

Minutes of Meeting**May 8, 2009****I. Chair's Announcements***Helen Henry, UCFW Chair*

Chair Henry updated the committee on several items of interest:

- Academic Assembly meeting of April 22: The Assembly approved UCD Professor of Law Daniel Simmons as Vice Chair-Elect.
- Academic Council meeting of April 27-28: The Council meeting was held over two days as part of the first day was a joint meeting with campus executive vice chancellors (EVCs). Two topics dominated that discussion: budget processes and the potential unionization of post-doctoral researchers. On the latter, the United Auto Workers (UAW) has been recognized as the exclusive representative of the post-doctoral researchers, but contract negotiations continue. It was noted that the systemwide Academic Personnel office is adding a specialized position for labor relations, and stronger internal communications in this area are expected.

The Council asked for revisions to UCFW's letter on long-term university planning. During the Council's consultation with President Yudof, he expressed his preference for faculty leadership in this area. A task force on long-term planning is expected.

The Council approved for transmittal to the President UCFW's letter on individualized compensation plans.

DISCUSSION: Members asked when the IRS ruling was expected, and TFIR Chair Anderson indicated that there is no way to know when the IRS may act.

ACTION: Chair Henry will circulate a revised version of the long-term planning letter for electronic approval prior to resubmitting it to Council.

II. Consent Calendar

1. Minutes of Meeting of April 10, 2009
2. UCFW elects not to opine on:
 - a. Proposed amendments to APM 028
 - b. Proposed amendments to Eligibility Regulations

ACTION: The consent calendar was approved as noticed.

III. Consultation with the Office of the President: Budget Office*Debbie Obley, Associate Vice President*

UPDATE: AVP Obley reported that legislators continue to hold budget hearings in Sacramento, but that no action will be taken until after the May 19 special election. If the propositions fail, the state will face an immediate additional shortfall of \$5B, and it is likely that the state will face insolvency by July. Dramatic short term cuts may be necessary before a viable long-term strategy can be devised.

DISCUSSION: Members inquired as to the likelihood of UCRP funding being restored, and AVP Obley indicated that there was no chance of the state doing so any time soon.

Members also asked how the education code got amended to include a statement that it is the legislature's intent not to contribute to UCRP ever again. AVP Obley noted that the amendment was inserted in last minute budget negotiations, but the author is unknown. Nonetheless, OP senior managers are less concerned about the statement than other fiscal issues facing the University. Members then asked why UC continued to ask for funding for capital projects, suggesting that growth plans should be slowed and possibly reprioritized. AVP Obley responded that the "shovel ready" nature of many projects meant that delaying them would only increase their costs in the long run.

Next, members asked what contingency plans the University was exploring. AVP Obley indicated that both furloughs and pay cuts continue to be examined in the hopes that they could provide savings while retaining jobs. Members also asked whether an individual campus could impose additional cuts on top of any issued by OP. AVP Obley noted that such actions could occur, but she emphasized that all discussions to date have focused on systemwide actions. Members asked if faculty could see pay cuts, but not staff. AVP Obley replied that any actions taken will impact all employee classes.

Finally, members sought clarification that faculty would receive pay cuts, not furloughs. AVP Obley noted that faculty furloughs would not be accompanied by any work relief, so pay cuts seem more likely.

IV. Consultation with the Office of the President – Academic Personnel

Pat Price, Executive Director

Janet Lockwood, Associate Director

Academic Personnel representatives updated the committee on several items of interest:

- Academic Personnel restructuring: A new position to handle collective bargaining issues has been posted, and interviews are underway for more compensation analysts. The vice provost position has also been posted, and a revised executive director description will soon be ready for recruitment.
- APM 240 (Deans): Interim Provost Pitts has re-edited the draft, and it will soon be circulated for approval. The changes centered on including HSCP deans in the SMG category so long as they are active in HSCP. Wording was also strengthened regarding transition and sabbatical leaves as well as clarifying the link to APM 758 for administrative leave issues.
- APM 110: The definition of domestic partner is under examination pending the state supreme court's ruling on Proposition 8.
- Proposed Biological Sciences Compensation Plan: The UCFW working group that evaluated the proposal recommended tabling it until a more comprehensive policy can be proposed. Academic Personnel agreed with the recommendation as discussions on other compensation plans for veterinary, nursing, and others are currently being considered.

ACTION: The committee will forward the working group's recommendation to Interim Provost Pitts.

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

Lynn Boland, Executive Director, Employee Relations, Programs, Policies and Services

- Health Benefit Renewals:

UPDATE: Director Boland outlined the renewal process (see Distribution 1) and indicated that vendor responses are due May 15. The Health Care Task Force (HCTF) will meet via teleconference on May 20 to provide preliminary Senate feedback, and a coalition meeting with collective bargaining unit representatives is scheduled for early June. The expectation is for 7-10% increases in premiums; containing these costs is HR&B's top priority and so plan design is key. Part of cost containment may include greater emphasis on comprehensive health management programs—those that stress awareness, prevention, and overall wellness.

DISCUSSION: HCTF Chair Kronick added that cost shifting will be easier than generating any cost savings. He also noted that negotiations with the medical centers continue. Members asked how the health assessment programs might impact renewal costs, and Director Boland replied that any short term savings were unlikely. Members also asked whether retiree health benefits were at risk for cuts. Director Boland indicated that any such cuts were not currently on the table. TFIR Chair Anderson added that President Yudof has recently convened a task force to examine post-employment benefits comprehensively.

VI. Total Remuneration Study 2009

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

Mike Hill, Hewitt Associates

Robert Vogrich, Hewitt Associates

Sherry Deng, Mercer Consulting

Bob Miller, Mercer Consulting

Stephen Pollack, Mercer Consulting

****NOTE:** *Item occurred in executive session. Other than action items, no notes were taken.***

VII. Systemwide Review Items

1. Proposed UC Seminar Network

DISCUSSION: Members suggested that the proposal was overly ambitious and should be scaled back. For example, archiving every seminar is probably not necessary or workable. Impacts on data storage limits and presenters' personal styles were noted, as were other projects that might be evaluated for implementation and regulatory precedent.

ACTION: The committee will resume deliberations on this item at its next meeting.

2. Principles for Non-Resident Enrollment

****NOTE:** *item postponed until June meeting.***

3. Proposed New Standing Order of the Regents Regarding Furloughs and Salary Cuts

DISCUSSION: Members voiced several concerns with the proposal:

- This could be a first step in stratifying or dis-integrating the system.
- The mix of physical and fiscal emergencies in one policy is troublesome.

- Inter- and intra-campus equity concerns must be addressed directly. For example, different campuses receive different proportions of funding from the state, which means a state mandated cut would have differential impact by campus. Similarly, within a campus, some fields have easier access to extramural funding to off-set losses of cash compensation, if permitted.
- Determining the length of emergencies is unclear.
- Key terms such as “fairness” and “equity” are not defined in context.
- Collective bargaining units have no incentive to agree to the proposal.
- The review time frame is too short, increasing anxiety and undermining morale .
- Inconsistent messages from systemwide and campus administration makes interpretation difficult. For example, members are divided as to whether the proposal delimits or increases presidential authority.
- A “hold harmless” clause must be added, so that UCRP benefits are maintained at the level they would have been in the absence of a furlough or salary reduction.
- The pros and cons of both approaches (furloughs, salary reductions) have not been cogently explained to stakeholder groups.
- The implications of 9- and 11-month faculty pay schedules are not addressed. Neither are the impacts of academic year versus fiscal year appointees considered.

ACTION: Chair Henry will draft a letter to Council summarizing the committee’s concerns and circulate it for approval prior to submission.

VIII. UCFW Task Force on Investment and Retirement (TFIR) Update

Bob Anderson, Chair

1. UCRP Funding
2. Resolution regarding UCRP Management

****NOTE:** *Item occurred in executive session. Other than action items, no notes were taken.***

ACTION: Chairs Henry and Anderson will draft and circulate a transmittal letter to the Academic Council requesting their endorsement of the TFIR UCRP funding recommendation.

IX. Campus Issues

1. Compliance Briefings
2. Capital Accumulation Provisions

****NOTE:** *Item not addressed.***

X. Consultation with Academic Senate Leadership

Mary Croughan, Academic Council Chair

Harry Powell, Academic Council Vice Chair (via phone)

****NOTE:** *Item occurred in executive session. Other than action items, no notes were taken.***

XI. New Issues for Discussion

NOTE: Item not addressed.

Meeting adjourned at 4:00 p.m.

Distribution:

1. 2010 [Health Benefit] Renewal Timeline

Minutes prepared by Kenneth Feer, Senior Policy Analyst

Attest: Helen Henry, Chair