

UNIVERSITY OF CALIFORNIA

ACADEMIC SENATE

UNIVERSITY COMMITTEE ON FACULTY WELFARE

MINUTES OF MEETING

FRIDAY, JULY 7, 2006

UCOP ROOM 5320

**I. Chair's Announcements**

- **Rusty Russell, UCFW Chair**

UCFW Chair Russell welcomed UCFW members, consultants and guests to the meeting, and announced Assistant Vice President Ellen Switkes' retirement, effective at the end of June 2006. Sheila O'Rourke has been appointed Acting Assistant Vice President and will be attending UCFW meetings until a permanent replacement is announced.

**II. Consent Calendar**

- **Minutes of the May 19, 2006 UCFW meeting**

**ACTION:** The minutes of the May 19, 2006 UCFW meeting were approved with amendments.

**III. UC Parking Principles**

- **Rusty Russell, UCFW Chair**
- **Judy Boyette, Associate Vice President, HR&B**
- **UCFW Members**

**ISSUE:** UCFW is continuing its discussion of aligning the Senate and UCOP Parking Principles of 2002. At the May UCFW meeting, Vice President Hershman suggested that UCFW consult with all parties interested in and affected by parking issues, including UCOP, the campuses, students, staff, and others. He also suggested that UCFW construct a questionnaire to the campuses requesting additional budgetary information.

**DISCUSSION:** In discussing Vice President Hershman's suggestions, most UCFW members expressed the view that the extra consultations and campus questionnaires may not be productive exercises for UCFW. Most members noted that this discussion will need to be continued next year, and the committee should consider the following: addressing the issue from the faculty perspective only, conducting a full audit of campus parking budgets, pressing for direct Senate involvement on every campus local committee that deals with parking, and continue to use the 2002 Senate Principles as a foundation for ongoing discussions with UCOP.

**ACTION:** UCFW Member Doug Morgan will collect all available campus parking and budgetary information and prepare a summary for UCFW's review in fall 2006. All UCFW members are requested to send to Member Doug Morgan their campus parking income statements, balance sheets, and any additional information on local parking processes, as well as the status of local faculty engagement in decision-making.

**IV. Consultation with the UC Treasurer’s Office**

- **Jesse Phillips, Director - Risk Management, UC Treasurer’s Office**

**ISSUE:** UCFW requested a consultation with the Treasurer’s Office to discuss UC investment strategy, and UCRP performance over the last fifteen years.

**REPORT:** Director Philips reviewed with UCFW members recent market activity, UC’s current and past asset allocation strategies, and the current funded status of UCRP. He also reported on the Treasurer’s Office efforts involving the LANL/LANS spin-off.

**DISCUSSION:** UCFW members discussed with Director Philips the Treasurer’s Office approach in projecting UCRP return on investment, calculation of UCRP’s funded status, and its impact on The Regents’ decision to resume employee and employer contributions to UCRP in the future. Director Philips fielded questions from UCFW members regarding the Venuti Report, noting The Regents’ policy to not allow UCRP to dip below a funded status of 100 percent. Members also discussed UC’s change in asset allocation strategy, including portfolio management costs, benchmarking, and involvement of The Regents’ Committee on Investments in decision-making.

**V. Consultation with the Academic Council Vice Chair**

- **Michael T. Brown, Council Vice Chair**

**REPORT:** Council Vice Chair Brown reported to the committee on general compensation issues, and his participation on two workgroups convened by President Dynes to respond to the recommendations of the Task Force on UC Compensation, Accountability and Transparency.

**DISCUSSION:** UCFW members discussed with Vice Chair Brown his views on senior management compensation, sabbatical and administrative leave policies, including APM 758, and his representation of the faculty viewpoint at the workgroup meetings. One UCFW member noted his support for amending UCFW’s fall 2002 position on APM 758, to go on record against administrative leaves at the administrative rate of pay that result in the individual returning to campus as a faculty member. Others noted that APM 758 is often used as an important recruitment and retention tool for senior managers. UCFW members then shared with Vice Chair Brown their comments on “benchmarking for senior managers,” an issue to be discussed at the next meeting of the Competitive Compensation Work Group. Lastly, UCFW members discussed the UCFW compensation principles, including the method of performance review for senior managers in the context of The Regents’ proposed slotting plan, and the appropriate comparison groups for benchmarking senior managers’ salaries.

**ACTION:** UCFW will submit a formal response to Council Chair Oakley concerning the committee’s views on benchmarking for senior managers.

**VI. Faculty Off-Scale Salaries: Follow-Up**

- **Rusty Russell, UCFW Chair**

**UPDATE:** UCFW Chair Russell reported that the University Committee on Academic Personnel (UCAP) has completed a report on faculty off-scale salaries. At its June meeting, the Academic Council approved the UCAP report be sent out for systemwide Senate review in the fall, at which time UCFW will have an opportunity to submit formal comments.

**ACTION:** UCFW will continue discussion of this item in its 2006-07 session.

## VII. Report of the UCFW Health Care Task Force

- Hal Simon, HCTF Chair
- Larry Pitts, HCTF Member

**REPORT:** HCTF Chair Hal Simon provided an update on the following items addressed at the May 31, 2006 HCTF meeting:

HCTF Letter to UCFW re: Comments on Total Compensation and Changes in Salary and Benefits: The task force has drafted a letter for UCFW's approval today, which was prompted by a discussion of The Regents' intent to "balance" UC benefits and salary to achieve competitive total compensation for faculty and staff. The task force is concerned that this can be interpreted as advocating for higher salaries at the expense of lower benefits. The task force is also interested in learning more about the Mercer report's methodology.

**DISCUSSION:** UCFW members discussed the draft letter and agreed on some minor amendments. Executive Director Randy Scott noted that HR&B and Mercer are in the midst of updating the Mercer total remuneration report for presentation to The Regents in September, which will include an outline of the report's methodology and assumptions. UCFW members discussed next steps in addressing the committee's problems with the Mercer report. Lastly, Associate Vice President Boyette reported her interest in convening a workgroup of faculty members charged to conduct their own research on UC total compensation. UCFW members expressed great interest in this idea, noting that they had made this suggestion for years.

**ACTION:** The draft HCTF letter will be approved by UCFW via email following today's meeting, for eventual submission to the Academic Council.

**ACTION:** UCFW will follow-up with Associate Vice President Boyette on a possible faculty workgroup on UC total compensation in the fall.

Information Items: HCTF Chair Simon noted that the task force spent a considerable amount of time at its May meeting addressing HR&B's long range strategic planning initiative, though the task force did not formulate any formal recommendations. The task force also received updates from HR&B on options for a possible long term care insurance benefit for UC employees, as well as HR&B's progress on the Wellness Pilot Project initiative. The task force is continuing to pursue a meeting with Senate and UCOP representatives with the UC Medical Center Directors.

**DISCUSSION:** One UCFW member requested that the task force look into the impact of new requirements for proof of citizenship on UC Medical Center staff, faculty, and others. HCTF Chair Simon noted that this issue will be placed on the 2006-07 HCTF Agenda. Finally, UCFW Chair Russell announced that UCOC has appointed Larry Pitts as HCTF Chair next year, while retaining Hal Simon as an at-large member of UCFW. UCFW members then thanked HCTF Chair Simon for his great leadership in chairing the task force for the past five years.

## VIII. Working Lunch – UCFW Members' General Discussion

**DISCUSSION:** UCSC Member Nancy Stoller raised serious concerns expressed by her UCSC colleagues regarding the recent suicide of UCSC Chancellor Denice Denton, UC's response and the media's coverage. She read a series of questions that she and her colleagues would like addressed by UC administrators. Due to inadequate time to properly address these questions and the other issues raised in Ms. Stoller's report, Chair Russell requested that she prepare a letter that could be transmitted to the Academic Council for further attention.

**IX. UC Berkeley Pre-Retirement Counseling Presentation**

- **Shelley Glazer, Executive Director, UCB Retirement Center**

**ISSUE:** Shelley Glazer introduced her pre-retirement counseling program to UCFW by an abbreviated PowerPoint [presentation](#). She emphasized that the program enjoys a very high participation rate at UC Berkeley; incorporates a comprehensive strategy for pre-retirement planning; is academically-developed; and participant feedback indicates the program is very useful and effective. Ms. Glazer's intent is to share this program with all the campuses and gauge their interest in offering a similar program.

**DISCUSSION:** UCFW members expressed great interest in sharing the program with their local faculty welfare committees. One member suggested that any pre-retirement counseling program should be uniform across all campuses, perhaps offered by UCOP as a packaged presentation. Ms. Glazer then noted that the program can be tailored to local needs because it incorporates a question and answer/personalized consultation period for participants.

**ACTION:** UCFW members will report back to their respective faculty welfare committees and gauge interest in offering a similar pre-retirement counseling program at their respective campuses. UCFW will continue discussion of this issue in 2006-07.

**X. Report of the Task Force on Investment and Retirement [none]**

**XI. Consultation with HR&B**

- **Judy Boyette, Associate Vice President, HR&B**
- **Randy Scott, Executive Director, Policy and Program Design, HR&B**

**A. Impact of Retirement Programs on Workforce Behavior – Overview of Analysis Process (Proposed Approach) – July 7 Presentation**

- **Amol Mhatre, Mercer Human Resource Consulting**

**ISSUE:** Mercer has prepared a report on the impact of UC retirement programs on workforce behavior as requested by UCFW earlier this year.

**REPORT:** Mr. Amol Mhatre introduced the workforce behavior report, which in its final form will consist of a summary of findings based on existing research analyzing the impact of retirement programs on workforce behavior. Mercer intends to review questions and issues identified by UCFW and others, which will assist Mercer in defining how and when the information will be reported. Executive Director Randy Scott noted that the report's initial approach will focus on faculty, and will align with UCFW's health benefits principles enunciated this year.

**DISCUSSION:** UCFW members asked questions about the report's methodology and content, and requested inclusion of information on how gender impacts workforce behavior, the impact of The Regents' commitment to raising salaries over the next ten years, and effects of UC's benefits package on faculty recruitment across many disciplines.

**ACTION:** HR&B will forward to UCFW members the Workforce Behavior Report following today's meeting. UCFW members are requested to review the report and offer substantive comments to HR&B for eventual reporting to Mercer.

B. Initial Analysis of UCFW April 21, 2006 Discussion Paper Related to Active and Retiree Health Benefit Changes, July 7, 2006

- **Tim O’Beirne, Deloitte Consulting**
- **Richard McEvoy, Mercer Human Resource Consulting**

**ISSUE:** In April, UCFW Member Bob Anderson presented a “non-proposal” discussion paper, “A Possible Change in Employee and Annuitant Benefits.” UCFW requested that HR&B work with Mercer and Deloitte to fill in the cost data and other numbers as discussed in the paper, for review by the committee today.

**REPORT:** Mr. Tim O’Beirne and Mr. Richard McEvoy provided for UCFW a brief introduction and overview of the discussion paper and their “outline of potential analysis” via PowerPoint presentation. They noted that their analysis was based on UCFW’s health benefits principles.

**DISCUSSION:** Executive Director Randy Scott reminded UCFW members that this “initial analysis” is intended only as a status report, to make sure their direction is correct, and to assist in planning for further analysis. Policy questions must still be addressed, such as whether to apply this analysis. Further, cost analyses will need to be performed for at least one year. UCFW members expressed satisfaction with the report, and appreciation for Mercer and Deloitte’s work on this project.

**ACTION:** UCFW will continue to trail this issue in 2006-07.

C. LANL Transition Update

- **Gary Schlinggen, Director, Retirement Planning, HR&B**

**REPORT:** Director Gary Schlinggen distributed and reviewed with UCFW members charts showing results of the LANS transition election. He then reported that the transition team is currently reviewing UC’s liabilities in preparation for upcoming negotiations with the Department of Energy. Another update will be available to UCFW and TFIR in fall 2006. Executive Director Randy Scott added that the implementation order for a DOE policy against its reimbursement of contractors for defined benefit plans after July 2007 has been deferred for one year.

**ACTION:** UCFW will receive additional updates on the LANL transition in fall 2006.

D. Family Friendly Initiatives, Childcare and Adoption Benefits

**REPORT:** Executive Director Randy Scott distributed and reviewed a HR&B analysis of a possible UC adoption benefit policy. He emphasized that HR&B has not yet adopted a formal recommendation on adoption benefits, but requested UCFW members to review the document with their local faculty welfare committees.

**ACTION:** UCFW members will discuss the Adoption Benefits Analysis with their local faculty welfare committees and report back to UCFW in the fall.

XII. **UCFW Planning for 2006-07 Agenda and Priorities**

- **Rusty Russell, UCFW Chair**
- **Susan French, UCFW Vice Chair**

**DISCUSSION:** Chair Russell requested members’ suggestions for the 2006-07 UCFW agenda besides those listed on the agenda. Members offered the following: off-scale salaries; investigate whether UC could/should offer a group identify theft insurance plan for employees; inquire

further into UC's funding of its liabilities, and what alternatives are under discussion; possible UCOP oversight structure for faculty housing and childcare issues; and continued questioning of the Mercer report.

**Meeting adjourned at 4:00p.m.**

Attest: Raymond Russell, UCFW Chair

Prepared by: Michelle Ruskofsky, UCFW Analyst

**Distributions:**

1. HCTF draft letter to Rusty Russell re: UCFW Health Care Task Force Comments on Total Compensation and Changes in Salary and Benefits, June 30, 2006.
2. UCOP Analysis of Adoption Benefits, July 3, 2006.
3. LANS Transition Election Results
4. Impact of Retirement Programs on Workforce Behavior, Overview of the Analysis Approach, July 7, 2006.
5. Morton Printz letter to Rusty Russell re: Parking Policy Principles Approved by UCFW – June 12, 2002, Endorsed by the Academic Council on June 19, 2002 – Request for Division Comments, July 5, 2006.
6. Hal Simon to UCLA Professor Sahai re: Definity Health Inquiry, June 2, 2006.
7. Michael T. Brown email to Academic Council Discussion List re: Competitive Compensation Work Group, July 5, 2006.
8. UC Berkeley Pre-Retirement Planning Program, Presentation to UCFW, July 7, 2006.

**Attachment:** UCFW 2005-06 Attendance

UCFW Minutes – July 7, 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
<b>MEMBERS:</b>									
Raymond Russell, Chair	Riverside (Sociology)	X	X	X	X	X	X	X	X
Susan French, Vice Chair	Los Angeles (Law)	T	X	X	X	X	X	X	X
Shannon Jackson	Berkeley (Theater, Dance & Arts)	X	X	X	Abs	X	X	Alt	X
James Chalfant	Davis (A&R Economics)	X	X	X	X	X	X	X	X
Julian Feldman	Irvine (Computer Science)	X	X	X	X	X	X	Alt	Alt
Shane White	Los Angeles (Den-Endo)	X	X	X	Alt	X	X	X	X
Tom Harmon	Merced (Engineering)	Abs	Abs	Abs	Abs	Abs	Abs	Abs	Abs
Helen Henry	Riverside (Biochemistry)	X	Abs	X	X	X	X	X	X
Morton Printz	San Diego (Pharmacology)	X	X	X	X	X	X	X	X
Robert Newcomer	San Francisco (Soc&Behav Sci)	X	X	X	X	X	Alt	X	X
Douglas Morgan	Santa Barbara (Economics)	X	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	Alt
Harold Simon	Member At-Large,UCFW-TF Chair	X	X	X	X	X	X	X	X
Robert Anderson	UCRS Board Member	T	X	X	X	X	X	X	T
<b>EX-OFFICIO MEMBERS:</b>									
Cliff Brunk	Chair, Academic Council	X	X	Abs	X				
John Oakley	Chair (03/06) , Academic Council	X	Abs	Abs	X	Abs	X	X	X
Dericksen Brinkerhoff	CUCEA Chair	Abs	Alt	X	X	Alt	Alt	Alt	Alt
<b>GUESTS:</b>									
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				X
Gary Jerome	Mercer HR Consulting			X					
Amol Mhatre	Mercer HR Consulting								X
Jesse Phillips	Director, Risk Mgmt., UC Treas.								X
Tim O'Beirne	Deloitte Consulting			X	X	X			X
<b>ALTERNATES:</b>									
Richard Robertson	Irvine								
William Shadish	Merced								
Roger Anderson	Santa Cruz	X							
Ted Holman	Santa Cruz		X						
Louise Taylor	CUCEA Alternate (UCB)					X	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	X
Nancy Stoller	Santa Cruz							X	X
<b>CONSULTANTS:</b>									
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		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	X
Mark Esteban	Dir., HR&B Policy Prg Des,H&W		X	X	X	X	X		X
Gary Schlimgen	Dir., HR&B Retirement Plng			X		X		X	X
Nancy Partovi	Asc. Dir., HR&B Policy, Ret PI								X
Stan Kowalski	Dir., HR&B, Const & Leg Coord.								

*UCFW Minutes – July 7, 2006*

Howard Pripas	Exec. Dir., HR&B Labor Rel.								
Eva Devincenzi	Dir., HR&B Policy Prg Design								
Eleanor Skarakis	Mgr., HR&B Policy Prg Design						X		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	
Sheila O'Rourke	Acting Asst. Vice Pres, Acad. Adv.								X
Kristine Hafner	Asc. Vice Pres, IR&C	X							
Jacqueline Craig	Dir., IR&C Policy	X							
<b>STAFF:</b>									
Michelle Ruskofsky	UCFW Analyst	X	X	X	X	X	X	X	X