

**Minutes of Meeting
Friday, July 13, 2007
UCOP Room 5320**

I. Chair's Report and Announcements

- Susan French, UCFW Chair

REPORT: UCFW Chair Susan French reported on the following:

Academic Council Update: At their June 27 meeting, Council learned that the faculty salary scales plan will be presented for discussion at the July Regents' meeting. The plan entails an across the board cost-of-living increase, currently proposed at 2.5%, as well as an adjustment to the salary scales proposed between 4% and 8%, targeting those faculty that are currently paid little or no off-scale. Funding for the salary scales plan will come largely from the Compact, with the balance from internal UC budget reallocation decisions. UCFW members expressed delight with the fast pace of the plan, and sought reassurance that the plan will not be presented to The Regents as a fix-all to the 12-15% lag in UC faculty salaries. Council Chair Oakley noted that The Regents understand that there is much more work to be done on this issue.

II. Consent Calendar

- June 8, 2007 UCFW meeting minutes

ACTION: The June UCFW minutes were approved via unanimous consent with amendments.

III. Consultation with UCOP – Office of Loan Programs

- Ruth Assily, Acting Director

ISSUE: UCFW is continuing its discussion of the Supplemental Home Loan Program (SHLP), and the future membership and charge of the New Financial Programs Subcommittee of the UC Housing Task Force.

REPORT: Acting Director Assily reviewed the documents contained in Enclosures 2 and 3 of the agenda packet. She reported that the purpose of SHLP is to provide below-market home loan interest rates for those who are eligible. When the program began in the early 1980s, SHLP was designed to allow affordable mortgages at a time when interest rates were very high. She then reviewed the proposed changes to SHLP, first introduced in spring 2007, which UCFW reviewed and did not endorse. Acting Director Assily noted that the Mortgage Origination Program (MOP) and SHLP programs are targeted solely to Senate members, with approval available to others, including non-Senate members.

DISCUSSION: Some UCFW members expressed concern that adjunct faculty members do not appear to qualify for MOP and SHLP loans. They pointed out that this matter has been raised in the past at all of UC's medical school campuses, where faculty have found it impossible to access these loans. Council Chair Oakley then reported his concerns with the SHLP program, including possible areas for misuse of SHLP loans, and how a majority of SHLP loans are

currently used solely by high-level UC employees. Council Chair Oakley has discussed these issues with Provost Hume, who also agrees that SHLP needs to be fixed. They have agreed that the program should be renamed the “Regentally Approved Mortgage Program (RAMP),” where The Regents would approve RAMP loans for high-level UC recruits, removing current approval authority from the chancellors. Some UCFW members suggested that loans for assistant and associate professors should not require Regental approval, but that Regental approval should be required for below-market rate home loans.

UCFW Chair French focused the discussion on assisting Acting Director Assily in re-convening the New Financial Programs Subcommittee, and nominating Senate members to the group. Once convened, the Subcommittee can consider the issues raised today. Chair French proposed that Vice Chair Chalfant take the lead in collecting names of Senate faculty nominees to the Subcommittee, which would then need to be approved by Council Chair Oakley. UCFW members agreed that the nominees should have ties to UCFW for the purpose of regularly reporting back to UCFW, and they should have experience in California’s major housing markets. Acting Director Assily added that the new SHLP proposal would preferably be vetted by UCFW at its first meeting of 2007-08, in October, and then presented to The Regents in November.

ACTION: The 2007-08 UCFW will continue work on the SHLP program. Over the summer, UCFW Vice Chair Chalfant will contact Senate members willing to serve on the New Financial Programs Subcommittee of the UC Housing Task Force, and submit names to the Council Chair, and following, Provost Hume and Executive Vice President Lapp, for approval.

IV. Finalize UCFW Review of Proposed Revisions to APMs 700, 710, 711 and 080: Paid Sick Leave, Reasonable Accommodation, Medical Separation, and Constructive Resignation

- Jim Chalfant, UCFW Vice Chair

ISSUE: UCFW Vice Chair Chalfant has drafted a letter to the Academic Council requesting support for a systemwide Senate review of proposed amendments to APMs 710, 711 and 080. This draft letter and proposed Senate review is a final step towards concluding UCFW’s work on this set of APM amendments, which began in earnest in fall 2006. The subgroup of UCFW members working on this issue, along with Academic Advancement Acting Director Jill Slocum, and Acting Assistant Vice President Sheila O’Rourke, has suggested revisions to APMs 710, 711 and 080 only. They are proposing not to endorse conducting another round of review of APM 700 (constructive resignation).

ACTION: UCFW approved the draft letter in Enclosure 4 of the agenda via unanimous consent, subject to amendments by UCFW Chair French. The letter will be forwarded to the Academic Council for consideration at their July meeting.

V. Report: UC Total Remuneration

- Bob Miller, Mercer HR Consulting
- Stephen Pollack, Mercer HR Consulting
- John Bruning, Mercer HR Consulting (via teleconference)
- UCFW Members: Jim Chalfant and Bob Anderson

Begin Executive Session – UCFW Members Only

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

ACTION: none

VI. Consultation with UCOP – Human Resources & Benefits

- Judy Boyette, Associate Vice President
- Randy Scott, Executive Director, Policy & Program Design

REPORT: Executive Director Scott reported on the following items of interest to UCFW:

Medical Plan Bid Update: See agenda item VII, below: HCTF Report

Collective Bargaining Update: All of UC's staff contracts are up for bargaining in the upcoming year. The negotiations will likely center around all of the components of UC total remuneration.

Status Report on Draft UC Adoption Assistance Program: At the June UCFW meeting, issues concerning tax credits for adoption were raised, and are still under review by UCOP Financial Management and the Office of General Counsel. The status of UC's options for an adoption assistance program are therefore unclear. UCOP-HR&B staff have researched programs offered at other institutions, and have found that most inform their employees about the availability of a tax credit, or a tax exclusion, for adoption, and recommend consulting a tax advisor.

UCFW members pointed out, however, that they have reviewed employee adoption programs offered at other universities that provide much more in terms of assistance than a tax credit. UCFW members expressed strong support for a UC-sponsored program that goes beyond a tax break.

ACTION: Upon receipt of a response from the Office of General Counsel, expected during the summer months, Executive Director Scott will consult with UCFW Chair French and Vice Chair Chalfant concerning next steps on the Draft UC Adoption Assistance Program.

Report: Back-up Childcare Task Force: HR&B's Mona Litrownik has prepared a summary of the June 22 teleconference meeting of the Back-up Childcare Task Force (see Enclosure 5). Ms. Litrownik reviewed the summary document, and asked for UCFW's input on whether the task force should continue its work. UCFW members expressed resounding support for the task force to pursue its charge. UCFW Chair French noted the different childcare needs and resources available among the campuses, and many other issues which should be explored further. Ms. Litrownik reported that the task force contemplated whether a back-up childcare program should be offered as a systemwide program, what funding sources would be available, how campus need would be determined, and what type of organization could be established. The group also considered other options, such as emergency back-up childcare only, as well as elder care programs.

ACTION: Executive Director Scott will reconvene the Back-up Childcare Task Force for another meeting, provide them with additional data, and will follow-up with UCFW in the fall with a progress report.

Update: Social Security/Medicare Coordination for Employees: HR&B's Joan Manning reported on her work with CalPERS in finding out more information on this matter. The CalPERS office in Sacramento is assisting UC in possibly establishing a Section 218 agreement, which is a

voluntary agreement between the state and the Social Security Administration (SSA) to provide Social Security and Medicare coverage for state employees. Ms. Manning noted that in order to begin this project, HR&B will need to collect employee data for those who originally elected not to coordinate with Social Security, and determine with the Office of General Counsel how to securely transmit these data. She noted that this will be a complex and costly project, which will also require an extensive voting procedure for employees to elect for Medicare, or other available options under Section 218. UCFW members suggested that HR&B explore other means, such as an employee survey, for employees to self-identify into the Medicare/Social Security benefits coordination program.

ACTION: UC-HR&B will explore UCFW's employee survey and self-identification suggestions, reported above, as an alternate method in moving forward with this issue.

UCFW Comments on Draft Consensual Relationships Policy: HR&B's Mona Litrownik reviewed a summary of UCFW members' comments reported at the June 8, 2007 UCFW meeting on the Draft Consensual Relationships Policy (see Enclosure 6). She reported that the summary will be circulated during HR&B's internal review process, with UCFW members' names removed. UCFW members noted that the summary represented an accurate characterization of their comments, with the addition of one clarification concerning the draft policy's application to married couples. Ms. Litrownik reported that she will add this comment to the summary, and thanked UCFW members for their input.

Discussion: Prefunding Retiree Health Care Liability: Executive Director Scott reported that there have been no discussions about prefunding liability so far, and there certainly have been no decisions on the matter. Future discussions will depend on whether UC decides to pay retiree health annuitants from the retiree health trust that The Regents established in May 2007. The Regents will likely consider the prefunding issue in the fall. In the meantime, Associate Vice President Boyette will testify on UC's retirement costs and liabilities before the Governor's Public Employee Post-Retirement Benefits Commission, chaired by Regent Gerald Parsky. She is intent on communicating the message about UC's institutional uniqueness from other state entities, such as UC's various federal contracts and grants that fund a large portion of UC employee benefits, to ensure that the Commission does not treat UC the same as the rest of the state. One UCFW member stressed the importance of ensuring that The Regents and Legislators recognize the possibility that the federal government could alter the prefunding rules in the future, thus leaving UC to deal with its past liability on its own.

ACTION: UCFW's discussion of this issue will carry-over to 2007-08.

VII. UCFW Health Care Task Force Report

- Larry Pitts, HCTF Chair

REPORT: HCTF Chair Pitts reported on the following items discussed at the July 6, 2007 HCTF teleconference meeting:

Health Plan Bid Update: HR&B's bid review process is underway, and recommendations should be developed by the end of July. The HCTF will meet via teleconference on this issue once the review is complete, in order to provide feedback to HR&B.

Long Term Care: The HCTF is waiting for more information from HR&B and Deloitte Consulting on a possible long term care program for UC employees. This issue will carry-over to the 2007-08 HCTF agenda. One UCFW member asked whether UC has plans to offer a CalPERS long term care program on a pre-tax basis, to which Associate Vice President Boyette reported that long term care is not in the appropriate federal code that allows pre-tax benefits. HCTF Chair Pitts noted that he will follow-up on this issue as well.

Draft UCOP Health Care Reform Principles: The HCTF reviewed UCOP's draft Health Care Reform Principles at their July 6 teleconference, and offered both editorial and substantive suggestions to HR&B. The HCTF's comments ranged from the draft being overly detailed, to the draft not consisting of enough detail and substance. Overall, the HCTF did not agree on a preferred draft of the principles, but they did agree that the current draft was unacceptable.

ACTION: Executive Director Scott will report HCTF's comments back to the workgroup that authored the draft UCOP Health Care Reform Principles.

New Business: Requests from Outside Groups for a Senate Audience: HCTF Chair Pitts reported that he has received many requests lately from groups outside of UC asking for a Senate audience. He suggested that UCFW might want to consider drafting a policy on how to address such requests. Executive Director Scott agreed, and also suggested that the HCTF might be a good forum to vet such matters prior to their possible presentation at a UCFW meeting.

VIII. UCFW Task Force on Investment and Retirement Report

- Bob Anderson, TFIR Chair (via teleconference)

REPORT: TFIR Chair Anderson reported on the following items:

Legislative Hearing on Senate Concurrent Resolution (SCR) 52 (Yee) – UCRP Governance: On June 27, 2007, TFIR Chair Anderson testified before the Senate Education Committee in Sacramento along with Vice President Steve Arditti, to provide contextual and factual information on the UC Retirement Program (UCRP). He reported that during the hearing, the Democratic members of the Senate Education Committee did not seem interested in UC's investment decisions or conflict of interest allegations, though they appeared sympathetic to UC employees having some role in UCRP governance. TFIR Chair Anderson presented short oral testimony, and submitted a lengthy written testimonial as well. The Senate Education Committee eventually passed an amended version of SCR 52, though at this time, the exact amendments have not been released. SCR 52 will next be heard before the Senate Appropriations Committee, and then the resolution will be considered by the Assembly. Executive Director Scott noted that he expects the issues surrounding SCR 52 to be tied into collective bargaining, and the restart of contributions to UCRP.

Draft Statement on UCRP: TFIR Chair Anderson has circulated a draft Statement on UCRP to UCFW members prior to today's meeting, with the goal of approving the document for consideration by the Academic Council, to eventually be distributed to the public. After reviewing the most recent changes made to the draft, UCFW members offered editorial suggestions, such as adding an executive summary, and other clarifying statements throughout the draft. Many UCFW members complimented the draft document, noting its comprehensive discussion of a very complex issue, which is also easy for a broad audience to understand. TFIR

Chair Anderson wished to thank the other authors and contributors to the draft Statement as well, including TFIR members, UCFW Chair French, UCFW Vice Chair Chalfant, and Council Chair Oakley.

ACTION: UCFW endorsed the Statement on UCRP, with amendments, and will transmit the Statement to the Academic Council with a recommendation for Council's endorsement and subsequent wide distribution to the UC community.

IX. UCOP Policy Review Project – Draft Guiding Principles for Policy Setting and Compensation Governance

- Susan French, UCFW Chair
- UCFW Members

ISSUE: The UCOP Policy Review Project, an initiative of The Regents and staffed by Mercer HR Consulting, has submitted Draft Guiding Principles for Policy Setting and Compensation Governance, for Senate review. The Academic Council has asked UCFW to review the draft, and submit comments to Council for consideration at their July meeting.

DISCUSSION: UCFW members noted that they submitted comments on the draft principles to UCFW Chair French via email. Chair French has compiled these comments along with her own into a summary document, which she then reviewed with UCFW members. Having no additional suggestions, UCFW members thanked Chair French for her work on this issue.

ACTION: UCFW members approved UCFW Chair French's letter reporting UCFW's comments on the Draft Guiding Principles for Policy Setting and Compensation Governance for submission to the Academic Council.

X. UCFW Celebration and 2007-08 Planning

- UCFW Members

ISSUE: UCFW members congratulated UCFW Chair French on a wonderful year, leading UCFW through issues such as pressing for action to increase faculty salaries, making progress on the Mercer Report on Total Remuneration, emphasizing faculty childcare and housing needs, monitoring the UC Retirement Program and the restart of contributions, and many more. UCFW members expressed their gratitude, presented gifts to UCFW Chair French, and wished Vice Chair Chalfant good luck as he takes the helm as 2007-08 UCFW Chair.

ACTION: none

Meeting adjourned at 4:00 p.m.

Attest: Susan French, UCFW Chair

Prepared by: Michelle Ruskofsky, UCFW Analyst