www.surveymonkey.com/s.aspx?sm=US2mOPmhCTRS9JYD6IYuJA_3d_3d.

As usual, we'll publish the results in a future *InTouch* newsletter.

Smoking Ban at UNC-Chapel Hill to Be Lightly Enforced For Now

University officials indicated in a meeting with Employee Forum delegates January 10 that UNC will not enforce criminal penalties against those defying the campus' smoking ban. Instead, the University will rely on administrative sanctions to deal with students and staff employees caught smoking within 100 feet of campus buildings. Staff employees caught smoking within the 100 foot boundary risk receiving disciplinary sanctions from their supervisors.

In that meeting, Forum Vice Chair David Brannigan noted that smokers have begun leaving their cigarette butts at the Polk Place flagpole and near the Wellstone gardens, among other places. He reported that smokers litter these areas with cigarette butts that birds often use to feather their nests, leading to the deaths of their chicks.

These locations stand farther than 100 feet from campus buildings, making smoking technically legal in these areas. Executive Vice Chancellor Dick Mann said that the University does not want to establish a de facto designated smoking area by setting out trash cans for the butts. He said that the University would monitor these locations and take future action if necessary.

Bowles' HR Task Force Report Submitted

Now It's On to the Board of Governors

On January 15, 2008, UNC System President Erskine Bowles was handed the penultimate draft of the Report from his specially convened Human Resources Task Force. Employees are strongly encouraged to read this Report, which can be found at <http://forum.unc.edu/documents/FinalHRTaskForceReportv9.pdf>.

The Task Force was asked to make recommendations for how the University could become more cost effective and efficient in its operations by gaining greater control over its personnel affairs. Bowles' original plan, to remove staff employees from the State Personnel Act, was widely opposed by the affected employees. The Task Force was created to suggest alternative methods for gaining the necessary amount of control while technically allowing employees to remain covered by the SPA.

Employee Forum delegates have been reading and discussing the recommendations of the report since it was issued. As Forum Chair Ernie Patterson told Carolina's Board of Trustees in January, "The proposal raises a number of questions and concerns" that make the Forum "extremely cautious" about endorsing it.

After soliciting feedback from constituent groups in the UNC system, Bowles plans to send the Report to the Board of Governors for review and approval in early February. If approved, in March the report will be sent to the Joint Legislative Education Oversight Committee of the General Assembly so that it can be considered in the 2008 Legislative Session.

No Release Date in Sight

GPAC II Report Focusing on State's HR System Not Yet Released

In the May 2007 *InTouch* newsletter we reported that the State's Government Performance Audit Committee (GPAC) had requested an independent audit of the State Personnel System's structures and authority—focusing in particular on the provisions of NCGS 126. This is the statute that governs the employment of approximately 22,000 State employees who work for the University System.

The report was finally completed and submitted on December 21, 2007. It is not, however, being released because it has not yet been submitted to the Joint Legislative Program Evaluation Oversight Committee—and there is no meeting of that Committee scheduled for the foreseeable future.

The Report, known as GPAC II (GPAC I having been done in 1991-1993), was scheduled to be completed no later than September 21st of last year. After it was completed, it required revision and re-writing in some areas, according to the State's Program Evaluation Division. Several new due dates for the completed report were given to interested *InTouch* writers before the final version of the report was ultimately received right before the holidays.

One of the tasks to be taken up in this audit was “***A review of existing HR statutes (G.S. 126) and recommendations for potential changes*** that enable an effective HR culture and high performance workforce” (1). Thus, the Report covers some of the same territory as President Erskine Bowles' HR Task Force, which completed its work in January 2008 and has already made its report available to the public.

Because both of these reports deal with the subject of how the State can most effectively manage its University System staff employees, the contents of both reports are of great interest to University System employees in general and Chapel Hill's Employee Forum delegates in particular.

The *InTouch* will continue to closely monitor the availability of the GPAC II report and will report on its contents as soon as they are released.

The GPAC II website is at <http://www.ncleg.net/committeefrontpages/gpaci/index.html>.

The May 2007 article about the GPAC II Report and what it should cover can be found at <http://forum.unc.edu/InTouch/InTouch8-5.htm#two>.

(1) Status Report and Potential Program Evaluation Topics, May 17, 2007, p. 13, available at <http://www.ncleg.net/DocumentSites/committees/GPACII/Project%20Updates/3.%20Final%20Progress%20Report.pdf> (emphasis ours).

Do You Remember This?

Blast from the Past

In 1996, UNC President C.D. Spangler ordered that the academic calendar include 150 days of instruction, four days more than usual, in order to improve instruction throughout the University System by providing students with more classroom contact hours. To comply at UNC-Chapel Hill, the Student-Faculty Calendar Committee recommended eliminating either Labor Day or Good Friday as holidays.

SEANC District 25 began a petition opposing this move. Leading the charge was Executive Committee member, Margaret Swezey.

The Employee Forum was asked by Chancellor Michael Hooker to recommend which of these two holidays to eliminate. Under the leadership of Peter Schledorn, Chair of the Personnel-Benefits Committee, the Forum recommended keeping both holidays, which reportedly antagonized the administration.

Ultimately, both holidays were saved, and the academic calendar reverted to its usual number of days, when it was discovered that faculty summer schedules and the need to coordinate UNC's academic schedule with Duke's would be

compromised otherwise.

From August 1996 Employee Forum Minutes

Regarding the academic calendar, the Chancellor felt that there had been some misunderstanding on the issue as it had pervaded campus. He regretted this and did not know how the conversation had gotten off track. Chancellor Hooker recalled that the University was mandated by President Spangler and General Administration to add 4 teaching days to the upcoming academic calendar, a move he applauded. Yet, the addition created internal challenges for the University in how it readjusts its calendar to accommodate these extra days.

The Student-Faculty Calendar Committee made a recommendation accepted by the Provost to add two days to the fall semester, by teaching on Labor Day and cutting a day from Fall break, and two to the spring semester, by beginning one day early and eliminating the holiday that falls on Good Friday.

This is the plan with respect to teaching courses, but does not speak to the issue of Employees who are not involved in teaching courses, and what days they will work or not. The Chancellor noted the Provost is awaiting the recommendation from the Employee Forum and from Dr. Floyd, to whom the Forum's recommendation will be sent. Thus, this is an issue that has not been settled yet.

The Chancellor felt there had been a misunderstanding that Employees will be required to convert an existing holiday to a work day and take a holiday on some other day. That could happen, but only if Employees resolve this is the best approach to take. Chancellor Hooker noted that the Hospital utilizes a similar approach, and thought that as the Hospital has had to be flexible with regard to holidays to serve the public, the University should be also. He reminded the group that the University is a public institution that exists only to serve the public. **Sometimes, the Chancellor said, we must be willing to inconvenience ourselves in order to serve the public and that we accept that as a moral imperative, as part of taking taxpayer dollars to pay our salaries.**

From *The University Gazette*, September 18, 1996

Hooker sends holiday classes back to panel

Calendar Committee to revisit Labor Day '97 and Good Friday '98

The decision to hold classes on Labor Day 1997 and Good Friday 1998 has been sent back to the University Calendar Committee.

Chancellor Michael Hooker made the announcement at the Employee Forum's Sept. 4 meeting. That same day, most employees received a memo dated Aug. 23 saying that the administration would stick with an earlier decision to use those days for classes, while leaving them as holidays for staff employees.

"Holidays are something that, in a sense, we have a right to expect to be sacrosanct," Hooker said.

The administration in July had decided to add the two days to the 1997-98 instructional calendar as it sought to boost the number of class days to 150 in response to a mandate from UNC system President C.D. Spangler Jr.

The University then was left with having to decide how to handle the two holidays for SPA employees. The Employee Forum last month asked Hooker to reconsider the need to hold classes on the holidays.

Hooker said he had spoken with Spangler and that Spangler thought Labor Day and Good Friday should remain holidays.

"Obviously, this is the next saga of the never-ending story, my asking the Calendar Committee to go back to the drawing board," Hooker said.

"I don't know where they will come out, but I have assured the president that we would do everything we could to urge them to find an alternative to working on those two holidays and I trust they will do it," he said.

Interesting Testimony in Dental Tech Suit

Two of the 15 dental techs laid off in an outsourcing move at the School of Dentistry in the fall of 2006 have filed suit against the University for age discrimination. Hearings in the suit brought by Jackie Maynard and Sharon House were conducted December 4th through 6th last year in Raleigh at the Office of Administrative Hearings. Though attorneys for the State three times asked Judge Joe Webster to dismiss the case on the grounds that the plaintiffs had failed to establish a basis for their complaint, the judge refused.

School of Dentistry Dean John Williams and Vice Dean Ken May as well as several technical experts were questioned under oath. A transcript of the proceedings reveals that Dean Williams had considered outsourcing the dental laboratories prior to accepting the job as head of the school. The ad hoc committee he appointed to establish the factual basis for this option met for a total of 8-10 hours to conduct a cost comparison analysis. It included no dental lab techs.

Testimony revealed that:

- The committee based their recommendation to outsource on a cost analysis involving the output of only one of the three labs that were affected by the decision (the fixed dental appliances lab), although information from at least one of the other affected labs was also readily available.
- Although a computer printout showed that 2,411 units had been produced by the fixed lab in fiscal year 2005, Vice Dean Ken May testified that this figure was based on a combination of half units and whole units and that the correct whole unit figure was 1,810 units. Testifying on behalf of the dental techs, Charlotte Baldwin, who entered data into the computer system, testified that the system accounted for half units on entry, and that the correct whole unit figure was 2,411—the figure shown on the computer printout. Dr. Ed Kanoy, the designer of the system, was never asked by counsel for either side about the half versus whole unit issue. Testifying about the reliability of the system, he admitted that at one time he had accidentally deleted relevant productivity data.
- The committee used incorrect personnel cost figures as the basis for its decision, because they believed there were six fixed dental lab techs, when in fact there were only five.
- The committee consulted one private dental appliance vendor for the comparison via a single phone call and acquired a brief price list from another vendor.
- The committee took the price for a typical, simple piece of dental work that was given by the private providers and compared it to the committee's (error-based) calculations of the cost per piece at UNC dental labs, even though the devices being produced by the labs were often more complex and thus would be likely to cost quite a bit more from a private provider.
- The School had wanted to retain four or five dental techs in their original cost-reduction plan. However, they were advised by Human Resources that they had to lay off all the technicians, because they all had outstanding performance reviews, and there was no way to distinguish who to keep.

Dean Williams stated under oath that, in the end, the cost comparison done by his ad hoc committee was “irrelevant” to his decision to close the labs, terminate the careers of 15 employees with more than 300 years of State service, and outsource their work. It was a necessary measure, he said, in order to “tighten our belts.” The campaign for belt-tightening, he admitted, did not extend to reducing his own \$285,000 per year salary.

Williams also said that the layoff policy, which UNC-CH Chancellor James Moeser claimed had been followed, was in fact not a consideration in his decision. According to that policy, prior to layoff, all possible alternatives for retaining employees must be explored. The failure to fully follow the policy was characterized three times by counsel for the state as “inadvertent.”

If all goes according to schedule, Judge Webster will render his decision in this case by February 19th.

Good News!

School of Dentistry Staff Employees Getting In-Range Raises

At a time when staff employees at UNC-Chapel Hill often wish for larger paychecks, that wish came true for approximately 130 staff employees at the School of Dentistry.

In a memo dated December 17, 2007, Assistant Dean for Human Resources Rick Williams informed the school's faculty and staff that in an effort to place their staff in "a more equitable position when compared to other staff salaries across campus," all staff who are not career banded would soon receive an in-range salary adjustment to bring them up to 90% of their qualifying salary amount.

The initiative was described by Williams as springing from the school's "commitment to improving salaries and benefits for our employees."

Carolina North: Affordable Housing for Staff Employees?

Recently the Employee Forum had an opportunity to hear about the plans for the Carolina North project from John P. Evans, Executive Director of the project and Hettleman Professor of Business in Kenan-Flagler Business School. It was an impressive talk revealing that a lot of thought and planning has gone into this endeavor.

Among the many features being planned for the new community, Evans said, would be affordable housing for UNC employees. When asked if that included staff employees, who tend to earn considerably less than faculty, he said yes.

As anyone who has tried to buy property close to work knows, that's a pretty tall order. Property values in the Chapel Hill area are out of sight and out of reach for many—indeed, for most—of the University's staff employees.

The *InTouch* decided to find out just what "affordable housing" really means, when it comes to UNC's staff.

"Affordable" for SPA Employees

According to information from the Office of State Personnel, in 2007 the average salary for permanent, full-time SPA staff employees was \$42,097. The median salary at the end of 2007—the salary of the person in the exact middle of the line if you lined up all SPA employees in order from the least-paid to the highest-paid—was \$40,158.

According to the State Employees Credit Union, an employee with a good credit rating and a yearly income of \$40K could get a loan for around \$143K to buy a house.

This means that if *all* of the housing that is developed at Carolina North sells for around \$143K, it will still be beyond the reach of fully half of all SPA staff employees.

If only the lower end of the housing that is developed at Carolina North—the smallest and least sophisticated units—will sell for around \$143K, and a good deal of the housing will sell for more than that, it will be beyond the reach for considerably more than half of all staff employees.

For instance, a residence selling for \$200K will be within the price range only of those employees making \$55-56K per year (according to the Credit Union). In 2007, 81% of all SPA employees earned \$53K or less per year. So a \$200K house would be affordable for fewer than 19% of all SPA staff employees—and unaffordable for the vast majority.

"Affordable" for EPA-NF employees

As everyone knows, salaries for EPA-NF staff employees tend to be higher than for SPA staff. According to the UNC-CH Office of Human Resources, which maintains the data on these positions, the median salary of an EPA-NF staff employee at the end of 2007 was between \$60-70K, and only 20% of them made \$50K or less. This means that a \$200K residence would be affordable for about 80% of all EPA-NF staff. The upper half of EPA-NF employees could afford a house costing approximately \$235K. Many of them could afford even more: 35% of them make \$80K or more per year, qualifying them for a mortgage of around \$300K.

Typical Housing Prices

How likely is it that a developer will be able and willing to build and sell housing in Chapel Hill for \$200K, much less for \$143K? Probably not very. According to the Realty Times Market Conditions website (realtytimes.com), the average sales price for homes in Chapel Hill alone in 2007 was \$413,931.

If we expand our vision to include all of Orange County, the picture is a little better. According to a report from the Orange County Economic Development Commission, the average cost of housing (including condos, town homes and single family residences) in all of Orange County in 2006 was \$310,252. The median cost was \$247,500.

The only kind of housing that even comes close to being affordable for some SPA employees would be condominiums, which in 2006 sold for an average price of \$213,502 (but a median price of \$247,500). But remember—these units would be affordable only for the top 19% of SPA employees and the bottom 20% of EPA-NF employees who make the requisite \$55-56K or more per year.

Strategies

So what's a staff employee to do—short of finding cheaper housing in Virginia and commuting in to work every day? How can housing right here in Chapel Hill where we work become more affordable for staff?

In further conversation with Evans in the light of the above information, he pointed out that there are two factors in peoples' ability to find housing they can afford. The first is the household income, which determines the size of mortgage they can afford. Although obviously not all households are two-income households, those who command two salaries will have an advantage in being able to afford housing closer to town.

The second factor has to do with the amount of money a household has to put toward a down payment. A family that has been able to accumulate cash assets can use them either to reduce a mortgage and make the monthly payments smaller and more affordable or to give them the opportunity to buy a more expensive piece of property.

Forum delegate Jackie Overton suggested a strategy for home ownership that might work for some employees. "I sit on the board of one of the local agencies involved in affordable housing and we get federal and local monies that allow us to 'make' homes affordable for people," she says.

"For instance, they may qualify for a \$140,000 house but would be 'house poor' after all other bills are considered. After going through a mandatory home buying class (where they are taught about the entire home-buying process, including avoiding foreclosure), we help walk them through the financial paperwork, and they are then qualified for subsidies that might bring their buying price to around \$100,000 or less."

While this sounds like an excellent program, there are not enough of these programs out there to address the housing needs of the 5,000 SPA staff employees and more than 400 EPA-NF employees whose yearly income falls below the minimum level to afford even a less-expensive condo in Chapel Hill.

In the end, there may be no easy answers. But simply gathering the facts and looking at the reality can be useful. Especially when one is planning a bold and innovative new campus that promises to provide some affordable housing for staff.

Home ownership is one of the best ways to build equity, according to Evans, and Carolina North hopes to provide another option for some University employees that is not as readily available right now.

"We're not yet at the point of making specific plans for amounts and types of housing," Evans said, "but the issues that you have highlighted must be part of the thinking when we get there—whether it's the University or a private developer that will be doing the developing."

Education Levels of SPA Staff

The distinction between SPA and EPA-NF staff is popularly thought to reside in different levels of educational attainment and thus earning power. Information from the Office of State Personnel tends to support this to some degree.

However, all in all, the data reveal that SPA staff are, themselves, a rather well-educated bunch and that the disparities in educational attainment are perhaps not quite as great as the general impression would suggest.

Here are the figures for both SPA and EPA-NF as of December 31, 2007:

Highest Educational Level Attained	SPA	% of SPA total	EPA-NF	% of EPA total
Less than 9th grade	15	0.24%	0	0.00%
High school but not grad	108	1.75%	0	0.00%
High school graduate	1,626	26.34%	44	18.26%
High school + 1 yr higher ed	332	5.38%	15	6.22%
High school + 2 yr higher ed	185	3.00%	6	2.49%
High school + 3 yr higher ed	137	2.22%	4	1.66%
Technical school graduate	407	6.59%	13	5.39%
Four-year college degree	1,776	28.78%	78	32.37%
Master's	379	6.14%	45	18.67%
Ph.D.	38	0.62%	1	0.41%
Attorney	1	0.02%	0	0.00%
Medical doctor	1	0.02%	0	0.00%
Dentist	1	0.02%	0	0.00%
Other miscellaneous	18	0.29%	1	0.41%
Invalid education level	1,148	18.60%	34	14.11%
Total employees	6,172	100.00%	241	100.00%

Clearly, the OSP does not have information for a great many EPA-NF employees at Carolina, since the Chapel Hill campus reports having 1,623 EPA-NF staff at the end of 2007. If the *InTouch* becomes aware of better figures for EPA-NF staff, we will be sure to print them.

The Riddler Strikes

Riddle us this: What will happen for SPA employees this year in February that last happened in 1980?

Answer: In this, the shortest month of the year, we will nevertheless have 3 paydays!

February 1st (a payday) is on Friday, and since it's a leap year giving us 29 days in the month, two pay cycles later is still in the month of February—the 29th.

No, we cannot attribute our good fortune to the high esteem in which we are held by the Chancellor, the President of UNC, or even the NC Legislature. Instead, we're going to have to thank Pope Gregory XIII, who authorized adoption of the calendar system we use. (Don't bother trying to send him a thank-you note, though. He lived 500 years ago.)

How often does this happen? Most of the time it happens every 28 years. So the next time will be 2036.

Unless, that is, you're looking at the larger pattern of how Friday, February 29ths fall across the centuries.

Because of the oddity of leap years not occurring at the turn of the centuries unless those years are evenly divisible by 400, sometimes the interval between the Friday-February-29ths is longer and sometimes it's shorter, creating a pattern of intervals that repeats itself on a 400 year cycle.

So technically, a month that falls in the cycle just like February 2008 won't repeat itself exactly for another 400 years—not until 2408.

I don't know about you...but I don't think I'll be working here by then.

Invisible Again

UNC Budget Priorities Silent about Staff

Some of the *InTouch* readership has noted that the budget priorities at UNC-Chapel Hill for the coming year appear to include nothing relating to staff employees.

In order of importance, the things for which UNC will be asking the Legislature for funding are: faculty, research, community engagement, and capital.

The Daily Tarheel noted, in reporting on the budget priorities, that the list usually “represents the University's most important upcoming projects and groups on campus.”

The *Tarheel* article can be accessed at http://www.dailytarheel.com/home/index.cfm?event=displayArticle&ustory_id=2ed4e69d-8063-454a-ae7e-9e3632087489.

Editorial Opinion

UNC Tomorrow Commission Report: Visionary or Status Quo?

by Steve Hutton, Epidemiology

The current effort by General Administration to enlarge “management flexibility” by making substantial changes to the State Personnel Act (1) is based, according to management, on the need to implement the recommendations of the *UNC Tomorrow Commission Report*.(2) While that report has much to say about preparing North Carolina's workforce for the future, which would include University employees, there is only one specific recommendation regarding staff in the whole document—“5.5 UNC should increase efforts to attract and retain high-quality staff at all levels” (p. 38).

The report offers a vision of an enlarged mission for the University System, particularly in the sphere of community involvement. It suggests more active University engagement in solving a number of important issues facing North Carolina, among them K-12 schools and community colleges; urbanization and regional development; problems related to African-American success, particularly for males; Hispanic immigration; health disparities; and environment.

The unstated, but underlying, problem the report attempts to address is that in order to maintain its status as a first-rate public University and to become a first-rate global University, it must maintain the support of the vast majority of North Carolinians. That will not be easy as major areas of the state come increasingly to resemble conditions in Third World countries.

In my opinion, the desired outcomes suggested as goals by the report are well beyond the scope of the University as a single actor. The University, by itself, has little ability to solve large social problems and investing too much hope in the University is naïve at the least and grossly misleading at most. To suggest that the solution to these major social problems depends on the University acquiring “management flexibility” via changes to the State Personnel Act is

humorous, at the very least.

Before examining other topics of the *UNC Tomorrow Commission Report*, this column will tackle K-12 schools and community colleges.

Sometimes large social problems just happen, but often, particularly when they are persistent, some group is benefiting from their existence. Problems can't be solved unless their source is understood, the solution is the correct one, sufficient resources are brought to bear, and opposition can be overcome. Most of the time, solutions won't be implemented unless the elite of society agree to the solution.

Who are the elite?—wealthy business persons; politicians; educational, military, media and religious leaders; and patrons of the arts. The elite are not always uniform in their opinions and may belong to either political party, but due to commonality of interests, usually based on economics or maintenance of power, they often have similar beliefs and often act in unison.

How do North Carolina's elite feel about K-12 and community college education? Based on their actions, they are satisfied with the status quo, despite public protestations to the contrary.

Many of the economically well-to-do are not personally vested in the public school system. They send their children to private schools. They lobby to acquire public financing for private schools and colleges. Many of them still believe in the illegal principle of separate but equal education. They support racially segregated community and charter schools and oppose busing. The result is that K-12 schools in NC are slowly re-segregating.(3)

The Leandro court case, brought by poorer school districts to help equalize school funding, was decided more than a decade ago.(4) Judge Howard Manning, who ruled in favor of the poorer districts and has responsibility for enforcing his decision, has met with resistance from nearly all quarters, most notably the political elite, who have failed to pay heed. For instance, paying highly successful teachers more to teach in poorer communities has met with resistance in the legislature.

The "No Child Left Behind Act" has had little success in reducing dropout rates.(5) In order to have more time to teach children the things that will help them do well on standardized tests, which help to determine future public school funding, art, music, drama, and physical education are eliminated from the curriculum. The subjects and skills taught are those most desired by the corporate elite. Time spent teaching to the needs of the individual child is diminished in favor of teaching to the test for the class.

At the same time, teaching itself has become increasingly bureaucratized and de-professionalized, replacing professional judgment with rules and schedules. This has reduced personal satisfaction in the pursuit of their careers for many teachers. (Last summer, I met a former 5th grade teacher who had left the profession because one of the summer continuing education courses she was offered was "Martial Arts for the Classroom.")

One way to turn the tide would be to support teachers unions, which can be a force for maintaining professional values, increasing teacher satisfaction, and reducing turnover. Yet many elites oppose this, despite the fact that studies have shown that students perform better (based on SAT scores) in school systems where teachers are unionized.(6)

Though the elite presumably favor free markets, teacher compensation is based on a set pay plan, essentially a price-fixing scheme that free marketeers would not otherwise tolerate. NC's most experienced and best performing teachers are earning about \$1.50 per hour per student—not even a decent baby-sitting rate. While there are merit rewards for teacher performance, these tend to be minimal. Salaries do not float based on teacher success. I have an acquaintance who has taught special education students in Wake County for more than twenty years. Her son, who recently graduated from college, got a job as a graphic artist with IBM for substantially more than she is making.

As turnover among teachers increases, the social costs in terms of lost experience and the lost social and financial investment in educating each teacher are enormous. But there are often benefits to the business community, which acquires employees who are well-educated, versatile, accustomed to working long hours, and capable of enduring

stress.

Another measure of the failure of our public school system in North Carolina is that dropout rates are increasing, particularly among African-American and Latino males. Many high school students rightly see little or no connection between educational attainment and future career success. By emphasizing the importance of a college education and providing little funding for vocational education for sixteen year olds, the elite provide little reason for many youth to remain in school. In many countries and many U.S. states, trade unions are the backbone of apprenticeship systems and have a strong connection to high school education. But anti-union attitudes, propagated by the NC elite for generations, prevent a successful apprenticeship system.

While the community college system is beginning to offer courses to advanced high school students, the notion that vocational education should come *only after* a high school degree contributes to dropout rates, This is because many sixteen year-olds, who are having trouble in high school, have little hope of acquiring the necessary high school degree . Reserving vocational education to the post-high school years, however, does serve a useful purpose for political elites by absorbing a population that otherwise might find it hard to get work, thereby reducing unemployment rates and welfare costs.

Some elites would solve all of these K-12 problems with a system of vouchers that would allow parents and children to choose the schools they want. This solution, however, would actually reduce social and financial investments in poorly performing schools, causing them to fail. In this case failure doesn't mean going out of business. It means the schools would increasingly tend to become holding pens for the poorest performing students. At the same time, vouchers would subsidize private schools with public funds.(7)

While many people believe in education as the liberator of human potential, some still believe that educating people above their station in life is a waste of taxpayer dollars. There are even some who are denying the traditional argument that supporting education is a civic duty. They believe only those who have children in K-12 schools should pay taxes for schools.

For some, a high dropout rate and other problems in the education system are not really problems, so long as the resulting social costs of welfare don't outweigh the benefits of reduced competition for jobs for the groups they favor. An educational system that sorts students for future success is exactly their desired outcome.

While it seems improbable that anyone would devise an educational system that simultaneously attempts to lift people up and push them down, this is what we have. It appears we as a society have the school system that the elite favor, otherwise there would be solutions rather than lip-service. After all, the educational problems and costs endured by most of society are not endured by most of the elite.

Can the University as a single actor change this situation? Is there enough courage to take on the forces that push people down? Will the University, as a competitor for educational resources, be willing to forego its own needs in favor of improved K-12 education for the poor, in favor of vocational education, in favor of other efforts to reduce dropout rates?

Or will the University stick to the notion, as promoted in the *Recommendations of the President's HR Task Force on Human Resources*, that management flexibility over University staff is key to solving NC's problems in education and other spheres?

(To be continued—urbanization; the prison-industrial complex; faculty reward structure)

 (1) *A Report on the Recommendations of the President's HR Task Force on Human Resources*, January 15, 2008, <http://forum.unc.edu/documents/FinalHRTaskForceReportv9.pdf>.

(2) *University of North Carolina Tomorrow Commission: Final Report*
http://www.nctomorrow.org/content.php/reports_documents/commission/Final_Report.pdf.

- (3) *Resegregation of U.S. schools deepening*, <http://www.csmonitor.com/2008/0125/p01s01-ussc.html>.
- (4) *Brief History of the Leandro Court Case*, http://www.ncchild.org/images/stories/Brief_History_of_the_Leandro_Court_Case.pdf.
- (5) *No Child Left Behind: The Dropout Problem*, <http://www.districtadministration.com/newssummary.aspx?news=yes&postid=48257>.
- (6) *Are Teachers' Unions Hurting American Education? A State-by-State Analysis of the Impact of Collective Bargaining Among Teachers on Student Performance*, http://www.mnea.org/news/pdfs/Teachers_Unions.pdf.
- (7) *School Vouchers: Issues and Arguments*, <http://www.schoolchoices.org/roo/vouchers.htm>.

Editorial Opinion

The 2008 HR Task Force Report: Crazy Like a Fox?

by Brenda Denzler

Chair, Employee Forum Communications Committee

Well, the whirlwind work of President Erskine Bowles' HR Task Force is done, and the final Report has been submitted. There are all kinds of recommendations made in it that I could talk about here—but I don't want to do that. Employees need to read all of it for themselves. See what your reactions are...because when I read it, I thought of my dogs.

You see, I have three large, wonderful dogs that I love dearly. I would do almost anything for them. But, bless their hearts, sometimes they just aren't very smart! They will run out into the woods, make a yummy snack out of the rotting carcass of some unfortunate wild animal, and bring nice, juicy bones back to the yard to chew on. Several hours later—usually after they're back inside the house—the rancid meat and the bone fragments that they've swallowed begin to upset their stomachs...with the predictable result.

You'd think that the upset stomach would tend to discourage them from indulging at the Wild Carcass Buffet again, wouldn't you? But no! In a day or two, they're right back at it again. They seem to be unable to link cause and effect.

There is a section in the HR Task Force Report that reminds me of this. It briefly describes the history of the University's relationship with the State Personnel System, explaining that the existence of two major categories of staff employees—SPA and EPA Non-faculty—has helped to create an administrative nightmare for the University.

To ease that nightmare, studies have recommended that the University have an independent personnel system that would enable it to manage all its employees under one administrative roof. Since the quest to achieve this has been met with stiff resistance, the Task Force Reports, the University should instead seek to get legislative permission for a semi-autonomous, "substantially equivalent" personnel system.

The rallying cry for this initiative is "personnel flexibility." The University, the story goes, needs greater flexibility to manage its own staff so that it can more effectively compete in the employment marketplace and capture the services of the best and the brightest.

The effect of this narrative is to induce the reader to walk away shaking their head sadly at the bureaucratic mess that being a part of the State Personnel System has caused UNC and hoping that the Task Force is successful in convincing the Legislature to give them the freedoms they need.

What is left out of the narrative is the back-story—the connecting thread that sheds more light on the “flexibility” request. When you understand the back-story, you’ll understand why the whole thing makes me think of my dogs.

Once Upon a Time.... (1)

The State Personnel System was created in 1965. When the University joined the State system in 1971, staff employees at the University became State employees subject to the State Personnel Act—or SPA employees. As such, the State assumed control over their employment, including, among other things, setting their pay scales and giving them a “property interest” in their jobs. This means that they cannot be fired “at will,” but only for a just cause. It means that staff employees can work to build a real career for themselves at the University.

At about the same time, a new category of employee was created to accommodate the special needs of the University system: EPA. These were primarily faculty, with their own professional career needs and job protections (such as tenure). These differences caused them to be deemed “exempt” from the direct control of the State System. Instead, their positions were to be managed by the University that employed them.

There was also a “smattering” of very, very high-level administrative positions that were designated as EPA. Because their terms of employment were slightly different than faculty, they were designated as “EPA Non-faculty” (EPA-NF). One of those terms of employment was that, unlike faculty, they did not have and could never expect the professional job protection of tenure. They were totally “at will” employees and could be let go at any time, at the University’s discretion.

Things rolled along in this way for more than 25 years, with the State controlling the employment affairs of SPA staff employees and the University controlling the affairs of EPA faculty and the tiny, tiny handful of EPA-NF professional employees.

But by 1997 things didn’t seem to be working so well any more. University administrators claimed that they were having trouble attracting “highly trained and experienced professionals at the middle management level” because of the limitations of the SPA job classification. They needed more personnel flexibility, they said, in order to attract the best and the brightest staff.

What was needed, the University said, was an expanded role for EPA-NF employees combined with greater control over the day-to-day management of SPA positions. And the State System said, “Sure, why not?”

Like their predecessors, the new middle-management EPA-NF employees were “at will” employees, which gave the University a lot of flexibility in growing or shrinking its workforce according to its fluctuating needs—and all without the stifling requirement that it make any kind of long-term career commitments to these folks like they were forced to do with faculty and SPA staff.

I think this marks the point at which the changing culture of the University became clearly evident: The University was becoming less and less a community of scholars and career civil servants dedicated to the education of the young people of the State of North Carolina, and more and more a business engaged in research/education and competing with the likes of IBM and SAS for local, national and international resources, including the best personnel money could buy.

So by the late 1990s, the University had begun to directly manage two groups of employees in its own more or less private human resources domain: EPA and EPA-NF. Technically, there were provisions for State-level “oversight” and reporting requirements that the University was supposed to adhere to. But according to people I’ve spoken to at the Office of State Personnel, those provisions have been enforced pretty loosely and infrequently over the years.

The loose enforcement was not because there were really very few new EPA-NF jobs created under the new arrangement. Quite the contrary. As the recent article in the *InTouch* newsletter showed, the numbers of EPA-NF employees (at Carolina) began to increase noticeably in 1998, and by 2000 it was increasing dramatically compared to the increase in SPA employees.

Management of this burgeoning contingent of EPA-NF staff employees, combined with the greater control the

University had been granted to manage its own SPA positions, created a dual staff personnel system within the University that soon led to the paperwork and administrative nightmare that exists today.

The challenge of dual management was made even more difficult because the University's policies and practices governing the management of EPA positions were never adjusted to allow for the differences between EPA faculty and EPA-NF professionals. The resulting situation was, to use the University's own words, inefficient and bad for morale.

Five years later, in 2002, the University commissioned a study that found that (surprise!) the growing dual personnel system was inefficient. The University, said the consultants, needed *still more* personnel flexibility. This would best be accomplished, the consultants advised, by getting SPA employees removed from the State System and then merging the two distinct personnel management systems into one system that the University alone would control. In other words, this would best be accomplished if all University staff employees were at-will employees.

Note what was never considered:

- They did not re-think the creation of this management monster whose birth the University had engineered by asking for an expanded EPA-NF classification.
- Nor did they focus much of their attention on alternative ways to handle the EPA-NF segment of the workforce that had caused the dual personnel system problem in the first place.
- Instead, they asked for more management control over the SPA segment of their workforce.
- And when they sought to merge the two personnel systems into one, it was not to merge the vital functions of EPA-NF folks back into the State system, which would have eliminated the dual personnel problems *and* given job protections to those staff. Instead, they sought to remove the SPA personnel from the State system, eliminate their job protections, and fold them into the struggling University-based personnel system.

In 2006, the PACE Report on how UNC could become more efficient basically echoed the recommendations of the consultants four years earlier, calling for increased "personnel flexibility" via the removal of SPA employees from the State system and their incorporation into the University-based system—despite the fact that, according to the PACE Report, this system was, itself, no closer to achieving management efficiency than it had ever been.

After considerable outcry from those employees who would be affected, President Bowles decided against trying to remove SPA employees wholesale from the State system. Instead, he convened a task force to make an alternative recommendation.

Thus in 2008 we have the HR Task Force recommendation that a semi-autonomous, "substantially equivalent" University personnel department be created that would do two things: It would of course continue to manage EPA-NF positions, and it would take on *still greater* control over *more* of the key aspects of SPA positions.

Such a configuration, the Report says, will give the University much-needed flexibility to attract SPA-level staff employees who are the best and the brightest. Apparently those of us they have been able to attract so far with measly State-managed SPA jobs are something less than that.

Causes and Effects

One cannot help noting that this "best and brightest" argument is the same one that was used in 1997 to justify the dramatic expansion of the EPA-NF job classification that has caused the University so many headaches. Those headaches have now become the pretext for efforts to get as much institutional control over SPA jobs as possible. All under the banner of "flexibility."

"Flexibility" was the goal in 1971 when the EPA-NF job classification was created.

The need for flexibility was cited again in 1997, as the University began to project into the public sphere a new, corporate image of itself (UNC, Inc.) that was rather different from its historic image. In response, it received more SPA management control and the EPA-NF classification was radically expanded.

Unsatisfied, the need for still more flexibility was championed yet again in 2002 and in 2006 and yet again in 2008—this time in the service of seeking still more control over SPA employees (if not all in one fell swoop, then piecemeal).

It seems like no matter how much personnel “flexibility” the University gets, it’s never enough. Even though the dual personnel needs that this flexibility has created have led to unsettling, inefficient, morale-damaging conditions (their own evaluation, not mine!), it’s still not enough.

I have come to believe that it won’t ever be enough until they’ve rolled back what was done in 1971, when the University joined the State System and made a long-term career commitment to their staff employees.

The creation of the EPA-NF classification in ‘71 turns out to have been a tiny little wedge—an administrative act that the University later realized it could use to its advantage when in the ‘90s it decided to model itself after large, successful corporations. A tool that would enable it to create a more “flexible” workforce to whom it would be beholden only as far into the future as next month’s paycheck. The record shows that it is a tool they have used with gusto in the last decade.

Although other measures, like career banding, have been promoted as a way to try to make the SPA workforce more flexible in its pay structures, ultimately those measures have been viewed as only partial and stopgap. SPA employees, after all, cannot be acquired and dismissed with a wave of the hand—a fact that is incompatible with having a truly flexible workforce in the business climate of today, where the University now seeks to make its mark.

We can only hope that whatever comes next will not be a re-enactment of what happened in 1997, when both greater control of SPA positions and an expansion of the EPA-NF classification were granted in order to solve one problem—and wound up creating two more big ones.

Is This Crazy, or What?!

So...that’s the back-story. That’s the saga of how we came to have such a messed up (according to the University) HR system. That’s the saga of how the University, like my dogs, keeps going back to the same thing that caused an upset situation in the first place and wanting more of it, rather than thinking, “Oh, that didn’t work out very well. Maybe we ought not to do that any more.”

Oh...there’s just one more thing you need to know:

In addition to asking for still greater control over SPA positions, one of the things the 2008 HR Task Force Report *also* says is that some EPA-NF positions are not well classified and SPA classifications don’t fit, either. So what does the Report suggest?

You guessed it! Creating *yet another* kind of job classification—a third kind of EPA position (faculty, non-faculty middle management, and this third thing).

These top-level administrators...you gotta love ‘em, bless their hearts. But sometimes I wonder if maybe they’re not very smart?

Either that, or they’re crazy like a fox.

 (1) The sources of information for this back-story are the 2002 Watson Wyatt report, the 2002 Report of the Chancellor’s Committee on Personnel Flexibility, the 2006 PACE Report, and the 2008 President’s HR Task Force Report.

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