

Minutes of Meeting**April 10, 2009****I. Chair's Announcements***Helen Henry, UCFW Chair*

Chair Henry updated the committee on several items of interest from the March 25, 2009, Academic Council meeting:

- The TFIR-prepared and UCFW-endorsed document on evaluating performance management of investments received minor amendments and was approved for posting online by an electronic vote.
<http://www.universityofcalifornia.edu/senate/reports/evaluating.ucrp.3.30-09.pdf>
- Council Chair Croughan noted that the previous TFIR-prepared document on lump sum cashouts has received very favorable responses.
- The UCRP administration vendor search has closed, and the decision was to maintain administration in-house with an improved service center.
- The UCFW letter on budget strategies and priorities was received well by the Academic Council, and members should feel free to share the document. (See Distribution 1.)
- Jeff Blair from the Office of General Counsel has been tasked to lead the drafting of new University policies on furloughs and salary reductions, should they prove necessary.

DISCUSSION: Members asked whether the drafts would be subject to full Senate review. Council Chair Croughan indicated that yes, the Senate would have the opportunity to review them, though the process is expected to be expedited as President Yudof would like to submit the proposals to The Regents in May. Chair Henry noted that the issue of faculty furloughs is uniquely complex.

Other announcements:

- Berkeley Representative Braunstein reported that TFIR Chair Anderson has received 2009 Berkeley Faculty Service Award.
- Analyst Feer noted that the submission address for travel reimbursement claims has changed.
- San Francisco Representative Seago reported that she was unable to locate any campus-specific documents that explicate University position or policy on layoffs, but that she was able to find some generic documents from 1979-80.

DISCUSSION: Chair Henry noted that those documents are being circulated in the Office of the President (OP) and may inform the development of new policies.

- Vice Chair White indicated that there is significant concern at his campus (UCLA) about the accuracy of statements made by administration officials regarding budget strategies and planning. Reports of full chancellorial autonomy and across-the-board 5% cuts, along with concerns that there are no centralized planning, priorities, or processes, have many faculty worried. Further, apparently

contradictory statements by deans, chairs, and others only serve to exacerbate rumors and fears.

DISCUSSION: TFIR Chair Anderson noted that differential reductions by campuses could set a dangerous precedent and threaten the One University identity of UC. Riverside Representative Morton reported that his campus counterpart committee voted unanimously to oppose any differential campus cuts.

II. Consent Calendar

1. Minutes of Meeting of February 13, 2009
2. Minutes of Meeting of March 13, 2009

ACTION: The consent calendar was approved as noticed.

III. Executive Session

NOTE: Other than action items, no notes were taken during executive session.

IV. Consultation with the Office of the President – Budget Office

Patrick Lenz, Vice President (via phone)

UPDATE: VP Lenz reported that recent discussions in Sacramento have focused on usage of federal stimulus funds, and that no action on the state budget is expected until June—following both the May 19 special election and the May 28 budget revision release. In the meantime, University officials are pressing to get UC issues addressed in committee. This year's highest priority is the restoration of equitable state funding to the pension plan, on par with funding to other California public pensions. Other priorities are the restoration of funds to the PRIME program and nursing schools.

The state Department of Finance has submitted an application for \$5B in federal stimulus funding, from which UC could receive up to \$255M to keep the University revenue neutral following the last cut. Also, the state treasurer has successfully sold ~\$6.5B in bonds, which has helped to loosen cash flow.

It is still too early for meaningful election forecasting, but if the propositions do not pass, there will be significant challenges for UC as the legislature will be forced to rethink its long-term budget strategy.

DISCUSSION: TFIR Chair Anderson inquired as to what the implications were of the spending caps, after four or five years have elapsed. VP Lenz noted that the outcome was uncertain since the caps would be for total state spending, not for any particular item. Further, UC seems to compete with other health and human services entities for funding, and each program has compelling reasons for its funding. Members asked if there would be any further cuts to this year's budget. VP Lenz indicated that no more cuts would come for the 08-09 fiscal year. Members also asked if measures 1A and 1B were a package. VP Lenz replied that 1B would not be functional if 1A did not pass; the funding freed under 1A is necessary to fund 1B.

V. Executive Session (continued)

NOTE: Other than action items, no notes were taken during executive session.

ACTION: UCFW will submit to the Academic Council a letter expressing its opposition to individualized deferred compensation packages.

ACTION: TFIR will develop its proposal for restoring UCRP to full funding for presentation at the May 8, 2009, UCFW meeting, with the goal of having an approved proposal on the agenda of the May Academic Council meeting.

ACTION: UCFW will submit to the Academic Council a letter summarizing its budget priorities and the philosophical underpinnings thereof.

ACTION: Council Chair Croughan will request that HCTF Chair Kronick be added to the task force on retirement benefits.

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

1. Retirement Administration RFP Decision and Next Steps

Mike Baptista, Executive Director, Quality Assurance and Compliance

Joe Lewis, Director, Client Relations and Diversity

ISSUE: ED Baptista provided a short history of the RFP process for UCRP administration, and reported that President Yudof has decided not to outsource the administration of retirement benefits. While an improved service center is developed, unit personnel will continue with regular projects. Director Lewis added that the unit had suffered significant personnel losses during restructuring and the protracted RFP process. As a result, a new interim director of retirement administration has been brought in to help manage the transition. A new organization chart (see Distribution 3), budget projections, and the like are targeted for completion by the end of the calendar year. As part of the development process, professional benchmarks and best practices will be identified and achievement will be assessed via internal audits and in-depth self-assessments. Director Lewis encouraged members to suggest other areas of concern and nominees for a new advisory board.

DISCUSSION: CUCEA Chair Hess noted that emeriti and retiree associations should be consulted extensively in this process as they are key constituencies.

2. Learning Management Systems (LMS)

Mike Baptista, Executive Director, Quality Assurance and Compliance

Esther Cheung, Director, HR Information Systems Support

ISSUE: ED Baptista noted that the agenda enclosure includes both initial and projected costs for the LMS system. The system originated due to legal requirements for compliance training. UC initially contracted with an outside vendor to provide monitoring and assist in implementation, but it proved unworkable. As a result, UC developed an in-house alternative, which allows for easier establishment of best practices and cross training. Director Cheung noted that her office also oversees At Your Service and similar websites. The LMS program is active at four campuses, and pilots are coming soon at the remaining campuses, save San Diego which is still in the planning phase. LMS is designed to deploy HR-related courses, such as supervisor training modules, and health, safety, and risk management modules. Director Cheung's office is working with SVP Vacca to develop tools for other topics.

DISCUSSION: Members noted continuing issues with rolling out compliance software. ED Baptista indicated that the new software is alleviating many of the reported problems. Members also asked about the duplication of requests for already completed modules. Director Cheung noted that some records had been

lost, but that efforts to reconcile and better monitor compliance data are underway. Members also asked whether it is possible to develop and disseminate a master calendar of compliance training requirements. ED Baptista responded that he would work with SVP Vacca to derive one, if possible. Members then suggested better explanation of deadlines, as it seems that OP inserts its own arbitrary deadlines. Director Cheung replied that her office tries to stagger the due dates to avoid spikes in the compliance calendar and ease obligations on faculty. Members thought that even that much explanation could do much to assuage aggrieved faculty and encouraged the inclusion of such statements in future compliance notes. Finally, Council Vice Chair Powell noted that the in-person training for sexual harassment prevention was far superior to the online version and suggested that more in-person modules should be developed since they are more enjoyable and probably more efficacious.

3. COBRA Changes due to Stimulus Plan

Mike Baptista, Executive Director, Quality Assurance and Compliance

ISSUE: ED Baptista reported that the American Recovery and Reinvestment Act of 2009 (ARRA) signed by President Obama on February 17, 2009, amended certain aspects of COBRA eligibility due to involuntary separations from September 2008 to the end of calendar 2009. The changes allow for those affected to receive a 65% subsidy for their COBRA premiums for up to 9 months if they were terminated during the eligibility window. The new regulations will be implemented on April 18, 2009, and those impacted can receive their premium subsidies retroactively for March 2009 only, regardless of when the separation occurred (though their 9 month total of subsidy eligibility remains).

UC's definition of involuntary separation covers 20 of 43 separation codes, and of the 4000 employees who separated from the University from September 1, 2008 - January 30, 2009, 20% are in the involuntary categories. But IRS codes define involuntary separation differently than UC regulations, which means HR&B will contact all now-separated employees, even if they did not initially elect COBRA coverage, to see if they meet the more expansive IRS definition. IRS regulations also preclude reimbursement for dependents not covered under federal family and dependent policies (e.g., domestic partners and some adult dependents), but UC will cover any unreimbursed expenses up to the 65% subsidy for those employees. Preliminary assessments indicate that only 18 individuals would receive non-IRS reimbursements.

4. Family Friendly Policies available on a Pre-Tax Basis

Gary Schlimgen, Director, Policy and Program Design

ISSUE: Presently, UC offers programs for some dependent care and the health care reimbursements on a pre-tax basis. HR&B has been asked to identify pre-tax options for funding other family friendly policies, such as fee waivers/tuition remission and long-term dependent care. Director Schlimgen reported that no mechanism exists for individuals to place funds on a pre-tax basis into dedicated accounts for such purposes. State-run 529s are available from the state's vendor, Fidelity, but only on an after-tax basis, though payroll deductions or direct deposits are possible. The benefit of such plans is that while the contributions are taxed, their earnings are not so long as the funds are used for covered expenses.

Contribution limits, gift regulations, and other policies can be found online: <http://www.scholarshare.com/> . For long-term care specifically, CalPERS has a plan in which UC employees can enroll during PERS open enrollment periods. ED Baptista noted that Fidelity administers all of California's 529 plans, and that the University's contract with them for DC plan administration is coincidental only. Director Schlimgen added that there is no framework in either federal or state law under which to establish these types of pre-tax plans.

VII. Total Remuneration Study 2009

Randy Scott, Executive Director, Strategic Planning and Workforce Development, HR&B

Mike Hill, Hewitt Associates

Robert Vogrich, Hewitt Associates

Sherry Deng, Mercer Consulting

Stephen Pollack, Mercer Consulting

****NOTE:** *Item occurred during executive session; other than action items, no notes were taken.***

ACTION: Members are to evaluate critically and carefully the summary packet for follow-up at the May 8 meeting.

VIII. Consultation with the Office of the President – Academic Advancement

Pat Price, Executive Director

Janet Lockwood, Associate Director

Jim Litrownik, Coordinator, Data Management and Analysis

Tom Morton, Riverside Representative

1. Reporting Salary Scale Lags

ISSUE: Representative Morton noted that the question before the committee is how best to illustrate the inadequacy of the salary scales, and specifically, whether it would be useful to project how UC would compare to its comparator institutions if all faculty were paid at scale, rather than plotted according to actual cash compensation. Chair Henry circulated two items: Enclosure 5 from the March meeting agenda and a revised projection prepared by Academic Advancement (see Distributions 4 and 5).

DISCUSSION: Coordinator Litrownik noted that creating such plots for future years would be relatively easy, but doing so for past years would be time-consuming and difficult. Members argued, however, that the March Enclosure 5 presented the same information, albeit in table form rather than graphically. Nonetheless, some members were unconvinced of the utility of creating such projections. Chair Henry added that if the projections are easily done for future, they could be useful internally, but suggested that plotting previous years be dropped from consideration. It was also noted that improving the scales would not translate to better remuneration.

ACTION: Coordinator Litrownik will include scale-only projections in future reports.

2. Other Updates

Associate Director Lockwood updated the committee on several items of interest:

- A revised version of APM 670 is on the Provost's desk prior to being sent for systemwide Senate review.
- An appendix for APM 010 regarding student freedom of scholarly inquiry is being prepared for formal review.
- The formal comment period for APM 240 has closed, and the Provost and Council Chair Croughan are mapping next steps. Many of the comments received questioned the transition period for deans, and better explanatory text is being crafted to answer those questions. Other comments questioned the use of the term "sabbatical" for deans' leaves. Subsequent policies for other groups of faculty administrators such as associate deans will follow, but next will be a revised policy for provosts and vice provosts as some campuses use the terms differently than the rest.

DISCUSSION: Members asked whether SMG should even receive a transition period given that there are no market precedents. AD Lockwood indicated that the transition period is designed only for those who return to teaching, not those who go directly into retirement. Members also asked if the deans covered under the policy are considered full-time or temporary administrators, and others added that a mix of different types of sabbatical credits could be accrued and used, which would make accounting more difficult. AD Lockwood agreed, noting that such accounting would have to be done by hand at present.

- A proposal for a Biological Sciences Compensation Plan, which originated with the dean of life sciences at UCLA and forwarded to then-Provost Hume. It has since made its way to Interim Provost Pitts' desk. AD Lockwood asks if the UCFW health sciences compensation plan working group could make preliminary suggestions on the proposal (see Distribution 6). Among the issues to resolve are summer 9ths and covered compensation.

DISCUSSION: Members asked if the target population are off-scale, and AD Lockwood indicated yes.

ACTION: Chair Henry agreed that the previous working group would meet by teleconference to craft an initial response.

- The office of Academic Advancement is being restructured, and significant changes are expected. In addition to renaming the unit Academic Personnel to more closely align with campus counterpart offices, incumbent positions are being reevaluated and reconfigured; current employees will need to reapply for the recrafted positions. The job description for the unit's vice provost has just been posted, but the executive and associate director positions are still being scrutinized.

DISCUSSION: Members asked how much the office is expected to shrink. AD Lockwood noted that currently, there are 8 positions, but 3 vacancies; future staffing is not yet known. The graduate student responsibilities are migrating to the Office of Research and Graduate Studies, and the final locus of diversity functions is still being determined. Coordinator Litrownik added that last year, the unit had 17 FTE; 2 migrated to the campuses, and rest were lost to vacancy control.

IX. Systemwide Review Items

1. APM 028
2. Eligibility Regulations

ACTION: Members are to evaluate the proposed changes and send any comments to Chair Henry. Final action will be taken at the May meeting.

Adjournment: 4:00 p.m.

Distributions:

1. UCFW2MC re Process for Responding to the Financial Crisis (23 Mar 09)
2. [The UC Budget: Myths & Facts](#)
3. Proposed Re-Design for Retirement Administration
4. UCFW March 13, 2009 Enclosure 5
5. Faculty Salary Lag, 2007-08 (Revised)
6. Draft Proposal for a Biological Sciences Faculty Compensation Plan (cover letter only)

Minutes prepared by: Kenneth Feer, Senior Policy Analyst

Attest: Helen Henry, UCFW Chair