

UNIVERSITY OF CALIFORNIA

ACADEMIC SENATE

UNIVERSITY COMMITTEE ON FACULTY WELFARE

**MINUTES OF MEETING
FRIDAY, MARCH 17, 2006
UCOP ROOM 5320**

I. Chair's Announcements

- **Rusty Russell, UCFW Chair**

Removal of Council Chair: March 13, 2006 Special Meeting of the Academic Assembly

Chair Russell announced to UCFW members that then-Council Chair Brunk had been removed from office by the Assembly at a special meeting held on March 13, 2006. He reminded members that specific details of the special meeting are confidential at the moment, however the Senate and the Office of General Counsel are expected to release an official notice in the near future providing more information. Council Vice Chair Oakley is now Council Chair, and Michael T. Brown, elected 2006-07 Council Vice Chair, will assume the position of Council Vice Chair Pro Tem. Some UCFW members commented that despite the confidential nature of the Assembly action, they were impressed with the dignity and order of the removal process and procedures followed by the Assembly.

[Postscript: For disclosures regarding the Senate Assembly Meeting of March 13, 2006, see: <http://www.universityofcalifornia.edu/senate/assembly/mar2006/assembly.action.03.13.06.pdf>.]

UCOP Reorganization

The Board of Regents have initiated a review of the UCOP organization and have been discussing the creation of three new executive-level positions at UCOP, including a chief financial officer, a chief operations officer and a compliance officer. Further, Chair Russell announced that the former duties of Senior Vice President of Budget and Finance Mullinix have been divided between Senior Vice President for University Affairs Darling (for Human Resources and Benefits, the Office of the University Auditor, and the Business and Finance Immediate Office); Acting Provost Hume (for Financial Management, Information Resources and Communications, Clinical Services, and Technology Transfer), and Vice President for Budget Hershman (for Facilities Administration and Assistant Treasurer for External Finance). Lastly, Chair Russell said that Regent Hopkinson has reportedly expressed some interest in receiving input directly from faculty on the UCOP reorganization, and retirement and compensation issues because of Senate members' expertise on these matters. The exact format for this proposed relationship, or faculty consultant group, is not yet known.

ACTION: UCFW Chair Russell will follow-up with Council Chair Oakley and report UCFW's strong interest in providing early input to the Board of Regents pertaining to compensation, benefits and retirement issues.

II. Consent Calendar

ACTION: The minutes of the February 10, 2006 UCFW meeting were approved with amendments.

III. Update: Parking Principles

- Rusty Russell, UCFW Chair

ISSUE: Chair Russell noted that in June 2005, he was given a charge as the incoming UCFW chair to work out the differences between the dueling UCOP and Senate Parking Principles of 2002. At a meeting in February 2006, Chair Russell and Council Chair Oakley met to identify the most significant differences between the two versions, and draft a compromise policy. Recently, UCFW Chair Russell and Council Chair Oakley met with Senior Vice President Mullinix to discuss changes to the UCOP Parking Principles, drafted by Chair Russell, and negotiate an agreeable policy.

DISCUSSION: Chair Russell announced that at the recent meeting with Joe Mullinix, it was apparent that due to his upcoming departure from UC, parking policy negotiations would have to begin anew with Vice President Hershman. UCFW members generally agreed that this development allows UCFW to rethink its 2002 Parking Policy document, but it would be difficult to rewrite the policy now without first knowing Vice President Hershman's stance.

ACTION: UCFW will discuss the UCOP and Senate Parking Principles with Vice President Hershman at the next UCFW meeting.

IV. Consultation with UCOP – Human Resources & Benefits

- Judy Boyette, Associate Vice President, HR&B
- Randy Scott, Executive Director, Policy & Program Design, HR&B
- Mark Esteban, Director, HR&B – Health & Welfare
- Bob Miller, Mercer Human Resource Consulting
- Tim O'Beirne, Deloitte Consulting

A. March Regents' Meeting; UC Total Remuneration Components

REPORT: Executive Director Scott provided a brief update to the committee on outcomes from the March Regents' meeting, including (1) the Regents' approval of the resumption of UCRP contributions effective July 2007, subject to funding and completion of the budget process; (2) a targeted funding level of 100 percent over the long term and for UC and UCRP member contributions at the rates necessary to maintain that level within a range of 95 to 110 percent; and (3) a multi-year contribution strategy under which contribution rates will increase gradually over time to 16 percent of covered earnings, based on UCRP's current normal cost. Further, Executive Director Scott announced that in the upcoming weeks, he will be consulting with certain UC constituencies, including Senate faculty groups, concerning the prioritization of the following UC total remuneration components: cash compensation, health and welfare benefits, retiree health benefits, and retirement. Information collected from these consultations will be reported back to the Regents' advisory group on retirement planning.

DISCUSSION: UCFW members discussed the feasibility of the Regents' decision-making timeline and end-of-year agenda as currently understood. One member questioned the report released by the Legislative Analyst's Office, and the University's response to its recommendations. The committee then discussed general UC debt capacity issues, and the impact of workforce planning on all of UC's decisions related to the total remuneration components. Mr. O'Beirne (Deloitte Consulting) noted that UC and Mercer are preparing a

report on workforce planning and productivity studies, which will be available for UCFW at its April 21 meeting. One UCFW member raised questions about the consultants' methodology in comparing UC to the median in evaluating its total remuneration components. Executive Director Scott acknowledged that this policy question should be further addressed by UC, just as UC should have a policy position on workforce planning. Asst. Vice President Switkes noted that the faculty salary comparison reports under the CPEC methodology stopped reporting comparison benefits because CPEC surveyed only the costs of the benefits, and not the value. Mr. Miller (Mercer Consulting) reported that the impact of changes on total remuneration was looked at in Mercer's first study, and they are now adding the Medical Centers, updating the health care costs and assumptions; and they will have the capability, once input is received from faculty and other groups, to show the impact on total remuneration on the value of benefits. One UCFW member requested that the value of benefits should be evaluated based on their impact on the recruitment, retention and productivity of the UC workforce, and not solely based on financial calculations. Mr. Miller noted that Mercer calculates part of the value of UC benefits using the replacement cost of benefits (e.g., if an employee were to purchase a health plan as an individual), and not the cost of premiums. Finally, UCFW members discussed concerns about the possibility that benefits are reduced without a corresponding increase in employee salaries. Executive Director Scott and Mr. Miller noted that the Regents are committed to catch-up pay increases, and this is a guiding principle in all of their deliberations.

ACTION: Assistant Vice President Switkes will forward to UCFW Members data on the distribution of faculty off-scale salary components by campus and by rank, and other related information for further study by the committee.

B. Los Alamos National Security, LLC (LANS) Benefit Structure

REPORTS: Judy Ackerhalt, Deputy to Associate Vice President, HR&B, provided a report to UCFW on the coordination of the LANS benefits structure, including recent adjustments made to incorporate employee feedback and comments into the new total compensation packages. Also, Gary Schlingen, Director, HR&B – Policy & Program Design, provided a report to UCFW regarding the NNSA's recent approval of the LANS total compensation packages, noting that the LANS package for transferring LANL employees had met the "substantial equivalency" requirement.

DISCUSSION: UCFW members asked questions about recent newspaper articles which reported some conflicting information, and Associate Vice President Boyette said that the information provided today was accurate and current. Further, the employee total compensation packages cannot be changed further due to the NNSA ruling that they are "substantially equivalent." Also, UCFW members were assured that dependents of LANS employees will still be eligible for in-state tuition at all UC campuses.

ACTION: UCFW will discuss the above LANS issues further, and develop a committee position if necessary, at its April 21 meeting or when additional information becomes available.

V. Executive Session – UCFW Members Only

Note: Minutes, aside from action items, are not prepared for this portion of the meeting.

VI. Consultation with UCOP – via teleconference

- **Rory Hume, Acting Provost and Senior Vice President, Academic Affairs**
- **Bruce Darling, Senior Vice President, University Affairs**

DISCUSSION: UCFW members emphasized to Acting Provost Hume the need for UC to approach the current UCRP and retiree health issues by evaluating their impact on the recruitment, retention and productivity of the UC workforce, and not just as a financial problem to solve. For example, incentives and disincentives to retire when appropriate are currently built into UCRP, but the UCRP options under discussion may not continue this approach; and UC needs to focus on managing its workforce and productivity. Also, UCFW members repeated their interest in a more direct faculty voice with the Regents on these issues. Acting Provost Hume and Senior Vice President Darling acknowledged UCFW's concerns and expressed interest in future consultations and more in-depth conversations with UCFW and other Senate committees. Acting Provost Hume, however, expressed his preference for traditional Senate review and consultative processes when discussing the senior management compensation and UCRP issues. Lastly, members discussed different approaches in prioritizing UC's total remuneration components, and retirement investment return assumptions.

VII. Senate Review: Proposed Principles on Private Funding for Senior Leadership Salaries at the Level of Dean and Above

- **UCFW Members**

ISSUE: The Academic Council has requested systemwide review of the University Committee on Planning and Budget (UCPB) *Proposed Principles on Private Funding for Senior Leadership Salaries at the Level of Dean and Above*.

DISCUSSION: UCFW members generally felt that the UCPB principles were very strong and well written. The Committee agreed that UCFW's review letter should endorse both the principles and the recommendations, and also strongly reiterate Principle 1 and suggest that Principle 2 be strengthened.

ACTION: UCFW endorsed the *Proposed Principles on Private Funding for Senior Leadership Salaries at the Level of Dean and Above*, and will submit its review letter to the Academic Council reflecting the discussion above.

VIII. Family Friendly Policies and Funding for On-Campus Childcare

- **UCFW Members**
- **Ellen Switkes, Assistant Vice President, Academic Advancement**

A. On-Campus Childcare

CAMPUS REPORTS: UCFW members reported on their respective campus' activities and discussions relating to on-campus childcare. UCSD has found out through a campus budget analysis that its childcare program has a substantial budget, and is now unsure whether to advocate for expanding this program without more information on how the money is being used. UCB's faculty welfare committee is currently evaluating its policies to make them more family friendly; and the campus has funding for a new childcare center, but no resources to run the center once it is completed. UCLA reported that the campus still has a tremendous unmet need for childcare despite a new campus center that is almost completed; and UCLA's childcare

policies are set by the childcare director, not from traditional campus administrators or the faculty. Further, UCLA is still troubled by the opaque and political nature of the methods in which childcare slots are assigned, and finds that existing faculty are often ignored as slots are dolled out largely for recruitment purposes. UCSF's childcare centers and administration are part of the UCSF Chancellor's office, which is advised by the UCSF Task Force on the Status of Women and the Task Force on Childcare. UCSF views this as a successful strategy because childcare issues get full attention as part of the Chancellor's office. UCSC continues to view childcare as a critical issue since there are very few childcare slots available on-campus, and further, childcare policy is part of an advisory committee that has lost its momentum. UCR has a special task force that issued a report on the status of childcare funding and faculty need, and the campus sees a good opportunity to move forward because of its new Vice Chancellor for Administration. Lastly, UCSB is holding its meeting on childcare soon and will have more to report next month, and UCD had nothing new to report since the last UCFW meeting.

DISCUSSION: A UCFW member suggested that UCOP should fund a systemwide position to oversee all campus childcare issues, serve as a systemwide resource, and research campus infrastructure problems, etc. Most UCFW members agreed that in order to move forward on a proposal to increase on-campus childcare funding systemwide, UCFW needs more information on what campus resources are currently available and how the funding is being spent. Overall, however, members agreed that there is a large, unmet need for on-campus childcare at all campuses that greatly impacts faculty recruitment efforts and the quality of life and success of tenure-track female faculty members, and a permanent structure should be established either at the campus or systemwide level to address these issues.

ACTION: UCFW will forward its March 10, 2006 letter on Family Friendly Policies to the Academic Council for consideration and possible action at its next meeting.

B. Family Friendly Policies: Active Service-Modified Duties (APM 760)

REPORT: Asst. Vice President Switkes provided a brief update on the status of UC's family friendly policies, and details of the Active Service-Modified Duties (ASMD) policy for faculty in APM 760. The prior version of APM 760 allowed birth mothers one term of ASMD, and included in that term was one term of maternity leave. The new APM 760 extends the ASMD permitted to two quarters or two semesters, which the Senate has opposed as unfair and obviously unequal for birth mothers who work on campuses under the quarter system. However, the campus vice chancellors will not agree to extending the ASMD policy to three quarters as the Senate has proposed. The new ASMD policy has already been issued, but Asst. Vice President Switkes expects that campuses could expand ASMD to a full year once they have more time to adjust to the new policy and determine how to cost the additional expense. Asst. Vice President Switkes also assured UCFW that the policy will be revisited in a couple years.

DISCUSSION: UCFW members repeated their disappointment and frustration with the two quarter/two semester disparity in the ASMD policy. Some UCFW members expressed support for centralized funding of this policy to relieve pressure from the campuses and allow more flexibility for campus departments.

IX. Executive Session – UCFW Members Only

Note: Minutes, aside from action items, are not prepared for this portion of the meeting.

ACTION: UCFW members approved the March 17, 2006 UCFW letter re: Additional Recommendations on Senior Management Pay for submission to Council Chair Oakley and consideration by the Academic Council at its March 22, 2006 meeting.

Meeting adjourned at 4:00p.m.

Attest: Raymond Russell, UCFW Chair

Prepared by: Michelle Ruskofsky, UCFW Analyst