

Minutes of Meeting**February 10, 2012****I. Chair's Announcements***Bill Parker, UCFW Chair*

UPDATE: Chair Parker updated the committee on several items of interest: 1) UCFW has previously recommended the rescission of APM 133 sections that restrict a second campus from hiring faculty in certain tracks if that faculty has previously been denied tenure at a first UC campus; the University Committee on Academic Personnel (UCAP) concurred, and the Academic Council forwarded the suggestion to Academic Personnel; 2) UCAAD will review the feedback it received on its salary equity study and will develop a response; 3) Academic Council is exploring expanded advocacy roles for the University, such as Regental statements and collective faculty statements; 4) in response to critical feedback, the administration has formed a joint exploratory committee to investigate crafting a workable negotiated salary plan for the general campus; 5) the latest draft of APM 670 (Health Sciences Compensation Plan) seems to move backward regarding authority of the advisory committee (see also Item VI below); 6) the administration continues to investigate the possibility of defined contribution (DC) pension plans for various populations in the University, most specifically for non-academic medical center employees.

DISCUSSION: It was noted that the Senate has previously opined in favor of adding a DC option for some populations, but external realities have changed significantly since then.

II. Remuneration Philosophies: Salary versus Benefits*Bill Parker, UCFW Chair*

ISSUE: Given that external realities continue to change rapidly, UCFW discusses whether the assumptions underlying Senate positions in favor of the current balance between cash compensation and benefits are still relevant. Two salient factors are that real costs to employees for health and welfare benefits will continue to rise and that inflation is outpacing increases in cash compensation.

DISCUSSION: Members noted that in recruitment of younger faculty, cash is a bigger draw. Cash compensation is easier to understand and to explain. Others added that younger faculty seem to value health and welfare (H&W) benefits above retirement benefits. It was observed that the current administration meme of "choice" is strengthened by cash compensation increases more so than by increased/maintained H&W benefit subsidies. It was also observed that such choices increase responsibility and cost to employees, though, not to the administration. Although cash compensation carries higher optics, especially in recruitment of younger faculty, H&W events more quickly and frequently lead to personal financial catastrophe. Since the faculty cannot collectively bargain, it is felt that further cuts to H&W subsidies are inevitable, and will be impossible to regain once cut. It was noted that emeriti are impacted by benefits cuts, not salary considerations. The relative market value of UC benefits is unclear; the 2009

Total Remuneration Study's assumptions and conditions are no longer valid: UCRP contributions have increased significantly while cash compensation lags still further.

Many UC faculty are poached away by comparators, but the absence of exit survey data hampers preventative action, and the current policy of allowing counter offers only simply exacerbates the practice. Anecdotal reports suggest that tuition benefits play a role in successful poaches.

ACTION: Members should conduct similar discussions with their campus counterpart committees and report back.

III. Task Force on Investment and Retirement (TFIR) Update

Shane White, TFIR Vice Chair

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

IV. Health Care Task Force (HCTF) Update

Robert May, HCTF Chair

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

V. Consultation with the Office of the President – Human Resources

Dwaine Duckett, Vice President

1. 415(m)

With Gary Schlimgen, Director, Pension and Retirement Programs

UPDATE: Director Schlimgen reminded members that the 415(m) program, effective since January 1, 2000, is designed to cover the gap between the Internal Revenue Code limit on pension covered compensation and actual earned salary, a gap only encountered by those with both long service and high salaries. Currently, about 400 individuals receive 415(m) payments, and up to 1000 more individuals could join the program over the next decade – with about three-quarters of them being faculty. As the UCRP maximum rises in accordance with IRC indexes, the 415(m) payout will decrease.

DISCUSSION: Members asked how the institution's portions of the 415(m) contributions were levied, wondering specifically if some departments were paying double taxes. Director Schlimgen indicated that departments make no UCRP payments on salaries over \$250K, thus the 415(m) payment is separate.

2. Disability Review Update

With Gary Schlimgen, Director, Pension and Retirement Programs

UPDATE: The external consultants are analyzing data and should report back in mid-March.

3. Union Contracts Update

With Peter Chester, Associate Director, Labor Relations

UPDATE: VP Duckett reported that only one contract remains open at present, and it may see action next week. Mr. Chester reported that the state legislature is expected to vote on SB 259 soon, which would allow unionization for graduate student researchers (GSRs); this follows recent successful unionization campaigns for teaching assistants, tutors, and post-doctoral scholars.

- DISCUSSION:** Members inquired how the faculty could most effectively help develop UC's labor strategy, and VP Duckett indicated that for the current instance, feedback should be routed through the Issues Management and Policy Analysis and Coordination (IMPAC) unit in the President's Immediate Office.
4. Long Term Health and Welfare Benefits Strategy
- DISCUSSION:** Chair Parker inquired how binding the recommendations to be generated by the Health Benefits Working Group would be, and VP Duckett indicated that the Working Group's parameters are industry standard projections: 4 year plans are common accounting practices. In response to questions about higher employee portions of H&W premiums being off-set by increases in cash compensation, VP Duckett noted cash compensation was easier for UC to control, rather than external price determinations for health care. Members also asked whether the institution's contribution floor would be lowered further, and VP Duckett suggested that the retiree floor would not be lowered further until other groups had seen comparable cuts. Members also asked about shifting UC benefits offerings to a cafeteria-style plan, and VP Duckett answered that minimal institutional savings were associated with that option; he added that such a plan would increase employee risk in catastrophic situations.

Members also asked whether UC medical centers could provide more primary care to employees, and VP Duckett noted that various options regarding increased employee utilization of UC medical centers were under investigation. Members noted that adjusting hospital costing policies and expanding primary care could prove difficult.

Members then asked whether the Blue & Gold options at Santa Cruz would be expanded soon, and Director Baptista indicated that no progress had been made. Members wondered whether expanded urgent care might be an attainable interim goal.

VI. Consultation with the Office of the President – Academic Personnel

Susan Carlson, Vice Provost

1. Faculty Salary Task Force Report

DISCUSSION: Members asked what persistent disagreements the Task Force faced, and Council Chair Anderson indicated that much discussion focused on impacted funding sources but that external fiscal realities may make such distinctions moot. Members also asked how the salary scales would be helped by the plan, and VP Carlson noted that the second recommendation strengthens the scales, but does not repair them. She added that updated salary data will allow for more accurate cost projections and that the executive vice chancellors will consider the recommendations soon. Council Chair Anderson noted that the full report will be sent for systemwide review.

2. Negotiated Salary Plan Pilots

UPDATE: In light of concerns voiced both by the Academic Senate and the academic personnel directors, a joint task force on negotiated salary plans will be convened to explore the issue more comprehensively.

3. APM Updates:

a. 670 (Health Sciences Compensation Plan)

DISCUSSION: Members noted that the current revised draft shows much positive movement toward accepting Senate recommendations, with one exception: composition of the advisory committee. Members asserted that deans should not appoint a majority of members because that would construct a closed feedback loop, disempowering the advisory committee and making it unable to fulfill its charge of reviewing the dean's decisions impartially. VP Carlson noted that grievance procedures are clear in the APM and that campus Privilege and Tenure committees would still have jurisdiction. VP Carlson added that non-Senate health sciences faculty were to be included in the advisory committee. Members observed that codifying the principles of Shared Governance in APM 670 is the goal to be achieved, not necessarily requiring proportional representation – which could be problematic given the small size of some APUs.

Members also inquired about location restrictions on participants, noting that credentialing and patient-hour requirements may necessitate off-site work. VP Carlson indicated that APM 025 and outside professional activities (OPA) guidelines were to be revised next. Members added that exceptions are allowed within most local implementation plans.

b. 205 (Recall)

UPDATE: VP Carlson noted that the current revision moves the 43% limit back to being calculated on a monthly basis, rather than an annual one, adding that exceptions would be allowed by agreement, similar to summer sessions.

DISCUSSION: Members suggested that greater context for the termination clause would be useful.

VII. Divisional Updates

Members

Los Angeles: The local CFW has concerns that not all stakeholders are involved in discussions surrounding the future of the Anderson School of Management and its proposal to become autonomous.

Riverside: Fall-out from the confrontation between Occupiers and local police at the recent Regents meeting held in Riverside continues to amass. Future response processes remain unclear.

San Francisco: At the recent Regents meeting in Riverside, the UCSF chancellor opened discussion of possibly seceding from the system in order to advance its business interests. The contention is that UCSF is disproportionately “taxed” and that this trend will only worsen under the current rebenching proposal. Further, since UCSF receives so little funding directly from the state, disproportionately lowering its operating budget in response to state cuts to system funding unfairly harms the campus. The divisional Senate leadership was consulted as early as last fall, and a study group has been formed.

VIII. New Business

None.

Adjournment: 3:30 p.m.

Minutes prepared by Kenneth Feer, Senior Policy Analyst
Attest: Bill Parker, UCFW Chair