

CUCEA/CUCRA Joint Meeting
April 26, 2012
UC Irvine

Attendance

UC Berkeley: Patrick Cullinane, Edwin Epstein, Marian Gade, C. Roger Glassey, Iola James, Allan Jensen, Louise E. Taylor
UC Davis: Susan Barnes, Charles E. Hess, Barbara Nichols, Deanna Falge Pritchard, Bill Rains
UC Irvine: Jeri I. Frederick, Barbara Hamkalo, Judy Horn, Ron Jennings, Ronald B Miller, Susan Lessick, Lyman Porter, Judy Pruitt, Ted Quilligan, Marianne Schnaubelt, John Walsh
UC Los Angeles: Charles Berst, John Dahl, Adrian Harris, Ralph Johnson, Eddie Murphy, Paul Sheats
UC Merced: No Representation
UC Riverside: Derick Brinkerhoff, Anthony Norman, Clifford Wurfel
UC San Diego: Marjorie Caserio, Suzan Cioffi, Nancy Groves, Marguerite Jackson
UC San Francisco: 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: No Representation
UCOP: Joe Lewis, LaVonne Rochon (PARRA), Michael Waldman, Anne Wolf

Introductions and Call to Order

The meeting was called to order at 8:45 by Doug Morgan, CUCEA Chair. He thanked UC Irvine organizers and volunteers and introduced Marian Gade, CUCRA Chair, who co-chaired the meeting.

Ted Quilligan, UCI CUCEA representative, introduced Professor Herbert Killackey who welcomed the group on behalf of UCI Chancellor Michael Drake and the Provost. He noted that over 100 retirees are currently working at UCI on a "recall status". He also noted that the University Hills Housing is owned by 1000 UCI faculty and retirees.

Professor Killackey then introduced Professor Frank M. LaFerla, Chancellor's Professor and Chair, Department of Neurobiology and Behavior and Director, Institute for Memory Impairments and Neurological Disorders, who made an outstanding presentation. He noted that about 5% of persons >65 suffer from Alzheimer's Disease, and the rate doubles every ten years (one in 5 over 75; one in 2-3 over 85). Ten percent of Alzheimer's patients live in California (#1 in the nation) and over 75,000 of them live in Orange County. By 2050, estimates are that over 1 trillion Alzheimer's patients will need care in the US. Professor LaFerla then discussed ongoing research at the Institute for Memory Impairments and Neurological Disorders (UCI MIND) where the tagline is "Making memories last a lifetime" website: mind.uci.edu.

Approval of Minutes from Joint Meeting CUCRA-CUCEA, October 27, 2011

Marian Gade asked for corrections or additions to the minutes of the October 27, 2011 meeting held at UC Davis. Being none, the minutes were approved unanimously.

Report from UCOP: Joe Lewis, Michael Waldman, Anne Wolf

- **University of California Family Member Eligibility Verification Project: Michael Waldman**

Employees and retirees with dependents (22,154) were sent packets in March. About half of retirees have dependents on their health insurance plans. To date, 40% of these dependents have been verified for retirees and 239 have voluntarily dropped dependents. Of the total packets sent, 30% (including retirees) have been verified with a total of 851 dependents voluntarily dropped.

Questions were asked why this project was outsourced to Secova. Mr Waldman noted that the UCOP Customer Service Staff did not have the capacity to do this project in-house. Secova is following up on the non-respondents. He also noted that no dependents will be "cut off" until late summer and then only with appropriate verification of non-eligibility.

The Retirement Administration Service Center (RASC) is trying to get out of the check printing and statement business and is working with Wells Fargo to assume these responsibilities, effective June 2012. Currently only 2300 retirees receive "checks in the mail" as all others are on direct deposit. Among all employees and retirees, 87% have direct deposit. Various strategies were discussed about how to increase the proportion using the direct deposit option.

- **Health Care Task Force: Joe Lewis**

The goal of this Task Force is to reduce spending on health care costs. Currently these costs exceed 1.8 billion dollars per year (employees: 1.5 billion; retirees: 0.3 billion) and are increasing at 9.4% per year. This cost increase is not sustainable.

A comment was made that unions and others push for increased compensation for employees to offset the rising health care costs; however, retirees do not have this option. Mr Lewis noted that the Post Employment Benefits decision to gradually reduce the UC proportion of payment to 70% toward health benefits premiums was still in place. No further action has been taken with the Extend Health proposal and UCOP clearly heard that retirees do not support this approach.

Membership on the Health Care Task Force was discussed. Current Chair is Professor Robert May (UC Davis). The Task Force is a subgroup of the Faculty Welfare Committee. Adrian Harris requested that information about and membership of the Task Force be posted on At Your Service. Louise Taylor suggested that Chair(s) of CUCRA/CUCEA be added to the HCTF.

- **Stay Well Program: Joe Lewis**

There has been a precipitous drop in retiree participation in the Stay Well Program. Kaiser participants are not eligible for this program as Kaiser has a similar

program as part of their benefits package. In 2011 about 17% of non-Kaiser retirees participated and as of April 2012, retiree participation was only at 7%. Questions were asked about whether feedback has been solicited from participants regarding satisfaction and renewal and whether statistics can be provided by location re: participation. Mr Lewis will look into this.

- **Participation in health benefits by survivors of UCRP members: Joe Lewis**

Lee Duffus raised a question posed to him by a survivor about continuing eligibility for benefits following the death of a UCRP member. Mr Lewis said this had happened several times and the RASC has changed their script to state: "If you are part of any other retirement plan, please contact the other plan(s) also." They hope this will help.

- **UC PATH Project: Joe Lewis**

A new centralized system is being implemented to merge all payroll and HR functions into a shared service center. There are currently 10 different payroll systems and many redundancies. The current focus is on payroll only, with a proposed start date of July 2013. The new payroll system will be implemented in "waves" and headquartered in one location. Two potential locations are UC Davis and UC Riverside but no decision has been made. The RASC wants this process to be "seamless" and the 800 number will remain. Several people voiced concerns about the payroll and HR people on individual campuses who will likely be replaced. Many of them are already looking for other positions. Mr Lewis said decisions are still pending about some of the other (non-payroll) positions and efforts are being made to help the people who will be laid off find other positions within UC. An update will be provided at the October CUCEA/CUCRA meeting.

- **Public Records Act Requests: Anne Wolf**

Salary records are a matter of public record and in the future, information may be requested about retiree pensions. An annual data base is maintained by the Orange County Register newspaper that periodically has articles about UC salaries and benefits.

- **New Dimensions: Anne Wolf**

New Dimensions has a new look (larger, pictures, larger type). Copies will be distributed next week.

UC recognition of Retirement Organizations: Lee Duffus

Mr Duffus reviewed a letter from President Yudof, dated March 26, 2012, acknowledging the service of retirees and recognizing the organizations established at campuses and laboratories throughout the UC system. Effective immediately, emeriti associations and retiree associations [on individual campuses], including CUCEA and CUCRA will be considered "Affiliated Organizations" as defined by Regents Policy 5203: Policy on Support Groups, Campus Foundations and Alumni Associations. This will enable these groups to qualify for event liability insurance coverage through the program offered by the Risk Services Office at UCOP.

Bank accounts can continue as currently in place.

Insurance Implications of UC Recognition: Gary Leonard (joined by phone)

Three areas are of concern

- 1) general liability for events/liquor
- 2) Directors & Officers (D&O) and crime coverage
- 3) Accident/medical coverage

Goal is to get policies in line with other insurance by July 2012. There is no charge to EA/RA for this service that is provided by UCOP. Mr Leonard will be contact for local emeriti and retiree associations. Contact information for each campus is included in New Dimensions. Questions were raised re: will labs be covered? Mr Leonard will inquire about this.

Mr Harris raised the question of liability coverage for EA/RA members who are presenters of programs on financial advising. Mr Leonard will confer with the insurance broker about this.

UC Budget Update: Debora Obley, Associate Vice President, Budget and Capital Resources (joined by phone)

UC is in the midst of a serious fiscal crisis with budget cuts in 2012 the worst in the past 30+ years. During the past 12 years, there have been only 2 years with normal budgets. In 2012 there have been 750 million dollars in budget cuts from the state. This has resulted in development of shared resource systems across large divisions and thousands of layoffs across the system.

The budget office has come up with about 40 cost avoidance/new revenue options to save about 500 million over the next 5 years. Some of these include:

- 1) Increasing philanthropy
- 2) Increasing fees/tuition
- 3) Increasing numbers of non-resident students

Based on normal cost drivers, there is still a huge budget gap.

There has been lots of discussion of the effects of the budget crisis on the access, affordability, and quality of a UC education going forward. There is also discussion about how the budget impacts the Master Plan for California. With no additional funding, this is likely to be a battle in the legislature in 2013-14.

Questions were raised re: are there sufficient funds to pay for health insurance? These costs are expected to increase at least 3.5% per year and have been as high as 7.5% per year in the past. UCOP and others are discussing possibility of whether UC could become self-insured for health care. Also, whether there should be more specific requirements for using UC medical facilities. There is also discussion about privatizing various professional schools. No decisions have been made about these options.

Ms Gade commented that the strict rules about rehiring retirees for only one year and requiring special arrangements for longer terms seemed contrary to the best financial interests of the university, given the budget crisis. She also asked if retirees can do anything to help.

Ms Obley noted that the Regents are very unhappy that no money was singled out for UC in the Governor's Revenue Initiative. There is no UC champion in the legislature at this time and many legislators are not UC alums nor do they have any history with UC. There is a need to educate the public about how UC touches lives and to increase

the esteem for quality of UC. A question was asked about whether UCOP was considering limiting enrollments. Ms Obley responded that enrollments would be limited to 2,000 new students, if the State doesn't increase resources to the University.

Joint Benefits Committee Report: Adrian Harris

Mr Harris asked that participants read the report submitted on-line and available at the meeting. Professor Morgan noted that the report had been discussed at the CUCEA meeting and that a statement would be added to their transmittal of the report about dissatisfaction with Extend Health's proposal.

There has been some concern among retirees about the UC ICC Fund (Insurance Company Contract Fund) and the fact that fund will no longer accept transfers or contributions. Details are provided in the May issue of New Dimensions.

The work of the Committee to review the JBC is still in progress and bylaws of CUCRA and CUCEA are being revised to reflect the role of JBC. CUCEA is currently working on their draft bylaws; CUCRA bylaws and standing rules are in draft form to be discussed at the CUCRA meeting.

Center Directors' Reports

- **UC Berkeley: Patrick Cullinane**

This is the 15th anniversary year for the UC Berkeley retirement center and a major event with speaker is planned for fall. A variety of activities ongoing, including one-day conferences for prospective retirees and for current retirees. Robert Reich will be featured speaker at the May conference.

- **UC Davis: Sue Barnes**

The UC Davis Retiree Center celebrated its 5th anniversary at the fall retiree meeting in October 2011. Ms Barnes thanked Mr Cullinane for his help in a new "Transitioning to Retirement" class series for employees within five years of retirement. The budget has been reinstated and a new home in Alumni Center is underway thanks to support by the UC Davis Chancellor. Many activities are on-going. Sue Barnes will be president of AROHE for the next two years. The bi-annual conference will be in North Carolina in October of this year. Ms. Barnes encouraged all associations to join AROHE and send a representative to the conference as AROHE is an invaluable resource for retiree and emeriti associations. AROHE was also instrumental in the development of the Retiree Center at UC Davis. Professor Hess wrote a very interesting history of the process for getting the center going (available on their website). (Discussion of AROHE will be continued at the CUCRA meeting).

- **UCLA: Eddie Murphy**

The UCLA Retirement Association has been in operation for 43 years. They have a close tie with the Belmont Retirement Living Village that opened in 2009 and provides \$10,000 per year each to the Retirement and Emeriti Associations. Meeting rooms are provided for free by the Village. The first Friday of every other month, UCLA Help Desk people are available to help retirees with technical needs. Other activities are ongoing.

- **UCSD: Suzan Cioffi**

UCSD Retirement Resource Center was established 4 years ago. Membership in the Retirement Association now exceeds 1400 and the Emeriti Association has over 500 members. Staffing needs have not kept pace with these increasing numbers and over 100 volunteers give over 1500 hours/year to assist with programs, activities, and getting out the newsletter. The Emeriti Association's 4-year-old mentoring program now includes 40 mentors, each of whom serves as mentor for one of the Chancellor's scholars for two years.

- **UC Irvine: Jeri Frederick**

Six years ago the retirement center was started and a variety of activities and programs are ongoing. They are working diligently to get more of the 4000 retirees involved so that they feel connected.

The group thanked Jeri and volunteers for their hospitality for this meeting.

Future Joint Meeting Schedule

The next Joint Meeting of CUCRA/CUCEA will be held at UC Santa Cruz, November 1, 2012. The meeting will be held at the Scotts Valley Hilton. Materials for the meeting were distributed.

The meeting adjourned at 11:45 am.

Respectfully Submitted,

Marguerite Jackson
CUCRA Secretary

First Draft: 5/7/2012; revised 5/25/2012