

UNIVERSITY OF CALIFORNIA

ACADEMIC SENATE

UNIVERSITY COMMITTEE ON FACULTY WELFARE

APPROVED MINUTES OF MEETING

FRIDAY, MAY 19, 2006

UCOP ROOM 5320

I. UCFW Announcements

- **Rusty Russell, UCFW Chair**

Regents' Update: UCFW Chair Russell provided a brief update on the May Regents' meeting, and discussed with UCFW members the Regents' action to create a chief compliance officer who will report to the Board of Regents.

II. Consent Calendar

- **Minutes of the April 21, 2006 UCFW meeting**

ACTION: The minutes of the April 21, 2006 UCFW meeting were approved with amendments.

III. UCFW Business and Systemwide Academic Senate Reviews

- **Rusty Russell, UCFW Chair**
- **UCFW Members**

A. End-of-year UCFW meeting schedule: UCFW members decided to hold its last meeting of the year in July, and not meet in June. Members will determine an agreeable meeting date via email following today's meeting.

B. Formal Review of Proposed Revisions to APMs 700, 710, 711 and 080: Sick Leave, Reasonable Accommodation, Medical Separation and Constructive Resignation: Assistant Vice President Switkes provided UCFW with an update on the University Committee on Privilege and Tenure's (UCP&T) submitted comments on the proposed APMs, reviewing each of UCP&T's concerns. UCFW members expressed support for the proposed constructive resignation provision, generally finding it a necessary addition to the APMs and full of sufficient protections for faculty members despite some of the purposefully vague language in APM 700-10 concerning the "extended period" a faculty member may be absent from assigned duties. However, members agreed that APM 700-10 should be clarified to read that the Chancellor is the person responsible for sending the faculty member written notice of his or her presumed resignation. Assistant Vice President Switkes welcomed this clarification language. UCFW members felt comfortable with the rest of APM 700-10, especially since faculty members always have the option of grieving through the regular campus Privilege and Tenure processes, however one member questioned whether one can grieve in this manner when that person is no longer employed with the University. This question was left unanswered.

ACTION: UCFW Chair Russell will draft a letter endorsing the proposed APMS, and summarizing UCFW's comments for submission to the Academic Council.

- C. Proposed Amendment to Senate Bylaw 185 (UCOL): UCFW members briefly discussed the proposed SB 185 amendment, which was submitted by the University Committee on Library for endorsement. One UCFW member noted a potential conflict of interest issue between traditional scholarly communication concerns and UCOL's recent efforts to keep journal prices under control. Another member noted that scholarly communication is still a major issue in the Academic Senate and that it might be beneficial for Council to maintain the Special Committee on Scholarly Communication (SCSC) for a while longer. Chair Russell proposed some summary comments to include in UCFW's letter to Council, to which members agreed.

ACTION: UCFW will submit a letter to Council endorsing the proposed amendment to Senate Bylaw 185 and express the committee's comments as noted in the discussion above.

- D. Proposed Student Freedom of Scholarly Inquiry Principles (UCAF): UCFW members raised some issues with a few of the scholarly inquiry principles, including questions about the research provisions concerning faculty authority and students' responsibilities, and the intellectual property rights provisions. Other members agreed with these concerns, but noted general endorsement of the proposed principles, especially in light of their outgrowth from the current political atmosphere and problematic legislative efforts in recent years.

ACTION: UCFW will submit a letter to Council endorsing the proposed Student Freedom of Scholarly Inquiry Principles and note the committee's concerns as expressed in the discussion above.

IV. Faculty Off-Scale Salaries, Recruitment and Retention

- Rusty Russell, UCFW Chair
- Ellen Switkes, Asst. Vice President, Academic Advancement
- UCFW Members

ISSUE: UCFW is continuing its discussion from the April 21, 2006 UCFW meeting in order to determine any next steps the committee would like to take on this issue. The University Committee on Academic Personnel (UCAP) has volunteered as the lead committee to address this issue for Council, and is expected to submit a report to Council at its June 21, 2006 meeting.

DISCUSSION: Chair Russell reminded committee members that although UCAP is the lead committee looking into faculty off-scale salaries, UCFW can provide input and suggestions to Council as well. Chair Russell then mentioned the PowerPoint presentation on Faculty Diversity (which was distributed via e-mail to UCFW members following the April meeting), and noted that at the joint Council-Chancellors April 5 meeting, where the Diversity presentation was made, the Chancellors noted their awareness of the general issues and their willingness to receive suggestions. Assistant Vice President Switkes then distributed a packet of charts on the use of above and off-scale salaries for faculty, which she said contained more accurate information than previous charts UCFW has reviewed, and reminded UCFW of the published salary scales which are available online. Committee members spent a majority of time discussing chart 7, the percentage and number of newly appointed faculty that receive above, on- and off-scale salaries, and chart 2, the average percentage and dollar amount of above and off-scale salaries at each campus. UCFW members noted that at present, multiple scales exist but that campuses and

departments often choose not to use those scales. One member observed a distinction between broad market value salaries, and a special market for individually distinguished faculty. Another member requested more data layered into the charts to show faculty promotions, and how quickly faculty move up in the ranks and steps. A UCFW member then noted that above scale salaries have proven to be a huge problem at his campus, and should be approved only in rare and exceptional circumstances to avoid abuse. Additional UCFW discussion points included: data should be included on length of service, age and gender; concerns regarding actuarial projections and liabilities for UCRP; distribution of the employer/employee contribution percentage in UCRP, and whether UC set a cap for how much of one's salary is eligible for the pension plan; and complex and separate issues concerning those faculty who are part of the Health Sciences Compensation Plan.

ACTION: UCFW will continue the off- and above-scale salaries discussion at its next meeting, and most likely carry-over discussion of this item into 2006-07.

V. Executive Session I

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

- A. UCFW Comments on the Report of the Task Force on UC Compensation, Accountability and Transparency (Kozberg-Hertzberg Report), the PricewaterhouseCoopers Audit Report, the State Bureau of Audits Report, and President Dynes' Recommendations
- B. UCFW Response to the Kozberg-Hertzberg Report, for the Academic Council

VI. Consultation with UCOP – Human Resources and Benefits

- Randy Scott, Executive Director, Policy and Program Design, HR&B (via teleconference)
- Gary Schlimgen, Director, Retirement Planning, HR&B

REPORT: Executive Director Scott and Director Schlimgen reported on the following topics:

UCRP – Restart of Contributions, Design Options: Following recommendations from the Academic Council and UCFW in the past few months, UCOP and The Regents are slowing down the decision-making process concerning retiree health and new design options under UCRP. Next steps will include developing a broad consensus about what is to be done and a new timetable in which to accomplish these goals. At present, UCOP and the Senate's goals should focus on the resumption of contributions to UCRP, and presenting a united position to The Regents in July.

Funded Status of UCRP and LANL: Director Schlimgen reviewed with UCFW members the Seigel report which was only briefly received by The Regents at their May meeting. Included was the Monday deadline for LANL employees to decide to transfer service credits as of May 31 and transfer into a mirrored defined benefit plan at LANS LLC, or retain their rights to UCRP benefits by retiring or electing inactive status. The preliminary election results as of Monday were that two-thirds of employees decided to continue in the defined benefit plan. Under the terms of the current UC management contract, along with UCRP's separate requirements, UC is required to transfer these liabilities and corresponding assets, which will impact UCRP. Seigel is

evaluating the demographic characteristics of those LANL employees who elected to continue with UCRP, including their salaries and service credits. Lastly, projections on the funded status of UCRP estimate UCRP as a whole to be just over 110% funded; and with expected investment returns and increasing liabilities at over \$1 million each year, the funded status is expected to decline to 107%. There are a range of outcomes that could result after completion of the transition and asset transfer, and new planning is underway. UCOP should receive final numbers from LANS LLC in the first week of June. So far, The Regents have only acted to approve UC's transfer to LANS LLC only the money required on an as-needed basis per month.

DISCUSSION: UCFW Chair Russell reported on UCFW's draft memo to all Senate members regarding the resumption of contributions to UCRP, and his desire to receive input on the draft from Executive Director Scott, who encouraged UCFW to take the lead in such communications to the faculty. UCFW members then discussed the funded status of UCRP, the allocation of returns since the LANL management transition, and noted that the LANL spin-off should neither improve UCRP's funded status nor make it worse. Executive Director Scott agreed with the latter position but noted that the outcome is dependent upon upcoming negotiations, and that The Regents' main concern right now is maintaining a properly funded retirement system for the University and its employees. Director Schlimgen reported that the Department of Energy's directives to contractors are also in play here, and that the future is unclear due to pending litigation and other matters.

ACTION: HR&B will report to UCFW at its July meeting on the following: (1) Mercer workforce report/analysis on employee behavior and decision-making; (2) UC family friendly initiatives, update on proposed adoption benefits; (3) updated information on Bob Anderson's draft discussion piece, *A Possible Change in Employee and Annuitant Benefits*; and (4) update on the LANL transition and the funded status of UCRP.

VII. Consultation with UCOP – Budget Office

- Larry Hershman, Vice President for Budget

REPORT: Vice President Hershman reported to the committee on the following topics:

November Bond Package: The Governor and the Legislature agreed to a bond package for voter approval in November, which includes \$10 billion total in education funding. If passed, UC will receive \$345 million per year for two years plus an extra \$200 million for expansion of UC's existing medical schools and programs that will serve underserved areas.

May Revision: State revenue is up by \$5 billion this year, with a projected \$2.5 billion increase for next year. This is mostly one-time money from capital gains and stock options, and the Legislature is expected to spend most of it for one-time state-committed expenditures such as funding owed under Proposition 98, improvements for the state levee system, and/or building up the reserve and paying down the debt. The state's structural debt could go down as low as \$2.5 billion next year, which is good news for UC in future budget years.

UC Budget: The Governor included a 3% COLA and student fee buyout in his budget proposal for UC, giving UC a 4% increase in funding to distribute among continuation costs, merits, salary increases for faculty and staff, and health benefits.

UC Enrollment: UC missed its enrollment targets this year, but the state Senate agreed to a 2.5% enrollment increase, amounting to a little over 5,000 students total. Right now the methodology used to calculate UC's marginal cost formula is under negotiation between the state houses, as UC is advocating for a \$10,000/student formula as the Governor proposed in his original budget, representing an increase from the current \$7500/student formula.

Student Academic Preparation: The state Senate added \$17.3 million to the Governor's proposed budget, which will now require negotiation with the Governor for approval.

Research: UC hopes to receive a substantial increase in research funding although money is not included in the Governor's budget. The state Senate has augmented the budget by \$11 million for special research projects. Research funding will continue to be a long-term effort for UC in a planned multi-year expansion of research dollars, which will also hopefully include a commitment to support graduate students.

Capital Budget: Both state houses approved UC's capital budget, however a few projects are still unresolved, including the UCSB capital project.

UC Compensation Issues: A series of hearings held were held in Sacramento, including a hearing of the Kozberg-Hertzberg Task Force Report where Mr. Hertzberg testified before a receptive Senate Education Committee. UC has assisted in drafting language the Legislature would adopt which reiterates the recommendations of the Kozberg-Hertzberg Task Force Report, and which allows UC to report on all senior management salaries without being required to report all UC employee salaries on a public website.

DISCUSSION: UCFW members discussed with Vice President Hershman his views on what UC's budget might look like in the fall, as well as UCRP performance rates and expected gains for the year. UCFW ended the consultation period by expressing the committee's appreciation to Vice President Hershman for his many years of service at UCOP working on the budget and advocating on behalf of faculty interests before the Legislature. UCFW wishes Vice President Hershman well upon his retirement from the University.

VIII. Executive Session II

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

- A. Agenda item IV, continued
- B. UCFW Statement on Senate Consultations with the Administration re: UCRP and other issues

ACTION: UCFW members will approve a final UCFW statement on the resumption of contributions to UCRP via email following today's meeting, for eventual submission to the Academic Council and distribution to all Senate members.

IX. Senate Parking Principles

- **Larry Hershman, Vice President for Budget**
- **Rusty Russell, UCFW Chair**

ISSUE: UCFW is continuing its discussion of University Parking Principles with Vice President Hershman, as this issue falls under his delegated duties due to former Senior Vice President Mullinix's departure from the University earlier this spring.

DISCUSSION: Following Chair Russell's introduction and explanation of the history behind the Academic Senate and UCOP Parking Principles of 2002, UCFW discussed with Vice President Hershman the two main sticking points in prior negotiations with SVP Mullinix: (1) the fact that faculty are forced to pay for surface parking spaces that are destroyed to make room for new campus buildings, and then charged again for more expensive high rise parking structures; and (2) the use of campus parking budgets to pay for non-parking expenses. Concerning point 1, Vice President Hershman noted that the state will not pay for campus parking, therefore the tentative compromise worked out with SVP Mullinix earlier in the year to credit faculty for the depreciated value of surface spaces that were destroyed is unworkable. Concerning point 2, Vice President Hershman noted his willingness to work with UCFW and the campuses to align their interests and better understand campus parking budget processes. UCFW members repeated their preference, also promulgated in the Senate Parking Principles, to not forbid the use of parking money for alternative transportation, but to cap those amounts spent by the campuses in some way. Regardless, UCFW members pointed out another request that Senate representatives must be involved in campus parking committees and final decision-making on parking issues. Vice President Hershman proposed that UCFW could devise a questionnaire to send to the campuses to get a better understanding of campus parking budgets, and legal and other issues (i.e., student transportation fees) that factor into parking decisions. Vice President Hershman offered his assistance in communicating such a questionnaire to the campuses, and getting UCFW complete and timely information. UCFW members expressed general agreement to move forward with this plan, and gather facts before rewriting another round of parking policies.

ACTION: This item will be addressed at the July UCFW meeting.

X. UCFW Member Items

- A. Follow-up: Campus Childcare Reports
- UCFW Members

ACTION: This item will be addressed at the July UCFW meeting.

- B. Faculty Emergency Planning (Davis Task Force)
- Jim Chalfant (UCD)

REPORT: Member Chalfant reported that his campus is working on a broad emergency planning initiative focused on addressing emergencies such as TA or lecturer strikes, a possible flu pandemic, etc., and how the campus would respond in such situations, including the continuation of Senate business. He is a member of the Davis avian flu task force, which has not yet met. Member Chalfant wished to know if any other divisions are moving forward in this area, to which one other division representative responded. She

noted that her campus has learned that only the Chair of the Divisional Senate can cancel classes, and her campus is still unclear whether to encourage students to go home in case of an emergency.

ACTION: none

Meeting adjourned at 4:00p.m.

Attest: Raymond Russell, UCFW Chair

Prepared by: Michelle Ruskofsky, UCFW Analyst

Distributions:

1. Statement Regarding President Robert C. Dynes by Chairman Gerald L. Parsky on Behalf of The University of California Board of Regents, May 18, 2006.
2. University of California Use of Above and Off-Scale Salaries, Professorial Series, Charts 1 through 12, distributed by Ellen Switkes, Assistant Vice President, Academic Advancement.
3. UCFW Memorandum to Members of the Academic Senate on the Resumption of Contributions to UCRP, *draft*, May 18, 2006.
4. Transition of the Los Alamos National Laboratory – Estimated Impact on UCRP Funded Status, PowerPoint Presentation by The Segal Company to The UC Board of Regents, May 18, 2006, distributed by Gary Schlimgen, Director, Retirement Policy and Planning, HR&B.

Attachment: UCFW 2005-06 Attendance

UCFW Minutes – May 19, 2006

UNIVERSITY COMMITTEE ON FACULTY WELFARE (UCFW): ATTENDANCE 2005-06									
Key: X = In attendance; Abs = Absent; Alt = Alternate attended; T = by teleconference									
		10/7/05	11/4/05	1/13/06	2/10/06	3/17/06	4/21/06	5/19/06	7/7/06
MEMBERS:									
Raymond Russell, Chair	Riverside (Sociology)	X	X	X	X	X	X	X	
Susan French, Vice Chair	Los Angeles (Law)	T	X	X	X	X	X	X	
Shannon Jackson	Berkeley (Theater, Dance & Arts)	X	X	X	Abs	X	X	Alt	
James Chalfant	Davis (A&R Economics)	X	X	X	X	X	X	X	
Julian Feldman	Irvine (Computer Science)	X	X	X	X	X	X	Alt	
Shane White	Los Angeles (Den-Endo)	X	X	X	Alt	X	X	X	
Tom Harmon	Merced (Engineering)	Abs	Abs	Abs	Abs	Abs	Abs	Abs	
Helen Henry	Riverside (Biochemistry)	X	Abs	X	X	X	X	X	
Morton Printz	San Diego (Pharmacology)	X	X	X	X	X	X	X	
Robert Newcomer	San Francisco (Soc&Behav Sci)	X	X	X	X	X	Alt	X	
Douglas Morgan	Santa Barbara (Economics)	X	X	X	X	X	X	X	
Greta Gibson (Fall)	Santa Cruz (Chemistry)	Alt	Alt						
Paul Ortiz (Win, Sum)	Santa Cruz (Community Studies)			Abs	X	X	Alt	Alt	
Harold Simon	Member At-Large,UCFW-TF Chair	X	X	X	X	X	X	X	
Robert Anderson	UCRS Board Member	T	X	X	X	X	X	X	
EX-OFFICIO MEMBERS:									
Cliff Brunk	Chair, Academic Council	X	X	Abs	X				
John Oakley	Chair (3/06) , Academic Council	X	Abs	Abs	X	Abs	X	X	
Dericksen Brinkerhoff	CUCEA Chair	Abs	Alt	X	X	Alt	Alt		
GUESTS:									
Steve Mathews	Dep. Asst. VP & Dir.Off.LoanPrgrs		X						
Lester Breslow	UCFW-TF Member (UCLA)		X						
Dan Bikle	UCFW-TF Member (UCSF)		X						
Bob Miller	Mercer HR Consulting			X	X	X			
Richard McEvoy	Mercer HR Consulting			X	X				
Gary Jerome	Mercer HR Consulting			X					
Tim O'Beirne	Deloitte Consulting			X	X	X			
ALTERNATES:									
Richard Robertson	Irvine (Medicine)								
William Shadish	Merced (Social Sciences)								
Roger Anderson	Santa Cruz	X							
Ted Holman	Santa Cruz		X						
Louise Taylor	CUCEA Alternate (UCB)					X	X	X	
Shantanu Sinha	Los Angeles				X				
Barbara Epstein	Santa Cruz						X		
Kenneth Drasner	San Francisco						X		
Fiona Doyle	Berkeley							X	
Pauline Yahr	Irvine							X	
Nancy Stoller	Santa Cruz							X	
CONSULTANTS:									
Maria Bertero-Barceló	Exec. Dir., Academic Council	X							
Larry Hershman	Vice President, Budget		X				X	X	
Joseph Mullinix	Sr. Vice Pres, Bus & Finance	X			X				
Marie Berggren	Interim University Treasurer		X						
Judith Boyette	Asc. Vice Pres, HR&B	X			X	X	X		
Judy Ackerhalt	Deputy to Asc VP, HR&B	X	X	X	X	X	X		
Randy Scott	Exec. Dir., HR&B Policy Prg Des.		X	X	X	X	X	T	
Mark Esteban	Dir., HR&B Policy Prg Des,H&W		X	X	X	X	X		
Gary Schlimgen	Dir., HR&B Retirement Png			X		X		X	
Nancy Partovi	Asc. Dir., HR&B Policy, Ret PI								
Stan Kowalski	Dir., HR&B, Const & Leg Coord.								
Howard Pripas	Exec. Dir., HR&B Labor Rel.								

UCFW Minutes – May 19, 2006

Eva Devincenzi	Dir., HR&B Policy Prg Design								
Eleanor Skarakis	Mgr., HR&B Policy Prg Design						X		
Ellen Switkes	Asst. Vice Pres, Acad. Adv.	X	X	X	X	X	X	X	
Jill Slocum	Dir., Academic Advancement	X	X	X	X	X	X	X	
Kristine Hafner	Asc. Vice Pres, IR&C	X							
Jacqueline Craig	Dir., IR&C Policy	X							
STAFF:									
Michelle Ruskofsky	UCFW Analyst	X	X	X	X	X	X	X	