

## UNIVERSITY COMMITTEE ON FACULTY WELFARE

**Minutes of Meeting  
February 12, 2016****I. Announcements**

*Calvin Moore, UCFW Chair*

**Update:** Chair Moore reported that at the Academic Council meeting of January 27, 2016, several familiar and on-going topics were discussed, including campus dormitory capacity and the undergraduate enrollment targets, the forthcoming statement on intolerance, the work group investigating faculty discipline. UCOP departments are again being asked to submit a budget that reflects another 5% across-the-board cut; for the Senate, most of the cuts will be to the travel budget.

**II. Consent Calendar**

**\*\*Note: Item deferred.\*\***

**III. Update: Health Care Task Force (HCTF)**

*Robert May, HCTF Chair*

**Update:** Chair May reported on the HCTF meeting of January 22, 2016:

- The UC Care third-party administrator contract is being rebid. HCTF has been closely involved, but the process is highly confidential. Evaluators will meet on March 1 to issue their recommendation.
- Mental health care delivery and outcomes are a growing concern. The vendor with which UC has contracted, Optum, has proven difficult to use in several markets.
- New guidelines for Hepatitis C treatments are expected from external competitors. The impact to UC practices is still to be determined.
- Because infertility treatments are self-funded, and because the payer/employer generally takes the off-the-shelf package, changes to UC's coverage of such treatments would require an affirmative step. More data are needed to support any recommendation.
- UC Care expects about \$8M in surplus once the final 2015 numbers are known; the surplus will go to a reserve to guard against future cost overruns. UC Care saw a small loss in open enrollment, similar to movement last year.
- The campus Health Care Facilitators are underfunded and understaffed. The program currently has a budget of \$1.5M for the entire system. The lack of funds and staff preclude the Facilitators from generating better utilization data. Assistants and publicity are both needed.
- UC currently has a multi-million dollar obligation for retiree health expenses. The program is currently funded on a pay-as-you-go model, supported by a 2.2% payroll tax on the campuses. Fully funding the obligation would require tens of millions of dollars, though. The negative political view of debt is being weighed against the guaranty that would accompany a pre-funded plan.

**Action:** Analyst Feer will draft a memo to Human Resources calling for greater support for the Health Care Facilitator program.

**IV. Consultation with Chief Operating Officer**

*Rachael Nava, Chief Operating Officer*

*Dwaine Duckett, Vice President, Human Resources*

**Issue:** The comment period for the ROTF recommendation is closing. The Regents item is scheduled to be made public March 11, 2016. President Napolitano may support the recommendations in whole, in part, or propose another alternative.

**Discussion:** Members cited the total remuneration study and noted that the proposal harms faculty competitive remuneration. If steps are taken to ameliorate that harm, the proposal saves no money and only adds complication to the process. Members also indicated that the rushed development and review time frames are unlikely to lead to the best solution. COO Nava reminded members that the point of comparison for UC's pension, from the point of view of Sacramento lawmakers, is not Harvard or Stanford, but other state employees. She added that the political pressure on the issue should not be underestimated, and that potential rejection of the deal could carry significant consequences for the university.

Members asked how the administration was planning to respond to the unpopularity of the action and how relations with impacted faculty and staff could be repaired. COO Nava indicated that some stakeholders, both internally and externally, view complaints on this issue unfavorably and as further evidence of the need to rein in elitist practices.

**Issue:** The Health Care Facilitators are simultaneously overworked and under-advertised and under-resourced. UCOP solidified central funding several years ago, but "mission creep" has been widely reported since then. Identification of trends is hampered by the lack of a central database, and reporting lines are muddled.

**Action:** UCFW will convey its concerns in a memo to be drafted by Analyst Feer.

#### **V. Retirement Options Task Force Recommendations**

**Discussion:** Council Chair Hare noted that the total remuneration analysis provided as part of the ROTF work is not a one-to-one match with the 2014 Total Remuneration study. Not all of the same assumptions were included, such as regarding salary growth, and additional work would have been needed to assess the status of Comparison 8 at this point in time. Further, studies of defined contribution (DC) plans, like the update, have different foci of analysis than studies for defined benefit (DB) plans: DC analyses do not include investment returns or the value of annuities; they include only the percent employer contribution. DB analyses include probabilities and discount rates.

Members wondered if the proposed supplement would indeed close the remuneration gap identified by the Senate analysis. The gap could be closed if sufficient employer funds are committed in a timely fashion, but the likelihood of such seems slim at this point; the administration has asserted that only about half of the needed supplement could be funded, at best. More funds for impacted faculty and staff would have to be found at the expense of another program or group, the Senate has been told. Either quality or cost will go down, and this is a political issue, not just a question of University policy.

#### **VI. Consultation with Academic Personnel**

*Susan Carlson, Vice Provost*

*Janet Lockwood, Director, Academic Policy and Compensation*

##### **1. Staff Physician Compensation**

*With Jack Stobo, EVP, UC Health*

*With Dennis Larsen, Executive Director, Compensation Programs and Strategy, Human Resources*

**Issue:** An increasing reliance on staff physicians in the UC medical centers has led to reconsideration of cash compensation for their recruitment and retention. Approximately 1100 staff physicians work in the system currently. The baseline for cash compensation was taken from market metrics as indicated by studies of Kaiser, HealthNet, and Sutter, and was derived by a working group by administrators from medical center campuses, UCOP, and some faculty. The

current policy stipulates a cash compensation cap of \$480K, which is sufficient for general practitioners, but not for specialists. Moving UC toward market alignment for staff physicians could present obstacles for HSCP-covered Senate faculty and physicians.

**Discussion:** Members noted that job-hopping, or title-hopping, between series has been reported as a way to game the system, and UCOP administrators requested more information on this phenomenon. Members also noted that pay differentials between specialties could cause additional concern, not just the expected inverse for staff versus Senate physicians. Some asserted that the differences between Senate faculty and physicians and staff physicians were narrowing.

**Action:** HR and Academic Personnel will keep the committee up-to-date as this issue unfolds.

## 2. Salary Administration Analysis

**Issue:** UCOP is working to complete the salary administration analysis. The reporting template was designed by Provost Dorr, and it is detailed.

## VII. Consultation with Academic Senate Leadership

*Dan Hare, Academic Council Chair*

*Jim Chalfant, Academic Council Vice Chair*

**Update:** Chair Hare updated the committee on several items of interest. 1) BOARS is examining whether to reinstate accepting the CLEP for required course credit. UC stopped accepting the test in the early 80s, but the College Board, which owns both CLEP and AP, has resumed promoting the exam. 2) Work to align course identification numbers across the segments continues. This is expected to help transfer students and ease articulation agreements. 3) The campus Vice Chancellors for Research have asked UCOP to consider lifting the restriction that prohibits UC researchers from accepting federal research in classified areas or that come with citizenship restrictions. The number of additional grants for which UC would be competitive, and their dollar amounts, is unknown. A full proposal is expected later in the spring. 4) Cybersecurity continues to grow as a topic of concern in several university communities. (See also Item VIII below.) 5) The Senate committee on Affirmative Action, Diversity, and Equity has drafted best practices for administering the President's Post-Doctoral Fellowship program, but release may be held until review of the revised search waiver policy is complete. 6) The joint working group on faculty discipline has nearly completed its work. Their report will be issued for full review when it is ready. The review did not find any policy gaps, but rather it discovered several enforcement and promulgation oversights. Some clarifying amendments to APMs 015 and 016 may be requested in the future. 7) The Regents statement on intolerance may be released for early circulation. It is unclear how the statement will impact realities "on the ground."

Vice Chair Chalfant reported that revisions to the Lecturers with Security of Employment (LSOEs) policy were being considered. The campus administrations are reviewing the proposal today. The Senate should monitor reliance on lecturers and the long-term impacts to the faculty population and its demographics.

**Discussion:** Members asked if faculty salary increases were expected for 2016, and Vice Chair Chalfant noted that the standard 3% range adjustment was included in the Regents budget, as were faculty merits. Allocation of the 3% will still be at President Napolitano's direction. Members again noted the growing discrepancy between academic performance, rank, and step on the one hand, and actual compensation on the other.

## VIII. Consultation with Chief Information Officer

*Tom Andriola, Chief Information Officer*

*David Rusting, Chief Information Security Officer*

**Issue:** CIO Andriola summarized recent cybersecurity incidents at the University, and noted that due to legal restrictions, some details cannot be shared publicly. Nonetheless, the University can take steps to reduce risk. As a result, protocols are being revised to include stricter-than-required standards. UC's goals are to be consistent and coordinated. A new cyber-risk group has been formed, and they plan to work closely with faculty and the relevant Academic Senate committees.

Everywhere, the costs of cyber-attacks are high: help lines, legal fees, public responses, victim communications, and penalties could total in the hundreds of millions of dollars. UC was insured, but because cybercrime is still an emerging field. UC's unique size and make-up present additional difficulties in an emerging market.

**Discussion:** Members noted that transparency regarding privacy-implicating security issues was important, but had been lacking both historically and recently. What data is being monitored, and what patterns are being sought, should be communicated more clearly. Lack of information, especially regarding sensitive issues, leads to rumors and misinformation. CIO Andriola noted that legal and liability constraints operate on one hand, and that rapid action considerations operate on the other.

Mr. Rusting reported that the University's contracted cybersecurity vendor provides monitoring and threat detections services. They look for unusual activities; they do not look at content. Unusual activities might include odd patterns of email traffic; most university email is encrypted, and neither UCOP nor the vendor attempts to decrypt it. Another red flag would be malware attacks or sign-ins to locations other than mailboxes. Traffic data is kept on a 30-day rolling basis, unless it is flagged.

Members asked how the overlap between privacy and security was being addressed by the University. CIO Andriola noted that campus committees are working to find the appropriate balance for the unique situations. The CIO must attest that security patches are up to date, or insurers will refuse payment. The medical centers are finding a specialty vendor that focuses on medical records security, but one platform is expected for all the centers.

Senate interaction in the cybersecurity arena will be spearheaded by the University Committee on Academic Computing and Communications (UCACC). A Senate representative to the cyber-risk board will be considered by the University Committee on Committees (UCOC) next week, and Senate members sit on the Information Technology Leadership Council (ITLC). A new information security policy is being developed by the Provost's office and will come for systemwide review in the spring.

## IX. Campus Updates

**Berkeley:** The campus faces a structural deficit, but the gap cannot be closed with administrative curtailments. Programmatic changes will have to be made, and retrofitting priorities will have to be reconsidered. Debt refinancing is underway, and a bridge loan is being considered, even though it would increase the overall debt load. The situation is exacerbated by tuition freezes, rebenching, and the out-of-state student cap.

**Davis:** Town halls on the new retirement options were not well attended.

**Irvine:** (absent at this time)

**Los Angeles:** Town halls on the new retirement options were moderately attended. An information session on the new Geffen School focused on admission processes and tuition.

**Merced:** A case arose recently that illustrated the short-comings of the active service/modified duty provisions in the APM. Newly expanded acceptable reasons for "Stopping the Clock" do not apply here, but many think they should.

**Action:** The committee will convey to Academic Personnel its desire to see these provisions revised.

**Riverside:** Town halls on the new retirement options were moderately attended.

**San Diego:** The town hall on the new retirement options was well attended. Parking is again a concern on campus.

San Francisco: The town hall on the new retirement options was moderately attended, but the town hall on space usage was well attended.

Santa Barbara: The town hall on the new retirement options was had low attendance. In follow-up to a recent report on child care at Santa Barbara, a new task force is being formed. A lack of enrollment management is straining impacted majors.

Santa Cruz: (absent during this item)

**X. New Business**

*None.*

Meeting adjourned at 3:30 p.m.

Minutes prepared by Kenneth Feer, Principal Analyst

Attest: Calvin Moore, UCFW Chair

Attendance:

Calvin Moore, UCFW Chair

Lori Lubin, UCFW Vice Chair

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

Roberta Rehm, San Francisco

Stan Awramik, Santa Barbara

Jim Zachos, Santa Cruz (phone)

Ex officio members:

Roger Anderson, CUCEA (phone)

Henning Bohn, UCRS Advisory Board (phone)

Robert May, UCFW HCTF Chair

Avanidhar Subrahmanyam, UCFW TFIR Chair (phone)