I. Chair’s Announcements

Dan Hare, UCFW Chair

Update: Chair Hare updated the committee on several items of interest: The Senate leadership is meeting today in Sacramento with the leaders of the other segments’ academic senates. Rebench discussion are complicated by the unfilled need for enrollment plans, but some bristle at any limits on local authority. Non-residents are also a variable in this discussion. Health and welfare benefits will be discussed at length below. Total Remuneration remains a UCFW priority, but other Senate and UC bodies may need re-educated due to turnover.

II. Consent Calendar

Note: Item not addressed.

III. Health Care Task Force (HCTF) Update

Robert May, HCTF Chair

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

IV. Total Remuneration and Salary Administration

Issue: The logic employed by the LAO’s recent report suggests a “race to the bottom”, but UCFW has not been successful in lobbying for a new total remuneration study. Largely, the cost of a study is cited as the main obstacle, although the difficulty surrounding the health sciences is also a hurdle. One option to move forward is to lobby for a ladder rank faculty total remuneration study in the short term, and other employee segments subsequently.

Discussion: Members noted that the draft memo should specify “general campus” ladder rank faculty, and should include a link to the impugned LAO report. Members wondered about the likelihood of subsequent remuneration studies for other populations.

Action: The draft memo was approved as amended for transmittal to the Academic Council.

V. Divisional Reports

Berkeley: A proposal to outsource management of child care facilities is being reconsidered. Child care may also be eligible for inclusion in the composite benefit rate under discussion elsewhere.

Davis: 1) Many worry about cost shifts to authors as a result of the proposed open access policy. 2) The Health Care Facilitator program would benefit from better advertising and awareness. 3) A draft 2020 strategic vision would increase non-resident undergraduate enrollment to 13%.
Irvine: A faculty mental health proposal is being developed which will include 1) training for department chairs, 2) increase scope of trainings for students to include faculty and staff, 3) dedication of an FTE.

Merced: 1) Salary equity on campus is under discussion. 2) The “loyalty penalty” and the need to collect outside offers to generate competitive salaries are bad for morale. 3) “Learning outcomes” and the impact of the changes to WASC accreditation have raised many concerns regarding academic advancement.

Riverside: The “stop the clock” provisions of APM 133 and 760 only cover neo-natal and early childhood, but not other significant life events; a proposal to amend the APMs is being developed and will be shared with UCFW when it is ready.

San Francisco: 1) Child care changes on campus continue to receive much attention. 2) Changes to the space management plan of the campus are expected to bring challenges. 3) Faculty supported by “soft money” are in increasingly unstable situations. As 19000 funds diminish and demands on grants grow, stress and morale are adversely impacted.

Santa Barbara: A lack of classroom space has led to challenges scheduling courses in what is considered prime time. Problems arise especially for faculty with young children and in small departments.

VI. Consultation with the Office of the President – Budget

Patrick Lenz, Vice President

Update: The governor’s proposed budget is designed to close the deficit, and includes cuts to many programs, but higher education received a small augmentation. UC’s 12-13 tuition deferral was honored, and UC received a 5% increase in its base budget. Retiree health is still funded on a flow-through basis. The Cal Grant program is scheduled to be fully funded. No new capital projects were funded, but a line item for at least one academic building at the Merced campus will be sought. A trailer bill authorizing the debt restructuring proposal is being developed. No new money was allocated for the Riverside medical school, but there are other bills on the same topic. UC is under pressure to develop a multi-year tuition plan, but alternate means of support must be found in advance. One concern regarding the budget messaging is a lack of historical perspective, especially when UC is called upon to “live within its means”, but no mention is made of a decade of budget cuts.

Discussion: Members inquired about UCRP contributions, and VP Lenz stated his intention to follow the Regents priorities. The current state obligation is $77M, and it should be included in the augmentation. Members also asked how messaging could be improved, and VP Lenz noted his plan to refute many of the claims made by the LAO and in the verbiage accompanying the budget proposal. It is lamentable that many now seem to omit historical context from indictments of current practices. Members encouraged VP Lenz to share drafts with faculty experts. Members queried how enrollment and state funding were being linked, and VP Lenz indicated that the state was not setting enrollment targets.

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

Susan Carlson, Vice Provost

Issue: New data on hires and separations is available.
**Discussion**: Members suggested that the divisional numbers be normalized by campus. Vice Provost Carlson noted that subsequent reports may include age as a variable, too. Members asked whether faculty merits are moving forward. Vice Provost Carlson indicated that decision was pending further discussion, given the specifics of the newly proposed state budget. Members observed that merits are distinct from COLAs, as they have different objectives—reward of excellence versus maintenance of quality of life, respectively.

**VIII. Systemwide Review Items**
1. **APM 015 (Faculty Code of Conduct)**
   - **Discussion**: Members remain unclear when they “stop” being a faculty member and become private citizens or other agents of the University.
   - **Action**: Analyst Feer will draft correspondence calling for greater explication of key definitions.
2. **APMs 025, 670, and 671 (Outside Professional Activity)**
   - **Action**: Berkeley Representative Moore’s response will be forwarded along with the committee response, calling for greater attention to consonance between sections regarding Category 3 activities.

**IX. Task Force on Investment and Retirement (TFIR) Update**
*Shane White, TFIR Chair*

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

**X. Consultation with the Office of the President – Business Operations**
*Nathan Brostrom, Executive Vice President*
*Dwaine Duckett, Vice President, Human Resources*

1. **UCRP Contributions**
   - **Update**: EVP Brostrom reported that no rate decisions have been made for after July 1, 2013. The current annual required contribution (ARC) is 28%, which is too much for operating budgets to absorb in the short term, so the Regents approved the ramp up policy in 2010. The Regents recommendation for 2014-15 and 2015-16 rates will be made after the next actuarial analysis in November. Immediate funding options include additional STIP or TRIP borrowing; CFO Taylor is currently conducting a liquidity analysis to vet this idea. There are many competing priorities for increasingly scarce central funds; for example, tuition freeze buy-outs would be negated by high employer contribution rates to UCRP.
   - **Discussion**: Members noted that support for UCRP should not be subject to daily politics, and echoed PEB findings regarding the importance of UCRP for excellence via recruitment and retention. Members added that not continuing to ramp up the employer contribution would only increase out-year funding pressures: employer contributions carry a two-to-one deposit from matching external funding sources. Thus, not borrowing internally at 2-3% from STIP or TRIP forces UC to “borrow” at 7.5% on the open market, with the differential multiplied by two due to lack of matching contributions. Any refusal to contribute ARC today requires a significantly higher contribution rate tomorrow.
**Action:** TFIR Chair White will finalize the TFIR letter calling for funding full ARC as soon as possible for UCFW Chair Hare to submit to Academic Council.

2. **Health and Welfare Benefits Re-bid**

**Discussion:** Members inquired what the “go/no go” deadline is for UC Care, and upon what criteria that decision will be based. VP Duckett indicated that the final criteria had not been set; any selected program must show financial viability and equal access opportunities regardless of employee location. UC’s actuary, Segal, will verify respondent costing figures. EVP Brostrom added that there is considerable interest in maximizing UC employees’ access to the UC medical centers, but agreed that all employees, regardless of proximity to a UC medical center, must have access to commensurate quality care. HCTF Chair May asked how commensurate care was being operationalized, noting that the RFP parameters have not changed since the draft stage several months ago. EVP Brostrom indicated he will ask CRO Crickette to share more the data she has collected. Members wondered if that information would arrive too late in the process to allow faculty to make informed recommendations, but EVP Brostrom indicated that the re-bid process is more like a negotiation, so there will be many opportunities to ask questions and request additional information.

3. **Health Care Facilitator Program**

**Update:** VP Duckett reported that he had met with the campus Chief Human Resource Officers (CHROs) on this topic, and that most have already identified continuation funding for the short term. Utilization data, especially regarding Level 4 support, is needed to bolster the funding requests.

**Discussion:** HCTF Chair May concurred that utilization data were needed, but observed that incumbent facilitators ceased record-keeping when they were assigned other duties, and were never funded at a level that allowed for more than individual efforts at record-keeping. He also asked what the long-term funding prospects were, as well as how the program could be institutionalized at all locations. EVP Brostrom asked if the committee thought central funding for the program would be workable, and members agreed wholeheartedly. The system’s health care access and coverage are implicated, so it is reasonable that the program be funded centrally. Further, best practices and utilization rate tracking beg for central administration and funding. The Health Care Facilitator program is funded from monies collected for retiree health care, which is included in the composite benefit rates is another reason for centralized program and administration. EVP Brostrom indicated his willingness to add the program back into the UCOP system budget for the next cycle. HCTF Chair May reiterated that facilitators carry unique experience and should be dedicated FTE; perhaps even record keeping could be assigned to other personnel. It was also suggested that qualitative anecdotes be retained, since an individual’s quality of life is implicated, not just employee and employer finances.

Members then asked how the decision to de-fund the program was reached, wondering if the process could be improved through the inclusion of more voices earlier. As the decision was made by the Executive Budget Committee, members asked what Senate voices are on the EBC, and were told that none are.
Lastly, members sought clarification on “level 4” support, and what the limits of customer support at the new UCPath facility will be. VP Duckett indicated that there are four levels of support, ranging from helping to access online public information (level 1) to decision-making regarding hospitals and treatment programs (level 4). Levels 1 and 2 need no further augmentation, and Level 3 support will be shared between the UCPath facility and local HR organizations. Level 4 is uncommon and localized. A fuller description will be circulated after the meeting.

XI. Further Discussion and New Business
1. Members are concerned that teaching loads are being conflated with proof of academic value by Regents and legislators.
2. The Composite Benefit Rate for summer salary will be set at 0%, as will the emeriti rate. More work remains on this intricate topic, but this outcome represents a limited victory.
3. Implications of the UCPath project and facility to local staff populations are unclear. Second and third wave adopters are losing incumbent staff to support first wave adopters; programming concerns also remain.
4. The UCRS Advisory Board heard again of plans to develop a DC plan for new medical center hires who are not expected to be career-long employees. Concerns include possible double-charging of the employer, how to limit the program to the medical centers only, if it is successful, and contradictions with other public statements about the value and utility of UCRP. UCRSAB also heard of alternate plan valuation methods, with some advocating for a constant percentage of payroll, rather than a constant dollar value. A constant percentage of payroll would slow amortization and extend the debt horizon, while allowing more flexibility in the short term. Finally, UCRSAB heard that the University sponsored 403(b) and 457(b) supplemental retirement plans will offer Roth versions, approximately in 2015; these will be funded by after-tax employee contributions.

Meeting adjourned at 3:15 p.m.

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