

**Minutes of Meeting  
January 10, 2014**

**I. Announcements**

*Dan Hare, UCFW Chair*

**Update:** Chair Hare updated the committee on several items of interest:

- Bidders for the Total Remuneration study are being evaluated. Some in the administration still question the utility of the study and continue to confuse the trade-offs between cash and deferred compensation. The Senate expects to receive the full data set in order to run its own, secondary analyses.
- How the committee should send its feedback regarding UC Care and Open Enrollment 2014 concerns will be discussed later in the day.
- New realizations about the changes to retiree health, especially for out-of-staters, necessitate a separate analysis.

**II. Health Care Task Force (HCTF) Update**

*Bill Parker, HCTF Chair*

**Update:** Chair Parker reported some of the most frequent issues encountered so far with UC Care, including member card confusion. UC Care funding and enrollment expectations will be discussed at the next HCTF meeting. Migration data from Open Enrollment is expected to be finalized soon, and will come to HCTF at their February meeting for trend analysis.

It is hoped that the benefits survey will include those impacted by the switch to Extend Health for out-of-state health care coverage. Some of the problems are due to federal regulations, however, and UC's ability to correct the course is unknown.

**III. Consultation with the Office of the President – Budget**

*Patrick Lenz, Vice President*

**Update:** VP Lenz reported that the Governor has identified \$50M in one-time funds for an education innovation grants program. Future changes to tuition are more closely tied to state funding decisions than UC preferences. Systemwide, efficiencies are being exhausted; new funds must be found. The current budget does not include any additional funds for UCRP, deferred maintenance, or other UC priorities.

**Discussion:** Members noted with concern that the current budget environment and rhetoric seems to encourage campuses to compete with each other for funds, and with the other segments, rather than protecting the idea of one UC and the cooperative nature of the Master Plan.

**IV. Consultation with the Office of the President – Academic Affairs**

*Susan Carlson, Vice Provost, Academic Personnel*

1. Total Remuneration Study Update

**Update:** VP Carlson reported that the vendor interviews led to a clear first choice, who has already submitted a revised scope of work statement. The advisory committee will meet next week to review the revised statement. The Office of Academic Personnel has begun to prepare salary data for transmittal.

**Discussion:** Members inquired why “other academic” were being excluded from the study. VP Carlson answered that it was President Yudof’s preference, due in part to cost considerations. Members also asked how the vendor gets information from comparators, and how that information is aggregated. VP Carlson replied that the data is aggregated at the Comparator 8 campus level, and then averaged for privates, publics, and a blend. Members noted that such a level of analysis did not allow verification of the assertion that privates pay more in cash compensation than in benefits. The study is expected to be completed in early summer.

2. Systemwide Review Items

a. Proposed Revisions to UC Policy on Sexual Harassment, reprinted in APM 035 (Affirmative Action and Nondiscrimination in Employment)

**Discussion:** Chair Hare noted that some members had already sent concerns directly to VP Carlson, and those concerns focused on the conflation of sexual harassment with gender-based violence. A more detailed analysis will be sent in the committee’s formal response. VP Carlson assured the committee that those concerns were being addressed already, and added that part of the impetus to move quickly on this issue comes from federal regulations. Nonetheless, implementation will not occur until January 2015, at the earliest, even though response deadlines are set for this spring. Members asked how much flexibility UC had in word use and selection, given the federal regulations. VP Carlson indicated that her office is waiting the advice of General Counsel, and that Federal Governmental Relations is discussing the issue with the Department of Education. Members noted that training must improve, too, to make the revisions meaningful. A new LMS module is being developed for annual training of PIs; new hires will also be offered training. Members wondered how much of the federal background should be included in the APM and UC policy, noting that too much dense language will discourage people from reading (and thus following) the policy.

b. Proposed Revisions to APM 670, 671, and 025 (HSCP Conflict of Commitment)

**Discussion:** Members noted that the differences between Category 1 and 2 were much clearer, but noted that panel participation and grant review should be explicitly listed as Category 3 activities. The summary should employ parallel language to the body of the policy to avoid any possible confusion.

3. APM 510 (Intercampus Transfers)

**Issue:** UCFW has, several times, requested revision of APM 510 to remove step and salary gain caps for intercampus transfers.

**Discussion:** VP Carlson reported that the Council of Vice Chancellors was unanimous in not wanting to revise APM 510, but in protecting the principle and the practice. Provost Dorr has indicated that the point of hire is not the only time to consider salary, as accelerated reviews and such are possible. Members noted that the commitment to principle is undermined by common and well-known local workarounds. Members wondered if salary and lab start-up costs are regularly adjusted for inflation. VP Carlson indicated that no specific numbers are listed in the policy, but it is tied to the Indexed Compensation Level, and provosts can authorize exceptions. She added that off-scale

increases are also capped in the policy, but members again noted that local workarounds belie the spirit of the policy and increase inequalities.

**Action:** The committee will address the issue with Provost Dorr at a future meeting.

4. FY 2015 Salaries

**Issue:** VP Carlson asks the committee how best to advise the president on this topic.

**Discussion:** Members asked how many funds were available, and VP Carlson said the models currently include 3% as merits. Members noted that merits seem to have become de facto COLAs, but competitive compensation requires both. Others noted that CPI and UCRP increases total 4% this year, making a 3% increase insufficient to maintain current levels of purchasing power.

5. Salary Equity Study Update

**Update:** VP Carlson reported that the campus plans have been received and will be shared. She noted that the Davis model is particularly interesting.

**Discussion:** Members asked if this data could be used in conjunction with the Total Remuneration study for granulated analyses. TFIR Chair Chalfant noted that the “tabs” needed to analyze data at this level are not part of the Total Remuneration study, and he cautioned against changing the expectations of the study. Members noted that in many departments and on some campuses, the low number of underrepresented minority faculty precludes statistical analysis on anything other than a systemwide basis.

6. Hiring and Separation Data

*Item deferred.*

7. Negotiated Salary Trial Program Participant Demographics

*Item deferred.*

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

*Dwaine Duckett, Vice President*

1. UC Care Implementation

**Issue:** It has recently come to light that not all individual doctors in a provider group that has joined UC Care will actually accept UC Care coverage. How is UC Care expected to save UC money, and how can it be improved for 2015?

**Discussion:** VP Duckett reminded members that UC Care is vendor, the same as HealthNet or Kaiser. Members noted that there were not enough primary care physicians in the UC Care network, and that the billing for contract services remains opaque. VP Duckett encouraged members to take a 2-3 year view of the program. He reminded members that the HealthNet Blue and Gold program experienced difficulty when it was new, but it has now attained its own institutional momentum. Members suggested that differential local practices may be making UC Care implementation rougher than it otherwise would be. Chair Hare noted that the Health Care Task Force will meet in early February, and it will consider issues of plan strategy and the long-term viability of UC benefits programs.

Members asked whether the union represented employee groups were likely to receive unique health benefits packages, as they have negotiated separate pension

options. VP Duckett indicated that UC plans to keep all the health plans for active employees the same. Members asked whether multi-year agreements could be signed with insurers that would cap annual increases and such. VP Duckett said that such was not the industry standard.

VP Duckett then gave additional background on the different bargains the union-represented employees had negotiated. HR remains committed to the principle that no employee will be advantaged or disadvantaged by union membership. HR will not make different payments on behalf of different groups, nor will it increase the risk to UC's investment portfolio. As a result, UC's contributions to UCRP on behalf of the members in unions with separate deals will not be larger or smaller than UC's UCRP contributions on behalf of other employees. Members noted that the new deals leave impacted employees responsible for 5 years of medical care between retirement eligibility at age 60 and Medicare eligibility at age 65 and the onset of full UC retiree health contributions, also at age 65. Members asked if other employee segments remained committed to a defined benefit plan, rather than a defined contribution plan. VP Duckett answered yes.

2. Benefits Satisfaction Survey

**Discussion:** Members asked when the survey would need to be administered to impact the 2015 plans. VP Duckett said the results would need to be in hand by May. Members asked how the committee could best help in the design of the survey. VP Duckett indicated his preference is to tailor a broad survey in order to keep it short and simple. Members asked if HR would consider provider surveys as either models or as supplements to their findings, and if out-of-pocket expenditures would be analyzed. VP Duckett said that out-of-pocket costs are tallied at the end of the year only. Members noted that those costs, not just premiums, must be considered in any analysis of health care delivery satisfaction. VP Duckett noted that the institutional focus will be on the value, access, and pricing of what UC pays for and contributes to.

3. State Residency and Retirees

**Update:** VP Duckett confirmed that for residency purposes, UC only considers the residence of record in the payroll system.

## **VI. Systemwide Review Items**

1. Proposed Amendments to Senate By-Law 55 (Departmental Voting Rights)

**Discussion:** On a first vote, the proposed amendments failed by a vote of 5-7-3. The committee then reached consensus that a formal advisory tally would help achieve the goals identified without necessitating a by-law revision, and could more easily be studied and ended, if needed.

**Action:** Analyst Feer will revise the draft response and circulate it for electronic approval.

2. Policy on Professional Degree Supplemental Tuition

*Item deferred.*

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

*Jim Chalfant, TFIR Chair*

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

**Action:** Members should send edits and talking points directly to Chair Chalfant.

### **VIII. Executive Session**

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

1. Proposed Revisions to UC Sexual Harassment Policy, reprinted in APM 035

**Action:** Analyst Feer will draft a committee response for approval electronically.

2. Proposed Revisions to APM 670, 671, 025

**Action:** Chair Hare will draft a letter summarizing the committee's concerns.

### **IX. New Business**

*None.*

Meeting adjourned at 3:30.

Minutes prepared by Kenneth Feer, Principal Analyst

Attest: Dan Hare, UCFW Chair