

## UNIVERSITY COMMITTEE ON FACULTY WELFARE

## Minutes of Meeting

April 8, 2016

## I. Chair's Announcements

*Calvin Moore, UCFW Chair*

**Update:** Chair Moore reported that the Regents adopted a Statement on Intolerance after accepting an amendment suggested by the Senate's University Committee on Academic Freedom that distinguished anti-Zionism from anti-Semitic forms of anti-Zionism. The Regents also discussed the state's audit of UC and the University's response to it.

The May 13 UCFW meeting will occur by videoconference.

## II. Update: Health Care Task Force

*Robert May, HCTF Chair*

**Update:** Chair May reported that the results of the third-party administrator rebid will be announced on April 18.

At their meeting of March 21, HCTF met with EVP Stobo from UC Health. Dr. Stobo agreed to form a task force to assess UC's mental health needs for faculty and staff, having just revamped student mental health services. Issues for task force scrutiny include variations in access by campus, network accuracy, reimbursement rate acceptance, and improved screening and matching of providers and consumers who call for assistance. The clinical and financial aspects of coordinated care versus the current carve-out structure will also be analyzed.

UC Care is hiring a new medical director.

HCTF will begin in-depth discussions on ethics and expensive treatments.

## III. Consultation with UCOP – Human Resources

*Dwaine Duckett, Vice President*1. Health Care Facilitators

**Issue:** VP Duckett noted that his office has also received reports of mission creep and resource shortages. His vendor management group administers the program, and will re-issue guidance on reporting standards and funds usage.

**Discussion:** Members asked if funds existed for a second facilitator on some campuses, and VP Duckett indicated that if demand requires additional FTE, his office would consider the option. Members noted that demand requires awareness among campus populations, and that the Facilitators are currently overworked despite having a low-profile. Nonetheless, advertising more widely their services, such as in open enrollment materials, can only have a positive impact on health care consumers.

**Action:** VP Duckett will share the HCF annual report.

2. Tuition Remission for Dependents

**Issue:** A new proposal from the Riverside division has re-opened this discussion, and VP Duckett noted that tuition remission was a common discussion point and is common among UC's comparators.

**Discussion:** Members noted that such a program has been cited anecdotally in recruitment and retention discussions, but that previous efforts to launch a program have been derailed due to lack of funding and perceived lack of priority among the general employee population. Nevertheless, since UC is moving to industry standard benefits packages, the addition of a tuition benefit seems logical. Whether the program would be more likely to succeed if limited to ladder-rank faculty or another subpopulation is unclear. Pre-tax options would enhance the appeal any proposal.

3. Adoption Benefit Proposal

**Issue:** VP Duckett's office has prepared a decision memo for consideration by President Napolitano asking for implementation of the recommendation forwarded by Berkeley and the President's Advisory Committee on the Status of Women (PACSW). A firm cost estimate is still outstanding, though, as utilization expectations are unknown at this time. Nonetheless, the benefit seems to be industry standard.

**Discussion:** Members wondered if Senate endorsement would improve chances of approval, and if so, encouraged VP Duckett to petition Council directly for support. Members speculated how such a benefit could be funded – perhaps a new sub-charge to the composite benefit rate could be identified.

4. Childcare Funding

**Issue:** VP Duckett noted that the costs for childcare are prohibitive, but acknowledged that UC could do more in this area.

**Discussion:** Members asked if more funding could be given to current programs, but VP Duckett noted that capacity is as much an obstacle as cost. Many places also have liability concerns that must be addressed. Members wondered if the Bright Horizons benefit could be expanded. VP Duckett added that differential baseline service levels at the campuses could present another obstacle.

5. Domestic Partnership Policy Clarification

*With Richard Coates, Manager, Health and Welfare Vendor Management*

**Issue:** Mr. Coates reported that UCFW's concerns on this issue have been heard both by Human Resources and the Office of General Counsel. The required form (U-ben 250) is referenced in all relevant documents. At present, approximately 1300 individuals have registered partnerships with UC, and they are receiving direct mailings. An announcement will also be included in the next New Dimensions retirement newsletter.

**Discussion:** Members encouraged Mr. Coates to send the clarifying memos to MSOs, chairs, deans, and benefits offices, as well. Members also asked what steps were being taken not just to clarify and promulgate the policy, but to redress issues already encountered. Mr. Coates noted that future communications will be vetted by various stakeholder groups so that next steps are clear to all.

Members also noted an accounting error in recent communications that needs corrected for proper enrollment of new domestic partners in health and welfare benefits programs.

**IV. Consultation with UCOP – Academic Personnel**

*Susan Carlson, Vice Provost*

1. Faculty Exit Survey

**Issue:** The faculty exit survey is entering a pilot year. It has been approved by both Harvard's and UC's IRBs. The six campuses involved are Berkeley, Irvine, Los Angeles, Riverside, San Diego, and Santa Cruz. So far, about 100 voluntary separations have been reported, and administrators plan to survey about 400 retentions, too. There is a round-table in late June to discuss the first findings, which will include non-UC participants, as well. The second phase of the pilot will include retirees, recalls, and the like. The current survey takes about 20 minutes to complete. Provost Dorr helped fund the pilot and its development, but fund sources for long-term administration are still being identified. Cost estimates are currently about \$5K/annually per campus.

**Discussion:** Members asked if the survey would be used for new hires, too, but VP Carlson indicated that is not planned at present. Members asked about the expected response rate and follow-up contacts, and VP Carlson said that the pilot partner, Harvard's Collaborative on Academic Careers in Higher Education (COACHE), was in charge of those efforts since they have experience in this area. The average response for most surveys of this kind is 50-60%. Members asked if data on failed recruitments would also be available, and VP Carlson noted that the new UC Recruit tool should help those analyses.

2. Emeriti Affairs

**Issue:** Many emeriti remain active on campus, and many do so in "non-official" capacities. The training obligations and liability for these faculty is in question. Three campuses have dedicated faculty retirement liaisons, but the other campuses rely on CFWs, campus emeriti associations, and various administration units.

**Discussion:** CUCEA Chair Anderson noted that his group is happy to help assess needs and determine action plans. President Napolitano will attend this spring's CUCEA meeting in late April, and CUCEA will share its emeriti activity survey widely.

3. Salary Administration

**Issue:** This year it is anticipated that another 3% of faculty payroll will be allocated for raises, and it is again anticipated that half will be directed to the scales and half to targeted redress. A final decision for implementation in July is expected from President Napolitano soon.

**Discussion:** Members asked if President Napolitano had been made aware of faculty concerns regarding small increases in the scales leading to over-reliance on above-scale pay. Members further wondered how well the UC merit and review system was understood by current senior administrators. Members asserted that equity, inversion, and compression redress should be funded from a different pot of funds. VP Carlson suggested any pro-active feedback should be submitted soon.

4. Lectures with Security of Employment (LSOEs)

**Issue:** A revised policy is being drafted and should be ready for management review by the summer.

V. **Consultation with Academic Senate Leadership**

*Dan Hare, Academic Council Chair*

**Update:** Chair Hare updated the committee on several items of interest: From the March Regents meeting, 1) The Board approved President Napolitano's 2016 pension tier

recommendation, which differed from the recommendations offered by the Retirement Options Task Force. The President's recommendations were more generous to faculty by including DC contributions on the "first day, first dollar"; staff only receive those contributions upon their passing the PEPR cap. Retiree health was not addressed in either set of recommendations, but the administration hopes to secure some Proposition 2 funding for this need. 2) The Board adopted the State on Intolerance with the UCAF-suggested amendment. 3) The transfer pathways required by the budget framework adopted last year are now complete. Some articulation gaps remain, and smaller majors are determining whether to sign-on to an extant pathway. 4) UCSD Professor Emeritus Joel Dimsdale was approved as the faculty liaison to the Regents Health Sciences Committee.

5) BOARS is reevaluating accepting credit for CLEP examinations. 6) The ICAS legislative day is being rescheduled.

The Academic Council met on March 30, and discussed 7) the state audit and possible Senate responses to supplement administration statements. 8) A new vendor for cybersecurity services has been selected, FireEye. Local administrators should be negotiating contracts and consulting with local Senate offices. 9) Respondents to the Joint Committee report on faculty discipline suggest that a clearer enterprise approach is still needed to unify piecemeal local practices. 10) Council Vice Chair Chalfant will step down from the UCRS Advisory Board to focus on his Council chair duties. Nominees for a replacement are being accepted by the Council. 11) UC's response to the audit is hampered by using the auditor's verbiage and conceding the narrative in some areas. A recent legislative hearing following-up on the audit illustrates well how UC is perceived and how politics in Sacramento works at present. Nonetheless, UC was well-prepared for the hearing, and some legislators asked friendly, not accusatory, questions. Still, most legislators are focused on access, not quality.

## **VI. Consultation with UOCP – Office of the Chief Investment Officer**

*Arthur Guimaraes, Associate CIO*

### **1. Asset Allocation**

*With Sam Kunz, Managing Director, Asset Allocation and Investment Strategy*

**Issue:** Mr. Kunz summarized recent changes in the University's asset allocation strategy. The previous allocations were not able to meet UC's operational goals based on normal projections due to an overreliance on fixed income. An increase in equity investments should help stabilize cash flows.

**Discussion:** Members asked about risk exposure, and Mr. Kunz indicated that UC has a normal variation. UC's risk assessment process now includes EGS considerations, but is based on industry outlook. UC currently spends about 120 basis points on management fees. UC's equity allocation is 50% domestic, 35% non-US developed, and the remainder in emerging markets.

### **2. Fund Menu Management**

**Issue:** The UCRS Advisory Board and UC's external consultant Mercer are evaluating the costs associated with the DC fund. UC currently has a revenue sharing plan, which is uncommon in plans of this size. An alternative is a fixed-fee model, rather than one that shares and rebates costs.

The fund menu could include an annuity subset. Whether the menu presents the right amount of choice is still under discussion.

3. Annuities

**Issue:** The OCIO investigation into annuities continues.

**Discussion:** Members noted that since UCRP is non-linear, annuities are difficult to structure; a variety of annuity options may be needed. Members also noted that the “market” needs of UC’s population in this area are not well understood, especially given recent changes whose impacts are still unknown. Members wondered whether the target date funds should be adjusted to reflect DC impacts on savings. Deferred annuities, with decadal payouts, for example, could be viable, but more research on deferred annuities is needed.

4. 529 Plans

**Action:** This topic will be referred to Human Resources.

**VII. Consultation with UOCP – Office of Loan Programs**

*Gordon Schanck, Director, Capital Programs*

*Ruth Assily, Director, Office of Loan Programs*

**Issue:** Following discussion last fall, the Office of Loan Programs met with campus officials to discuss greater use of scattered site homes and donated homes for faculty housing. Many obstacles exist, including age, remote locations, and donor restrictions. The consensus was that selling such homes and reinvesting the money in MOP would be a better path forward. Campuses have more flexibility to develop creative solutions in local markets.

**Issue:** Two changes to the Mortgage Origination Program (MOP) were recently approved by the Regents. 1) The limit for the centrally funded pool for the Supplemental Home Loan Program (SHLP), intended to provide down payment assistance, is now 5% or up to \$75K per loan, and \$500K per campus. The move is intended to reduce recruitment costs. This aspect of SHLP has a 10-15 year repayment horizon; normally, a 30-year maximum applies. 2) The maximum MOP loan is not \$1.44M. This change reflects housing paucity in many campus proximities.

**Issue:** Revised terms for ground leases and refinancing are being developed.

**VIII. Systemwide Review Items**

1. Proposed Revisions to APM 360 and 210.4 (Librarians)

*Victor Lippit, UCR Representative and Lead Reviewer*

**Issue:** The revisions update technical terms for 2016, and reflect expanded roles due to technological advances in library science.

**Action:** Analyst Feer will draft a letter of support.

2. Proposed Revisions to APM Sections 278, 210-6, 279, 112 and New APM – 350 (Clinicians)

*Sheila Gahagan, UCSD Representative and Lead Reviewer*

**Issue:** Clinicians are a significant portion of the population at the medical centers and undergo a similar review process to that of faculty. These revisions provide additional support for volunteer clinicians and clinical associates. The revisions specify that state

funds are not to be used here and clarify the 8-year advancement rule. Mentoring and interdisciplinary activities are also named as considerable criteria during reviews.

**Action:** Analyst Feer will draft a memo of support.

## **IX. Campus Updates**

*Note: Item not addressed.*

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

### **1. Tuition Remission**

**Discussion:** Members noted again the recruitment appeal of these programs, but also noted that increasing expenditures for faculty remuneration is difficult in the current political environment. Many in the public may already think UC has this benefit. That CSU and many comparators have a similar program could help make the case. The pilot exit survey contains a question on this topic, so usable data may be generated in time. Another form of support for children may be more saleable.

**Action:** Analyst Feer will re-circulate previous UCFWs' work on this topic.

Adjournment 3:25.

Minutes prepared by Kenneth Feer, Principal Analyst  
Attest Calvin Moore, UCFW Chair

#### Attendance:

Calvin Moore, UCFW Chair (phone)  
Lori Lubin, UCFW Vice Chair (phone)  
Mark Gergen, Berkeley  
Charley Hess, Davis (phone)  
Jean-Daniel Saphores, Irvine  
Megan Sweeney, Los Angeles  
Sean Malloy, Merced (phone)  
Victor Lippit, Riverside  
Sheila Gahagan, San Diego  
Leah Karliner, San Francisco (alternate, phone)  
Stan Awramik, Santa Barbara  
Jim Zachos, Santa Cruz (phone)

#### Ex officio members:

Roger Anderson, CUCEA (phone)  
Henning Bohn, UCRS Advisory Board  
Robert May, UCFW HCTF Chair