

Minutes for CUCEA/CUCRA October 26, 2006 Meeting at UCB Faculty Club

JOINT MEETING - CUCEA/CUCRA (morning)

CUCRA Attendees: Ad Brugger (UCOP), Suzan Cioffi (UCSD), Craig Cunningham (UCLA), Jackie Edwards (UCSD), Bob Eernisse (UCD/CUCRA), Bob Fulton (LBNL), Jeff Garberson (LLNL), Adrian Harris (UCLA), Betty Howe (UCR), Iola James (UCB), Dick Jensen (UCSB/UCSC), Jim Mackie (UCSF), Chuck Mansfield (LANL), Joe Mariner (LANL), Mary Mariner (LANL), Sal Martino (UCR), Donn Miller (UCSB), Eddie Murphy (UCLA), Barbara J. Nichols (UCD) Bob Oakes (UCSD), Hugh Pates (UCSD), John Pitts (LLNL), Deanna Falge Pritchard (UCD/CUCRA), Anne Gray Raventos (UCD), Wilma Westmoreland (UCSD), Don Wilkie (UCSD), Lee Duffus (UCSC), Jerry Walters (UCSC)

Welcome - UCB Host Committee welcomed us and Executive Chancellor George Breslauer brought his greetings. He told us of the challenges in maintaining excellence. One of these is the need for financial support for graduate students. Few donations are earmarked for them since donors don't relate. Emeriti could help by broadcasting the importance of graduate students.

Free Flowing discussion waiting for Executive Chancellor:

Deanna Falge Pritchard distributed a pamphlet from AROHE for each campus; Shelley Glazer was instrumental in developing it. Shelley is now president of AROHE serving a two year term. Louise Taylor wants to know what kinds of benefits emeriti have on the various campuses. Dick Jensen believes that advocacy is of the utmost importance in view of the changes taking place within the University. State policy always dictated UC fiscal policy. However, relationships with the unions have changed that. The Regents, too, have changed their practices drastically. Now, they hold executive sessions and then inform the Office of the President what may be done. Ad Brugger heard that one union, CUE, included their retirees in negotiations. Adrian Harris stated that receiving information is a huge problem. Consequently, no meeting of the Joint Benefits Committee has been held. However, Adrian did an analysis on information that he got elsewhere. Health care is the No. 1 area of importance. UC benefits have been deemed to have higher value than the current market while salaries have been lower in value. For retirees it is important to retain buying power. There is a direct relationship between retirees' health benefits and buying power. It was suggested that these concerns should be addressed to current faculty because they will be treated the same way when they retire. Adrian Harris made a comparison of PERS, CSA and STRS health plans. Only Kaiser is the same across the board. PERS offers a richer program at lower costs. We haven't asked questions because we don't have the data. Adrian asked that we read his comparison report and return comments to him. Ad Brugger asked if PERS offers the same range and choice of programs? Does UC fund other plans at higher levels? Adrian Harris stated that PERS gives the same amount of money to each person, while UC gives different amounts to different people. There is not enough information to do an analysis. The State allocates funds to UCRS for retirement health benefits in the same way it always has. Adrian Harris added that a percent of salary is used to pay for health benefits. UC is not getting less from the State but the State percentage is less because of other incoming monies. Ad Brugger wants to know if we have enough information to make suggestions. Louise Taylor stated that the emeriti are organizing a task force in order to get information to our constituents; it should include both CUCRA and CUCEA.

Human Resources/Health Benefits and Retirement – Randy Scott, the Executive Director, reported that there is now a Compensation and Benefits Strategy Task Force. The presidents of CUCEA and CUCRA attend the task force meetings, discussions are confidential.

Pensions: it is a special time for the University because the pension contributions holiday is ending. The University is conducting consultations in order to find the formula which will have the least impact on take-home pay. Redirecting funds has nothing to do with retirees. There will be no impact on retirees' benefits. Employers have the obligation to pay all pension benefits that have been promised to retirees and current employees. The normal cost of benefits is 16% of payroll. Defined contribution plans are the norm today not defined benefit plans such as the UCRS plan.

Health: cost increases for this year's renewals for carriers were 11.7%. Next year all medical plans will go out to bid and increases may be in the low double digits.

Retiree Health Liability: GASB45, takes effect on Jan 1, 2007. After that date all liability for health care must be kept on the books. For UC this is projected to be approximately \$8 billion. Consequently, there are policy discussions. Some of the issues for UC are the following: should a trust similar to the one for pensions be

established to provide for this, if the University contributes to such a fund should employees contribute too, to reduce the liability should UC reduce benefits? The liability spans 30 years. The best working model is the pension plan in which COLAs are included for actuarial purposes. It is a starting point for the discussions. Will the medical centers and the laboratories be put on the books separately or will it all be part of the overall University? Medical centers are willing to talk about it. Rebidding for health care will be ready for next year's Open Enrollment. CUCRA/CUCEA must work with New Dimensions etc., to inform retirees of changes for 2008. Plan documents must be provided in time for explanations.

Treasurer's Report – Mel Stanton stated that the Performance Report is available on the website, as is the report from FITSCO.

Pension plan investments: a complete asset review was conducted in 2000 with Wilshire Associates. In 2004 new consultants were hired and a new report was generated. It looked at various asset categories and use formulas. The Regents approved the current plan in Nov. 2005. This year UC earned 7.1%. The benchmark is 7.5%. PERS has more real estate which gives them a higher return, circa 12%. Larry Waldron pointed out that since we have gone to outside associates we don't meet the benchmarks.

Retirement Plan - Judy Boyette gave an update on the reinstatement of plan contributions.

Pensions: the funded status has declined to 104%. In March the Regents voted to keep the funding status in a range of 105% to 95%. The official starting point for negotiations with the unions is a 2% contribution by employees. This 2% will be redirected from defined contributions to the pension plan so that take-home pay will not suffer. The University will give at least the same amount. She reiterated that promises made by UC must be kept.

Medical: UC is committed to keeping medical care for retirees. Once you are with UC, you and your family are with UC forever. Newly hired people at Los Alamos are under a defined contribution plan not a defined benefit plan. This will probably be a model for the labs which fall under DOE in the future. However, the Berkeley Lab is too interconnected with the Berkeley campus to be subject to the new model.

Dick Jensen introduced Ann Wolf, the editor of New Dimensions. The website url is newdimensions-l@ucop.edu It has three new sections; benefits question and answer, research at UC, and retirees write-in. It was suggested that the CUCEA list of research that emeriti are conducting should be added. The meeting was adjourned at noon.

CUCRA MEETING: (afternoon)

Attendees: Ad Brugger (UCOP), Janis Dairiki (LBNL), Lee Duffus (UCSC), Bob Eernisse (UCD/CUCRA), Jeri Frederick (UCI), Bob Fulton (LBNL), Marian Gade (UCB), Jeff Garberson (LLNL), Robert Halferty (UCD), Adrian Harris (UCLA), Betty Howe (UCR), Iola James (UCB), Dick Jensen (UCSB/UCSC), Lew Leeburg (UCLA), Jim Mackie (UCSF), Joe Mariner (LANL), Mary Mariner (LANL), Sal Martino (UCR), Barbara Nichols (UCD) Robert Oakes (UCSD), Hugh Pates (UCSD), John Pitts (LLNL), Deanna Falge Pritchard (UCD/CUCRA), Anne Gray Raventos (UCD), Doreen Barcellona Strnad (UCD), Antonia Sweet (UCB), Jerry Walters (UCSC)
Visitors: Viessa Brooks (UCB), Eddie Murphy (UCLA), Dorothy Snodgrass (UCB), Ann Wolf (UCOP)

Introductions - Dick Jensen asked everyone to introduce themselves. There were two guests, Ann Wolf (UCOP) and Eddie Murphy (UCLA).

Minutes - The minutes of the March 23, 2006 meeting were approved unanimously with the addition of a clarification regarding the appointment of a representative to the Regents' meetings.

The next CUCRA meeting will be held on March 22, 2007 at UCLA with a half day meeting on the afternoon of March 21st. We may meet at Irvine in 2008. Staff associations meet together with emeriti associations at Davis, Riverside, San Diego and UCOP. In March we will reexamine the possibility of meeting twice a year in joint meetings with CUCEA. It was suggested that we do a survey regarding this matter.

Treasurer's Report – The record shows that the travel gift check was lost, then found and shredded because a replacement check had been issued. Travel gave money to CUCRA in both 2004 and 2005. We have a CD of seed money for travel which is used by the travel program when needed. At the March 2006 meeting we decided to invest \$5K in a CD which comes due in March 2007. The Joint Benefits Committee is a budget item that is split

with CUCEA. It was suggested that Dorothy Webster conduct an audit. We will receive that report at the March 2007 meeting. The Treasurer's report was accepted subject to audit.

Travel Group - Hugh Pates stated that there will be a trip to Greece in Sept. 2007 as well as a train trip across Canada. Contact Rosemary Norling for more information. Hugh Pates notes that we try to have travel articles for New Dimensions.

Information Report - Deanna Falge Pritchard asked that everyone send information updates to her. CUCRA saves \$200 per meeting by using email. The final version of the brochure was distributed. It was suggested that it should be dated and the email version sent to each campus. Deanna will ask Suzan Cioffi to do this. One of the purposes of the brochure should be to promote the retirement centers.

Continuity - As employees we all related to a campus, but once retired we belong to UCOP which doesn't offer much service; therefore, we head back to our campuses. Thus, campuses are developing support for retirees. New Dimensions is the only UCOP publication for us. The presidents of CUCRA and CUCEA should keep Ann Wolf, the editor of New dimensions, informed about our actions and activities. It was suggested that we have a general session during the half-day meeting to discuss continuity with all who are interested. Other topics might be better dealt with in small sub-committees. CUCRA needs a common web page. Jeff Garberson volunteered to draft a strategy and then manage a website. Dick Jensen summarized that on the afternoon of March 21, 2007, the directors of the Retirement Centers should meet with us to tell us how we can better interact with them. We must define how we can best support them. A common meeting from 2 p.m. to 6 p.m. was suggested. At the same time the question of how to address other topics such as health care, etc. must be answered. Late afternoon or after dinner could serve as time slots for small group meetings on these other topics. The point had been made at the AROHE meeting that retirement centers should not be connected with Human Resources but rather with an academic department. It is definitely useful for us to belong to AROHE. Judy Boyette is open to paying AROHE dues for us. Marian Gade also stated that we need copies of the current by-laws.

Nominating Committee - Marian Gade, Jim Mackie and Don Wilkie must have a slate for next fall's meeting when we will elect the chair, vice chair, treasurer and information officer.

Summary - The nominating committee was reconfirmed. Dick Jensen will talk to Louise Taylor regarding a letter in support of UC reinstatement of contributions to the retirement plan. He may email a draft to us for comments. He will look into more participation for advocacy with alumni and Cal in the Capital. At the next meeting we will discuss whether or not Los Alamos retirees can join our group. Dick will check the by-laws. Adrian Harris reported that only San Diego has liability coverage. If he finds that we are covered too, he will send us a copy of the report.

Motion - CUCRA will send a representative to every Regents' meeting to speak to all issues related directly or indirectly to retirees and the Association shall pay expenses. The representative will be appointed by the President. The motion passed unanimously.

The meeting was adjourned at 3 p.m.

Submitted by Toni Sweet