

**Minutes of Meeting****November 14, 2008****I. Chair's Announcements***Helen Henry, UCFW Chair*

Chair Henry updated the committee on three items:

1. Confidentiality guidelines: Chair Henry responded to member inquiries about when documents appended to agenda may be shared with campus counterpart committees.
2. UC Budget: Chair Henry thanked members for their prompt electronic responses to the TFIR-drafted statement on the University's budget. It will be considered by the Academic Council at their upcoming meeting.
3. Rehired retirees: Chair Henry reported that several other committees had concerns similar to those submitted by UCFW. Senate Executive Director Winnacker is preparing a draft of specific text revisions to present to the administration.

**II. Consultation with the Office of the President – Budget Office***Deborah Obley, Associate Vice President, Budget Operations*

**ISSUE:** AVP Obley summarized the 2009-10 budget request (see Distribution 1), noting that the proposal is an idealized version designed to reflect the level at which UC *should* be funded. Among the increases reflected in the budget proposal is the restart of contributions to UCRP, which is estimated at present to require 11.5% per FTE salary to achieve and maintain fully funded status. AVP Obley noted that the proposed increases in registration fees are designed only to keep pace with inflation, but they may have to be adjusted depending on the state's funding offer.

**DISCUSSION:** Members inquired as to the strategic value of waiting to consider all fee questions in one Regents' meeting. AVP Obley indicated that doing so is easier than a piecemeal approach, mitigates press exposure, and allows time to incorporate the latest state budget news.

Members also asked how the state's on-going financial crisis is expected to impact long-range planning, such as the medical schools at the Riverside and Merced campuses. AVP Obley noted that projects already approved will continue to be developed, but they may be requested to extend their time lines; new projects will only be approved with a guaranteed funding source. Members then inquired whether more draconian measures might be necessary, such as a three-year freeze on new programs and hiring in certain areas. Others noted that a loss of momentum could be just as devastating as underfunding.

AVP Obley noted the intersection between capital planning and program development on the one hand, and student fees and enrollment on the other. The dilemma is exacerbated by differing campus enrollment practices as well as by the need to weigh carefully the political cost of capping enrollment and the economic cost of funding overenrollment. Members noted that the Cal State system has announced plans

to cap enrollment, to which AVP Obley responded that the Cal States are significantly more overenrolled than the UCs, but nonetheless, OP is revisiting its enrollment growth plans. Members commented on the potential impact on diversity of more tightly controlled enrollment growth.

Chair Henry asked about the actual budget, versus the idealized budget. AVP Obley noted that the level and types of cuts will depend on the outcome of the state legislature's special session as well as the amount and source of new funding. Members stated that previously, the University could endure 2-3 years of lean budget times, but that this cycle, UC did not start at parity, so its ability to survive an extended economic downturn is in question. AVP Obley indicated that President Yudof is working with campus executive vice chancellors to develop both short-term and long-term contingency strategies. Members remarked upon the lose-lose nature of the current situation: a comprehensive systemwide plan cannot be developed due to the uncertainty of state funding, but a campus-by-campus approach is unpalatable as it may lead to stratification.

### **III. Consultation with the Office of the President – Academic Affairs**

*Dan Greenstein, Vice Provost for Academic Information and Strategic Services/Strategic Planning, Programs, and Accountability (AISS/SPPA)*

**ISSUE:** The Academic Affairs units at OP are undergoing restructuring, with a renewed focus on meeting systemwide planning needs. It is hoped that by removing stewardship duties from the units the remaining analytic capacities can better serve key constituencies, such as the Senate.

**DISCUSSION:** Members noted an apparent disconnection between the trend to devolve services to the campuses and the desire for enhanced service from OP. VP Greenstein posited that with clearer roles and responsibilities, improved service should follow. Members then asked how the analysts could vouch for the accuracy of the data they no longer steward. VP Greenstein answered that while future changes may be necessary, the new structure represents an improvement over the status quo.

Chair Henry queried how the plans to improve the University's IT infrastructure were developing, given the new distance between data stewards and users. VP Greenstein stated that the new directors and the CIO will make a joint proposal to the president. Chair Henry followed up with a question of dedicated funding, and VP Greenstein indicated that as the resource would be shared, so too, would its funding stream. Members then asked how IT infrastructural changes may impact HR&B data warehousing practices. VP Greenstein noted that HR&B data stewardship practices are relatively good and indeed may serve as a model for future data migrations. Randy Scott, HR&B Executive Director for Strategic Planning & Workforce Development, concurred, noting that their hardware was adequate, but the software needed updating, especially given concerns with the current corporate payroll system.

### **IV. Consultation with Academic Senate Leadership**

*Note: Item not addressed.*

### **V. Consultation with the Office of the President – Academic Advancement**

*Pat Price, Executive Director*

*Janet Lockwood, Associate Director*

*Gregory Sykes, Coordinator, Health Sciences Compensation and Faculty Benefits*  
*Jim Litrownik, Coordinator, Data Management and Analysis*

1. APM 670 Review

**ISSUE:** AD Lockwood circulated an outline of proposed topics for discussion in the revision of APM 670 (see Distribution 2), adding that the list was not exhaustive. Evaluation of the technical matters within the APM may take up to year, but it is important to receive as much guidance as possible from those most familiar with current practices. Among the more complicated issues to address are intersections with other APM sections, potential conflicts of interest, split appointments and the underlying structure of APUs.

**DISCUSSION:** Members agreed that the revision of APM 670 requires careful evaluation, and supported establishing work groups as a means of securing broad input and developing historical perspectives.

**ACTION:** The health sciences faculty on the committee (Representatives Dimsdale (UCSD), Pitts (at-large), Seago (UCSF), and Wong (UCLA), as well as *ex officio* member Powell, University Committee on Academic Personnel (UCAP) Chair Plaxe, and UCFW Chair Henry) will constitute a preliminary work group, with UCFW Vice Chair White serving as convener, and will work with Academic Advancement in defining subsequent specialty groups as needed.

**ACTION:** Analyst Feer will schedule a teleconference for the work group and Academic Advancement personnel.

**ISSUE:** Revision of APM 670 could adversely impact UCRP, especially if additional Health Sciences Compensation Plan (HSCP) pay components become eligible as covered compensation for UCRP calculations.

**DISCUSSION:** Members noted that many health sciences faculty are not funded by UC FTE positions, which forces all of their UCRP contributions to be taken from their clinical income. Further, the imminent restart of employer and, possibly, employee contributions to UCRP will increase the direct costs associated with clinical income, as well as NSF, NIH, and DOD grants, which could further undermine UC competitiveness. Davis Representative Tell added that the veterinary schools are preparing a proposal which would adjust their compensation plan to include similar X, Y, and Z elements to aid in recruitment. Members then asked whether there had been discussion of a unified health sciences plan, incorporating nursing and pharmacy schools. AD Lockwood indicated that she was not aware of any such talks.

2. APM 240 Revision

**UPDATE:** AD Lockwood reported that the calendar for the revision has been extended: EVCs have been asked to respond to the draft amendments by December 5, with Senate review to follow in January, and a final draft targeted for May consideration by The Regents.

3. Year 1 of the Faculty Salary Plan Analysis

**ISSUE:** Given the unlikelihood of funding Year 2 of the Plan, UCFW inquires whether the Year 1 analysis should be revised to reflect current fiscal realities.

**DISCUSSION:** Coordinator Litrownik said that it is customary to do an October payroll snapshot, so any slippage or loss in the gains made during Year 1 could be

easily noted. Members asked whether the Comparison 8 would be included in the new snapshot. Mr. Litrownik stated that the data request to the comparator institutions should be issued soon.

4. Faculty Recall Policy

**ISSUE:** AD Lockwood reported that a revised faculty recall policy is under development, and it will be much more flexible than the staff recall policy. Among the key issues her office will consider when revising the policy are a better explanation of the 43% limit on recall appointments, clearer guidelines for summer sessions, and a streamlined exceptions procedure. Other challenges to overcome include differential campus implementation practices and the need to align the policy with the requirements of the HSCP.

**DISCUSSION:** Members questioned the genesis of the 43% limit and how it should be calculated. AD Lockwood noted that the 43% should be based on annualized calculations, and that the limit is extrapolated from IRS and Medicare regulations. Members noted that the 43% limit could be problematic in terms of both UCRP-covered compensation and clinical faculty hours.

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

*Randy Scott, Executive Director, Strategic Planning & Workforce Development*

*Mike Baptista, Executive Director, Quality Assurance & Compliance*

1. Total Remuneration Study

**UPDATE:** ED Scott reported that the membership for the joint HR&B/UCFW work group on total remuneration had been determined: Chair Henry, Vice Chair White, TFIR Chair Anderson, and TFIR Chair-designate Chalfant will work with HR&B on this project. Next week, a teleconference is scheduled to determine the methodology and ideal product presentation.

2. UCRP Administration Update

A. UCRP RFP Update

**UPDATE:** ED Baptista reported that the administration continues to review both the RFP and the responses; it is hoped that a final decision will be announced before the end of the calendar year.

**DISCUSSION:** Chair Henry inquired as to how the vendors were being handled during this period of review. ED Baptista indicated that additional information had been requested from the vendors to further inform the deliberations. Joe Lewis, HR&B Director for Client Relations and Diversity, added that his team is also preparing for changes, be they internally- or externally-driven, but is concerned about a possible skill vacuum.

B. ACA 5 Update

**ISSUE:** The University's response to proposed Assembly Constitutional Amendment 5, which would change how UCRP and other retirement benefits programs are governed, is under discussion. At present, certain interests in Sacramento and from within UC are attempting to gather enough signatures to place the item on a statewide ballot. Although it is not expected to arise during the current legislative emergency session,

which will be dominated by budgetary concerns, the University's official response to ACA 5 must be carefully thought out.

**DISCUSSION:** Members asked what legal issues were involved in the amendment, and ED Scott replied that ACA 5 could be considered a constitutional revision, rather than a mere amendment, which would establish different thresholds for passage. Members also asked what the downside would be if the governing board was changed to include greater representation from employee groups. Director of HR&B Policy and Program Design Schlimgen noted that it was less the make-up of the board that was at issue than the responsibilities of the board, such as the level and location of investments. Director Schlimgen added that employee groups already have representation on the governing board.

**ACTION:** UCFW will draft a letter for submission to the Academic Council supporting the current proposal (presented by Executive Director Scott) for a Pension Board with broader composition and increased functions in advising the Regents on UCRP.

C. UCRP Investment Performance

**ISSUE:** Members are concerned that misinformation surrounding the investment performance of the UCRP portfolio is causing undue worry among plan members.

**DISCUSSION:** TFIR Chair Anderson observed that recent University statements on UCRP investment performance may have done more harm than good due to a lack of specificity in the communications and the complexity of the topic. Particularly at the present time, when the markets are behaving so erratically, clarity and calm on the part of the University is needed. Members asked whether UCRP valuations could be produced in a manner and frequency similar to CalPERS, which generates weekly updates. ED Scott noted that the capacity exists, but there has been no directive to do so. TFIR Chair Anderson noted that different parts of the portfolio have different statement calendars and wondered whether more frequent updates might only produce more confusion if not handled properly. ED Scott observed that current fluctuations have not jeopardized the ability of the plan to meet obligations, but Vice Chair White countered that the rumors are still rampant.

Members also questioned whether contrasting performance by UCRP and the UC endowment funds might be a more useful comparator than CalPERS. TFIR Chair Anderson replied that because the two funds operate under different risk philosophies and time lines, such a comparison would have only a limited utility. Comparing similar assets within the portfolios would be more accurate, but not comprehensive. Nonetheless, members felt that the University could and should do more to post investment returns in a more timely and accessible manner.

**ACTION:** UCFW will return to this topic in future meetings.

## VII. Accountability Framework

**ISSUE:** President Yudof has announced a new initiative to be more transparent and accountable to the public and the legislature. The committee discusses how the draft can be improved.

**DISCUSSION:** Members wondered whether the salary data was presented in the most effective manner possible. Members noted omissions, such as the lack of a statement of purpose or preamble, the lack of interpretation of the data, the absence of data on research space, the absence of data on staff, the absence of data on graduate student graduation rates, and the absence of more rigorous external evaluations like RNC or Shanghai rankings.

**ACTION:** Analyst Feer and Chair Henry will draft and submit a letter to the Academic Council containing the committee's feedback.

## **VIII. Campus Issues**

### **1. Fee Waivers (UCD)**

**ISSUE:** Davis Division CFW member Schaefer (via phone) summarized the genesis of the issue at his campus, highlighting implications in recruitment and retention, the relatively low cost of the program, and the positive press the University could gain by granting faculty and/or staff dependents up to a 50% waiver of undergraduate fees at UC campuses. It was noted that the same proposal is also on the agenda for the November 24 meeting of the Academic Council.

**DISCUSSION:** Some members wondered whether such waivers could be considered taxable, and others replied that taxation depended on the construction of the program: if it is available only to faculty, it would most likely be taxable; if it were available to all full-time employees, then it would probably not be taxable. Members also questioned the timing of the proposal, noting that the question of fee waivers arises on a regular basis but that it is customarily not the highest priority of either the faculty or the administration. It was further noted that funding, even for a relatively modest program such as this, could be difficult to secure in the current environment. Other members noted that a positive statement regarding the program could hold it in good stead when fiscal times are better.

**ACTION:** UCFW will revisit this topic at a future meeting.

### **2. APM 200 (UCR)**

**ISSUE:** The Riverside division is concerned that the policy governing faculty recalls is now inconsistent with the revised policy governing staff recalls as well as internally inconsistent (see Distribution 3). See also Item V.4. above. The specific revisions to be considered are:

- (1) Change the fraction "1/9" to "1/7" per quarter course.
- (2) Change the fraction "1/16<sup>th</sup>" to "3/14<sup>th</sup>" per semester course.
- (3) Change "base salary" to "current base salary at the rank and step".
- (4) Change the upper limit from "Professor, Step VII" to "Professor, Step IX".

**ACTION:** AD Lockwood and her staff will investigate the issue and report back at a future meeting.

### **3. Health Care Facilitators (UCD)**

**ISSUE:** Members of the Davis division are concerned that this useful program might be slated for discontinuation due to budget shortfalls.

**DISCUSSION:** ED Scott reported that the program is safe; calls for cutting the program were part of a systemwide exercise to explore all potential cost savings at the University.

**IX. Consent Calendar**

1. Minutes of Meeting of October 10, 2008

**ACTION:** The minutes were approved as noticed.

**X. Proposals under Systemwide Review**

1. Sexual Harassment Prevention Training – Proposed Sanctions for Non-Compliance

**ISSUE:** The state has mandated that supervisors, which as defined includes faculty, receive semi-annual training on the prevention of sexual harassment. To facilitate compliance, UC is proposing various sanctions for personnel who do not complete the training.

**DISCUSSION:** Members inquired whether the on-line version of the training still included the clock, which users perceived as protracting the training. ED Scott responded that the technical issues surrounding previous training modules had been resolved. He added that the specifics included in the training were drawn from existing case law. Members then discussed the merits of each of the proposed sanctions, voting on each.

**ACTION:** Analyst Feer and Chair Henry will draft a letter to the Academic Council reporting the outcome of the committee's vote.

2. Response to Proposed Revisions to Academic Personnel Policies 110-4(10); 230-17; 230-18; 279-20; 360-80-a; 520-4; and 710-14-b, 710-14-1, 710-38, and 710-46; and Proposed New Academic Personnel Policy 765

**ACTION:** The response was approved as noticed.

**XI. Executive Session**

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

1. Report: UCFW Task Force on Investment and Retirement (TFIR)

*Robert Anderson, TFIR Chair*

**ACTION:** UCFW will forward the TFIR-drafted statement on the UC budget to the Academic Council for endorsement and transmittal to the administration.

2. Report: UCFW Health Care Task Force (HCTF)

*Rick Kronick, HCTF Chair*

**ACTION:** None.

3. Follow-up Discussion

**ACTION:** None.

Adjournment: 4:00 p.m.

Distributions:

1. University of California 2009-10 Budget Request

2. Discussion Topics: APM 670
3. RE: APM 200, Appendix A, Retirement Recall

Minutes prepared by Kenneth Feer, Senior Policy Analyst  
Attest: Helen Henry, UCFW Chair