

Report of the Joint Fall, 2005, CUCEA/CUCRA MEETING

UCSF

October 27, 2005

Vice Chancellor Gene Washington welcomed the Councils to UCSF and described a mentoring program in which each new faculty member has a mentor. Michael Reese from UCOP gave a presentation on UC's enhanced advocacy program. Enrollment is up 19% and state support for UC is down 15% leading to a \$1.5 billion short fall. There is a lack of connection or support from the public and legislators for the University. Legislator's term limits have eroded institutional memory and interest in long term investments. Federal support is also declining. The bright spot is private support which has grown to \$ 3 Billion/year. The enhanced advocacy program is attempting to build grass roots support for the University among the general public, alumni, parents and would like help from emeriti and retirees. Also, programs have been developed for business leaders, and legislators and potential legislators. Details about the UC program can be found at www.UCforcalifornia.org.

Judy Ackerhalt described the bidding process for the UC/DOE laboratories at Los Alamos and Livermore and the benefit plans for the UC employees who work there.

Randy Scott discussed retirement and health benefit programs. Currently the retirement program is funded at 118%. Although UC salaries have fallen below comparison universities, retirement benefits are 60% above average and health benefits are 10% above average. Given the growing number of retirees in relation to the number of active employees, a requirement for active employees to contribution to the retirement system will be reintroduced probably in 2007. (See attached fig.) Health benefits have attracted a lot of attention because of new reporting requirements under GASB – Governmental Account Standards Board. Governmental agencies, including the University, have to forecast funding obligations for the benefit of creditors and investors, for example municipal bond holders. The Universities projection of health care benefits for all employees and retirees by the year 2007 is \$10 Billion. (See attached fig.) Health care costs are a major concern and the University has taken steps to curtail them. For example, it used to be the policy that after 5 years employment a faculty member would receive full medical benefits upon retirement. You now have to be employed 20 years to receive full benefits. In addition, the actions of companies in the private sector to eliminate or reduce retirement support and health care benefits have also raised the level of concern. We were assured that there is consideration for discontinuing health care benefits for retirees, but there may be changes for new employees as has already happened. I have invited Mark Esteban, Director, Health and Welfare Policy and Program Design to be our May 11th luncheon speaker.

C.E, Hess 12/2/05