

## **Minutes for Joint CUCEA/CUCRA Meeting at UCSF, October 27, 2005**

**CUCRA Attendees:** Tom Beales (LBNL), Bob Becker (LLNL), Ad Brugger (OP), Marilyn Cantlay (UCSC), Lee Duffus (UCSC), Bob Eernisse (UCD), Marian Gade (B), Adrian Harris (UCLA), Iola James (UCB), Dick Jensen (UCSB/SC), Charles Lacy (UCD), Lew Leeburg (UCLA), Jim Mackie (UCSF), Joe Mariner (LANL), Mary Mariner (LANL), Sal Martino (UCR), Donn Miller (UCSB), Barbara Nichols (UCD), Hugh Pates (UCSD), John Pitts (LLNL), Deanna Falge Pritchard (D), Anne Gray Raventos (D), Antonia Sweet (B), Don Wilkie (SD)

### **Welcome and Introductions**

Dr. Dorothy Rice, UCSF Host, Professor Emerita and President of UCSF Emeriti Faculty Association welcomed us and introduced the keynote speaker.

Dr. Sally Marshall, Vice Chancellor for Academic Affairs, UCSF, announced the opening of the Mission Bay Campus on October 28<sup>th</sup>. She is in charge of the quality of faculty life. Her plans include the following: every faculty member will have a mentor and there will be a leadership program especially for women. A welcoming website is almost up and running. It was suggested considering emeriti as mentors.

### **UC Advocacy, Emeriti & Retiree Participation**

Michael Reese, Head of advocacy program, UC for California Alliance (UC for CA). He described it as interdisciplinary in nature. An ongoing, integrated, support-building campaign is underway. UC for CA has used alumni for government relations communications and budget office development but must broaden the base of advocacy. He described that: Enrollment has grown 19% while State support was cut 15%, (\$1.5 billion). Term limits do not allow enough time for people to learn. There is a disconnect with voters, circa 49% of middle income families say they cannot afford UC. Federal research support is leveling off. We are a blue state in a red nation. In recent years private support has been around \$3 billion. There is a growing gap between UC and private institutions. UC must increase fees shutting out low and middle income students, or limit enrollment, or compromise quality.

Therefore, the only solution is to broaden support with a grassroots show of strength by including students, faculty, staff and annuitants, to development a broader network of influential contacts and cultivation of legislators. California Alliance must move the people in the categories up the pyramid of influence. Annuitants are level 1 or 2, mostly uninformed people who with exposure can become opinion shapers. Electronic advocacy can inform them and then use them to write legislators, etc.

### **Report from UCOP Human Resources and Benefits**

Judy Ackerhalt reported on the status of the national laboratories. LBNL: UC was awarded the contract for five years beginning June 2005. It can be extended to 2020. LLNL has been extended to 9/30/07. Regents will decide whether to bid. LANL: UC has partnered with Betchel, BWX Technologies, Washington Group International to form an LLC because the RFP states a separate organization (LANS) must manage the laboratory. UC's current contract was extended to 5/31/06. Under LANS UC will appoint 3 board members and the other 3 companies will each appoint one. The RFP called for a different pension plan arrangement to be governed by ERISA. UC suggests a Pension Plan 1 similar to UCRP, Plan 2 stand alone pension plan will be market driven. Some assets will be transferred no matter who wins. The winner has 60 days to present the pension package. Current UC employees will have choices, e.g. transfer to LLC and go into Plan 1, or become inactive in UCRP and go into market driven plan, a 3<sup>rd</sup> group might retire prior to July 1 and then be hired by the LLC and go into market driven Plan 2. New employees will go into Plan 2. UCOP will have to close out its existing contracts. Retirees will stay under UCRS. Los Alamos UCRP will pay retirees health care, but health plans will go to new providers with a new contractor. There may be continuation for 2006 with current health plans. It appears from the RFP there is intent to continue post retirement health coverage. NNS which drafted the

RFP will make the decisions.

Randy Scott, recently designated Executive Director of Human Resources Benefits and Program Design, stated that this is a beginning for him of consultation with both CUCEA and CUCRA. He explained the importance of Regents Item #61 which the newspapers have skewed to mean UC is seeking funds for top salaries. Go on line and look at the items. Part A regards total remuneration, Part B regards the administrative process for senior salaries, and Part C is supplemental salaries for high compensation. Part A is the important one and a task force has been formed to look at the issues of health and welfare benefits as well as retirement benefits and cash compensation which lags the market by an average of 15%. Retirees' health and pension benefits are about 60% above market and health and benefits are about 10% above market. Averaging all of this puts us about at market for total compensation. Although the UCRP remains fully funded with a surplus of assets over liabilities, UC will have to restart employee contributions at a future date. (Adrian Harris asked how the Joint Benefits Committee can participate in benefit discussions if certain members who are consulted in their roles as leaders of CUCRA & CUCEA can't talk about it? Scott will find a way to engage the groups in communications. Harris suggests that the two chairs be allowed to talk to JBC.) With Fidelity as the Master Record Keeper a vendor will be selected this year to explain on sight/online tools for financial advice and education. Health and Welfare wants as little disruption to retirees at Los Alamos as possible. There is no magic bullet to stem increasing health care costs. UC continues to look for ways to control costs. There will never be a no-cost health plan. UC is looking at our ability to continue to manage health care because we don't have the capability to manage with today's complexity.

Carl Klompus, the Director of Vendor Management, reported we have a better drug plan than Medicare Plan D. Do not register with another carrier or you will lose UC coverage. MRDs will begin on Nov. 14<sup>th</sup>. Health care issues, Los Alamos, etc. HYPERLINK "<http://www.UCforCalifornia.org>"  
[www.UCforCalifornia.org](http://www.UCforCalifornia.org)

Treasurer's Report-Mel Stanton, Associate Treasurer, reported that UC has had a consistent ratio of 65/35 between equities and fixed income. UC doesn't go with trends. Interviews for treasurer have not yet begun. The conversion to FITSCO is complete. UC Pathways Funds is a good guide to an automatic investment plan. Each year it will be rebalanced, etc. until you withdraw. Adrian Harris says there is confusion between UC and Fidelity Pathway funds. It will be checked. For people who want more exposure to the market UC has Specialized Asset Class Options. Vanguard specializes in technology. Fidelity charges a flat rate administrative fee of \$45/person.

Dick Jensen pointed out that CUCEA doesn't have Los Alamos people while CUCRA has three groups of members from the three labs. Therefore, CUCRA is always concerned about items that affect the labs.

Joint Benefits Committee-Adrian Harris was asked to put together a specific proposal for the older annuitants' adjustment. He believes that we should use the date of the change of the 80% limit on average salary in the retirement computation formula to identify these annuitants. UC says it can't do anything about it because of a retirement agreement. It was suggested that OP form a task force to brainstorm solutions to this problem on an ad hoc basis. Flexible spending arrangements are something we can't get unless the Government changes its rule to allow it. The IRS says since federal employees don't have it no employees can have it. Maybe we can work with UCOP to get the government to allow this for everyone. We have to redo the composition of the JBC.

End of Joint Session. Lunch Break

**Minutes CUCRA Meeting on October 27, 2005 at UCSF**

**Attendees:** Tom Beales (LBNL), Bob Becker (LLNL), Ad Brugger (OP), Marilyn Cantlay (UCSC), Lee Duffus (UCSC), Bob Eernisse (UCD), Marian Gade (B), Adrian Harris (UCLA), Iola James (UCB), Dick Jensen (UCSB/SC), Charles Lacy (UCD), Lew Leeburg (UCLA), Jim Mackie (UCSF), Joe Mariner (LANL), Mary Mariner (LANL), Sal Martino (UCR), Donn Miller (UCSB), Barbara Nichols (UCD), Bob Oakes (UCSD), Hugh Pates (UCSD), John Pitts (LLNL), Deanna Falge Pritchard (D), Anne Gray Raventos (D), Antonia Sweet (B), Don Wilkie (SD)

**Minutes from 3/25/05**-were approved with change to 'Donn's appointment'.

**Spring meeting**-will be at the UCSD Faculty Club on March 22-23d. The committees will meet on Weds. afternoon and Thursday's meeting will include all representatives. It will end at 3 p.m.

**CUCEA Joint meeting**-Should we continue to meet jointly with CUCEA? It was suggested that we continue and that the joint meeting always be in the fall and always in the north. Bob Becker so moved, Ad Brugger seconded, it passed. Marian Gade invited CUCEA/CUCRA to Berkeley for fall '06.

**Treasurer's Report**-Bob Eernisse reported that approximately \$2,400 from travel transferred to us. \$3,911.00 was carried over, it included the travel money. In 2005 we collected \$4,242 dues which means we have 4,242 members. The proposed budget was presented. Ad Brugger called the question and the proposed budget was accepted.

#### **Reports:**

**Discussion of membership**- Deanna Pritchard stated that we did not make the transition to email dissemination, we will try for next time. Bob Eernisse needs it to email dues notices. Deanna spearheaded the brochure, the board looked at the draft, now we need an estimate of publishing cost. Bob Becker wants to know intended use. It would be good to send it to all retirees. Sal Martino wants a website for CUCRA. Adrian Harris stated that CUCEA has a website, UCLA and Riverside have a joint website. Can OP get us one with CUCEA? Jim Mackie wants to increase membership to have more clout. There are 41,000 retirees. Brochure should include the JBC's successes. Livermore and Riverside have electronic newsletter.

**Nomination Committee for 2006-07**-Don Wilkie announced the slate of officers; Dick Jensen, Chair, Marian Gade, Vice Chair, Bob Eernisse, Treasurer and Deanna Pritchard, Information Officer. The vote was unanimous, the slate of officers was approved.

**Library Access**-We need follow up on the question of library access. Ann Raventos and Jim Mackie haven't heard anything. It gets worse, libraries have cut retirees and staff employees because of cost. Dick Jensen will follow up with Stan Kolwoski. This raises questions of equity between staff and faculty. UCD will start new program of lifetime access.

**Communication**-for the brochure there is a follow-up item regarding New Dimensions, they will put in our material if they have space. Ad Brugger stated that we have space for travel items thanks to Rosemary Norling. We must approach New Dimensions again.

**Advocacy**-Michael Reese supports us in this role and we are eager to be coupled with the UC California Alliance. Lew Leeburg says it's a two way street, we need to do more. Ad Brugger suggested we compile an annual report to distribute to Chancellors etc.

**Insurance**-To be sponsored by UC you must be a "recognized" group. In that case you are covered under UC insurance. Ad Brugger and Bob Eernisse are against UC sponsorship because UC will then manage our money. San Diego has sponsorship. Riverside is under the alumni group. Marian Gade asked if we become a UC affiliate do we still have the right to stand up in an advocacy role against regarding UC policies. Ad Brugger said we would lose our right to visit UCRS Advisory Board, etc. Lew Leeburg said if we want it we can be a 501 C7. Should CUCRA be a C7? Maybe CUCEA could join us in that. A club can apply for 501C7 status. Dick Jensen will follow up. Also, we should have insurance for the board of directors which is separate from the insurance which covers trips, etc.

**Travel**-One night travel reimbursed by CUCRA is currently in the by-laws. Two nights are an exception. Ad Brugger and Lew Leeburg think we should change the by-laws. Dick Jensen will draft a change of the by-laws for presentation at the next meeting stating that this is to be at the president's discretion. Ad Brugger moved, Ann Raventos seconded, Marian Gade abstained and the reimbursement of Marian Gade for the second night in Santa Barbara was approved.

#### **Future of CUCRA-Ad Brugger**

- 1.) **Enhancing Advocacy-Regents Meetings**-Ad Brugger addressed CUCRA participation at Regents' meetings. The strategy is to sit on a committee. The Finance committee would be the best. Dick Jensen says its time, Regents are much more interested now. We would pay our representative's expenses and work towards a charge on a Regents' committee. It should be someone for the long term. Should it be the President? Dick Jensen needs to use influence so that this happens. We need to set guidelines and then choose the person. Ad Brugger made the motion, Marian Gade seconded, it was unanimously approved. Dick Jensen will bring us guidelines and feedback on making it happen at the next meeting.
- 2.) **UCRS Advisory Board policy of 75% of retirees' purchasing power**-Ad Brugger wants a policy stating 100% funding. Adrian Harris doesn't agree to Regents formalizing the 75% figure. The advisory board has just succeeded in raising it to 85% not allowing it to drop to 75% before another ad hoc increase. Ad Hoc increases do not create a need to book the costs of such increases for everyone employed and retired. It should be left as is since there is a desire on the part of UCRS to maintain the current percent.
- 2.a) **Disparity in retirement income**-Ad Brugger suggests that we create a 'class' of older retirees who need a one time increase. Adrian Harris believes that we should use the date of the change to 100% from 80% to identify these annuitants. It is a small number since no staff were in UCRS at that time.
- 3.) **Health care**-Ad Brugger suggests that CUCRA reps advocate continuing a fair contribution to annuitants' health care insurance, in no case less than PERS. They co-pay \$5.00, we co-pay \$15.00. This is true across the board, we pay \$5.00 more for each service. The President isn't going to take money from faculty salaries for annuitants' health benefits; therefore, we aren't looking to get the same amount as PERS. Bob Oakes stated we should use PERS as a benchmark. We should keep UCOP's feet to the fire to maintain what we have.

Marian Gade closed the meeting at 3 p.m.

#### **MOTIONS**

- a. The minutes were approved as corrected for the March 31, 2005 meeting
- b. The proposed budget for 2006 was approved by unanimous vote
- c. Bob Becker moved that we will continue to have the joint meeting with CUCEA. It will always be in the fall and always in the north. Ad Brugger seconded, it was approved.
- d. The slate of officers; Dick Jensen, Chair, Marian Gade, Vice Chair, Bob Eernisse, Treasurer and Deanna Pritchard, Information Officer was unanimously approved.
- e. Ad Brugger moved, Ann Raventos seconded, Marian Gade abstained and the reimbursement of Marian Gade for the second night in Santa Barbara was approved.
- f. Marian Gade moved to ask the JBC to develop a statement of the criteria of a class of annuitants that will lead to a discussion with OP for parity. It should include age, conditions at time of retirement, changes in the retirement system itself which disadvantages this group. The motion was seconded by Ad Brugger and it passed.
- g. Ad Brugger made the motion that we have a long term representative on a Regents' Committee, Marian Gade seconded, it was unanimously approved.

#### **ACTION ITEMS**

- a. Deanna Pritchard will get estimates for the brochure's publishing costs.
- b. Dick Jensen will ask if OP can get CUCRA a website? Possibly joint with CUCEA.

- c. Dick Jensen will follow up on library access with Stan Kolwoski
- d. Dick Jensen will approach New Dimensions for space.
- e. Dick Jensen will follow up on 501 C7 status for CUCRA.
- f. Dick Jensen will draft a change of by-laws for presentation at the next meeting stating that exceptions to the one night reimbursement policy may be decided at the president's discretion.
- g. Dick Jensen will bring us guidelines and feedback at the next meeting for representation on a Regents' committee.