UNIVERSITY COMMITTEE ON FACULTY WELFARE

Minutes of Meeting

October 12, 2018

I.   Chair's Announcements

Sean Malloy, UCFW Chair

1. Welcome and Introductions
2. Overview of Continuing Issues
   a. Salary Gap – UCFW continues to lobby the administration to close the gap between the UC faculty salary scales and the Comparison 8. Last year, another multi-year plan to close the gap was launched, and UCFW will discuss how the second and third years of the plan should be structured to close the gap. See also Item IV below.
   b. Policing – Last year, UCFW formed a task force to review UC's policing policies. Shortly after, President Napolitano formed a presidential task force to investigate specific aspects of UC's policing policies. The UCFW task force report was shared with the president's task force, and several members of the UCFW task force are on the president's task force. The president's task force is scheduled to issue its report and recommendations in December.
   c. Salary Equity – Academic Personnel and Programs will host a systemwide conference on salary equity on October 31.
   d. Sexual Violence and Sexual Harassment – The Senate continues to revise its policies to conform to new university policies and procedures.
   e. Cybersecurity and Pension Theft – UCFW has lobbied Human Resources to establish a reimbursement fund for retirees whose pension is stolen due to cybersecurity flaws or hacks. HR is working on implementation.
   f. UC Health Non-discrimination Task Force – Upon the recommendation of the Health Care Task Force, UCFW will form an expertise-based task force to assess UC Health System policies and practices regarding non-discrimination and religious/conscience exceptions, both at UC and its affiliates, as well as for employees and patients.

II.   Consent Calendar

None.

III.   Report: Task Force on Investment and Retirement (TFIR)

David Brownstone, TFIR Chair

1. TFIR of October 19, 2018
   The pension plan is stable, and is currently 87% funded. Full funding is projected to be attained in 15-20 years, per the Regents smoothing policy. Still, the assumptions underlying those projections should be re-evaluated as a matter of due diligence. The assumed rate of return, the inflation assumptions, workforce growth projections, and the retirement choice option given to new hires must all be assessed. Human Resources is working with their actuary, Segal, to design the next experience study, which will make new recommendations along these axes, and TFIR will continue to engage with both.

TFIR discussed with the Chief Investment Office asset allocation, best practices in this area, and UC's unique needs. How best to vet alternative investments is an on-going conversation, as is how best to communicate the vetting process and the role of environmental, social, and governance (ESG) evaluations to external audiences. Another discussion centers on the role of active versus passive management vis-à-vis market returns and fees paid.

Retiree health is not a vested benefit. Last year, the president formed a working group to develop long-term plans to maintain a robust, but affordable, benefit. That working group continues.

IV.   Consultation with the Office of the President – Academic Personnel and Programs
Susan Carlson, Vice Provost
Pamela Peterson, Executive Director
1. Salary Strategies
   UCFW discussed with Vice Provost Carlson updated data projections of the salary gap with the Comparison 8. Differential campus implementation practices continue to hinder projections and frustrate efforts to address equity issues. The impact of off-scale salaries on average salaries is complicated, and many feel that off-scale margins must be protected. The principles underlying the scales must be clearly articulated and communicated. The role of the peer review system in fostering academic excellence should be reiterated. Projecting the scales to the market average could be misleading, since UC wants the best faculty, not average faculty.
   UCFW will meet with Provost Brown in November and with President Napolitano in December to advance the issue.

V.   Consultation with Academic Senate Leadership
Robert May, Academic Council Chair
- APM 760 – As of August 7, the APM was amended to allow an equal number of total days for childbearing and childrearing, replacing the old policy that offered two quarters or two semesters.
- Domestic Partners – As of January 1, benefits for all domestic partners will be equalized, and enrollment will be simpler. Employees should read carefully Open Enrollment materials.
- Academic Freedom – The university librarians have petitioned to be granted academic freedom as the Senate professoriate enjoys it, but they do not want to be governed by the associated code of conduct. The role of unions in this discussion is still unclear. The Academic Council will monitor this issue closely.
- NAGPRA – Governor Brown signed legislation obligating UC to repatriate Native American funerary objects and fossils. While UC plans to fully repatriate all remains, some at the University are concerned that some of the verbiage in the bill infringes on UC's constitutional autonomy, so alternate wording is being drafted.
- Admissions and Testing – A task force to assess the role of standardized tests in UC admissions will be formed.
- Transfer Students – BOARS is working with the administration to develop and implement the transfer guarantee called for by President Napolitano and Regent/CCC Chancellor Ortiz Oakley.
- UCOP Operations – The Office of the President is undergoing another restructuring. "Tiger teams" are assessing the role and reporting lines of UC Health and the Division of Agriculture and Natural Resources. The Senate has voiced concerns that programs with academic components are being assessed on a purely business model.

VI. **Consultation with the Office of the President – UC Path and Information Technology Services**

Dan Russi, Deputy Chief Information Officer
David Rusting, Chief Information Security Officer
Gayelea Allison, Production Designer, UC Path Center

1. UC Path September "Go Live" Outcomes

   Mr. Russi reported that the error rate was within projections. Fewer than 100 people did not receive their pay, and errors in checks were about 1%. Any errors were fixed with a second check, usually issued within 24 hours (if the employee has direct deposit). Some payroll reports have been delayed. The call center is available for level 1 and 2 issues. The next "Go Live" will be in March 2019, and will include Berkeley, Irvine, Davis, and ANR. The remaining campuses and locations will "Go Live" in September 2019.

   Members noted that several issues were reported regarding graduate students being paid correctly. Graduate Students often have multiple pay sources, multiple pay rates, and often short periods of work, so coding can be difficult, and any campus-entry errors have to be identified and fixed before UC Path can complete its work. Deductions were frequently incorrect.

   Members asked if the UC Path software could implement a Roth IRA program, and yes, it can.

2. Implementation of "2FA" and Other Security Enhancements

   Mr. Rusting reported that the systemwide ITS is working with campus counterparts as they are the gatekeepers. Systemwide is also enhancing AYSO. UC Path has adopted challenge questions to supplement its use of multi-factor authentication and additional internal security procedures. UC Path will give employees up to three errors before locking; this is industry best practice.

   Redwood will launch in early 2019 for retirees, and secondary phone numbers are being collected as extra security.

   UC Path does not yet have the capacity to use biometric authentication. This is an emerging area, and not all are convinced of its security.

   The new IS-3 policy set several minimum standards for cybersecurity, and members are encouraged to contact their local IT leads for more information.

   A new vendor for cybersecurity training is being contracted.

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

Nathan Brostrom, CFO

1. Faculty Housing Strategies

   The Mortgage Origination Program (MOP) was established in 1984. It is funded through the short-term investment pool (STIP). In 1994, the supplemental home loan program (SHLP) was launched and focused on down payment assistance. No loan losses or delinquencies have been incurred in the last 10 years. MOP is popular because its inflation rates are lower than the general market. In fact, the interest rate gap is large enough that UC is having trouble selling loans, and now STIP is carrying ~$500M in MOP balances. This situation has led some to worry about liquidity. There is no total cap on the MOP program, but there are many who rely on STIP.

   Members wondered why there were so few campus-owned homes that could be used as landing pads or rentals in dense or expensive locations. Some suggested using a shared equity model to help defray costs. Others suggested changing the focus from family homes to apartments or condos; new plans in Santa Barbara, Los Angeles, and San Francisco are including such options.

2. Additional Topics

- Faculty Salaries – Members encouraged directives for use of the "academic quality" funds included in the campus budget allocations. New leadership at the state level could change the discussion around General Obligation or Lease Revenue bonds.
- Child Care – Financing options to facilitate affordability are available, but they cannot address the capacity concerns. A dedicated, long-term effort is needed.

VIII. Report: Health Care Task Force
Sean Malloy, UCFW Chair
1. HCTF of September 28, 2018
   - HCTF is considering a vision/strategic plan exercise for UC Health.
   - The university contribution to retiree health is capped by presidential directive at a 4% increase per year, but this year, medical inflation was below the cap.
   - HealthNet won the bid to administer the Blue & Gold HMO plan. The pharmacy re-bid for the plan has been delayed due to difficulties in the re-bid process. A new behavioral health provider was also selected; many are concerned about disruption and low reimbursement rates to practitioners.
   - Pet insurance will be available during open enrollment.
   - Most health plans will see modest premium increases. The UC Care premium increases are substantial, though. How UC Care can best manage its costs remains a topic for discussion. Many are concerned that out-migration during open enrollment could jeopardize plan solvency.
   - As of January 1, UC forms will include a non-binary gender option, in compliance with state law. Federal reporting requirements dictate only two genders.
   - The efficacy of SHIP and the student health centers on campus is a new topic for HCTF.
   - Faculty morale and turnover at the health systems is a growing concern.
   Action: UCFW will forward a memo to the Academic Council calling for greater transparency and assessment of clinical faculty.

IX. Campus Updates and Systemwide Review Items
1. Systemwide Review Items
   a. Proposed Presidential Policy on Principles of Accountability with Respect to Financial Transactions
   Action: Greg Down, UCD, will serve as lead reviewer.
   b. Proposed Revised to Presidential Policy on Protection of Administrative Records Containing Personally Identifiable Information
   Action: Ahmad Atif Ahmad, UCSB, will serve as lead reviewer.
   c. Proposed Revised Presidential Policy on Sexual Violence and Sexual Harassment
   Action: Vice Chair Saphores and Shelley Halpain, UCSD, will serve as lead reviewers.
   d. Proposed Revisions to Presidential Policy on Use of Vehicles and Driver Selection
   Action: Grant McGuire, UCSC, will serve as lead reviewer.
2. Campus Updates
   Note: Item not addressed.

X. New Business and Further Discussion
Note: Item not addressed.

Adjournment at 4:00 pm.

Minutes prepared by Kenneth Feer, Principal Analyst
Attest: Sean Malloy, UCFW Chair

Attendance:
    Sean Malloy, Chair
    Jean-Daniel Saphores, Vice Chair (via Zoom)
    David Steigmann, UCB
    Greg Downs, UCD
    Stephen Tucker, UCI
    Jayson Beaster-Jones, UCM
    Dan Jeske, UCR
    Shelley Halpain, UCSD
    Jill Hollenbach, UCSF
    Ahmad Ahmad, UCSB
    Grant McGuire, UCSC
    David Brownstone, TFIR Chair
    Caroline Kane, CUCEA Chair (via Zoom)