Chair Teitel called the meeting to order at 3:05 p.m. in MH-5500. A quorum was present.

I. **Chair’s Report** – Chair David Teitel.
   A. Academic Council – Chair David Teitel provided an overview of the April 24 meeting.
      1. **UCOP Restructuring:** The Huron Report presented the option of moving the Division of Agriculture and Natural Resources (ANR) and UC Health out of UCOP proper. Such a move would remove the budgets of both ANR and UC Health off of UCOP’s balance sheet, which is significant, and would improve UCOP’s standing politically.
      2. **SVSH P&T Feedback/Review Request & the Berkeley Resolution Agreement (OCR):** P&T is reviewing questions associated with Berkeley resolution agreement, specifically the possibility of an expedited timeline for SVSH P&T cases.
      3. **UC Budget Negotiations with the State:** A Regents vote on in-state student tuition has been delayed until after the May Regents meeting. The budget includes $70M for a tuition buyout, $25M for overcrowding, $5M for 500 new undergraduates, $5M for new graduate students, in addition to monies set aside for deferred maintenance State revenues are expected to be $3.5B more than expected. The Governor will reveal his May revise; then the Legislature will work on its own budget resolution.
      4. **Nomination for the Academic Senate Representative on the Regents’ Committee on Health Services:** Steven Hetts, current CAC Chair, has been appointed as the Academic Senate representative on the Regents’ Committee on Health Services.
      5. **Proposed Presidential Policy on the Supplement to Military Pay:** Academic Council approved the supplement to Military Pay and extended it to 2022.
      6. **Revised Export Control Policy:** Last year, the Senate expressed concerns about a proposed Presidential Policy on Export Control, which is intended to ensure UC’s compliance with federal laws and regulations and to provide a framework for individual UC locations to develop local compliance programs. Academic Council’s review included several key concepts, including a “deemed export,” which is the release of technical data or controlled technology to a foreign person within the U.S., and the Fundamental Research Exclusion, a policy exception that allows universities to share with foreign faculty and students technology or software that arises from basic research and is intended for publication. UCORP believes the revised policy is a reasonable and appropriate response to the University’s need to demonstrate its intention to comply with government export control laws and to provide a practical framework for this purpose. Initially, UC was in non-compliance, and it did not properly deal with the research
exclusion in an appropriate way. Local campuses will need to develop guidance on how to comply with the research exclusion.

7. **UCAF Letters**: Academic Council endorsed both UCAF letters: 1) Concerns over Politicization of Science Research Funding; and 2) a Letter on Free Speech and Hate Speech.

8. **Conflict of Interest Guidelines**: A Senate bylaw has been approved with respect to COI; a guideline and FAQ will be developed.

B. **Space Town Hall – Vineeta Singh, Committee on Space**
The Town Hall is scheduled for May 15 from 12:00 pm to 2:00 pm in room N-517 on the Parnassus Campus. The goal of the Town Hall is to collect input from faculty about space for researchers, educators, and academic clinicians.

II. **Consent Calendar**
**ACTION**: EC members approved the draft minutes from the April 5, 2018 EC meeting.

III. **Systemwide UC Retiree Health Benefits Working Group Briefing/Update** – Systemwide Vice Chair Robert May & Retiree Working Group UCSF Representative Andrew Bindman

The Working Group was charged with developing potential strategies to ensure the long-term viability of retiree health (e.g., the 70% premium floor). Six years ago, the post-employment benefits reform was initially intended to change the level of support for retirees, with the intent that the premium floor be ramped down gradually over time to 70%. After this floor was reached, the University subsequently requested that the Regents remove the floor – basically keeping benefits constant and shifting costs to faculty and staff retirees. The Health Care Task Force (HCTF) and the University Committee on Faculty Welfare (UCFW) projected that over 20 years costs would ease and therefore the benefit could be maintained with careful management. At the time, the Senate urged the President to develop a task force to 1) make recommendations for 2019 (4% increase and maintenance of the 70% floor); and 2) make recommendations for the long-term stability of the retiree health benefit. Although President Napolitano agreed to the formation of the working group, she is not committed to maintaining the 4% annual increases permanently.

Although the Working Group has explored a number of different scenarios (e.g., Medicare, etc.) that were fairly short-term in nature, no decisions have been made. HR has requested a list of immediate and prioritized cuts, which the Senate has objected to, and viewed as too narrow for the overall charge of the Working Group. What is needed is more long-term modeling. On the whole, UC benefits have declined for all faculty and staff, especially in the health care arena. However, retiree health and the family plan are still very generous by industry standards. The Senate remains convinced that this is a manageable issue as medical inflation was only 3% last year, and there is a good possibility that for next year, medical inflation will be at 4% or under. That said, there are issues with retiree health’s liability of $17B. Unlike UC’s pension plan, retiree health is a pay-as-you-go system. Right now retiree health is only a 3% annual payroll assessment; there is not a lot of evidence that this will increase significantly, but this will ultimately depend on other factors, such as what happens to Medicare. The working group will be recommending to President Napolitano to maintain the 70% floor for 2018-19, and ask that the committee continues for one more year.

UCSF working group member Andrew Bindman remarked that any future cuts will need to be informed by a better understanding of the nature of the so-called ‘bargain’ of retirees using UC Health medical centers, which has not been adequately explored. However, it is not reasonable to shove all UC faculty and staff into certain health plans, without knowing the true nature of those agreements. As one example, out-of-state retirees are placed into individual plans, along with an individual $3K HSA account. If this was done for in-state retirees, this could solve the problem, but thus far this has remained at the bottom of the list of possible options due to its limited breadth and associated risks to the retiree. Certain values or principles have been looked at; the working group does not want to create problems with catastrophic or health maintenance programs, nor institute a regressive program.

**DISCUSSION**: One member mentioned total remuneration, and how issues of recruitment and retention are very important to the Senate generally. However, for younger faculty members, retiree health is
generally not important, but as one hires more senior faculty, retiree health does become more important. The support level for active faculty health is 86%. While the pots of money between active faculty health and retiree health are currently kept separate, it is unclear whether these pots of monies should continue to be kept separate, but this remains an active question. UCFW Chair Roberta Rehm asked to what extent is the working group thinking about separating out the more expensive populations (e.g., pre-Medicare retirees and the Medicare retirees). Vice Chair May responded that there has been some discussion about limiting the pre-Medicare retirees health care plans (e.g., out of UC Care). However, the majority of the committee does not think that this is a problem for 2019, and noted that the pre-Medicare group contains a higher percentage of non-faculty (e.g., staff).

IV. Faculty Salaries – Systemwide Vice Chair Robert May & UCFW Chair Roberta Rehm

President Napolitano recently announced a three-year academic salary program that does the following:

- Ladder-Rank Faculty: Faculty scales will be increased by 4 percent, including ladder-rank faculty on the Health Sciences Compensation Plan (HSCP).
- Salary scales for other non-represented faculty and academic personnel will be increased by 3 percent.
- Represented academic personnel will continue to be compensated according to their contracts.

Systemwide Senate Vice Chair May noted that earlier this year, UCFW, UCAADE, and UCAP proposed a more aggressive faculty salary plan intended to begin to close the faculty salaries gap (8.3% gap in the level of faculty salaries to UC’s competitors). That plan called for a 6% increase to the on-scale faculty and a 3% increase to the off-scale faculty. In announcing her salary plan today, President Napolitano has obviously rejected the Senate proposal. However, the Senate is pleased about President Napolitano’s renewed focus on the faculty scales.

DISCUSSION: UCFW Chair Roberta Rehm added that the Chancellor has more or less swallowed the discretionary 1.5% (only a few equity adjustments were made). At least now, an extra 2.5% will be added to the 1.5% increases of the past couple of years. Everyone will get 4%; whether this can be retained for the off-scales is another question. The off-scale is indeed part of the base, unlike the HSCP ‘y’ component. UCFW Chair Rehm emphasized that this is a long-term project. Another member asked how can the health sciences faculty be better recognized, and additionally, who is advocating for the health sciences faculty at the systemwide level. EC Chair Teitel responded that due to the HSCP, this must be done within UCSF. Actual salaries are negotiated within the confines of individual departments, but UCSF’s scales move in tangent with the faculty scales on other campuses. Indeed, President Napolitano emphasized in her letter that health sciences faculty were included. EC members thanked UCFW Chair Rehm for her hard work on this issue.

V. Systemwide Reviews


VI. Executive Session

EC members did not hold an executive session.

VII. Old Business

None.

VIII. New Business: UC Health

Systemwide Senate Vice Chair May asked for UCSF feedback on the Huron option to split off UC Health from UCOP. EC Chair The actual recommendation is to make UC Health a separate UC “location,” much like the National Laboratories. Teitel remarked that this is not in the faculty’s interest from a shared governance perspective. EC members inquired into the deeper rationale for doing this. Systemwide Senate Vice Chair May remarked that it is not very clear, nor are EVP Jack Stobo’s motivations clear either (besides allowing him to hire personnel more easily). The obvious political motivation is removing UC Health’s significant budget off UCOP’s books, thereby making it look less bloated to State legislators.
He added that the Chancellors are not very enthusiastic about the proposal, as it would reduce their control over UC Health on their respective campuses.

IX. **Adjournment**
Chair Teitel adjourned the EC meeting at 4:58 p.m.

*Agenda items deemed noncontroversial by the Chair, may be placed on a Consent Calendar agenda item. Approval of all business on the Consent Calendar requires a single unanimous vote. At the request of a committee member, any Consent Calendar item may be extracted for consideration under “New Business” later in the agenda.*

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