

Minutes of Meeting**October 8, 2010****I. Chair's Announcements**

Members introduced themselves to the new CUCEA Representative, Dr. Ernest Newbrun, as well as the Merced alternate.

Chair Dimsdale updated the committee on recent meetings:

1. Systemwide Standing Committee Chairs' and Vice Chair's Retreat of September 28

SUMMARY: Attendees agreed on the strengths and weaknesses of the Senate: its deliberative nature and depth of knowledge on the one hand, and its slow pace on the other. Administration leaders shared the broad outline of a plan to streamline campus reimbursements and the funding that is siphoned for the Office of the President.

2. Academic Council Meeting of September 29

SUMMARY: The Council elected to change the Senate's website posting policy, giving committees greater latitude to post committee-approved documents that are pending, or will not be submitted for, Academic Council endorsement or action.

PEB consultation at the divisional level has been problematic due to knowledge gaps, but local leaders appreciated having the UCFW document as a guide to help format and frame feedback. The Council will not take a position on the PEB options until its October 27 meeting. Council Chair Simmons reported that the president may offer a compromise position that takes aspects from each of the three current proposals. Any such position would need promulgated in advance of the November Regents meeting for action at the specially-scheduled December meeting.

Administration has declined to adapt the benefits calculator, citing complexity, confusion, and potential concerns regarding direct-dealing with represented staff.

II. Consent Calendar

Note: Item deferred.

III. Consultation with the Office of the President – Human Resources & Benefits

Dwaine Duckett, Vice President (via phone)

Mike Baptista, Executive Director, Benefits Programs and Strategy

Mark Esteban, Director, Benefits Programs

1. 2011 Open Enrollment Overview

DISCUSSION: Members asked for clarification on the changes to preventative care. Director Esteban responded that Kaiser will now waive the co-pay on preventative care, aligning it with the other plans. Members also asked how UC's premium increases compared to the rest of the state. Director Esteban indicated

that while the final numbers were still not yet known, it is expected that the rate increases will be proportional across the state. Members then asked which providers are not participating in the new Blue and Gold HealthNet insurance option. Director Esteban reported that Alta Bates, Cedars Sinai, Scripps, Mills Peninsula, Mercy, Riverside Physicians Network, Bristol Park, and the Bay Area Medical Group were not participating, among others that do not receive substantial UC patients. Members asked if HR&B had projected plan migration, given the significant changes embodied in the Blue and Gold program. Director Esteban indicated that HR&B had not undertaken such analyses, but will report back to the committee the outcomes of Open Enrollment.

Members asked about the rate changes for retirees. Executive Director Baptista responded that the rates for retirees are no longer automatically Tier 2, but they are based on the average of all the retiree plans.

ACTION: The committee will return to this topic (retiree health premiums and programs) in October, when Director of Retirement Programs Schlimgen will be available for consultation.

2. Benefits Calculator Adaptation

Note: Item not addressed.

3. Dental Coverage Analysis

ISSUE: Members sought additional information on the changes to full-mouth x-rays, particularly the annual limits and the inclusion of a specific technology as opposed to a diagnostic technique. At the same time, emendation of plan offerings to include updated industry standard treatment for dental implants was well received.

ACTION: HR&B will investigate and report back on the full-mouth x-ray questions.

4. New Business: Travel Insurance

ISSUE: Members asked about University-sponsored coverage for those travelling abroad on University business, such as professional conferences or semesters abroad.

DISCUSSION: Council Vice Chair Anderson noted that UC does offer travel insurance, and Mr. Baptista pointed members to the Office of Risk Management for further information, specifically: <http://www.uctrips-insurance.org/>. Student travelers are eligible for coverage through a third-party vendor; more information is available online: <http://www.universityofcalifornia.edu/health/students.html>.

IV. Update: Health Care Task Force

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

ACTION: Task Force Chair May will draft correspondence summarizing the committee's concerns with the process and content of this year's Open Enrollment development and offerings; the committee will e-vote.

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

Susan Carlson, Vice Provost

Pat Price, Interim Executive Director

Janet Lockwood, Associate Director

1. Recruitment and Retention Data

ISSUE: Vice Provost Carlson said that the current effort was the University's first, and so there should be much debate about process and metrics. In separate communication to Chair Dimsdale, Vice Provost Carlson summarized the available data and its shortcomings:

"As you know, this is a somewhat elusive data set, since recruitments and retentions can go on for months (years in some cases) and since we set a very recent cut-off date for reporting. In reviewing the data we found, as well, that unique campus practices contribute to the findings.

"Interestingly, the same issues come up for both the successful and the unsuccessful recruitment and retention efforts: salary, partner accommodation, research funds, housing costs. Campus comments on each case also highlight the complex set of negotiations that accompany almost all of the recruitment/retention efforts. Let me offer some additional gloss gleaned from your comments.

***"Recruitment efforts.** The "Other" category, which constitutes a large share of the recruitments (93 of 436), includes searches at various points of review and approval, including some recruitments in early stages. Commentary on successful recruitment mentions that the top candidate was hired in many searches and that partner accommodations were frequently needed. Comments about the "Unsuccessful" efforts feature vigorous counter-offers by the candidate's current university, California housing costs, and a few concerns about the UC budget future. While the percentage of "Successful Efforts" comes in at 50%, note that many ongoing efforts (listed under "Offered" as well as "Other") cannot yet be counted as successful.*

***"Retention efforts.** The "Other" category includes not only retentions that are pending or ongoing but also those faculty members for whom campuses did not make an attempt to retain (candidates had already accepted other offers, family issues were un-resolvable, or the new opportunity was administrative). A significant number in the "Other" category also involved faculty who are or will be on leave and "trying out" other universities. Strategies that contributed to successful retentions included accelerated advancements and promotions, awarding of endowed chairs, housing loans, and a change in responsibilities. Only 16% of retention efforts were unsuccessful, with a large number (96 of 337) still in negotiation."¹*

DISCUSSION: Members inquired as to the place of morale in this study. Vice Provost Carlson asked how morale could best be measured. UCR Representative Hare noted that his divisional Senate has conducted a survey of faculty members who left his campus over the past decade; he will investigate whether the methodology may be appropriate for use by other campuses. Vice Provost Carlson added that sometimes, a recruitment never ends, or at least cannot be described as a single discrete action.

2. UCMC/SOM Total Remuneration

ISSUE: Vice Provost Carlson reported that data gathering has begun, and that the working group will be convened soon for additional input. Associate Director Lockwood added that logistical arrangements for this project will be handled by Dennis Larsen, HR&B Executive Director of Compensation Programs and Strategy.

DISCUSSION: Members asked about efforts to develop a DC plan for medical center faculty and staff, and Ms. Lockwood confirmed that her office had been asked to explore the possibility of a separate HSCP DC plan. Council Vice Chair Anderson noted that such plans had been rejected in the past, fearing that the contributions to such a plan would shrink available funding for salaries. Members also asked about annuity coverage for summer ninths, and Council Vice Chair

¹ Email of 9/22/2010.

Anderson responded that income from summer ninths is already covered in an extant DC plan option. Chair Dimsdale noted that the employer contribution to that plan is significantly lower than UC contributions to UCRP proper.

3. Alternate Compensation Plans

ISSUE: The HSCP draft revision will be released for management review soon. Formal review will occur in the new year.

ISSUE: The recommendations in the “Gottfredson Report” are being converted into draft policy language. Once the draft is complete, Senate representatives will be convened via teleconference for preliminary input. Academic Personnel will also survey peer institutions to divine best practices.

4. Faculty Competitiveness Report

ISSUE: Vice Provost Carlson reported that this is the subsection of the University’s annual accountability report, and that a summary presentation will be made to The Regents in January. It is comprised of three sections: faculty quality, trends and demographics, and recruitment and retention, which includes compensation.

DISCUSSION: Members asked if total remuneration data would be part of the presentation, and Ms. Lockwood indicated that the Comparison 8 would be included. Members remembered their dissatisfaction with the previous accountability reports, and reiterated their desire for a more rigorous approach and report.

VI. Divisional Updates

Members

UPDATE: All members reported that local PEB fora had been sparsely attended, a fact most attribute to repeated and high profile administration statements that none of the proposals will impact current employees. An exception is the Merced campus, which has unique concerns and the youngest and newest workforce.

DISCUSSION: Members asked whether the Senate might consider retaining independent counsel for additional strategic advice on this complicated topic. TFIR Chair Henry suggested that until the plan documents were written, contacting legal services might be premature. Berkeley Representative Braunstein shared that his counterpart committee routinely retains outside counsel.

VII. Consultation with the Office of the President – Chief Financial Officer

Peter Taylor, EVP and CFO

ISSUE: CFO Taylor summarized the University’s current fiscal situation, highlighting debt capacity and the intersection with the proposed plan to borrow from the Short-Term Investment Pool (STIP) to help address the UCRP UAAL.

DISCUSSION: Members inquired as to the available balance in STIP, as well as the Total Return Investment Pool, (TRIP). Mr. Taylor replied that STIP carries a balance between \$6-7B, while TRIP carries \$2B; the June 2010 valuation for both was \$9.34B. Council Chair Simmons asked what tradeoffs might be involved were the STIP funds to be used as proposed. Mr. Taylor indicated that the arbitrage flexibility of the pool would be limited. Members asked what the contingency plan was, should STIP funding fail or be unavailable, and Mr. Taylor stated that there were no back-up plans as yet.

Vice Chair Anderson asked whether the projected STIP borrowing was factored into the cost projections currently being used in local PEB fora, and Mr. Taylor said no. Professor Anderson then asked whether those projections could be updated to reflect the proposed borrowing, and Mr. Taylor said he would be happy to do so.

Members also asked about the proposals to restructure UC's debt to help alleviate the fiscal pressure. Mr. Taylor indicated that the intent is to delay fixed-rate payments and accelerate variable payments in order to redirect anticipated interest payment savings to UCRP. Mr. Taylor also highlighted UC's recent legislative success in striking the rider language that said the state was not obligated to pay into UCRP.

VIII. Update: Task Force on Investment and Retirement

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

IX. Systemwide Review Items

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

1. PEB Options

Systemwide Review of the Report of the Post-Employment Benefits Task Force (Formal comments due by Monday, November 8)

- [PEB Executive Summary](#)
- [PEB Task Force Report](#)
- [Report Appendices](#)
- [Dissenting Statement](#)
- [August 27, 2010 UCFW Letter to Academic Council Chair Powell regarding the Report of the President's Task Force on Post-Employment Benefits](#)

ACTION: UCFW voted to recommend against the adoption of any integrated plan.

ACTION: UCFW voted to insist upon an 80% income replacement guarantee or the reinstitution of UCRP status quo ante COLA provisions.

2. Downsizing Resolutions

[Systemwide Review of Council Recommendation and UCLA Statement on the Future of the University](#) (Formal comments due by Wednesday, November 10)

Note: Item not addressed.

X. Follow-Up Discussion

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

ACTION: The committee elected to support the revised salary scales letter.

ACTION: The committee elected to post on its website last month's letter asking for an adapted benefits estimator.

Adjournment: 3:30 p.m.

Minutes prepared by Kenneth Feer, Senior Policy Analyst

Attest: Joel Dimsdale, UCFW Chair