

Minutes of Meeting**October 12, 2012****I. Welcome, Introduction, and Chair's Announcements***Dan Hare, UCFW Chair*

- Chair Hare welcomed new and returning members, who in turn introduced themselves.
- Chair Hare also noted that Berkeley Professor Yale Braunstein, who had been a long-standing Faculty Welfare advocate and leader, passed over the summer; a memorial will be held at the Berkeley campus next Wednesday. UCFW recognized Professor Braunstein with the following statement:

Yale served several terms on the UC Systemwide Committee on Faculty Welfare (UCFW), most recently from 2007 until he was to rotate off of the committee in at the end of August, 2012. UCFW takes up all matters that affect the welfare of faculty, including salary, benefits, work environment, shared governance, and a wide variety of issues concerning rights and expectations of faculty when interacting with the UC administration. The committee's work transcends the differences among campuses and their specific concerns. Yale represented the Berkeley campus well to UCFW. He knew and understood both campus and Systemwide issues and effectively communicated the views of the Berkeley faculty to the Systemwide committee. More importantly, Yale brought unique insight to the deliberations of UCFW.

Trained as an economist, Yale was a firm believer of choice in the marketplace. Yale advocated that choices for benefits be provided to UC employees and that employees be given the tools to make informed choices. The need for tools to help inform employees is illustrated by his advocacy during the PEB process that the UC administration develop a calculator so that all employees could understand the consequences on their retirement benefits of the complex options advanced by the Administration compared to the option advocated by the faculty in their "Dissenting Statement." In response to a request from UCFW to develop such a calculator, the administration responded that they had neither the time nor the resources for such an effort. Accordingly, Yale and one other UCFW member utilized existing information about the proposals to develop a calculator over a week-end. The calculator was valuable to UCFW and to its Task Force on Investment and Retirement in showing how much an employee's retirement benefit depended upon factors outside the employee's final salary and years of service. The calculator never needed to be distributed to all employees because the final retirement plan was far simpler but Yale took satisfaction in demonstrating that the reason that the administration didn't develop the requested calculator was not because of the difficulties, but more likely because the administration just didn't want to.

Yale had a unique ability to dissect a poorly-prepared proposal and point out its inconsistencies. He enjoyed taking a contrary but well-reasoned viewpoint and extending proposals toward their most absurd conclusions, but he did it with a sense of humor and style so as not to leave the author of the proposal feeling offended, at least not for very long. Many members continuing on UCFW noted how much they had learned from Yale and noted how that education will continue to help UCFW protect and advance the interests of the faculty. UCFW will miss Yale's humorous but astute and mind-changing comments at UCFW meetings.

Over the past couple of years, it was apparent to UCFW that Yale had begun to have some health problems. He neither advertised nor hid these problems from us. Because he did begin to have more extensive personal experiences with the UC-sponsored health care systems, he was uniquely qualified to report back to UCFW about the administrative procedures and policies to which he was subjected that were helpful and those that warranted improvement. Nevertheless, by the last UCFW meeting in June, 2012, Yale was looking better and informed several members that his prognosis had improved. UCFW therefore was uniformly shocked to learn that Yale passed away only a few weeks later.

Yale leaves a legacy with UCFW for astute reasoning delivered with unique humor. Not only did Yale contribute to the rigor of the discussion, but he also helped make those day-long meetings enjoyable and even fun to attend. One tribute to the value Yale's membership on UCFW was expressed by a member who observed that continuing members could do worse than to ask, "what would Yale say?" before making a decision.

- Online Education and Copyright will be on the November agenda; members are requested to consult with corresponding campus committees in advance.
- Lab Safety has received renewed emphasis following recent tragic events at the Los Angeles campus. As a result, chemistry and biochemistry departments systemwide have only a 60-day deadline to meet obligations set forth in a settlement agreement reached July 27. Additional cross-campus obligations have a longer implementation time frame, but changes to individual labs/Pis could be significant. Senate reviewers so far have noted that the proposed guidelines are over-inclusive, do not necessarily reflect a researcher's approach to lab safety, and could constitute unfunded mandates. The new regulations stress the development and promulgation of standard operating procedures (SOPs), increased awareness of personal protective equipment (PPE), and greater documentation of training.
- Total Remuneration continues to frame faculty compensation discussions, but an updated study is needed since cash compensation has continued to erode since the 2009 update was completed. Further, employee contributions to UCRP have resumed and will increase. The impact of changes to benefits is not known. Over the summer, a working group met to determine the feasibility of conducting a total remuneration study for the health sciences, not just the general campuses. That group concluded that external consultants would be required to conduct the study, but that usable findings were not guaranteed. See also Item IV.2 below.

II. Health Care Task Force Update

Robert May, HCTF Chair

UPDATE: The Health Care Task Force will continue to monitor events involving health and welfare benefit rates to employees and the employer, as well as their structure and delivery methods. The Affordable Care Act could change the UC health systems' business model. University communications and plan interactions with Medicare will also be a focus of the task force this year.

III. Task Force on Investment and Retirement Update

Shane White, TFIR Chair

UPDATE: The Task Force on Investment and Retirement will focus its efforts this year on helping the administration respond to outside criticisms of defined benefit plans generally and the University of California Retirement Plan (UCRP) specifically. TFIR will also continue to monitor the implementation of changes agreed to during the 2010 Post-Employment Benefits process, including employee and employer contributions to the plan.

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

Dwaine Duckett, Vice President

1. Total Remuneration

With Dennis Larsen, Executive Director, Compensation Programs and Strategy

ISSUE: Director Larsen reported that in 2010, calls for a health sciences total remuneration study utilizing the same methodology as the 2009 general campus total remuneration update. To determine the feasibility of such a study, a joint Senate-administration working group was formed. The working group learned that a comprehensive study conducted by external consultants would cost over \$800K and would still contain several troubling data gaps. As an alternative, a cash-compensation only study was proposed, to be conducted by in-house UCOP experts and based on available survey data from professional associations. The working group also surveyed the UC health sciences locations and found little support for a comprehensive total remuneration study among the deans; they reported that appointments and recruitments are usually individualized, and so they have little use for across-the-board analyses.

DISCUSSION: Members noted that equity-type analyses could not be conducted with current data, and that perceived lack of equity harms morale. Members also stated their belief that a Total Remuneration study should not be done piecemeal, especially when out-of-date data are being used. Vice President Duckett suggested that the component parts of remuneration could be more easily understood by wider populations; he added that combined analyses could mask local pockets of inequality. Members worried that a piecemeal approach could lead to a “death by a thousand cuts”. All are encouraged to think creatively regarding how to update the data given resource constraints, competing priorities, and complicated messaging.

2. Health and Welfare Benefit Rates for 2013

With Mike Baptista, Executive Director, Benefits Programs and Strategy

With Mark Esteban, Director, Benefits Programs

ISSUE: Rate increases for most employees for 2013 are minimal due to the use of one-time cash transfusions from ERPS and some medical center billing changes. Also, some co-pays will increase; a design change intended to minimize premium increases. Nonetheless, enrollees in the PPO plan and the HealthNet full option will see significant rate increases.

DISCUSSION: Members inquired as to the schedule of co-pay increases for office visits and prescription drugs. Director Esteban indicated that the increase increment is industry standard. Members also asked if any adverse selection was expected due to the disproportionate increase in premiums for the PPO plan, and Director Esteban answered that those enrollments will be monitored closely.

Members then asked what UC's total contribution was, and Director Esteban indicated that UC kept its policy of contributing 87.5% of the benchmark plan's premium. After inflation, that would have required nearly \$90M in new contributions, but the cost savings efforts noted above lessened the total of new monies to just over \$30M for 2013. No changes were recommended for part-time employees or to dependent coverage. Vice President Duckett added that the recently completed dependent enrollment audit yielded approximately a 3% de-enrollment, which translates to nearly \$35M in savings to the University, even after the paying the consultant fees. There are no changes to dental and vision coverage.

V. Systemwide Review Items

1. Proposed Revision to APM 430

ACTION: Vice Chair Binion will serve as lead reviewer for this proposal.

2. Proposed Revision to APM 700

Note: Item deferred.

3. Proposed Revision to APM 600

Note: See Item VIII below.

4. Rebenching Report and Recommendations

ACTION: Members will consult with their corresponding division committees and report back next month.

5. Negotiated Salary Trial Plan

Note: See Item VIII below.

ACTION: Members will consult with their corresponding division committees and report back next month.

6. Open Access Proposal

Note: Item deferred.

VI. Consultation with Academic Senate Leadership

Robert Powell, Academic Senate Chair

UPDATE: Chair Powell discussed the ramifications to the University if Proposition 30 does not pass in the upcoming election. Members are encouraged to research the topic, appropriate advocacy guidelines, and above all, to vote. Chair Powell also noted that a new multi-year salary plan in being discussed that would raise the scales over the next 7 years to achieve market parity by 2020.

DISCUSSION: Members asked how "market parity" was to be defined, but Chair Powell reported that such metrics were still to be determined. Members also asked how rebenching has been received, and Chair Powell indicated that its reception has varied widely. Many components remain in flux, as the funding formula is based on campus expenditures, which will not be known until later.

VII. Consultation with the Provost

Aimée Dorr, Provost

ISSUE: Chair Hare posed several topics of interest to Provost Dorr:

1. Faculty Economics, which should be conceived of as an integrated whole through the lens of total remuneration, not its component parts of salary, benefits, and retirement;
2. Administrative Burdens, which are increasing as staff are laid off or not replaced, and worsening as documentary requirements continue to increase;
3. Dis-integration of the UC System, as illustrated by the divisional political differences surrounding rebenching and enrollment management;
4. Preserving Faculty Rights and Welfare, which are perceived to be under threat as illustrated by concerns regarding copyright, publishing, and instructional delivery mandates.

DISCUSSION: Members amplified topics 1 and 3. Regarding the latter, members observed that UC is seemingly irreparably on the path to privatization, which suggests an “each for itself” approach. Provost Dorr suggested that some positive outcomes could be found by studying Michigan and Virginia, not just negative ones. Nonetheless, she agreed that for now, planning should assume no growth in state support. Members asked whether Provost Dorr preferred a federal system or a central system, and she indicated that different approaches are best suited to different issues; for example, business practices are more easily amenable to centralization than other areas. There is also the question of balancing “can” and “should” in the real world, not the ivory tower. Members asserted that system integrity is essential for excellence: one APM, a single salary scale, and a unified benefit system help unify disparate colleagues under UC’s unique vision and charge.

Lately, however, members of the younger faculty cohort tend to view working at UC as just another job; UC is becoming the back-up, not the paragon. Members attributed part of this erosion in confidence to increased decoupling of salary from peer review; negotiations with deans seem to be more important than teaching and research performance. Members further attributed erosion to the abandoned four-year salary plan and the lingering negative effect that episode has on current statements regarding long-term plans to restore competitiveness to faculty salaries. Provost Dorr noted that successful departments do not necessarily have perfect retention records. She added that current fiscal realities require exploring different compensation strategies, such as the proposed Negotiated Salary Trial Plan. Members cautioned that the imbedded incentive structure of alternate strategies should be well understood, such as those that could incentivize fundraising and marketability over academic excellence. All agreed that responding to the immediate crisis runs the risk of precluding long term success if careful planning and thoughtful deliberation is omitted from the process.

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

Susan Carlson, Vice Provost

1. APM 600:

ISSUE: Vice Provost Carlson noted that this section of the APM is past-due for revision, and added that the proximate cause for revision at this time and on the current time-line is the desire to add clarity and consistency to compensation regulations in advance of the UCPath facility going operational next summer. Most of the proposed changes are technical changes to reflect current

nomenclature and external regulations; a strike-through version of changes will be circulated early next week.

DISCUSSION: Members asked how summer salary and other exceptions would be incorporated into the new regulations. VP Carlson indicated that some processes would be left at the campus; faculty guidance on this point is appreciated.

2. Negotiated Salary Trial Program:

DISCUSSION: Members asked if participating faculty would be able to set their own supplemental salary rate based on expected income, in addition to base salary. VP Carlson said that if expected external funds do not materialize, the department would be responsible for fulfilling that part of the negotiated agreement. Members clarified that the additional salary would not be awarded on the basis of academic or research merit as evaluated by peers. VP Carlson referred members to the eligibility requirements in the proposal. Members suggested that the local agreement and exceptions subsection needed clearer language, but VP Carlson noted that soft language was needed to allow for local flexibility in implementation. Members wondered what grants were expected to accept this type of program, noting that not all grantors provide overhead, and that not all grantors are mentioned in the proposal. Members also speculated as to unintended consequences, such as changes to grants already in-progress, as well as how deans' authority would change. Lastly, members asked how the trial would be evaluated: By subscription? By changes to morale? VP Carlson noted that the final metrics are still to be determined, as the proposed trial is several years long.

3. Faculty Competitiveness Report:

ISSUE: VP Carlson reported that the Faculty Competitiveness Report periodicity has been extended from 2 years to 4, but her office is working to update the data, nonetheless.

4. APM 510:

UPDATE: VP Carlson reported that while APM 510 is listed on the APM 600 revision master, the specific request submitted by UCFW last year regarding limits on internal recruitments was not included in the draft revisions at the request of the administration.

IX. Campus Updates

Note: Item not addressed.

X. New Business

Note: Item not addressed.

Adjournment at 3:30.

Minutes prepared by Kenneth Feer, Senior Policy Analyst

Attest: J. Daniel Hare, UCFW Chair