

Final Draft

COUNCIL OF UNIVERSITY OF CALIFORNIA EMERITI ASSOCIATIONS COUNCIL OF UNIVERSITY OF CALIFORNIA RETIREE ASSOCIATIONS

Joint Zoom Meeting

April 27, 2022

UC Irvine

ATTENDEES

UC Berkeley: Bob Anderson, Barinder Flanagan, Marian Gade, Amy Block Joy, Caroline Kane, Camille Koue, Patti Owen, Kenneth Polse, John Swartzberg, Cary Sweeney, Louise Taylor

UC Davis: Jo Anne Boorkman, Jim Chalfant, Juliane Crowley, Emily Galindo, MRC Greenwood, John Meyer, Suad Joseph, Kyle Urban

UC Irvine: Craig Behrens, Ken Chew, Jim Danzinger, Cindy Fern, Jeri Frederick, Jill Halvaks, George Miller, Emil Nguyen, Bill Parker, Pat Price, arianne Schnaubelt, Hal Stern, Jessica Utts

UC Los Angeles: Sue Abeles, Sue Barnes, Rosina Becerra, , Janet Carter, John Dahl, Ayesha Dixon, Eric Flamholtz, Christina Flores, Elaine Fox, Adrian Harris, George Haggerty, David Lopez, Judith Tuch, Eric Wang, Dick Weiss

UC Merced: Henry Forman

UC Riverside: Bob Daly, Darleen DeMason, Andy Plumley, Cristina Otegui, Raymond Russell

UC San Diego: Steven Adler, Richard Attiyeh, Mae Brown, Joel Dimsdale, Phyllis Mirsky, Henry Powell

UC San Francisco: E. Eastman, Gail Harden, Eric Vermillion, William Wara

UC Santa Barbara: William Ashby, Denise Bielby, Loy Lytle, Robert Mann, W.D. Morgan, Sally Weimer

UC Santa Cruz: Roger Anderson, Barry Bowman, Christy Dawley, Lee Duffus, Eli Silver, Frank Trueba, Todd Wipke

LANL: Dave Schiferi

LBNL: Nancy Brown

LLNL: Jeff Garberson

PARRA: Jim Dolgonas, Bill Newton

UCOP: Michael Drake, Bernadette Green, , Cheryl Lloyd, Kate Moser, Susan Pon-Gee

Call to Order, Agenda Overview and Announcements

John Meyer called the meeting to order at 1:00 p.m. Harry Powell went over protocols and housekeeping.

Welcome and Introduction:

George Miller, head of the Emeriti group, welcomed everyone to UC Irvine. He thanked the staff of the Retiree Center for all their work. He then introduced Executive Vice President and Provost Hal Stern.

EVCP Stern thanked retiree and emeritus volunteers and provided some statistics of the campus and its growth over the years. UCI currently has 37,000 students—28,000 undergrad and 9,000 graduate—and 19,000 staff. The campus contributes \$7 billion to the local economy and is the largest employer in Orange County. In addition, they are in the top ten of public universities in the United States. The student body is diverse, with 45-50% of the students being first generation. UCI is a leading “Cool Campus” and is in the top 10 for sustainability. For the next academic year, the campus received 142,000 applications and is the top UC choice for first generation students. They recently received a \$57M gift for depression research. A new museum and institute for California art is being built on the North Campus, along with a new hospital.

EVCP Stern mentioned the work of Bill Parker who works with retirees as they navigate the retirement system. He commented on UC's role in diversity. UCI is nearing the end of their long range plan and is undergoing a refresh. They expect to see a modest growth in doctoral students and masters' programs. Harry thanked Provost Stern.

President Drake

John Meyer outlined the framework for the session with President Drake. Right out of the gate, the president addressed the performance of RASC and the new Pharmacy Benefit Manager (PBM), Navitus. It was meant to improve quality of services, but it has increased inefficiency. It is on the front burner of things to be addressed. The PBM has hired 50-60 new staff to respond to issues. Navitus will be monitored on a weekly basis. The fault was in the quality of the contract, and there are two possible outcomes: 1) contractor can meet the services needed or 2) UC can look for a new contractor. Bob Anderson noted it is not a staffing issue, but relates to the policies of Navitus.

President Drake shared some broader issues:

1) Pandemic.

Campuses are behaving more normally, moving more quickly, but he wants to wait to pass certain milestones before declaring normality. In the latest wave, the rise of cases is slower, hospitalizations are coming down and are lower than March 2020. The majority of classes are in person and students are voluntarily wearing masks. Some back office functions will remain remote with about 50% working 2-3 days per week. This results in about 20% of staff in offices at any one time. The administration will need to assess the staff who have moved out of town or out of state, because salary scales are based on location. Due to the quick response of UC to move work remotely and the vaccine mandate, fatalities are dramatically lower than the rest of country, ~10% of national average.

2) Policies.

- A) The partnership with the state, governor and legislature, has been supportive. The tone has changed. The new budget has more dollars, and UC is working with the Governor for a long term compact which includes fully funded enrollment growth and a 5% annual increase to the budget over a number of years.
- B) UC is working on a program for a debt free pathway to degree. This may require work of 13-15 hours/week, with the students gaining valuable job experience.
- C) UC is working towards carbon neutrality by 2025 and fossil free a decade later.
- D) UC is developing scholarships covering full tuition for California Native American students of federally recognized tribes

John Meyer asked how do people stay engaged. The President noted that Cheryl Lloyd and Bernadette Green are highly engaged and their team is working the issues. They are moving to centralize benefits to Human Resources. The current organization was poorly considered.

Regarding RASC, Barry Bowman asked if individual interaction with retirees could be moved back to the campuses. When UCPath was conceived, it was thought that if we off-loaded the payroll function to a central entity, we could save several thousand FTE. However, when we migrated the function to UCPath only part of a job in a unit was off-loaded. They didn't end up with fewer people on the campuses.

Another thing they were attempting was the consistency of messaging at the departmental, campus and OP levels. Decentralization would be fine as long as we speak with one voice. The bottom line for RASC is to reduce the wait time on the phone.

Joel Dimsdale asked if the large number of separations or retirements are coming from certain areas, e.g. faculty, staff, health science, etc. We see the Great Resignation taking place. President Drake noted the

salary differentials by campus that were created due to cost of living and that by working remotely one may be living in Merced but “working” at UCLA where the salary for the same job is higher. There are a lot of positions where individuals can work remotely, but others, such as research, where one can’t. We are less vulnerable than other industries. We have to treat employees well in order to encourage them to stay with us.

John thanked President Drake. We are all proud to be part of the University of California. President Drake emphasized that we need to maintain our accessibility, affordability, and excellence without sacrificing any of those three areas.

Minutes

Phyllis Mirsky presented the minutes of the October 27, 2021, Joint Meeting held via Zoom. She indicated they reflected all comments and correction. She moved that they be approved. There were no objections nor abstentions. The minutes were approved.

Fall Meeting at Berkeley

Caroline Kane announced that the Fall Meeting scheduled for Berkeley would be held virtually again. Representatives from the four retiree associations (UCB Emeriti Association, UC Retirees’ Association at Berkeley, the ExL’s, and PARRA) are involved with the planning.

Funding Augmentation for Health Care Facilitator Program

Susan Pon-Gee noted that the Health Care Task Force recommended expanded funding for the Health Care Facilitator (HCF) Program. There are 13 locations with HCFs, with \$125,000 allocated to each campus. Six campuses are subsidizing the program. There are currently 2 HCFs at Davis, San Diego and San Francisco. OP conducted a survey to determine how HCFs on all campuses spent their time. 34% of the time

was spent on problems, 32% on benefits consultation and liaison, 10% on benefits/retirement and 10% on other activities.

They will receive a 73% increase in funding, which includes a 20% increase per position to \$150k/year. For those campuses that also have a medical center, there will be an additional \$150k/year.

They acknowledge the need for a periodic assessment of needs. They want to create metrics to better understand the needs which could result in a Case Management Database. They also wish to explore a shared services model. John Meyer questioned this given the failure in other areas. Susan noted they need to look at the strengths of participants. Jeri Frederik asked how the funds are allocated to each campus. Per Susan, the funds are to be used for the HCF program, but they go to finance. Frank Trueba asked if OP would be auditing how the funds are used. Will they talk to benefits managers and minimize time spent on other projects? He also noted that shared services won't work. There are local services unique to the campuses. Roger Anderson asked if subsidies will be continued if more funding is received. Eric Vermillion stated that there should be control language in the authorization budget letters. Jeri noted that RASC is already using a case management tool.

Joint Benefits Committee Report

Roger Anderson introduced the Joint Benefits Committee (JBC) Report. He noted that all members contributed to the report and achieved consensus on its content. JBC is looking for a formal response from UCOP, especially regarding VIA benefits. As circumstances change, the program must be revisited. He noted that many of the shortcomings of RASC are system related. UCOP staff must look at data accuracy across all systems. For any RFPs, UCOP should bring retirees in early in the process and for them to have some say in scoring. Barry Bowman commented that United Health Care (UHC) could substitute for VIA benefits or be offered in addition. Roger wants to get the Vice President

for Total Rewards on board. \$250/month for Via Benefits may be okay for younger retirees and UHC better for older ones.

Response to JBC

Bernadette Green, Director of RASC, presented slides outlining the current state of retirement applications for July 1, 2022. There are 949 applications—about 15% faculty and the balance staff. To date, there are a large number of opt ins for the No Lapse in Pay program. 24% of the applications thus far have been processed, with 79% of them coming through the self service portal. Redwood is having a positive impact on the process. For the No Lapse in Pay program, there has been expanded eligibility, e.g., UCRP credit in more than one tier. About 75% of the applicants have opted in, with about 92% of applications meeting eligibility. They are looking for more opportunities to expand the program next year.

Because of the Navitus rollout, RASC is averaging 49% more calls than last year. After 1099s went out, many were returned requiring updated addresses. The phone lines were overwhelmed. Effective May 25, they will have new telephone system functionality which will streamline channels for partner and stakeholder queries. They want to be more proactive in communications regarding retirement applications. They will call applicants at each stage of the process: verification, calculation, final review, confirmation and payment stage.

Caroline Kane asked about employee morale. Bernadette said it depends on the point of time. There is excitement that a request for additional staffing is being considered. They have had turnover. Cheryl Lloyd is worried about morale, especially for those employees on the phones. She arranged spot and star awards for the staff.

John Meyer asked about the survivor intake process. Cheryl replied that they have requested additional staff and a future dedicated phone line. They are also using the BENET tool and are taking a more proactive

approach. Currently, processing for monthly benefits is taking about 45 days and for one-time payments about 100 days.

Roger Anderson asked if problems have been resolved with the 1099s compared to last year. Bernadette noted that going forward, there will be 1) a new authentication process for UCRAYS, 2) a unique phone number for 1099s, and 3) a new project to obtain current addresses. For the latter, they are starting with returned mail.

Barry Bowman asked about Redwood system problems. Bernadette said that some of the deferred functionality was implemented in October. However, improvement creates new issues. Currently the system can calculate the retirement benefits using full HAPC calculations. Only 20% of applications require manual calculations, compared to 52% last year.

Cheryl Lloyd addressed Benefits in general, including health benefits, retirement, and compensation. The workforce is changing. Young people are not staying in jobs long, and the pools are different.

In addressing VIA Benefits, Cheryl was asked about the accumulated cash savings to the out of state retirees and the University. There have been no evaluations of the program since 2014. She notes that there are balances in the accounts at years end. More Medicare rates are cheaper out of state; 77% choose Medicare supplements. When the new VP is on board, they will look at the entire benefits package, including the 2023-24 assessment for health benefits.

UC's policy for Return to Active Duty is out of compliance with the Affordable Care Act. This primarily affects faculty. Joel Dimsdale and his colleagues wrote a reasonable email. Change will require a massive rollout across systems, as well as a communications plan. Because of the complexity, HR has asked that any changes be delayed one year. CSU and other institutions have done it.

Cheryl noted that President Drake covered the Navitus situation well. The rollout caused disruption to constituents and to RASC. They are speaking with UC Health.

There is the Great Resignation movement for all employers. UC normally has 2,500 openings on average, but there are currently 5,000. Some employees might want to move while others don't want to return to the office. Cheryl also addressed the salary differential across campuses. We might need to have one wage across the state. There is also an issue of employees who have moved out of state and who are on state funds—some are not known. In addition, the benefits structure is not set up for out of state employees.

John Meyer commented that people on VIA benefits will buy plans with lesser benefits in order to be within the \$3000 allowance. Cheryl said that everything will be up for examination. Caroline K. asked if UC would change or get rid of the Pharmacy Benefits Manager. UC could lead the way if it were restructured or eliminated. Cheryl said that we need to look at it.

Eric Vermillion said we should put stewardship back into context. The focus has been on savings, but the employer is the steward. Do the right thing for the employees and don't emphasize the economic issue.

M.R.C. Greenwood noted that the emeriti of the University are continuing contributors, both financially and through teaching and research. Cheryl responded that emeriti and retirees are stakeholders. 50% of the HR staff are dedicated to RASC and Benefits. She also noted that those making decisions are not retirees. There is no charge yet, but she is open to a mini advisory committee. Jo Ann Boorkman commented that RASC staff need to be acquainted with the campuses, perhaps through visits.

Cheryl said that they will have insurance liaisons in RASC for questions on disability and insurance, requiring an increase in staffing.

Jim Dolgonas asked when decisions might be made concerning Navitus. Cheryl can't give an answer at this time.

Roger Anderson asked at what point can retirees have input vis a vis RFPs. How might the process change beyond having a few retirees for evaluation. John Meyer asked about the principles for going out to bid. Cheryl stated she hates the RFP process, and making a single decision has a lot of downstream impacts. There needs to be an earlier decision tree on impacts, e.g., on the IT organization, additional FTE and all involved constituents. Frank Trueba commented that the economic factor is the biggest driver on many of the decisions. Marian Gade asked how input from retirees is to be managed. Going back to 2013 when the out of state benefits were first implemented, the selected organization was chosen over the objections of CUCRA/CUCEA.

Harry noted that shared governance works. John Meyer thanked Emil and Jeri for their contributions.

The meeting was adjourned at 4:45 p.m.

Respectfully submitted,
Patti Owen, CUCRA Secretary