I. Chair’s Announcements

Shane White, UCFW Chair

- Chair White notified that committee that Health Care Task Force Chair Rick Kronick has taken a leave of absence in order to serve in Washington, D.C. with the Department of Health and Human Services; the University Committee on Committees is working to name a replacement.

- At the December meeting of the Academic Council, UCFW’s only issue was as part of the data request regarding faculty salary scales as discussed last month. Discussion focused on identifying the Senate’s top fiscal priority: salaries or UCRP? UCFW’s position is that other faculty need to be better educated regarding the status of UCRP.

II. Consent Calendar

1. Minutes of Meeting of November 6, 2009
2. Minutes of Meeting of December 11, 2009

ACTION: The Consent Calendar was approved as noticed.

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

Dwaine Duckett, Vice President
Randy Scott, Executive Director, Talent Management and Staff Development
Mike Baptista, Executive Director, Benefits Programs and Strategy
Mark Esteban, Director, Benefits Programs
Esther Cheung, Director, Benefits Information Systems
Kris Lange, Director, Benefits Vendor Management

1. Update on Open Enrollment:

UPDATE: Director Esteban reported that the increases in premiums ranged from 6-26%, depending on the provider and the level of coverage. Cost savings are expected from the preferential provision of generics, as well as from the imminent expiration of some patents. Mental health coverage was expanded this year. Costs are expected to rise by similar rates next year. Vice President Duckett encouraged members to submit names for a potential panel on health care costs and policy design, and Chair White referred him to the Health Care Task Force for likely candidates.

Open enrollment saw approximately 40,000 changes by active employees, and about 15,000 by retirees, which is roughly same as in previous years. Out of 110,000 employees, only 5,900 changes medical plans, with the most expensive plans losing proportionately the most members. The Flexible Spending Accounts saw more than half of the Open Enrollment activity. Finally, January 5, 2010,
was the third year launch of the StayWell program, and UPTE and CUE have both agreed to participate.

**DISCUSSION:** Members had several questions about interactions with the health care providers. Topics ranged from over- and under-coverage and waste, to the amount of leverage the UC employee population provides benefits negotiators, to satisfaction surveys for the various vendors. Director Lange acknowledged that some employees and retirees have had unfavorable interactions with some of the newer vendors, but she indicated that feedback between UC and the vendors is healthy and customer service improvement plans are being developed. Members asked why there seem to be so many challenges, when other employers must have similar contracts and expectations. The complexity of federal and state regulations for public universities and the transition from phone-based to web-based interaction were cited as obstacles, but not thought to be insurmountable.

2. **Post-Employment Benefits (PEB) Survey:**

**UPDATE:** Executive Director Scott reported on the work his office has done with Watson Wyatt, now Towers Watson, in developing a pulse survey on Post-employment benefits topics; this is designed as a follow-up to last fall’s listening forums to gather more specific information on the knowledge gaps within UC’s employee population.

**DISCUSSION:** Members wanted more specifics on the types of information being sought and how it would be collected and used. Mr. Scott indicated that while the precise methodology is still under discussion, early thoughts were to confirm by direct solicitation to various employee groups (faculty, staff, retirees) the inferences taken by PEB staff during the forums. He added that he would circulate the draft survey to UCFW for comment. Members then inquired as to what impressions the survey might confirm. Mr. Scott replied that the survey is designed to target the areas of anxiety employee populations are feeling due to lack of adequate information, and read a few of the draft survey questions as examples.

Members then cautioned about the direct solicitation method and the phrasing of the questions themselves, as several seemed leading or to present false dichotomies. Members added that the nature of the topic will lead many to assume the worst, so they urged for revising the preamble to be clearer and stronger.

**ACTION:** Members will submit feedback on the draft survey to Analyst Feer, who will collate the responses and send them to HR&B.

3. **CONEXIS Website:**

(Note: See III.1. above.)

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

*Patrick Lenz, Vice President*

**UPDATE:** The governor’s recently unveiled budget includes the comparison of funding incarceration rather than education, a juxtaposition UC hopes will resonate well with legislators and the public. UC did not receive the full amount it asked for, but UC did fare comparatively well in this version of the budget. Many funds are contingent, though, on the release of federal stimulus funds. Included in the budget are: a restoration of last
year’s one-time $305M cut, $51.3M for enrollment funding (contingent), and additional funds for retiree health increases. There was no money designated for UCRP contributions, which means UC will have to find funds through internal reallocation.  

**DISCUSSION:** Members inquired whether UC could legally reallocate state funds given the legislature’s previous statement of intent not to fund UCRP. VP Lenz outlined a few strategies under consideration that would enable funding for UCRP and hopefully persuade the State of its duty to meet this obligation. VP Lenz added that additional fee increases could be politically disastrous, and that no funding was forthcoming for capital projects. CalGrants, however, were fully funded, including the projected mid-year increases. Members wondered whether placing higher education in opposition to the corrections industry was wise politics, and VP Lenz noted that UC is not trying to inflame a difficult situation; but again, hopefully the comparison will benefit UC in the long run.

**V. Consultation with the Office of the President – Office of Loan Programs**

*Dan Sampson, Assistant Vice President, Financial Management*

*Ruth Assily, Director, Office of Loan Programs*

**ISSUE:** Director Assily reported that her office is exploring options to increase liquidity-to sell loans to other lenders in order to create revenue to make more loans to UC employees. During the last few years, market rates did not allow such practices. UCFW is asked to comment on the proposal.

**DISCUSSION:** Members inquired as to UC’s current default rate, and Director Assily replied that it was nearly zero. Members also asked if UC was obligated to buy-back loans that were in default, and Director Assily said yes. Members then noted that the current low rate of defaults should not be a key piece of the liquidity plan. AVP Sampson added that current reserves are adequate, should the default rate increase, and they are monitoring this situation closely. Members asked whether this plan was reactive enough to accommodate emerging changes in the banking industry, and Director Assily replied that the target buyers are smaller banks looking for increased income, not mortgage behemoths. In answer to the question if second mortgages would still be available, Director Assily responded yes.

Members then asked as to the split of loan recipients between faculty and senior managers (SMG). Over time, Director Assily noted, the population of faculty recipients is about 95% of the total loans, even though the average amount of individual loans is notably higher for members of SMG, of whom only 7 of 364 eligible employees participated last year. Members discussed the appeal of MOP loans in recruitment and retention packages, and Director Assily added that about half of new faculty recruits participate in the program. The UCOP Office of Loan Programs does not track campus usage of loan funds; it merely disburses the funds to the campuses, each of which has more demand than available funds.

**ACTION:** Director Assily will send to Analyst Feer a revised proposal; Analyst Feer will solicit feedback from UCFW.

**VI. Consultation with The Regents – Office of Ethics, Compliance, and Audit Services**

*Sheryl Vacca, Senior Vice President*
Lynda Hilliard, Deputy Compliance Officer

UPDATE: SVP Vacca reported that since she was at UCFW last year, the UCFW-generated feedback on the effort reporting software had been incorporated. SVP’s office is also responsible for certain trainings, while others are locally devised and run. The four courses UCOP Ethics is responsible for are: sexual harassment prevention, designated officials, general ethics, and researcher conflict of interest.

DISCUSSION: Members noted broad concerns of overlap and inadequate record keeping combining to confusion and anger. SVP Vacca indicated that her office could cross-apply some of the record keeping, but has only done so on an individual basis when asked. Members shared several anecdotal stories of faculty attempting to be compliant, but being thwarted due to software failures or other complications. Director Cheung from HR&B added that if a faculty member’s campus was live on the learning management software, s/he could self-monitor, but not all campuses are active yet.

Members observed that many compliance requirements seem to be designed with external agencies in mind, not internal UC constituencies. SVP Vacca said that her office is not responsible for which items require compliance, nor for implementing most compliance requirements; they only work with the four areas listed above. They monitor participation according to the standards given by the Office of General Counsel and by senior administrators. Members inquired where shared governance fell in that process, and SVP Vacca indicated that she was not responsible for developing or implementing compliance procedures, only for limited monitoring efforts; the Office of Ethics, Compliance, and Audit Services is a direct report to The Regents, not to the administration and is not subject to shared governance.

Members expressed their confusion over the limited roll of SVP Vacca’s office in compliance measures, wondering who really was responsible for the various compliance efforts rolled out by UCOP. SVP Vacca indicated that different and overlapping offices are responsible for implementing different areas of compliance: SAS 112 is under the CFO; sexual harassment prevention is under the provost and OGC; researchers, aside from general ethics and researcher conflict of interest, are under VCRs. Members inquired how well this system was working and how the Senate could help. SVP Vacca suggested posing the question to Interim Provost Pitts.

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

Pat Price, Interim Executive Director
Janet Lockwood, Associate Director

- Management review of proposed changes to APM: sections 241, 242, 245, 245, and 630, 632, and 633

ISSUE: AD Lockwood summarized the history of these sections, noting that the goal of the present iteration is to separate and codify the title codes and policies in question. Some general language was used purposefully to accommodate local variances.

DISCUSSION: Members asked how full-time administrators would be determined, and Executive Director Price indicated that appointment letters would be used. Members also asked if organized research unit (ORU) directors were included in the proposed sections. While not strictly an APM issue, members report that ORU directors sometimes do not get credit for that aspect of their work during
merit reviews. The different reporting lines seem to obfuscate efforts of including this aspect of service in reviews.

**ACTION:** Members supported the proposed changes at this time.

**VIII. Consultation with the Office of the President – Provost**

*Lawrence Pitts, Interim Provost*

Provost Pitts updated the committee on several items of interest:

1. **Governor’s Budget:**
   **ISSUE:** Provost Pitts also reported on the governor’s proposed budget, noting that although much could happen between now and June, the University fared well, compared to recent years. As noted, there was no money for UCRP, and this fiscal year’s contributions, beginning on April 15, 2010, will be made from operating expenses; funding for next year and beyond is still to be determined.
   **DISCUSSION:** Members noted that President Yudof has previously indicated his intention to fully fund UCRP in 2010-11, and wondered if such was still the plan. Provost Pitts thought yes, and he added that both he and President Yudof are aware of the two-for-one matching funds being lost. Nonetheless, the size of the problem will necessitate painful solutions.

2. **Vice Provost for Academic Affairs Search:**
   **ISSUE:** This search has been delayed considerably for various reasons, but it is finally ready to move forward in the next few months.
   **DISCUSSION:** Members noted that the absence of a vice provost in this area has been harmful to faculty interests, especially in an era of furloughs and layoffs. Provost Pitts agreed, but noted the political risk of hiring another high level official for UCOP. As a result, a half-time vice provost position is being considered. Members observed that a part-time presence may not be adequate to overcome 15 months of absence and 15 months of high personnel turnover.

3. **Compensation Committee:**
   **ISSUE:** A task force is being formed to evaluate the viability of creating additional compensation plans for various faculty groups, based on the health sciences compensation plan (HSCP). It should begin work in a month.
   **DISCUSSION:** Members suggested postponing this work until the HSCP APM has been revised. Provost Pitts noted that the feedback received from UCFW previously on APM 670 is being combined with the feedback sent by various management constituencies. Members cautioned that APU manipulation needed to be considered carefully in the final version. Provost Pitts responded that the final version will come for full Senate review; Academic Personnel AD Lockwood added that some draft language on APUs will also be included in the next iteration of a revised APM 670 (HSCP).

4. **Compliance Issues:**
   **ISSUE:** Members wanted further information on compliance issues, this time from the administration perspective. Specifically, the role of the Senate in developing, implementing, monitoring, and facilitating compliance goals was sought.
   **DISCUSSION:** Provost Pitts echoed that the administration does not create any compliance programs, but only passes along what is sent them by the state or other regulatory agencies. It is unclear what the administration could do to
preclude external agencies from starting new programs. Members suggested that better contextualization and case management by UCOP could be a significant boon to besieged faculty. Provost Pitts encouraged the committee to develop specific targets and methods.

IX. TFIR Update

Bob Anderson, TFIR Chair

Note: Item occurred in executive session; other than action items, no notes were taken.

ACTION: TFIR will submit to UCFW for endorsement a revised statement on UCRP funding.

X. New Business and Follow-up

Note: Item occurred in executive session; other than action items, no notes were taken.

ACTION: Vice Chair Dimsdale, UCI Representative Parker, and UCB Representative Braunstein will draft for consideration by UCFW a statement on initiating and managing compliance efforts better.

ACTION: Members will submit feedback on the draft PEB survey.

ACTION: UCFW will reconsider the rejected call for exemption for faculty who had arranged to take reduced pay sabbaticals prior to the advent of the furlough program.

ACTION: Analyst Feer will circulate Academic Council Vice Chair Simmons’ recent testimony to the legislature.

Adjournment: 4:05 p.m.

Minutes prepared by Kenneth Feer, Senior Policy Analyst

Attest: Shane White, UCFW Chair