I. Chair’s Announcements  
*Dan Hare, UCFW Chair*  
**Update:** Chair Hare noted that part of the afternoon discussion would focus on the recently released Legislative Analyst Office (LAO) report that claims UC faculty are offered competitive, market salaries.

II. Consent Calendar  
**Action:** The November UCFW minutes were approved as noticed.

III. Update from the Task Force on Investment and Retirement (TFIR)  
*Shane White, TFIR Chair*  
**Update:** Chair White updated the committee on several items of interest:  
1. The 2013 UCRP “New Tier” implementation documents developed to date have been shared, and TFIR found no significant problems.  
2. The disability review continues; improving incumbent benefits, not just the benefit for new hires, is the focus.  
3. TFIR has drafted a letter to the Academic Council from UCFW calling on the University to contribute the full annual required contribution (ARC) to UCRP, and that such contributions should be the University’s top fiscal priority. To meet ARC under the current budget, more borrowing is likely to be needed, a prospect many oppose.  
**Discussion:** Members asked if UC’s assumed rate of return on UCRP investments of 7.5% was realistic given recent market performance. Chair White indicated that the 30 year UCRP return average is closer to 9%, but agreed that recent market performance was of concern. TFIR will hear more about UCRP’s current funding status at an upcoming meeting. Members also asked what would happen if the University did not meet ARC in the short term. Speculatively, if ARC is not met for a long period of time, the value of the benefit, especially in the new tier, could be redefined. Another concern is how the media and state legislators will perceive not meeting ARC. Members then asked how ARC could be met, noting widespread general campus and medical center opposition to raising employer contribution rates above currently authorized levels. Chair White reminded members that UC’s contributions are matched by external funding sources at a 2:1 rate, meaning that UC’s actual cash cost is lower than some might think.  
**Action:** UCFW expressed support for a letter from TFIR to Academic Council. Chair White will continue to revise the draft memo based upon UCFW’s comments.
IV. Consultation with the Office of the President – Chief Financial Officer (CFO) Division

Peter Taylor, CFO

Issue: Chair Hare asked CFO Taylor to discuss plans for the long-term employer contribution rate for UCRP and the likelihood of achieving ARC per the PEB recommendations.

Discussion: CFO Taylor reminded members that the employer rate is scheduled to rise to 14% in July of 2014, and that that rate has already received considerable push-back from campus administrators, who claim that 18% would be back-breaking. CFO Taylor is investigating other finance options, such as a transfer of the parking assets. He noted that past agreements selected 2039 as the end-phase of eliminating the unfunded liability and ramping down contributions to merely ARC, not modified ARC. Members suggested that agreements should not frequently re-opened, especially those that address fundamental issues to the University’s long-term fiscal health and academic competitiveness. Members also noted that the post-2009 “rebound” has yet to occur, which only serves to underscore the urgency of acting now to forestall a lengthier timeline/worsening of the unfunded liability; indeed, unless modified ARC is met soon, the real cost of UCRP could approach a significant portion of covered compensation, not just a fraction of it. CFO Taylor indicated that comprehensive debt assessment was underway, as well as a complete liquidity analysis. Members noted that employee confidence in UC will soon be implicated and could start to erode. Chair Hare added that current Regents’ policy states that employer UCRP contributions should reach 18.8%, and not stall at 14%. CFO Taylor agreed, and noted that Regental action would be required to change that goal and plan. By February, in-process studies should be completed, and more specific recommendations can then be explored. Lastly, members asked how high employee contributions were expected to raise, and CFO Taylor noted that the next deadline is in November for the Regents to determine if the rate will change on July 1, 2014; he added that EVP Brostrom was the lead administrator for employee contributions.

Issue: Members asked if the proposed UC Care program was expected to generate cost savings.

Discussion: CFO Taylor noted that the re-bid process generates better data and costing figures than in-house efforts. UC Care is to include a significant wellness program, and it is hoped that current efforts can be reconfigured to mesh any new framework that may emerge. Members noted that the wellness incentive structure is asymmetric and will most likely lead to an adverse selection problem, and eventually the costing-out of POS plans; it was also suggested that the UC medical center cost structure was counter-intuitive. CFO Taylor agreed that tough negotiations lay ahead. Members pressed the issue, insisting that the process be transparent and that no potential participant, in-house or external, should receive any special treatment. Members asked if the anticipated cost savings were not reflected in the bids, would the program still go forward. CFO Taylor declined to speculate.

V. Update from the Health Care Task Force (HCTF)

Robert May, HCTF Chair
**Update:** Chair May updated the committee on several items of interest:

1. **Health and Welfare benefits re-bid:** The official request for proposals (RFP) for the health and welfare benefits re-bid will be released today. Among the issues HCTF will monitor and advise on are the UC medical center primary care physician capacity and the wellness incentive structures. Self-insurance is typically only viable in a claims market, not a capitation (HMO) market. California is the most capitation-saturated market in the US, so careful scrutiny will be paid to the UC Care business model.

2. **Health Care Facilitators:** Some campuses have already made assurances regarding their intention to protect and fund the program going forward. HCTF continues to discuss with Human Resources strategies for protecting the program centrally. (See also Item VI.1. below.)

**VI. Consultation with the Office of the President – Human Resources**

*Dwaine Duckett, Vice President*

1. **Health Care Facilitators:**
   
   **Discussion:** VP Duckett reported that the decision to defund the health care facilitator program was a finance strategy from the Executive Budget Committee, in keeping with funding streams, to localize as much funding as possible. Members asked which Senate members were on the Executive Budget Committee, and Council Vice Chair Jacob indicated that no Senate members sit on the EBC. VP Duckett added that compelling feedback has been received at many levels, and he will continue to the program while passing along the feedback that human costs, not dollars and cents, should drive decision-making in this area. Members inquired if the UC Path center would be absorbing the HR counseling function, too. VP Duckett indicated that the UC Path center would be able to handle Level 1 and perhaps some Level 2 customer support, but that the facilitators provided higher level service. Members concurred, noting that the facilitators know local health care networks intimately and that the services they provide can have life changing (or life saving) impacts. HCTF Chair May added that the program could be expanded since current facilitators have been assigned “other duties” in many instances, and are not able to keep utilization records or ensure that all employees know of the service.

   Members reported varying degrees of program awareness on the campuses, and so varying degrees of support for it. At Santa Barbara, many senior administrators were unaware of the program, while at San Francisco, the decision to continue funding was not controversial, and supporters noted that demand far exceeds the workload of a single FTE. Riverside administrators were strongly in favor of the program in theory, but could not easily identify a program to cut in trade-off, should central funding not be restored.

   **Action:** Members will continue to investigate program cut decision-making and health care delivery impacts, while HCTF and UCOP will work to find viable central support.

2. **San Francisco Primary Care Physicians:**
   
   **Issue:** Due to changes in the Blue and Gold network, only Dignity Health is available to some plan subscribers. Members have concerns regarding Dignity
Health’s mission statement vis-à-vis reproductive health and end of life decisions, among other health care delivery topics.

**Discussion:** VP Duckett indicated his office continues to research the question, but reported that UCSF has stated that they have adequate primary care capacity. Members wondered why the University would do business with an organization whose values do not conform with UC’s Diversity Statement. VP Duckett noted that some UC employees may prefer to receive treatment through groups like Dignity Health, and that Dignity was not the only option for the San Franciscans. VP Duckett also noted that employees can change their primary care physician as often as once a month, should they so desire. Members observed that referrals may be trickier, since it is less clear where a physician has referral arrangements and employees may not investigate referrals in advance of a medical crisis. HCTF Chair May noted that while UC could strive to be value neutral, it should make available full information to employees such that they can make informed decisions. A patient’s bill of rights was suggested.

**VII. Consultation with the Office of the President – Academic Personnel**

*Susan Carlson, Vice Provost*

1. **Management Review of Proposed Changes to APMs 025 and 670, and Proposed New APM 671 (Outside Professional Activity)**

   **Issue:** Vice Provost Carlson indicated that the OPA sections of the APM are not consistent, and the present proposed revisions seek to address that.

   **Discussion:** Members noted that the standards of Category 3 OPA contradict current practice and understandings. Vice Provost Carlson speculated that different funding sources may be implicated, which could carry tighter restrictions. Members also noted that implementation guidelines should be improved, but Vice Provost Carlson noted that no changes were proposed in that area. Members added that sabbatical regulations could be emended, as well, since time and income limits have not been adjusted recently. Members also had questions on the impact to volunteer time.

   **Action:** Members will consult with their local committees and report further concerns at the next UCFW meeting.

2. **Salary Administration**

   **Issue:** The Legislative Analyst Office has issued a report critical of UC faculty salary practices, but many question the validity of the data used and the findings of the LAO.

   **Discussion:** Vice Provost Carlson noted that the analysis was based on snapshot data, so in one sense, it is factually accurate. Members suggested, however, that the snapshot was nearly 15 months old, and that the assumptions used to evaluate the data did not reflect UC’s goals and values: total remuneration was not considered; being “competitive” with public universities of lesser repute is unacceptable; generalizations of the whole faculty based on general campus averages does not yield accurate pictures. Members wondered how professional school faculty were compared, and Vice Provost Carlson noted they have specific weightings to make the data more comparable.
VIII. Consultation with the Office of the President – Budget

Patrick Lenz, Vice President

Update: Discussions with state officials regarding the governor’s January budget proposal continue. Mandatory cost increases and internal reinvestment goals must be balanced with political optics regarding tuition and compensation. Professional degree supplemental tuition is receiving considerable attention and a formal proposal may move forward in the spring. Debt restructuring efforts have been approved, which are expected to save the University $80M. Other factors include public concern over total debt and pension reform.

Discussion: Members asked if VP Lenz had any information regarding the recent LAO report, and he indicated that no corresponding reports on the other segments were being prepared and it is unclear why this report was prepared. Members inquired where feedback regarding the LAO should be sent, but VP Lenz suggested that members contact legislators directly for better results. Analyst Feer noted that several Senate sister committees (BOARS, CCGA, and UCORP) would convene meetings in Sacramento this spring. Lastly, a member asked if staff raises were still planned, and VP Lenz indicated that it is a priority, but that budget and messaging could constrain efforts.

IX. Systemwide Review Items

1. Open Access
   Discussion: Members reported several concerns with the proposal: opt-in should be the default, not opt-out; suggested library savings should be modeled; further study of precedents is needed, especially if the only comparators are private institutions; embedded copyrighted images are not discussed; the impacts to professional societies must be better understood; changes to faculty workload need to be clear upfront; junior faculty may need to publish in “exclusive” journals for reasons of promotion and tenure; it is unclear who has authority to modify works and in what way. Others reported widespread support for the proposal: NIH requirements make a UC policy redundant in many research areas; publishing is different from deposition; positive outcomes in journal negotiations have been reported already. The committee vote was split, but consensus was reached that while the committee is committed to the sharing of knowledge as widely as possible, the specific proposal before the committee needs further revision.
   Action: Analyst Feer will draft correspondence for electronic approval by the committee.

2. APM 015 (Faculty Code of Conduct)
   Discussion: Academic Personnel Vice Provost Carlson indicated that the language before the committee was suggested by UCAP and UCP&T, and members agreed the proposed language addressed some of the previously voiced concerns. Nonetheless, several members felt that the suggested change “when acting as a member of the faculty” still does not lend itself to easy and consistent interpretation and application.
   Action: The committee will resubmit its previous statements.

X. Consultation with Academic Senate Leadership
Robert Powell, Chair, Academic Council

Note: Item occurred in executive session; other than action items, no notes were taken.

Action: Analyst Feer will circulate alternate proposed language regarding course material copyright for online education.

Action: Members will submit subject matter experts in copyright for a possible task force on the issue.

XI. Divisional Updates
San Francisco: Child care is under discussion. Members are asked to submit recent changes and best practices.

Santa Cruz: Graduate student tuition increases are thought to be disadvantaging UC vis-à-vis institutions that offer tuition remission. Strategies for improving graduate student financial support are requested.

XII. New Business and Further Discussion
None.

Meeting adjourned at 3:30 p.m.

Minutes prepared by Kenneth Feer, Senior Policy Analyst
Attest: Dan Hare, UCFW Chair