

**Minutes of Meeting****February 11, 2011****I. Consultation with the Office of the President – Budget***Patrick Lenz, Vice President*

**UPDATE:** VP Lenz reported that the current March deadline for the state budget is fluid, but that the anticipated cut to UC funding of \$500M is certain. The next Regents meeting will focus on budget issues and perhaps how to alter campus 5-year plans in case of state non-recovery or non-reinvestment in UC.

**DISCUSSION:** Members asked if the target savings from the Working Smarter initiative of \$500M would absorb the cuts. VP Lenz indicated that the savings from the Working Smarter initiative would be cumulative over time, and thus not able to shield UC from the immediate cuts. Members noted that UC's public statements sometimes veer off message, making misperceptions about UC – and its efficiency – stronger, not weaker, and they cited UC's noncommittal stance regarding Governor Brown's proposed budget referendum as one example. VP Lenz indicated that President Yudof was awaiting final language before issuing a public statement. Members encouraged VP Lenz to focus on UC's message of quality and the benefits that quality brings to the state. VP Lenz agreed, however he observed that the primary issues in the public mind and the legislative eye are access and fees.

**II. Update: Working Smarter Initiative***Kobie Crowder, Associate Director, Business Operations, UCOP**Lisa Baird, Associate Director, Strategic Initiatives, Finance Office, UCOP*

**ISSUE:** As part of the effort to manage the funding cuts to UC, the Office of the President has begun its Working Smarter initiative, which is designed to find administrative efficiencies to save the University significant costs over the long term. So far, 29 specific projects have been identified, and each has been assigned a project leader. A Working Smarter website will be active soon, and anyone will be able to view project updates and submit direct feedback.

**DISCUSSION:** Members questioned the success metrics chosen by the steering committee: In one example, Connexus travel service, success is to be determined solely by subscription rates, not satisfaction, ease, nor savings. That is, each project's metrics must be relevant not only to the bottom line, but also to the people who will be impacted by the proposed changes. Members observed that income is tied to expenditures, especially in the research arena, and limited flexibility of funds there could diminish expected savings.

Members worried that the frame of the project was wrong, implying that UC has been working stupidly. AD Crowder indicated that the purpose of the project is to operate in a comparatively cost effective method, but members replied that no one had received that message. Members then asked who the Senate representative to the steering committee was, and they were surprised to learn that no one representing the Senate had been invited to sit on the steering committee. They then suggested that by including end-users in the planning phases, widespread buy-in would be increased and the chances of

additional tweaks would be decreased. Some members also wondered whether the corporate and banking pedigree of many of the current administration leaders could lead to a “culture clash” with the academic Senate, especially if the bottom line supplants quality as the determinative factor in decision making.

**ACTION:** UCFW will communicate to the Academic Council its concerns with the current trajectory of the Working Smarter initiative.

### **III. Update: Effort Reporting Certification**

*Sam Traina, Vice Chancellor for Research, UC Merced*

*Luanna Putney, Director of Research Compliance, Office of Ethics, Compliance and Audit Services*

**ISSUE:** VCR Traina outlined the pilot project and its goals of simplifying the effort reporting process via payroll certification. This should enable principal investigators to complete paperwork more quickly and more easily.

**DISCUSSION:** Members noted that some auditors may not accept payroll certification as adequate diligence, and VCR Traina responded that this was a new process and so old rules may not apply. Further, Director Putney stated that the Office of Naval Research was piloting a nearly identical plan with Michigan Tech and George Mason University.

Members suggested that the training slides sequence was too long and would benefit from moving some information to appendices and further tailoring the content for an academic audience. It was further suggested that an even simpler version be created for returning and “portfolio” PIs, to complement the more comprehensive version designed for infrequent or first-time PIs. Director Putney indicated that the final version will be added to the LMS website to serve as a resource for new and returning PIs.

**ACTION:** UCFW will communicate its suggestions in writing.

### **IV. Chair’s Announcements**

*Joel Dimsdale, UCFW Chair*

**UPDATE:** Chair Dimsdale reported that the Academic Council met on January 28, 2011, and much discussion was devoted to how best to implement further cuts at the Office of the President. There is no more money to be saved through personnel management, and operational expenses are under the Working Smarter initiative, so the focus of the Council discussion was on cutting or curtailing academic programs funded in-part or in-whole by the Office of the President, focusing largely on research funding. The hope is to allow campus officials greater latitude in meeting budget needs.

The Council was unable to come to consensus on how to administer faculty raises during a time of budget crisis. Indeed, the Council’s apparently fragmented view yielded such a qualified recommendation that it was considered to be “too little, too late.” The administration has also deferred acting on this topic for the present.

Chair Dimsdale reported that the minority report to the committee’s response to the Report and Recommendations of the Task Force on Senate Membership had been submitted with the committee’s majority opinion.

### **V. Consent Calendar**

#### **A. Minutes of December 10, 2010**

**ACTION:** The minutes were approved as noticed.

## **VI. Update: Health Care Task Force (HCTF)**

*Robert May, HCTF Chair*

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

## **VII. Shrinking UC**

**ISSUE:** How can UC continue to provide a world-class academic and research environment while simultaneously absorbing more students and state budget cuts? While various ideas are under consideration, today's topic is more teaching-only faculty.

**DISCUSSION:** It was noted that several senior administration leaders like this option, thinking it will create a less expensive way of educating increasing numbers of undergraduates while allowing research faculty to continue their current level of work. Members wondered, though, whether this would alter the three-fold requirements for Senate membership, and what impact that change might have. Members speculated as to what kind of teaching-only faculty might be hired – more lecturers with security of employment, more floating adjuncts, more GSIs? – and how those groups would be represented. Members also wondered whether such a move would over-empower deans and chairs and minimize the import of Senate processes.

## **VIII. Consultation with the Office of the President – Human Resources**

*Dwaine Duckett, Vice President*

**ISSUE:** VP Duckett reported that his department is now focused on designing health and welfare benefits programs for 2012 that can meet both employee needs and fiscal realities. HR is currently exploring all options in a brainstorming fashion, including self-insurance, changes to dependent coverage, and changes to ancillary benefits, like vision, dental, and the like.

**DISCUSSION:** Members asked what dollar savings target HR was working toward, but VP Duckett was unable to provide a specific dollar amount, given the still-uncertain state budget allocation. HCTF Chair May reminded members that his subcommittee will meet in the spring and discuss various different design options, risk adjustment assumptions, and any adverse selection resulting from the previous year's new designs. VP Duckett noted that increasing external costs are the primary obstacle to overcome.

VP Duckett also floated some non-benefits changes being explored as cost savings methods, such as a new voluntary time reduction program, similar to START, but one that would not hold benefits accumulation safe. Members wondered who would be enticed by such a plan, and VP Duckett indicated that the benefit of the plan would be fewer staff layoffs. Members also questioned whether UCRP service credit buybacks would be available to any who elected to voluntarily reduce their time, and VP Duckett said that the discussion is still in the conceptual stage. Members queried whether it was expected that the unions would authorize participation, given the reluctance of some to participate in the furlough program wherein benefits accruals were protected. Members also noted that some divisions do not allow faculty to go under 100% time.

## **IX. Consultation with the Office of the President – Academic Personnel**

*Susan Carlson, Vice Provost*

**ISSUE:** Discussion continued from Item VIII above, starting with faculty with less than 100% appointments.

**DISCUSSION:** VP Carlson encouraged members to view the topic through the lens of departmental flexibility and creativity in response to budget cuts. Members rejoined by suggesting an investigation into phased retirement, noting that such an option would not diminish the long-term commitment evinced by both employee and employer. Members also wondered whether more job-sharing opportunities could be sought and encouraged, framing such efforts as an extension of family friendly practices. Nonetheless, some members asserted that faculty are evaluated on 100% effort, regardless of percent FTE time.

**ACTION:** VP Carlson will convene a work group to explore more fully phased retirement options; TFIR Chair Henry and UCD Representative Tell will represent UCFW.

**ISSUE:** Members have inquired whether APM 510 is still necessary. APM 510 restricts the amount of salary increase available to a faculty person recruited from one campus to another – either as recruitment or retention – unless she has an “outside offer”, in which case the restriction is lifted, even for “internal” retention offers.

**DISCUSSION:** VP Carlson reported that the restriction was in part designed to save UC redundant start-up costs for labs and such, and that the policy seems not to have been abused. Members asked why there was also a step-restriction, in addition to the salary restriction, but some wondered whether the step restriction enhanced the stability of the salary scales. Members also asked if a poaching pattern was discernable, and VP Carlson indicated that three campuses do most of the internal recruiting.

**ACTION:** Chair Dimsdale will ask the University Committee on Academic Personnel for their opinion on the utility of maintaining the salary and step restrictions on internal recruitments and retentions.

**ISSUE:** Academic Personnel has prepared a faculty salary analysis to illustrate how faculty are progressing through the salary scales.

**DISCUSSION:** Members noted the absence of medical center data. Members also wondered how 40% of the faculty did not have a change in status over the time period of the analysis, and asked if the inclusion of retirees and new hires might have skewed the data. It was suggested that above-scale faculty be removed from the “no change” category.

**ACTION:** Academic Personnel will revise the data summary and resubmit it to UCFW.

## **X. Update: Task Force on Investment and Retirement (TFIR)**

*Helen Henry, TFIR Chair*

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

## **XI. Systemwide Review Item: Proposed Technical Revisions to the APM**

*Note: Item not addressed.*

## **XII. Campus Updates**

**RIVERSIDE:** A faculty person going on sabbatical had inquired about the possibility of holding her child care slot at the on-campus facility at a discounted rate. Members reported not being aware of similar practices, but suggested “subletting” the slot.

**SAN DIEGO:** It is unclear whether grant-based travel is covered by UC travel insurance, and outside premiums are not chargeable to the grants.

[Note: Subsequent investigation revealed that recent programmatic changes require travelers on UC business merely to submit a notification form to be covered by the institution’s insurance: <https://www.uctrips-insurance.org/> .]

### **XIII. New Business and Follow-up Discussion**

None.

Adjournment at 3:20 p.m.

Minutes prepared by Kenneth Feer, Senior Policy Analyst

Attest: Joel Dimsdale, UCFW Chair