

University Committee on Faculty Welfare

Minutes of Meeting
June 10, 2016

I. Announcements

Calvin Moore, UCFW Chair

Update: Chair Moore reported that the state budget has consumed most dialogue recently. Non-resident students continue to be a significant issue for Sacramento, and the Regents are preparing to hear more campus budget updates at their upcoming meetings. The state is expected to release the Prop 2 funds as per last year's budget deal since UC has met its enrollment obligations.

II. Consent Calendar

Note: Item deferred.

III. Update: Health Care Task Force

Robert May, HCTF Chair

Issue: Human Resources is preparing changes to the University's elective disability program; these changes will not impact the UCRS disability program. The goals are to simplify the program and to make it more solvent in the long-term. HCTF has concerns over the definition of "any occupation" for those on long-term disability, and whether there should be one standard or more.

IV. Consultation with UCOP – Human Resources

Kris Lange, Director, Benefit Programs Vendor Relations Management

Heather Pineda, Senior Consultant, Benefit Programs and Strategy

Issue: Ms. Pineda summarized the goals of the project and outlined the proposed changes. The proposed changes are to the elective disability program only, not to the UCRS disability program. Goals include cost savings and expanding the program to include part-time employees. UC employees are not eligible for California Short-term Disability Insurance (CA SDI), and OGC is investigating this exclusion. (Employee paystubs include a deduction for OASDI, which is a federal social security withholding, not a disability program.) The proposed changes are to lower the amount of income replacement for short-term disability from 70 to 60%, to extend the period of short-term disability from 12 to 24 months, to change the premium structure to encourage lower-income employees to sign-up, and to change the occupation standard for comparable employment for year 3 and after to "any occupation" rather than "own occupation". Market standard income replacement is between 60-65%; any greater income replacement reduces the incentive to return to work. The extension of short-term disability to 24 months occurs under the more generous provision of "own occupation." "Any occupation", however, must be similar in terms of physical demands and mental requirements. Most short-term claims are for maternity leave, as state law mandates two weeks prior and up to 4 weeks after birth be classified as medical leave, rather than family

leave, which is offered through a separate program. Changes to this program will have to be approved by the state, as well.

Discussion: Members asked how many employees were on employer-sponsored disability but not elective disability, and for examples of faculty on long-term disability engaged in occupations other than professorial/research work. Members also asked how the program's finances would change if maternity leave was moved out of disability. HR will report back on each question.

V. Update: Task Force on Investment and Retirement

Avanidhar Subrahmanyam, TFIR Chair

Update: TFIR has reviewed the educational materials being prepared for the 2016 pension tier, and has several concerns. The decision guide is not nuanced and includes oversimplified and stereotyped personas. Some members have concerns over the quality of advice that will be offered by Fidelity, such as for DC allocations. The start of the 90-day election window might be usefully moved for faculty hires to first day of instruction of their first full term, with adequate caveats about possible lost interest income from a delayed decision, depending on when paychecks are first issued. A possible loss of service credit could also result from delayed action or unclear communications. Members also have concerns over the retirement income modeler, and the lack of "fan tail" models to reflect market volatility. The lack of an IRS ruling approving the hybrid plan is also a concern.

Action: Analyst Feer will draft a memo summarizing these concerns for transmission to Academic Council.

VI. HCTF (II)

Robert May, HCTF Chair

1. Mental and Behavioral Health

Update: Dr. Stobo has formed a task force to investigate mental and behavioral health at UC, and monthly phone calls will start soon. The group will hear from campus Health Care Facilitators, Employee Assistance Program officers, and internal and external policy and market experts on such topics as provider difficulties, reimbursement rates, network coverage, and actual (anonymized) cases. UC's providers in this area have understood the message the University expects meaningful improvements in this area.

2. UC Care Re-bid Disruption

Update: Overall, most UC Care enrollees will not see a service disruption, but a few employees will see significant changes. There are no changes to Tier 1 providers. The prescription drug coverage carve-out will retain the same structure, but some drugs may change formulary tiers. Communications will need to direct attention to those changes. The prescription cost out-of-pocket maximum will remain unchanged.

Discussion: Members asked about patient data security, citing a recent hack at Anthem. Chair May noted that security was part of the RFP; nonetheless, the length of data retention and patients under chronic care are on-going concerns.

VII. Consultation with UCOP – Academic Personnel

Susan Carlson, Vice Provost

Janet Lockwood, Director, Academic Policy and Compensation

1. Childcare Facilities

Issue: Academic Personnel has completed an analysis of the childcare offerings at various UC competitors to gauge how and where UC needs improvement in this area. UC generally compares well, but there is wide variation and some schools did not provide full data. The exit survey data will be informative in this discussion, too.

Discussion: Members noted that childcare costs seem to correlate with housing costs; both seem to be beyond the reach of most junior faculty, especially in UC communities. Members also noted that availability of childcare is sometimes limited to staff or students. The amount of unmet need is unclear, but infant and toddler care is usually the greatest need for faculty – and they are also the most labor-intensive. The availability of childcare can have impacts on diversity in the faculty ranks as well as in the graduate student and post-doctoral scholar populations. Funds for childcare could be more saleable externally than funds for salary. Members speculated if such funds could be part of a start-up package, similar to the MOP program. Beyond cost, capacity must also be addressed, as reflected by years' long wait lists at many locations. Local action seems to be needed, but competing priorities make such action unlikely; differential campus resources could lead to further inequities in this area, however.

2. Changes for Federal Overtime Regulations

Issue: As a result of changes to federal overtime regulations, some academics employees will become hourly rather than exempt. Workers whose pro-rated annualized income would not exceed 47K must be hourly; to keep them exempt, their pro-rated annual income must be raised to the threshold. At UC, the post-doctoral scholar population will be the most impacted, as 6300 of 8000 fall under the income threshold. OGC is investigating other employee groups, and physicians will remain exempt. UCOP would prefer to keep post-docs exempt, and pricing exercises are underway. Grants and union agreements are also affected, and the federal rules stipulate a December 1 implementation. A second category impacted is specialists; 3000 of the 4000 specialists fall below the threshold. Compression and inversion are concerns in the specialist population, and it is likely that most will convert to hourly pay. Communicating these changes to faculty and implementing them will be critical. The 47K threshold also applies to part-time employees, some of whom may have to convert to hourly payroll, too.

VIII. Human Resources (II)

1. Senior Management Group (SMG) Outside Professional Activities (OPA) Policy

Dennis Larsen, Executive Director, Compensation Programs and Strategy

Issue: The current SMG OPA policy dates to 2010, and governs about 200 SMG members systemwide. Proposed changes have been vetted by the Regents, and their feedback is being incorporated. Officials in Sacramento are also keenly interested in the outcome of this effort. The proposed changes would reduce the number of compensated outside boards on which SMG can serve from three to two, and would extend the approval of such activity to two levels of supervision. Annual reporting requirements will be strengthened, and the appearance of conflict of interest will carry

greater weight during reviews. Reviews must be completed within 30 days, and applicants must include a statement illustrating the benefit to UC of their participation with the outside group. At present, only about 10% of SMG will be impacted by these changes.

Discussion: Members asked if medical center SMG personnel would be held to the same or different standards of reporting, and Mr. Larsen said they would be required to follow the same policy. Non-SMG members of the UC community are not covered by this policy. Members asked how advisory and other non-compensated OPA would be impacted by these changes, and Mr. Larsen indicated that UCOP is still considering the issue. Overlimitation could be as harmful as unregulated participation.

2. 2016 Pension Tier Communications

Kris Lange, Director, Benefit Programs Vendor Relations Management

Issue: Human Resources has revised the communications materials and protocol for the 2016 tier. Direct communications will be sent to new hires, and supplemental resources are available online and through workshops (both online and in-person). Reminders to new hires to make their pension election will be sent by direct mail and email; the last reminder will be sent on day 70. Elections cannot be changed, even within the 90 day window, and no contributions will be made until the election is verified and entered by payroll. No service credit will accrue until the election is verified and entered by payroll. Hard-copy materials have already gone to print, but feedback, especially for the online FAQs, is welcome at any time.

Discussion: Members asked if the pending IRS ruling was a concern, and Director Lange noted that approval of the revocation provision is pending, but expected. Members asked if exceptions could be made to the no-change provision, and Director Lange indicated that Vice President Duckett, in his role of plan administrator, would have final say on any such instances. Members encouraged HR to send pension election materials and guidelines to chairs, deans, MSOs, and orientation coordinators, not just to HR colleagues. Director Lange noted that materials will be sent to HR, academic personnel offices, and labor relations offices; online and telephonic resources are also available.

IX. Consultation with Senate Leadership

Jim Chalfant, Academic Council Vice Chair

Update: Vice Chair Chalfant updated the committee on several items of interest: 1) The state budget funds UC enrollment at \$7400/student, not at the \$10000/student rate UC has identified. Nonetheless, it is an improvement over the rate of funding from last year. Graduate student funding was vetoed by the governor, even though both houses included it. The promised Proposition 2 funding for UCRP was included. 2) BOARS will revisit the compare favorably standard in the fall. Against whom different students should be compared is in question. 3) The Joint Committee on Faculty Discipline continues to discuss feedback calling for Title IX officers to be invited into the faculty Privilege and Tenure process; it is hoped that a streamlined investigation will be helpful, but the two investigate different questions and have different evidentiary standards. 4) Calls for UC to divest from fossil fuel-associated enterprises are growing. 5) The Regents will hear campus budget overviews at their upcoming meetings. The template includes student success metrics and diversity data, not just budget projections.

X. New Business

None.

Meeting adjourned at 3:30 p.m.

Minutes prepared by Kenneth Feer, Principal Analyst

Attest: Calvin Moore, UCFW Chair

Attendance:

Calvin Moore, UCFW Chair (phone)

Lori Lubin, UCFW Vice Chair

Mark Gergen, Berkeley

Jean-Daniel Saphores, Irvine (phone)

Megan Sweeney, Los Angeles (phone)

Sean Malloy, Merced

Victor Lippitt, Riverside

Joel Dimsdale, San Diego (alternate)

Stan Awramik, Santa Barbara

Jim Zachos, Santa Cruz (phone)

Robert May, HCTF Chair

Avinidhar Subramanyam, TFIR Chair

Henning Bohn, UCRS Advisory Board Faculty Representative

Roger Anderson, CUCEA Chair