I. Chair’s Announcements

Roberta Rehm, UCFW Chair
Sean Malloy, UCFW Vice Chair

- Chair Rehm welcomed new and returning members, who then introduced themselves. Senate protocols for formal review and the attendance of alternates were noted. Travel and reimbursement procedures were outlined, too.
- UCFW starts the year carrying over three major projects from the past year: addressing the faculty salary gap, preserving the retiree health benefit, and evaluating the UC policing manual, commonly referred to as the Gold Book.
- The Gold Book Task Force is being led by Vice Chair Malloy. There are long-term goals, such as establishing civilian advisory boards on each campus, and short-term goals, such as clarifying the use of force policy.

Discussion: Members noted that resource equity is also a policing issue, and hiring standards and training and evaluation procedures should also be assessed.
- The Academic Council met September 27, 2017, and President Napolitano agreed to the formation of a joint working group to make recommendations for making the retiree health benefit more sustainable. The Council will meet with Chairman of the Board of Regents, George Kieffer, at its October meeting.

II. Consent Calendar

None.

III. Report: Health Care Task Force (HCTF)

Lori Lubin, HCTF Chair

- HCTF continues to advocate for equalizing the survivor benefit for opposite-sex domestic partners.
- Most employees will incur modest increases to their health insurance premiums for 2018, except for those in UC Care, whose increase will be more significant.
- HCTF will strategize with Senate leadership as to how best protect the value of the retiree health benefit. The administration goal is to lower overall expenditures for health care, but the Senate will seek to prevent a significant cost shift to employees. Pre-funding the retiree health trust is both politically challenging and expensive. The President’s working group charge and membership are still being drafted.
IV. Report: Task for on Investment and Retirement (TFIR)

David Brownstone, TFIR Chair

- Chair Brownstone reviewed the UCRP funding policy and discount rate used to calculate long-term funding projections. Given recent changes to the retirement benefit menu, educating faculty and other new hires has taken on increased importance. Distinguishing between the Pension, or Defined Benefit, option and the Savings, or Defined Contribution, option is critical. Understanding how that choice could influence an employee’s investment choices is also essential.
- The current pension plan is currently funded at 82%, and there is considerable discussion as to whether the inflation assumption, and therefore, the assumed rate of return, is too high. If the pension underperforms the assumed rate of return, the unfunded liability will grow.
- If the market performs according to expectations, UC must contribute the Normal Cost to keep the funding ratio constant. At present, the Normal Cost is 23% of covered payroll. UC is contributing 15%, and employees are contributing 8% of their monthly payroll. The Regents have adopted a policy to achieve full funding by 2030, and so an additional 3% is contributed each year. The additional contributions are a loan from the Short-term Investment Pool (STIP), which has a lower interest rate than other potential lenders.
- Retiree health costs are paid on a pay-as-you-go basis, and currently, 3% of payroll is needed to cover costs. That rate is projected to increase to 5% by 2032, due to the retirement of the Baby Boomer generation. This projected increase, along with Government Accounting Standards Board (GASB) regulation changes that require retiree health liabilities to be listed in the University’s main ledger, are the proximate causes of the new working group into retiree health sustainability. Retiree health is not a vested right, and contributions and withdrawals for retiree health are not taxed.

V. Consultation with Academic Senate Leadership

Shane White, Academic Council Chair
Robert May, Academic Council Vice Chair

- The September Regents meeting was dominated by discussion of the recent state audits and their impacts to the University. UCOP is enacting several recommendations, including changes to travel procedures already announced. The reputation of the Office of the President is suffering on the campuses, too. The Academic Council is developing principles to help guide the UCOP response.
- President Napolitano will join UCFW in December to discuss faculty salaries. The committee should prevent a united front and remain on-topic.

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

Dwaine Duckett, Vice President
Gary Schlimgen, Executive Director, Pension and Retirement Programs
Mike Baptista, Executive Director, Benefits Programs and Strategy

- The Retirement Choice Program elections made by new hires reflect only one year of data so far. That a third of new hires continue to default is a concern to many. The long-term
impacts of the loss of compound interest and service credit could be significant, even though it is only ninety days. Employer contributions cannot be made retroactive to the date of hire. The IRS is still vetting the UC petition to allow a change in retirement choice after 5 years (or the granting of tenure, for faculty).

- Action on the issue of domestic partner survivor benefit equity has been slow, but UCFW will continue to advocate for progress.

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

Sandra Kim, Associate Vice President, Capital Planning

- New housing initiatives for both student and faculty housing are included in the President’s proposed budget. Public-private partnerships are becoming more common. Santa Cruz, Davis, and Riverside all have active projects, and proposal from Berkeley is in the queue. The Mortgage Origination Program (MOP) has lowered the floor to 2.75%.

Discussion: Members asked if there were provisions that allow lower income employees, or others who might traditionally be disadvantaged in the housing market, assistance or even preference. Members also wondered if there was a coordinated housing strategy, including child care or health facilities, in place.

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

Susan Carlson, Vice Provost
Pamela Peterson, Executive Director

- UCFW renews its call for APM 760 revisions to equalize the total days off for child bearing and child rearing. Clarity regarding active service/modified duty assignments is also needed.

- The committee discussed with Vice Provost Carlson different strategies for lobbying for increased faculty remuneration, specifically to close the salary gap with Comparison 8. Many assert that campus Academic Personnel committees must continue to have a role in evaluating performance, if not recommending reward. Members agreed that the strategy should be simple and whole; multi-year programs have not been successful in the past and should probably be avoided now. Unfortunately, the cost of closing the gap may have to be spread to make it saleable. Familiar arguments in favor of protecting off-scale and above scale increments were made, as were arguments in favor of addressing issues of equity – by gender, ethnicity, discipline, and campus. How to convey this issue as a top priority also needs consideration, especially given external political contexts. Previous efforts to address equity, inversion, and compression seem not to have had the desired effect, but limited reporting requirements could be masking their efficacy. Recruitment and retention costs are increasing, too, especially as data show that private institutions are UC’s main competitors for faculty. The role of counteroffers in retention is thought to be corrosive, but so far there are only anecdotes.

Action: Academic Personnel will package the Comparison 8 data to show total average salary gap. Cost estimates to increase the scale to match the Comp 8 and to put 75% of faculty back on scale will be generated for discussion next month.

IX. Systemwide Review Items
• Report on the Negotiated Salary Trial Plan
  **Action:** Vice Chair Malloy will serve as lead reviewer.
• Proposed Revisions to Senate Regulation 424.A.3 (area ‘d’) Requirement
  **Action:** The committee elected not to opine on this item.

X. **Campus Updates**

**Irvine:** 1) Talks with the administration have begun regarding the establishment of a civilian review board for public safety issues. 2) Questions surrounding the faculty discipline process have arisen. Faculty knowledge of their rights prior to Privilege and Tenure involvement is unclear. 3) ADA compliance is lagging in some areas on campus. 4) An emeriti center is being considered.

**Los Angeles:** Child care resources need to be expanded, for all age groups.

**Riverside:** Development of an emeriti center continues. Independent funding is needed, and a part-time director is being discussed.

**San Francisco:** 1) Lengthy commutes and a lack of proximate affordable housing have led to reports of some faculty sleeping in their offices. 2) The onus of submitting grants continues to grow, especially for faculty in soft-money positions. 3) Salary equity and diversity concerns are common.

**Santa Barbara:** Child care facility access and affordability continue to be top concerns.

**Santa Cruz:** 1) 3000 beds in a new public-private partnership have been approved. Child care facilities are also being planned. 2) The impact of partner hires on diversity is being explored.

XI. **Further Discussion**

None.

Meeting adjourned at 4 p.m.
Minutes prepared by Kenneth Feer, Principal Analyst
Attest: Roberta Rehm, UCFW Chair

Attendance:
  Roberta Rehm, UCFW Chair
  Sean Malloy, UCFW Vice Chair
  Mark Gergen, UCB Alternate
  Steve Brush, UCD Alternate
  Jean-Daniel Saphores, UCI
  David Lopez, UCLA
  Dan Jeske, UCR
  CK Cheng, UCSD
  DorAnne Donesky, UCSF
  Patricia Fumerton, UCSB
  Stefano Profumo, UCSC
  Lori Lubin, HCTF Chair
  David Brownstone, TFIR Chair
Dick Attiyeh, CUCEA Chair