

CUCEA/CUCRA Joint Meeting
October 27, 2011
UC Davis

Attendance

UC Berkeley: Patrick Cullinane, Marian Gade, C. Roger Glassey, Iola James, Allan Jensen, Antonia Sweet, Louise E. Taylor

UC Davis: Marjorie Ahl, Susan Barnes, Charles E. Hess, Ted Hillyer, Barbara Nichols, Deanna Falge Pritchard, Bill Rains, Anne Gray Raventos

UC Irvine: Jeri I. Frederick, Lyman Porter, Ted Quilligan, Marianne Schnaubelt

UC Los Angeles: Charles Berst, John Dahl, Adrian Harris, Ralph Johnson, Eddie Murphy, Paul Sheats

UC Merced: Janis Patten

UC Riverside: Robert Heath, Anthony Norman

UC San Diego: Richard Attiyeh, Marjorie Caserio, Nancy Groves

UC San Francisco: Robert Cannon, Ernest Newbrun, Sandra Norberg, Dorothy Rice

UC Santa Barbara: William Ashby, Richard Jensen (UCSB, UCSC), Tippi Laurence, W. Douglas Morgan

UC Santa Cruz: Jennifer Anderson, Dave Dodson, Lee Duffus, Michael Warren

LBNL: Janis Dairiki

LLNL: Jeff Garberson, John Pitts

LANL: Mary L. Mariner, Joe A. Mariner

UCOP: Patricia Pelfrey (PARRA), LaVonne Rochon

Introductions and Call to Order

Following a very spirited performance by The Aggie Band, Marian Gade called the meeting to order at 9:12. She thanked UC Davis organizers and volunteers, with special recognition of Sue Barnes and her staff.

Ted Hillyer, President of UCD Retirees Association, introduced Provost and Executive Vice Chancellor Ralph Hexter. Provost Hexter spoke against a background of slides showing an array of stunning recent buildings on the Davis campus. He began by recognizing the contributions of emeriti and retirees and their role in monitoring benefits and serving as ambassadors and advocates for the UC. He then gave an overview of UCD initiatives to address the many budgetary challenges that face UC, which most recently include a budget cut of 650 million dollars. He noted that only 10 to 11% of UCD's revenue comes from the State. Another 10% comes from tuition, and the rest from other sources. In order to

address budgetary challenges, UCD has embarked on an aggressive growth initiative, projecting an additional 5000 undergraduates, 300 additional faculty, and a commensurate increase in graduate and professional students by 2020. The Chancellor has named Task Forces on academic resources, enrollment management (including the mix of resident, non-resident domestic students, and international students), and facilities. A new “incentive-based” budget model has been adopted. Provost Hexter noted that this is the fifth anniversary of the Retirement Center at UCD and spoke of its importance to campus life.

Report from UC Regents Office of the Treasurer

Marian Gade introduced Mel Stanton, Associate Chief Investment Officer. Mr. Stanton gave an overview of the financial market and UCRP performance over the past year. He noted that the Federal stimulus program ended at the end of June and that the market had shown high volatility. UCRP showed positive returns at the end of June, with a 22.45% overall gain. Peer comparisons placed UCRP’s performance within the top quartile and the within the top third over the past three years. Mr. Stanton noted the intensive focus that the President and Regents had placed on the retirement program. Member contributions have resumed and are currently at 3.5%. They will rise to 5% by the end of the year. In response to questions, Mr. Stanton stated that, over time, member and UC contributions combined need to rise to 17% to sustain the UCRP. The State is presently contributing nothing.

UCOP Customer Service

Joe Lewis introduced Michael Waldman. Mr. Waldman talked about Open Enrollment, noting that no major changes were to be implemented this year and that no new plans were being offered. He noted that UC offers 35 insurance plans from 13 vendors, representing some \$1.8 billion dollars (of which UC employees and retirees pay \$300,000 in premiums). UC currently contributes 86% of the cost. As agreed by the Task Force on Post-Retirement Benefits, this will be reduced by 3% each year, to a floor of 70% in 2018. Over all, there was an 8% increase in premiums this year. Open Enrollment extends from October 31 to November 22. Mr. Waldman urged members to use the At Your Service website to make changes, but noted that additional temporary employees have been added to answer phone inquiries at the Call Center. Health Care Facilitators on the campuses can also provide information.

Anne Wolf noted that personal statements have not been provided since 2009, because of the cost in dollars and human resources. However, this year, personal data are accessible on line. The Open Enrollment booklet explains how to access At Your Service and to obtain a password. Likewise, spread sheets comparing medical plans have not been printed since 2009. However, they are again available this year. They are not included in the Open Enrollment booklet, but they are available on line. Hard copies will be distributed to the campuses. In 2012 there will be a full review of dependent eligibility. UCOP has contracted with an outside vendor to conduct this audit. All UC retirees and employees will be required to provide proof of their dependents' eligibility (e.g., marriage certificates, birth certificates, tax returns).

Discussion of the audit ensued. Ernest Newbrun in particular felt that the audit was unnecessarily intrusive and wondered whether the cost would be offset by the savings that would result from the audit. The UCOP representatives agreed that the cost/benefit ratio was unknown (although some savings are anticipated), but stressed that UCOP has a fiduciary obligation to monitor eligibility. Chair Newbrun asked UCOP to provide CUCEA/CUCRA with the costs and savings next year when the data are available.

Terri Flock talked about the status and future of health care. The full effect of the Federal Health Care Reform is still unknown, pending review by the Supreme Court. Changes that have been implemented include extension to age 26 for dependents and the elimination of life-time benefit limits. She noted that the Obama administration has removed long-term care coverage from the bill. Changes on the horizon include health care exchanges and "essential benefits" as required by the Health Care Reform legislation. UC is currently studying the feasibility of self insurance and is exploring new partnerships with UC medical centers.

Joe Lewis reported no activity between UC and Extend Health. He affirmed that UCOP does take the opinions of our Councils seriously, especially when they focus on issues specific to retirees and emeriti.

Joint Benefits Committee Report and Report of Committee to Review the JBC

Speaking on behalf of the Committee to Review the JBC, Doug Morgan affirmed the usefulness of the JBC over time. The Committee has recommended Bylaw changes to the Councils relating to the appointment of members to the JBC. He noted that CUCRA had already discussed and supported in principle the recommendations of the Committee. CUCEA would address the Report at its

meeting later in the day. Richard Jensen noted that the term of office of JBC members and the election of its chair are not included in the Report. These details are left to the Councils.

Adrian Harris had no formal, written report. He expressed frustration with the fact that Open Enrollment information is often not available in time for JBC to review it before the fall meeting. He presented his analysis of the historical causes that lead to the funding shortfall of the UCRP. In his view, these were coordination with Social Security, the elimination of employee contributions for 19 years, separation of safety employees from the system, the reduction in the age for maximum benefits from 63 to 60, the VERIP programs, and a conservative investment strategy.

Update on Obtaining Formal UC Regents' Recognition of UC Emeriti and Retiree Associations

Ernest Newbrun directed attention to the current edition of CUCEA newsletter for details on proposed Regents Policy 5204. Currently UC provides no liability coverage to CUCEA, CUCRA, and the local associations. Nor is either group formally affiliated with UC. Regents Policy 5203 was approved to extend liability coverage and formal recognition to the Alumni Associations. A similar policy (Regents Policy 5204) relating to the Emeriti and Retirees Associations was drafted and delivered to UCOP in June. The Academic Council and the chair of the University Committee on Faculty Welfare objected to a paragraph relating to representation on Senate committees. Ernest Newbrun and Charles Hess, on behalf of CUCEA, in consultation with Marian Gade, Chair of CUCRA, revised the draft policy, removing the offending paragraph. However, the Academic Council has decided to consult further with its campus committees, which has delayed submitting the policy proposal to the Regents.

Preferences re: Subjects of Future Campus "Greetings"

Chair Newbrun initiated discussion about whether to continue the practice of inviting the Chancellor or his/her representative to give a formal greeting and campus overview at the joint CUCRA/CUCEA meeting. An alternative would be a brief lecture by a campus expert on a topic of interest, such as aging research. Charles Hess spoke to the value of continuing the current practice, since it provides good exposure of CUCRA and CUCEA to high-ranking campus officials (who usually provide a financial subsidy). It was noted that at some meetings, there has been both a campus greeting and a brief presentation on a research topic. The consensus was to continue current practice.

Future Joint Meeting Schedule

The Spring 2012 meetings will be April 25 and 26 at UC Irvine. Ted Quilligan reported that planning is underway.

The Fall 2012 meeting will be at UC Santa Cruz. Normally this would be October 24-25. However, this date conflicts with the AROHE meeting, which some members attend. It was decided to change the date of the meetings to either October 17-18 or October 31-November 1. The organizers of the Santa Cruz meeting will decide which is more convenient, given local circumstances. Given the difficulty of travelling to Santa Cruz, Michael Warren asked whether members preferred meeting on the main campus or on a satellite campus near San José. A show of hands indicated a strong preference for meeting on the main campus.

Ernest Newbrun brought the meeting to a close at noon.

Respectfully Submitted,

William J. Ashby
CUCEA Secretary

First draft: 11/2/11

Revised draft: 11/17/11