

**Minutes of Meeting****March 8, 2013****I. Chair's Announcements – Dan Hare, UCFW Chair**

**Updates:** (1) CFO Taylor has completed a liquidity study and recommends investing all savings in UCRP. However, the EVCs prefer returning the income to the campuses. (2) UC Path implementation has been delayed by a year, and will begin in July 2014. The period between implementing Waves 2 and 3 has been compressed to reduce the time that campuses will be on different payroll systems. (3) The Composite Benefit Rate plan is almost final. Modifications favoring Senate positions continue to be made. However, the Chancellors favor charging benefit rates to summer salaries. (4) UCFW's request for representation on the Executive Budget Committee was unanimously approved by the Council and forwarded to the Provost. (5) There will be a presentation on faculty workload at the next Regents meeting. The Governor and Chair of the Board of Regents think that faculty should teach an additional course. Senate leadership is trying to shape the debate toward sustaining UC excellence and is collecting data on the increase in student credit hours and improving graduation rates. As one response, the Senate may propose that campuses set firm goals for reducing time to degree, recognizing that campuses and majors may need to use different strategies. The message is that we have been efficient and we will continue to strive to do better while preserving quality. (6) UCFW's request for a total remuneration study has been approved. The study will examine salary and retirement benefits for both faculty and staff, but will not delve deeply into medical benefits because they are likely to change due to the Affordable Care Act. In addition, they will study the prevalence of benefits for staff, analyzing whether UC provides the same types of benefits as its competitors. This may be the first step toward developing different benefits packages for different segments of the workforce. (7) UCFW will have an opportunity to review campus salary equity plans. (8) The Academic Advisory Committee to the presidential search committee has been appointed. It includes the Senate Chair and Vice Chair, one representative from each campus and one at-large representative (UCFW Chair Emeritus Joel Dimsdale).

**II. Consent Calendar**

**Action:** The minutes were approved as noticed.

**Action:** Members will submit minor edits to the LAO response and it will be posted on the UCFW website and distributed to Divisional Chairs and UCFW Consultants.

**III. Consultation with UCOP – Risk Services – Erike Young, Director, Environmental Health & Safety**

**Update:** Director Young reviewed the steps taken to satisfy the requirements of the laboratory safety settlement. This includes certifying chemistry and biochemistry departments every six

months; the first was completed in January. The goal is to expand the implementation of safety policies beyond the departments required by the settlement. To that end, UCOP hosted a systemwide meeting of approximately 50 chairs of departments with laboratory operations. The draft laboratory safety policies received over 300 comments, in particular on the Personal Protective Equipment policy. In response, Risk Services will reduce the policy's threshold requirement while remaining in compliance with OSHA regulations, and it will fund the initial purchase of 10,000 flame resistant lab coats, regular lab coats, and safety glasses. UCOP purchased the entire available stock of flame resistant lab coats; it will take 15 weeks to produce new ones.

#### **IV. Report: UCFW Health Care Task Force – Robert May, Chair**

Re-bid update. This year, the re-bidding process for health care plans offered by the University is a two-part process: responses to the RFP for a potential new self-insurance program called UC Care is being bid separately from the other programs. The RFP could result in a recommendation for a third-party administrator for the health plan, pharmacy plan and wellness program. It is likely that one company will administer the health care and pharmacy portions, and a second company will administer the wellness program. Companies bidding made presentations three weeks ago and decisions will be made soon to invite selected vendors to develop plans that will then be vetted by actuaries to ensure they are financially sound. HCTF has expressed concern that UC Care's features, particularly its wellness incentives, are too generous and costly and may draw healthier individuals from the other plans. This would shift risk to the other plans and reduce the prospects of negotiating good rates with these plans. He noted that the wellness incentives are not outcome-based or aimed at changing behavior. A member cautioned that wellness plans often begin as incentive programs and turn into penalties, which is why unions refuse to participate. The plan also includes self-referral and access to any specialist at any UC medical center. A member asked what the criteria are for deciding whether to offer UC Care and who will make that decision. Chair May responded that the criteria are not clear, and that CFO Taylor and EVP Brostrom most likely will make the final decision. Phase 2 of the process—bidding for the other plans—will begin in April.

Health Care Facilitators. Chair May reported that thanks to UCFW's efforts, the health care facilitator budget has been restored and will be centrally funded through the funding streams assessment. In addition, Human Resources has begun to collect data on the program and has drafted a document on the roles and responsibilities of health care administrators in order to eliminate extraneous duties. UCFW should continue to press for an increase in the health care facilitator budget (currently ~\$125K per location), which has not increased since the inception of the program. In addition, at some campuses, the health care facilitator must serve both the main campus and the medical center. Chair May will also ask VP Duckett to publicize the program in the Open Enrollment materials next year.

Retiree Health/Medicare Primer. Former UCFW Chair and current HCTF member Joel Dimsdale created a primer on understanding health care costs for UC retirees in Medicare. He asked for approval to post it on the UCFW website. In addition, members suggested providing it to the health care facilitators and campus Human Resources departments, asking for it to be posted on

the UC HR retirement and emeritus faculty websites, and requesting systemwide distribution to employees in the appropriate age bracket. Please send any suggestions for revisions to Professor Dimsdale.

## **V. Consultation with UCOP – Patrick Lenz, Vice President for Budget and Capital Resources**

Vice President Lenz stated that his office is concerned with reporting requirements in the language of a budget trailer bill. The upcoming Budget Subcommittee Hearing may address these issues. He also reported that the students held a rally in Sacramento. UCOP disagrees with two of their priorities: funding to buy down tuition and language that would prohibit any increase in professional degree supplemental tuition. The University would prefer to use any additional funding to invest in quality, rather than to buy down tuition. The students do not understand that buying down tuition will result in a net increase in the self-help requirement. Finally, he noted that the University's expenditure plan will be presented at the May Regents meeting, when there will be a better sense of the level of general fund revenues.

## **VI. Divisional Reports and Concerns**

Negotiated Salary Pilot. UCI's Senate did not approve participation in the NSP, but the Interim EVC decided to proceed. The implementation plan was presented before consulting with the appropriate committee. The Senate is going to make a case to include CAP and equity advisors in the appropriate places in the process, particularly because UCI's CAP normally reviews salary data, but was not included in the implementation plan.

Members discussed how the trial plan can be judged to be successful in order to justify implementing it on all campuses. The campuses should use common metrics, and the effect on faculty who are not part of the program should be evaluated. For example, teaching and service loads should be measured, as well as faculty morale through a climate survey. Members noted that the goals of the pilot are too general to link to outcomes and are limited mostly to financial impact (e.g., use of state funds, whether UC can match retention offers, etc.). The advantages are clear, so the metrics must capture possible negative consequences. For example, faculty could change their research objectives in order to pursue NIH grants, resulting in a loss of breadth of expertise. The recent furloughs demonstrated that many faculty directed a larger proportion of their research grants to augment their salaries. A member noted that one of the participating campuses could use the NSP to recruit a faculty member from a non-participating campus since it is not part of base salary and therefore is not subject to the cap on salary increases for intra-campus recruiting. Chair Hare said that the committee will discuss this subject again when it receives implementation plans from the three participating campuses.

## **VII. Consultation with UCOP – Dwaine Duckett, Vice President for Human Resources**

Vice President Duckett reported that UCOP will commission a total remuneration study that includes salary and retirement benefits for faculty and staff, in addition to a benefits prevalence study for the staff. It is likely that Mercer will conduct the health and welfare and cash compensation study and that Hewitt will perform the pension valuation. It will use the Comparison 8 and the same methodology as in the last study. It will require a great deal of preparation by Human Resources and Academic Personnel because many jobs will have to be individually mapped; staff with similar job titles operate in very different markets. In 2005 it took 4-6 months to match positions to the marketplace. If the Health Sciences are included, it will be far more expensive and it will take longer. However, staff at the medical campuses will be included. He stated that he plans to update the study every few years to produce longitudinal data, and noted that it is good business practice to track talent segments. Performing updates also will be less costly, as it will reduce the need for mapping.

**Q:** What would happen if UCRS ran out of money? It's currently only 78% funded.

**A:** VP Duckett replied that if the plan's funding dropped below a certain level, the University would begin a systemwide discussion and plan to meet this legally enforceable obligation.

**Q:** How can we reduce the long-term burden of pension payments on the University's operating budget? TFIR advocates contributing as much as possible now in order to minimize the impact on future operating expenses. By not funding the Annual Required Contribution, we are effectively borrowing at 7.5% to fund day-to-day operations.

**A:** VP Duckett agreed that it is essential to fund UCRS as quickly as possible. However, the campuses are under budgetary pressure and the unions do not want to contribute more. He noted some progress in discussions with union actuaries on this subject.

**Comment:** TFIR and UCFW may draft a letter to influence the discussion on how to allocate funds that will be generated by various liquidity strategies.

**Q:** Is there sufficient funding to support the health care facilitator program at the same level of service, as well as the data collection effort, as the program is being re-designed?

**A:** VP Duckett replied that he has not heard any concerns about being able to fund this effort.

**Comment:** HCTF and UCFW would like to stay abreast of developments, including emerging metrics for this program. A lot of data are anecdotal because the case loads are often unique, but should be collected.

**Comment:** Because the campuses are different sizes, the programs will have different personnel needs. For instance, some health care facilitators serve both a regular campus and a medical center. Ideally, there would be funding to hire an additional facilitator at those locations.

**Comment:** We would like to see promotion of the health care facilitator program in this year's Open Enrollment materials.

**A:** VP Duckett assured the committee that sufficient resources will be allocated to support the operation of the program. He agreed that it would be a good idea to highlight it in Open Enrollment materials and stated that he appreciated UCFW's advocacy for this important program.

**Comment:** LBNL senior scientists are subject to the staff retiree recall policy, even though their job descriptions are similar to academics, who are not subject to the policy.

**A:** VP Duckett replied that it does not make sense in terms of workforce planning to grant multiple extensions for retired staff. However, he recognizes that the policy should be able to accommodate special situations and thanked UCFW for bringing this to his attention.

## **VIII. Report: UCFW Task Force on Investment and Retirement – Shane White, Chair**

Total Remuneration Study. Chair White stated that he is pleased that UC will conduct a total remuneration study. However, he believes it is important to extend the study to faculty in the health sciences compensation plan. A member noted concerns about the quality of the data that exists on health sciences compensation, both internally on the Y and Z components, and for comparators, because the HSCP is unique. Other members urged the committee to advocate for the inclusion of health sciences faculty. Chair Hare suggested discussing this further at HCTF and TFIR meetings.

Annual Required Contribution (ARC). Chair White expressed his disappointment that the University is behind its schedule for achieving the ARC for UCRS and at the administration's lack of response to the Academic Council's February 4 letter on the subject. The modeling is two years out of date. TFIR has requested data from the administration so that it can do projections, but has not yet received it. The recent liquidity analysis performed by CFO Taylor suggests that the University has too much liquidity, and that some \$2B can be reinvested in a new pool, the Long-term Total Return Investment Pool, or L-TRIP, with the anticipated \$30M/annually in returns to be used on an unrestricted basis for local campus operating costs. TFIR advocates allocating the excess liquidity to help pay down the UCRS accrued liability. Administrators at UCOP understand its importance but are under pressure from the EVCs to apportion the funds to the campuses based on their share of TRIP and L-TRIP. TFIR will discuss this and possibly draft a letter to the president explaining TFIR's position.

UCRS Advisory Board. Chair White expressed concerns that TFIR was not informed in advance that the Regents would take action to allow more flexibility in certain asset classes. He will follow up.

## **IX. Proposed HIPAA Changes – Dan Hare, Chair**

The Office of Ethics, Compliance and Audit Services has proposed revisions to the guidelines on how UC approaches HIPAA in the clinical research context. UCFW should determine whether the proposal places any undue compliance burdens on faculty who work on human subjects. A member expressed concern about inadequate consultation with the end-users of the policy; a broader set of faculty should have the opportunity to review it. Some aspects need clarification or should provide examples for guidance. At times, the draft overly restricts access to personal information that is necessary for public health research, such as census data with geographic identifiers. It goes beyond what is required by IRBs and is too much of a burden for small research projects.

**Action:** Chair Hare said he would summarize these responses in a letter and suggest that a more widespread review would be appropriate.

## **X. Systemwide Reviews**

**Update:** Chair Hare noted that the suggestions made by UCFW in the systemwide reviews of APMs 700 and 430 were disregarded, however the committee can write a letter recording its opposition for the record. Committee members remained unconvinced of the necessity of the provisions.

**Action:** Chair Hare will draft letters reiterating UCFW's opinions.

## **XI. Consultation with UCOP – Susan Carlson, Vice Provost, Academic Personnel**

APM 700. Chair Hare stated UCFW's disappointment that the committee could not convince Vice Provost Carlson of the lack of utility and substance of APMs 700 and 430. Members asked: How many cases have occurred that APM 700 would address? What recourse is there for wrongful termination and what if a faculty member has a psychiatric breakdown? Vice Provost Carlson replied that approximately ten cases have occurred in the past five years. For example, one faculty member held a position at UC as well as at an institution in another country. Campuses had real concerns that other avenues take too long and that they had to continue paying salary. She received conflicting advice on extending the time period for declaring presumptive resignation from 30 to 60 days, so it was not changed. She noted they added a clause stating that the Chancellor has the authority to reinstate a faculty member. Medical issues are treated via a different process.

Stop the Clock. Vice Provost Carlson said that her office has drafted an expansion of the policy on stopping the tenure clock for Assistant Professors to include several exceptional circumstances that would be considered qualifying reasons. Currently, the provisions for illness or caring for a family member do not allow for stopping the tenure clock. The additions would be handled differently from child bearing/parental leave. She asked whether the committee would prefer that it be an opt-out policy (i.e., the extension is automatically granted). The extension could be up to one year for each qualifying event, but the proposal does not extend the two year cap. A member noted that the policy should clarify that the term "equivalent appointment" refers to all academic personnel who are subject to the 8-year advancement rule, including "in-residence" faculty at the medical centers. A member suggested that because stopping the clock will be made on the basis of a written request to the department chair, it could be applied inequitably. He argued that the grounds for the leave should be detailed as clearly as possible. An alternative would be to define the criteria for a leave more generally, such as "serious health and personal family issues that alter the faculty member's ability to be productive." This would narrow the grounds for disagreement. A member suggested vesting the approval authority in the chief academic officer without redelegation because relationships with departmental chairs can be personal, and this would ensure that the policy is applied equitably across the campus and that the cases can be tracked. Vice Provost Carlson thanked the committee for its input and said she hopes to share draft policy language in May.

NSP plans. Vice Provost Carlson said she is convening a committee of representatives of the three campuses participating in the Negotiated Salary Pilot, in addition to UCFW Chair Hare, to develop common metrics for evaluating the pilot. A member asked to what extent the metrics can be independent of the development of the plans. It would be desirable to first gather baseline data like graduate student funding through grants and faculty teaching loads. Members also requested additional Senate representation on the metrics committee, such as members of UCAP or UCORP. It should have representation from the appropriate systemwide committees since, if it is deemed a success, it may be made available systemwide. Chair Hare will ask Academic Council Chair Powell to communicate this request to the Provost.

UC ADVANCE PAID. Vice Provost Carlson circulated a report on the October UC ADVANCE PAID roundtable on women of color in the STEM and Social and Behavioral Sciences fields. It is available at: [http://ucop.edu/ucadvance/\\_files/roundtable-2/advance-october-2012-roundtable-report.pdf](http://ucop.edu/ucadvance/_files/roundtable-2/advance-october-2012-roundtable-report.pdf) . The next roundtable will be held on April 10 at UC Riverside and will focus on supporting women and under-represented minority STEM faculty at UC.

## **XII. Further Discussion and New Business**

Changes to the menu for Fidelity Investments. Chair Hare stated that employees will receive a notice if they have investments in one of the Fidelity funds that is being de-listed by the University. If employees do not move their money, it will automatically be moved into the UC Pathway funds. Alternately, the employee may chose to pay \$25 annually for a brokerage account in order to invest in any of Fidelity's funds.

Adjournment at 3:30 p.m.

Minutes prepared by Clare Sheridan, Principal Analyst

Attest: Dan Hare, UCFW Chair