Primary Focus Points for the Year:

- Modifications to the Health Insurance Plans
- Composite Benefit Rates
- UC Campus Climate Survey
- 19900 Funds and Shortfalls to Faculty Salaries
- Changes in the Gift & Endowment Tax Assessment

Task Forces, Special Committees, and Sub-Committees:

- Transportation Advisory Committee- Lisa Thompson

Issues for Next Year (2014-2015)

- Presentation from the Sustainability Committee
- Review of Health Insurance Plan Information Packets
- Implementation of Composite Benefit Rates

2013-2014 Members

<table>
<thead>
<tr>
<th>Paul Green, PhD, Chair</th>
<th>Molly Newlon, DDS, MA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leah Karliner, MD, Vice Chair</td>
<td>Octavia Plesh, DDS, MS</td>
</tr>
<tr>
<td>Elissa Epel, PhD</td>
<td>Roberta Rehm, RN, PhD, FAAN</td>
</tr>
<tr>
<td>Melvin Grumbach, MD (Emeritus Rep)</td>
<td>Shuvo Roy, PhD</td>
</tr>
<tr>
<td>Thomas Lowe, MD</td>
<td></td>
</tr>
</tbody>
</table>

Permanent Guests

Maria Dall’era, MD
Lisa Thompson, FNP, MS, PhD

Number of Meetings: 5
Senate Analyst: Alison Cleaver and Jill Kato
The Academic Senate Committee on Faculty Welfare took up the following Systemwide issues this year:

**Modifications to the Health Insurance Plans**
Chair Green updated the committee on developments at UCFW regarding the changes to insurance plans. Enrollees were misinformed of what was covered under the new plans and the time allowed to make adjustments was extended.

At the June 5, 2014 meeting, Health Care Facilitator Susan Forstat provided an update on the new employee health plan options.

- **Concierge** - It was reported that people have generally found the concierge service to not be helpful.

- **UC CARE** - The systemwide marketing for UC Care was not optimal. People previously enrolled in POS plans expected UC Care to operate similarly. It was suggested that UC Care be marketed as a PPO plan. In general, campuses with medical centers are happier with UC Care due to better access to care. UC Care is a self-insured plan and covers the same network as the Health Net Blue and Gold plan. It's not clear if UC Care is financially viable.

- **Access** - A member remarked that patients must find care outside of the UC select system due to a lack of appointment availability. In response, it was noted that availability may be an issue with specialty care in general and that wait times are not dependent on the type of insurance a patient carries.

- **User Feedback** - The committee discussed the best way to gather feedback about the new plans. Members discourage the implementation of a survey. Instead, members suggested posing open ended questions. The committee agreed that the purpose of feedback would be to educate the community and clarify common misconceptions. Since UC Care is new, the importance of receiving feedback on this plan was stressed. It was suggested that the call for feedback be prefaced with the need to prepare for the upcoming open enrollment. Members recommended that the committee review the local health plan information packet before distribution. Members encouraged Susan Forstat to attend department meetings and work directly with MSOs.

**Composite Benefits Rates**
The New HR/Payroll System (UC Path) will require composite benefit rates. It will eliminate variation in department costs due to employee benefit selections. Nilo Mia, Director of Costing Policy & Recharge Operations, Budget & Resource Management, provided an overview of composite benefit rates at the February 6, 2014 meeting (Appendix 1). The Budget & Resource Management Office is in the process of finalizing the campus’s federal rate. They won’t know the final timeline until March 2014.
Some disadvantages to the composite rates include:

1. Change from the current practices where benefits are charged per pay type eligibility
2. Fund sources will offset each other
3. IT modifications identified to mitigate positive or negative changes may prove costly to implement

FWC members requested Nilo Mia return to the committee in late spring 2014 to early fall 2014 to receive additional feedback. Some faculty were concerned that the composite benefit rates would move funds away from academics. The Senate recommended a hybrid rate that would involve a rate for X and X Prime and one for Y Rate. A letter stating the Senate’s opinion was sent to UC President Janet Napolitano.

**Discussion of the Results from the UC Campus Climate Survey Report**

A campus climate survey was distributed in 2011 to gather responses on the UC living and working environment. Although the survey was conducted systemwide, CFW focused on the results from UCSF. Overall, seventy-six percent of all UCSF respondents reported they were “comfortable” or “very comfortable” with the campus climate. Sixty-five percent were comfortable taking leave that they were entitled to without fear that it may affect their jobs/careers. Sixty-three percent felt that UCSF was supportive of flexible work schedules. Members agreed that they did not have major concerns regarding the survey results and did not feel the need to take action at the time.

**Staff Engagement Survey and Relevance for Faculty**

Sausan Fahmy, CLO, Learning & Development Office provided an overview of the survey results and how they impact faculty who supervise staff.

FW members noted that most faculty had never received training on how to manage staff. Fahmy reported that faculty development courses are run by Cynthia Leathers in the Academic Affairs Office. These courses provide training in faculty-to-staff and faculty-to-faculty management.

**Systemwide Review of Academic Personnel Policy (APM 133, 220, 210, 760)**

Proposed revisions expanded the reasons for “stopping” the eight-year service limitation “clock.” Draft language proposed that, in addition to childbearing and child care, a faculty member may request to stop the clock for a serious personal health condition, for illness of or for bereavement of a family member, or other significant circumstance or event. Requests for “stopping the clock” would be reviewed by the Chancellor or the Chancellor’s designee, not by department chairs.

Members agreed that the issue was critical to faculty welfare and that the proposed revisions seemed reasonable. A memo in support of the changes was sent on behalf of the committee (Appendix 2).

**Divisional Business**

This year, the Academic Senate Committee on Faculty Welfare took up the following issues related to the San Francisco Division:
Campuswide IT Changes
CIO Joseph Bengfort attended the October 3, 2013 meeting to provide an overview of the forthcoming IT changes. The cost of desktop support will remain at $50-60 a month, regardless of use.

19900 Funds and Shortfalls to Faculty Salaries
Associate Chancellor of Budget/Resource Management Teresa Costantinidis gave an overview of the flow of 19900 funds from the Core Financial Plan funds pool at the December 5, 2013 meeting. She reported that UCOP agrees with APM 190F insirit, but cannot financially support the seven to fifteen percent as listed.

Faculty with a salary shortfall were asked to make up the differences with their own funds. Departments have covered the gap, but doing so has depleted discretionary salary funds. In response, departments have encouraged faculty to increase extramural support.

The shortfall affects the Y factor (the 23 percent difference between state funds and university salary). The Y factor largely impacts benefits.

Bylaw Changes
In response to a request from the UCSF Academic Senate Bylaw Review Task Force (Appendix 3), CFW approved the following bylaw changes (Appendix 4):

- “Professional staff” was added as to the list of groups the committee represents.
- The word “academic” was added to “professional research staff”.
- The Faculty Handbook was revised to state that committee members comment on revisions rather than initiate revisions themselves.

Chancellor’s Search Committee
Members discussed whether the Chancellor’s departure will impact philanthropy. The initial response was that philanthropy would not be affected. Potential donors responded to Chancellor Desmond-Hellman’s request to give before she steps down.

Chair Green asked FWC members what was important to them in a new Chancellor. Items mentioned included:

1. Background in academia and clinical experience
2. Diversity in leadership, be it ethnicity or gender
3. Fostering entrepreneurial spirit
4. Having and being able to articulate a clear vision of UCSF now and in the future
5. Strength in driving philanthropy

Changes in the Gift & Endowment Tax Assessment
Administration is slated to cover the extra cost if other sources aren’t available. Campus leadership is absorbing the extra funds into the Chancellor’s Office General Fund.

FWC members expressed strong reservation on the proposed retroactive nature of the change in tax percentages on endowments. It was reported that in SOD, where the tax percentage on clinics was
raised from five percent to twenty percent, faculty were unable to make their comp plans due to this change. It has resulted in many SOD faculty departing UCSF.

At the February 2, 2014 meeting, member Roy agreed to draft a Communication to UCSF Academic Senate Chair Chehab summarizing FWC’s position on the topic.

**Employee Wellness Toolkit for Managers**

At the February 6, 2014 meeting, Camps Life Services’ Wellness Manager Leanne Jensen gave a presentation on the new Step It Up Challenge. The program promotes staying active and will run from March 3, 2014 through to March 31, 2014. Jensen encouraged FWC members to inform their colleagues and staff of the program.

**Updates from the Transportation Advisory Committee**

Member Lisa Thompson reported on the recommendations made by the 2013-14 Transportation Advisory Committee.

- A real-time GPS shuttle tracking system was implemented in 2013. It provides passengers with shuttle arrival information that aids in managing rider expectations and improving passenger efficiency.
- In 2013, to enhance safety, passengers are no longer allowed to stand while vehicles are in motion.
- The committee advocated a Parnassus to BART shuttle route, but since the N-Judah already provides service to BART, the administration does not believe the route is financially justifiable.
- Parking rates will be raised across the board. A parking rate analysis reflected a need to increase permit rates 8% on average annually through 2020-21. A parking rate comparison showed that UCSF permit rates are typically lower than local market rates. Parking has to be a self-sustaining service. The only way to avoid an increase in costs is for the Chancellor's Office to subsidize it. It was noted that a common complaint from patients is the cost of parking.
- It was noted that shuttle punctuality has decreased due to changes made in response to safety issues. To avoid accidents, shuttle drivers must now drive slower.
- The University would like to discourage employees from driving between campuses since the university is liable if the person is traveling on UC-related business.

**Going Forward**

Ongoing issues under review or actions that the Committee will continue into 2014-2015.
• Presentation from the Sustainability Committee
• Review of Health Insurance Plan Information Packets
• Implementation of Composite Benefit Rates

Appendices

Appendix 1: Composite Benefit Rates Presentation
Appendix 2: Proposed Changes to Systemwide APMs: 133-17-g-j; 210-1-c-d; 220-18-b; 760-30-a
Appendix 3: Proposed Changes to Division Bylaw 160. Committee on Faculty Welfare
Appendix 4: Faculty Welfare Committee Response to Proposed Changes to Division Bylaw 160
Appendix 5: Faculty Welfare Committee Response to Changes in Gift Tax
Appendix 6: Faculty Welfare Committee Follow-up Response to Changes in Gift Tax

Senate Staff:
Alison Cleaver, Senior Analyst
alison.cleaver@ucsf.edu; 415.476.3808

Jill Kato, Interim Senate Analyst
jill.kato@ucsf.edu; 415.476.1308
Composite Benefit Rates

Budget and Resource Management

February 06, 2014
Agenda

- Background and Issues
- UCOP Model & Issues
- Composite Rate Issues/ UCSF Benefit Profile
- UCSF Composite Rate Review
  - Process
  - Analysis Recap
  - Alternative Models – Effect of Refinements
- Next Steps
  - Suggested Work Plan and Target Timeline
Why Composite Benefit Rates (CBR)?

- New HR/Payroll System (UCPath) requires composite rates
- Reduces workload when transferring compensation expenses among fund sources
- Simplifies and improves planning processes
- Eliminates variation in department costs due to employee benefit selections
- Provides consistency with budget and actual charges
Disadvantage for Composite Benefits Rates

- Fund sources will offset each other
  - Positive or negative changes to some campus funding sources that are offset by other sources
  - Positive or negative financial impacts to campus funding sources based on their employee mix
- IT modifications identified to mitigate positive or negative changes may prove costly to implement
- Change from current practice where benefits are charged per pay type eligibility
UCOP Model and Issues
UCOP’s (originally) planned seven category model is problematic for UCSF

- Single rate per employee
- Employee categories based on:
  - Title code
  - Benefits eligibility (BELI) code
  - Exempt versus non-exempt status flags
- UCOP model ignores:
  - Description of service code (DOS) benefit variance for employees
  - Different benefits levels per type of pay for a given employee
- Impact:
  - Significant cost shifts across funds and departments
  - Loss of federal funds
UCOP’s model results in significant cost shifts and potential loss of federal funds

<table>
<thead>
<tr>
<th>Fund Group</th>
<th>SOM</th>
<th>SOD</th>
<th>SOP</th>
<th>SON</th>
<th>EVCP</th>
<th>FAS</th>
<th>OTHER*</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Funds</td>
<td>(2,792,007)</td>
<td>(133,799)</td>
<td>(74,402)</td>
<td>(58,543)</td>
<td>(143,699)</td>
<td></td>
<td></td>
<td>(3,202,450)</td>
</tr>
<tr>
<td>Private Contracts &amp; Gr</td>
<td>(777,762)</td>
<td>11,560</td>
<td>(21,358)</td>
<td>(116,461)</td>
<td>6,327</td>
<td></td>
<td></td>
<td>(897,694)</td>
</tr>
<tr>
<td>Local Government</td>
<td>2,381,553</td>
<td>41,496</td>
<td>137</td>
<td>(4,046)</td>
<td></td>
<td></td>
<td></td>
<td>2,419,141</td>
</tr>
<tr>
<td>State General</td>
<td>(1,213,982)</td>
<td>(412,582)</td>
<td>(131,181)</td>
<td>(416,827)</td>
<td>(210,372)</td>
<td>(93)</td>
<td>(0)</td>
<td>(2,385,036)</td>
</tr>
<tr>
<td>S&amp;S – Educational Activities</td>
<td>855,086</td>
<td>(322,912)</td>
<td>(59,864)</td>
<td>(5,259)</td>
<td>(665,868)</td>
<td>15,257</td>
<td>18,625</td>
<td>(164,937)</td>
</tr>
<tr>
<td>S&amp;S-Professional</td>
<td>4,823,283</td>
<td>6,623</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4,829,906</td>
</tr>
<tr>
<td>Other (Gifts, Endow, ICR</td>
<td>151,800</td>
<td>(145,399)</td>
<td>329,954</td>
<td>(311,454)</td>
<td>73,621</td>
<td>(368,570)</td>
<td>(328,882)</td>
<td>(598,930)</td>
</tr>
<tr>
<td>State C&amp;G, Tuit &amp; Fees etc</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grand Total</td>
<td>3,427,970</td>
<td>(955,014)</td>
<td>43,285</td>
<td>(908,543)</td>
<td>(944,036)</td>
<td>(353,406)</td>
<td>(310,257)</td>
<td>(0)</td>
</tr>
</tbody>
</table>

Variances > +/- $500K. Positive dollar amounts represent estimated increases in costs resulting from composite benefits rate model; negative amounts represent estimated decreases. Estimates based on 2012-13 data. 

* OTHER fund group excludes Medical Center which is handled separately.
A few factors affecting CBR rate development

‘Why do rates differ’
Benefits rates vary by employee group

<table>
<thead>
<tr>
<th>Employee Group</th>
<th>Total Salaries</th>
<th>Total Benefits</th>
<th>Benefit Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Science Faculty</td>
<td>$438,968,148</td>
<td>$87,177,753</td>
<td>19.9%</td>
</tr>
<tr>
<td>Academic – Faculty</td>
<td>6,584,209</td>
<td>1,759,198</td>
<td>26.7%</td>
</tr>
<tr>
<td>Academic – Other</td>
<td>58,048,268</td>
<td>18,513,112</td>
<td>31.9%</td>
</tr>
<tr>
<td>Postdoctoral Fellows</td>
<td>36,329,271</td>
<td>8,179,625</td>
<td>22.5%</td>
</tr>
<tr>
<td>Staff</td>
<td>515,828,874</td>
<td>194,699,786</td>
<td>37.7%</td>
</tr>
<tr>
<td>Students</td>
<td>83,209,235</td>
<td>2,800,011</td>
<td>3.4%</td>
</tr>
<tr>
<td>Grand Total</td>
<td>$1,138,971,005</td>
<td>313,129,485</td>
<td>27.5%</td>
</tr>
</tbody>
</table>

Variation across employee groups results in part from differences in benefit eligibility. For example, postdoctoral fellows and student employees typically are not eligible for retirement.
Benefits rates vary by fund source

<table>
<thead>
<tr>
<th>Fund Source</th>
<th>Total Salaries</th>
<th>Total Benefits</th>
<th>Benefit Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>FEDERAL</td>
<td>202,405,225</td>
<td>61,868,603</td>
<td>30.6%</td>
</tr>
<tr>
<td>PRIVATE CONTRACTS &amp; GR</td>
<td>96,520,812</td>
<td>29,034,265</td>
<td>30.1%</td>
</tr>
<tr>
<td>STATE &amp; LOCAL CNTRCT</td>
<td>126,745,296</td>
<td>34,915,627</td>
<td>27.5%</td>
</tr>
<tr>
<td>PRIV GIFTS &amp; ENDWMTS</td>
<td>56,395,956</td>
<td>15,290,598</td>
<td>27.1%</td>
</tr>
<tr>
<td>STATE GENERAL</td>
<td>142,636,268</td>
<td>46,773,514</td>
<td>32.8%</td>
</tr>
<tr>
<td>S&amp;S ED, AUX &amp; TUIT FEE</td>
<td>117,307,985</td>
<td>36,734,537</td>
<td>31.3%</td>
</tr>
<tr>
<td>S&amp;S-PROFESSIONAL</td>
<td>272,520,974</td>
<td>47,716,595</td>
<td>17.5%</td>
</tr>
<tr>
<td>OTHER (ICR, RSRV, CLR)</td>
<td>124,438,489</td>
<td>40,795,746</td>
<td>32.8%</td>
</tr>
<tr>
<td>Grand Total</td>
<td>1,138,971,005</td>
<td>313,129,485</td>
<td>27.5%</td>
</tr>
</tbody>
</table>

*Sales & Service-Professional funds (primarily Medical Compensation Plan funds) with higher average salary base and more retirement ineligible pay types have the lowest average benefit rate.*
Health science faculty special considerations

- Represent ~40% of total UCSF salaries
- Include multiple salary components
  - X – HSCP scale salaries – assessed retirement and medical
  - Y – Additional negotiated salaries – largely not assessed retirement or medical
  - Z – Incentive or Bonus salaries – not assessed retirement or medical – not assessed to federal awards
- Bulk of Y and Z components are not currently assessed retirement or medical benefits
- Average annual salaries are over $100K higher than any other employee groups
- Benefit distribution varies significantly by fund group even within a single salary component
UCSF Composite Rate Review Strategy
How are we addressing this issue?

- Budget and Investment working group charged CBR Task Force to provide input and guidance
- Main concerns
  - Not losing grant money
  - Smoothing variances/cost shifts
  - Minimize without limiting the number of rate groups
  - Control potential additional IT cost modifications
- Insure control points vet potential scenarios
What are CBR Task Force expectations

- Build out models with FY 2012-13 data
  - Model 1: UCSF Payroll Attribute Only
  - Model 2: UCD Methodology
  - Model 3: UCOP/HURON Model Scenario L, Options A and B

- Evaluate results and assess pros and cons
Key considerations that help to evaluate pros and cons

- Funding variance from current benefit distribution
  - Federal funds
  - Health compensation plan
- Budgeting ease/difficulty
- IT support commitment
  - UC Path compatibility
- Federal approval
What are the financial impacts of the Models

‘Not good’
Variance breakout by fund group show all models require refinement/ model variances are unacceptable

<table>
<thead>
<tr>
<th>Fund Group</th>
<th>Model 1</th>
<th>Model 2</th>
<th>Model 3 A Base</th>
<th>Model 3 B Option</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Funds</td>
<td>(1,877,390)</td>
<td>(3,112,727)</td>
<td>(3,202,450)</td>
<td>(3,210,780)</td>
</tr>
<tr>
<td>Private Contracts &amp; Gr</td>
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<td>(687,038)</td>
<td>(897,694)</td>
<td>(896,206)</td>
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<tr>
<td>Local Government</td>
<td>979,221</td>
<td>967,684</td>
<td>2,419,141</td>
<td>2,419,534</td>
</tr>
<tr>
<td>State General</td>
<td>(27,304)</td>
<td>(2,513,960)</td>
<td>(2,385,036)</td>
<td>(2,361,725)</td>
</tr>
<tr>
<td>S&amp;S –Educational Activities</td>
<td>(2,119,160)</td>
<td>(1,323,266)</td>
<td>(164,937)</td>
<td>(164,985)</td>
</tr>
<tr>
<td>S&amp;S-Professional</td>
<td>2,590,065</td>
<td>4,151,175</td>
<td>4,829,906</td>
<td>4,812,013</td>
</tr>
<tr>
<td>Other (Gifts, Endow, ICR State C&amp;G, Tuit &amp; Fees etc)</td>
<td>978,749</td>
<td>2,518,132</td>
<td>(598,930)</td>
<td>(597,852)</td>
</tr>
<tr>
<td>Grand Total</td>
<td>(0)</td>
<td>0</td>
<td>(0)</td>
<td>(0)</td>
</tr>
</tbody>
</table>

- Federal funds are assessed ~$2 or ~$3 million fewer benefits in all models
- S&S Professionals are charged over $2 million in all models
- State General funds are assessed ~$2M fewer benefits in all models except model 1.

Target Variances > +/-$500K. Positive dollar amounts represent estimated increases in costs resulting from composite benefits rate model; negative amounts represent estimated decreases. Estimates based on 2012-13 data.
Each Model defines employee groups differently

<table>
<thead>
<tr>
<th>Emp. Group</th>
<th>Model 1 UCSF</th>
<th>Model 2 UCD</th>
<th>Model 3 UCOP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Academic Faculty</td>
<td>A Healthcomp Faculty over $200K</td>
<td>Academic - Faculty</td>
</tr>
<tr>
<td>2</td>
<td>Academic Other</td>
<td>B Healthcomp Faculty, Physicians, Physician Assistants, LAW and GSM Acad Senate &amp; Nurses</td>
<td>Academic - Other</td>
</tr>
<tr>
<td>3</td>
<td>Health Science Faculty</td>
<td>C Academic Senate, MSP, Academic Assistant and Associate Researchers, Other Acad Appointments (99), Ag Experiment Station, Fire and Police</td>
<td>Health Science Faculty</td>
</tr>
<tr>
<td>4</td>
<td>Staff</td>
<td>D All Other Employees</td>
<td>Staff Exempt</td>
</tr>
<tr>
<td>5</td>
<td>Academic Faculty</td>
<td>E Service Professionals</td>
<td>Staff Non-Exempt</td>
</tr>
<tr>
<td>6</td>
<td>Academic Other</td>
<td>F Post Doc &amp; Faculty Summer Salaries</td>
<td>Partial Benefit Eligibility</td>
</tr>
<tr>
<td>7</td>
<td>Health Science Faculty</td>
<td>G Graduate &amp; Undergraduate Students</td>
<td>No Benefit Eligibility</td>
</tr>
<tr>
<td>8</td>
<td>Staff</td>
<td>H Research Allied Professionals, Clerical, Research Support, Service and Technical</td>
<td>*Optional Campus Specific Rate by Title</td>
</tr>
<tr>
<td>9</td>
<td>Post Doc</td>
<td>I All Other Employees</td>
<td>Option B: Direct charge non HS Faculty retirement</td>
</tr>
<tr>
<td>10</td>
<td>Students</td>
<td>J Healthcomp Bonus Payments (Z salaries)</td>
<td>Color Guide</td>
</tr>
<tr>
<td>11</td>
<td>Healthcomp Bonus Payments (Z salaries)</td>
<td></td>
<td>Retirement Eligible Non Retirement Eligible</td>
</tr>
</tbody>
</table>
Finding the right combination of attributes is key to creating the best CBR model for UCSF

- Setting employee groups and base values to accommodate different benefit rates by employee type and base salary requires “finesse”

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Model 1</th>
<th>Model 2</th>
<th>Model 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Rate Groups</td>
<td>11</td>
<td>10</td>
<td>7</td>
</tr>
<tr>
<td>Multiple Rates per Employee (by Pay Type)</td>
<td>Yes</td>
<td>No – except for Z</td>
<td>No</td>
</tr>
<tr>
<td>Benefits Excluded (Charged Directly)</td>
<td>No</td>
<td>No</td>
<td>Option A – No Option B – Yes</td>
</tr>
<tr>
<td>Salary Cap</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Special Group for High Salary Earners</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Special Group for Z salaries</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>
Alternative Models – Effect of Refinements
Key considerations driving next phase of model development

- Create new “Model 4” based on UCOP Model 3
  - Aligns with UC and UC Path
  - Maximizes ease of budgeting and implementation
  - Minimizes additional system development costs

- Adjust attributes to minimize variance; consider target level of (+/- $500K)
  - Focus on reducing losses to federal funds and
  - Focus on reducing additional charges to HC Comp plan funds

- Maintain as much of UCOP structure as possible
  - Single rate per employee (not multiple rates per employee)
  - Salary cap applied (charge no benefits to salaries over a cap)
  - Uses HR data in addition to payroll data to define groups
“Model 4” revisions included careful refinement of Salary Base and Employee Groups

- No Benefit Eligibility/ Partial Benefit Eligibility groups updated
  - Benefit Eligibility Level Indicator was found to be an inconsistent measure of eligibility
  - UCPath is expected to have better benefit flags making group definition more accurate

- Academic Faculty and Academic Other employee groups combined

- Academic, Staff and Health Science Faculty title codes refined

- Payroll type FEN: Post Doc/Fellowship/Scholarship/Stipend included in payroll base
Model 4: Results based on Model 3 UCOP Scenario A with refined employee groups and salary base

Refining benefit definition and including FEN salary pay types significantly improves variance, though threshold is still a challenge.

<table>
<thead>
<tr>
<th>Fund Group</th>
<th>SOM</th>
<th>SOD</th>
<th>SOP</th>
<th>SON</th>
<th>EVCP</th>
<th>FAS</th>
<th>OTHER*</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Funds</td>
<td>-145,177</td>
<td>-136,606</td>
<td>75,442</td>
<td>109,530</td>
<td>899</td>
<td></td>
<td></td>
<td>-95,912</td>
</tr>
<tr>
<td>Private Contracts &amp; Gr</td>
<td>448,061</td>
<td>10,680</td>
<td>42,578</td>
<td>-60,287</td>
<td>71,240</td>
<td></td>
<td></td>
<td>512,272</td>
</tr>
<tr>
<td>Local Government</td>
<td>1,680,900</td>
<td>12,355</td>
<td>532</td>
<td>-2,775</td>
<td></td>
<td></td>
<td></td>
<td>1,691,012</td>
</tr>
<tr>
<td>State General</td>
<td>-1,368,134</td>
<td>-504,047</td>
<td>-224,679</td>
<td>-262,082</td>
<td>-183,413</td>
<td>-92</td>
<td>0</td>
<td>-2,542,448</td>
</tr>
<tr>
<td>S&amp;S-Professional</td>
<td>1,873,541</td>
<td>-7,912</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,865,629</td>
</tr>
<tr>
<td>Other (Gifts, Endow, ICR State C&amp;G, Tuit &amp; Fees etc)</td>
<td>29,752</td>
<td>-185,810</td>
<td>295,201</td>
<td>-11,235</td>
<td>277,275</td>
<td>-140,235</td>
<td>-189,536</td>
<td>75,411</td>
</tr>
<tr>
<td>Grand Total</td>
<td>2,176,508</td>
<td>-1,195,008</td>
<td>136,928</td>
<td>-227,765</td>
<td>-593,333</td>
<td>-130,963</td>
<td>-166,367</td>
<td>0</td>
</tr>
</tbody>
</table>

**Variances > +/- $500K.** Positive dollar amounts represent estimated increases in costs resulting from composite benefits rate model; negative amounts represent estimated decreases. Estimates based on 2012-13 data.

* OTHER fund group excludes Medical Center which is handled separately.
Model 4 results with refined employee groups and included salary pay types

<table>
<thead>
<tr>
<th>Fund Group</th>
<th>Model 3 A Base</th>
<th>Model 3 A Revision</th>
<th>Better/Worse</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Funds</td>
<td>(3,202,450)</td>
<td>(95,912)</td>
<td>Better</td>
</tr>
<tr>
<td>Private Contracts &amp; Gr</td>
<td>(897,694)</td>
<td>512,272</td>
<td>Better</td>
</tr>
<tr>
<td>Local Government</td>
<td>2,419,141</td>
<td>1,691,012</td>
<td>Better</td>
</tr>
<tr>
<td>State General</td>
<td>(2,385,036)</td>
<td>(2,542,448)</td>
<td>Worse</td>
</tr>
<tr>
<td>S&amp;S –Educational Activities</td>
<td>(164,937)</td>
<td>(1,505,965)</td>
<td>Worse</td>
</tr>
<tr>
<td>S&amp;S-Professional</td>
<td>4,829,906</td>
<td>1,865,629</td>
<td>Better</td>
</tr>
<tr>
<td>Other (Gifts, Endow, ICR State C&amp;G, Tuit &amp; Fees etc)</td>
<td>(598,930)</td>
<td>75,411</td>
<td>Better</td>
</tr>
<tr>
<td>Grand Total</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Target Variances > +/-$500K. Positive dollar amounts represent estimated increases in costs resulting from composite benefits rate model; negative amounts represent estimated decreases. Estimates based on 2012-13 data.

- Federal Funds variance is now below $500K threshold
- S&S Professional variance reduced almost $3 million
- Additional review may lead to lower variance
Next Steps

- Meet with SOM to discuss alternatives, impacts, and suggestions for moving forward
- Work with CBR Task Force to refine details and define UCSF approach (e.g., $500K threshold)
- Work with UCOP to assess incorporation of UCSF refinements into campus wide model
- Track UCPath progress assuring support of composite rates and define timeline
- Assist in preparing strategy for federal approval of CBR approach
## Suggested work plan and target timeline under UCSF/UCOP approach

<table>
<thead>
<tr>
<th>Task</th>
<th>Team</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Complete analysis of 2010-11</td>
<td>MG</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>2. Document benefits eligibility</td>
<td>MC/SH</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>3. Obtain copies of BK/DV proposals</td>
<td>NM</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Delineate explicit algorithm/model</td>
<td>MG/MC</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Discuss tech timeline</td>
<td>MC/JW</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Review DCA proposal requirements</td>
<td>MC/NM/MG</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Create task list for completing proposal</td>
<td>MC/NM/MG</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Consult on initial design</td>
<td>TC/MC/NM</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>9. Normalize and Begin analysis with 2012-13</td>
<td>MG</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>10. Confirm design proposal</td>
<td>TC/JW/JP</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>11. <strong>UC Path revised timeline communicated</strong></td>
<td>MC/NM/MG/MC</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12. Discuss federal submission with UCOP</td>
<td>NM/MG/MC</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>13. Discuss federal submission timeline w/UCOP</td>
<td>TC/MC/NM</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14. Discuss tech implementation timeline</td>
<td>TC/MC/NM</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15. Design UC Path/PS solution</td>
<td>IT/BRM</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16. Confirm Hyperion implementation</td>
<td>MC/AL/YL</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17. Develop Federal CBR proposal</td>
<td>MC/NM/MG</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18. Implement UC Path/PS solution</td>
<td>IT/BRM</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>19. Implement Hyperion solution</td>
<td>MC/AL</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20. Testing</td>
<td>IT/BRM</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>21. Load final rates</td>
<td>IT/BRM</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>22. Go Live</td>
<td>IT/BRM</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Timeline after March 2014 is dependent on pending UC Path schedule.*
November 8, 2013

Paul Green, PhD
Chair, Committee on Faculty Welfare
Via e-mail: paul.green@ucsf.edu

Re: Proposed Changes to Division Bylaw 160. Committee on Faculty Welfare

Dear Chair Green,

Per section 1.12 of Division Bylaws Appendix VIII, the UCSF Academic Senate Bylaw Review Task Force requests your review of the proposed amendments to Division Bylaw 160. Committee on Faculty Welfare as written below. Once the Committee on Faculty Welfare has reviewed the proposed amendments below, it may accept or reject the proposed changes and/or propose additional or different revisions. If all committee members are not in agreement with the proposal, the arguments by committee members against the proposal shall be included as “cons” in your response. Once satisfied with the proposed changes, the Committee on Faculty Welfare will transmit the proposed revisions to the Committee on Rules and Jurisdiction for review prior to a Coordinating Committee and final Division vote. The next Division Meeting is scheduled for February 24, 2014.

Current Bylaw
160. Committee on Faculty Welfare (http://senate.ucsf.edu/0-bylaws/bylaws.html)

A. Membership: This committee shall consist of seven members, including one emeritus member. Its Chair shall be an ex officio member of the University Committee on Faculty Welfare. [Am 2 June 87]

B. Duties:
   1. It shall report to the Division from time to time on any matters of University welfare not assigned to other standing committees of the Division.
   2. To consider matters which concern the Division as regards housing, parking, health, childcare, retirement benefits, and general welfare of the faculty, professional research staff, and students of the San Francisco Campus. [Am 1 Sep 03]
   3. To provide oversight to the Academic Senate Executive Office, whose duty it shall be: [Am 1 Sep 03]
      a. To review memorial resolutions for deceased members of the San Francisco Division.
      b. To receive and edit such resolutions so prepared and to be generally responsible on behalf of the Division for the preparation and publication of commemorative statements concerning the lives and service to the University of members of the Division.

Proposed Amendments (via tracked changes)
160. Committee on Faculty Welfare

A. Membership: This committee consists of seven members, including one emeritus member. The chair or other designated member shall serve on Its Chair shall be an ex officio member of the University Committee on Faculty Welfare.

B. Duties:
   1. It shall report to the Division from time to time on any matters of University welfare not assigned to other standing committees of the Division.
2. To consider matters that concern the Division as regards housing, parking, health, childcare, retirement benefits, and general welfare of the faculty, professional research staff, and students of the San Francisco Campus.

3. To provide oversight to the Academic Senate Executive Office, whose duty it shall be:
   a. To review memorial resolutions for deceased members of the San Francisco Division.
   b. To receive and edit such resolutions so prepared and to be generally responsible on behalf of the Division for the preparation and publication of commemorative statements concerning the lives and service to the University of members of the Division.

4. To review regularly and revise as necessary the Faculty Handbook for Advancement and Promotion at UCSF. The Committee should consult with other Divisional committees, campus committees, and administrative bodies regarding this handbook as appropriate.

Statement of Purpose for Proposed Amendments

In 2012, then-Division Chair Robert Newcomer convened the UCSF Academic Senate Bylaw Review Task Force to review the existing bylaws governing the San Francisco Division of the Academic Senate to propose administrative and substantive updates. The administrative review process corrected outdated references, grammar, and other non-substantive issues. It was completed and approved by the Committee on Rules and Jurisdiction in March 2013. The Task Force is now working to address substantive content changes to improve consistency and clarity within the bylaws and to better align with the recently-passed Standing Rule to more effectively include all full-time faculty members in shared governance activities at UCSF.

The amendments proposed above include:
1. Include language that a designee other than the committee chair may represent UCSF at the University Committee on Faculty Welfare meetings, consistent with the practice of other UCSF Academic Senate committees.
2. Delete language referencing non-faculty groups on campus.
3. Delete language referencing the In Memoriam process, which has not been acted upon for a number of years due to no reliable source of information regarding deceased faculty members.
4. Introduce language assigning responsibility for the Faculty Handbook to the committee.

Pro Arguments
1. Increase flexibility for the committee to appoint a designee other than the chair to represent UCSF at the University Committee on Faculty Welfare.
2. Narrow the scope of the committee’s duties.
3. Eliminate a bylaw for a practice that is no longer acted upon.
4. The Committee on Equal Opportunity is currently responsible for review and revision of the Faculty Handbook for Advancement and Promotion at UCSF. Shifting the responsibility to the Committee on Faculty Welfare better aligns with this committee’s charge than with the faculty diversity efforts of the Committee on Equal Opportunity.

Con Arguments
1. None.
2. Narrow the scope of the committee’s duties.
3. Eliminate the duty to provide faculty In Memoriam information for the UCSF community.
4. Add a new duty for the committee

Effect of Proposed Amendments on Existing Legislation
1. None.
2. None.
3. A parallel deletion for Division Bylaw 25 regarding the duties of the UCSF Academic Senate Executive Office would also be required to eliminate references to the In Memoriam practice.
4. In parallel, the Committee on Equal Opportunity is considering bylaw revisions to narrow their responsibility for the Faculty Handbook to review of diversity-related issues only.

The Bylaw Review Task Force thanks you for your review of these proposed changes and welcomes any questions or requests for clarification that may arise as you deliberate.

Sincerely,

UCSF Academic Senate Bylaw Review Task Force
Anne Slavotinek, MB, BS, PhD, Task Force Chair
Barbara Burgel, RN, PhD, FAAN
Douglas Carlson, JD
Patrick Finley, PharmD
Stefan Habelitz, PhD
Re: Proposed Changes to Division Bylaw 160. Committee on Faculty Welfare

Dear Chair Finley,

The Committee on Faculty Welfare (CFW) recently received and reviewed proposed bylaw revisions to Division Bylaw 160, from the UCSF Academic Senate Bylaw Review Task Force. Upon discussion at the December 5, 2013 CFW meetings, the Committee is proposing the below amended bylaw revisions to Division Bylaw 160.

Current Bylaw

160. Committee on Faculty Welfare

A. Membership: This Committee shall consist of seven members, including one emeritus member. Its Chair shall be an ex officio member of the University Committee on Faculty Welfare. [Am 2 June 87]

B. Duties:
1. It shall report to the Division from time to time on any matters of University welfare not assigned to other standing committees of the Division.
2. To consider matters which concern the Division as regards housing, parking, health, childcare, retirement benefits, and general welfare of the faculty, professional research staff, and students of the San Francisco Campus. [Am 1 Sep 03]
3. To provide oversight to the Academic Senate Executive Office, whose duty it shall be: [Am 1 Sep 03]
   a. To review memorial resolutions for deceased members of the San Francisco Division.
   b. To receive and edit such resolutions so prepared and to be generally responsible on behalf of the Division for the preparation and publication of commemorative statements concerning the lives and service to the University of members of the Division.

Proposed amendments

160. Committee on Faculty Welfare

A. Membership: This Committee shall consist of seven members, including one emeritus member. The Chair or other designated member shall serve on the University Committee on Faculty Welfare. [Am 2 June 87]

B. Duties:
1. It shall report to the Division from time to time on any matters of University welfare not assigned to other standing committees of the Division.
2. To consider matters which concern the Division as regards housing, parking, health, childcare, benefits, and general welfare of the faculty and professional academic research staff of the San Francisco Campus. [Am 1 Sep 03]
3. To review regularly and comment on as needed the Faculty Handbook for Advancement and Promotion at UCSF. The Committee should consult with other Divisional committees, campus committees, and administrative bodies regarding this handbook as appropriate. [Am 1 Sep 03]

Statement of Purpose and Justification for Proposed Amendments

In 2012, then-Division Chair Robert Newcomer convened the UCSF Academic Senate Bylaw Review Task Force to review the existing bylaws governing the San Francisco Division of the Academic Senate to propose administrative and substantive updates. The administrative review process corrected outdated references, grammar and other non-substantive issues. It was completed and approved by the Committee on Rules and Jurisdiction in March 2013.

The above proposed bylaw revisions are made after discussion with the Bylaws Review Task Force.

The amendments proposed above include:
1. Language that a designee other than the committee chair may represent UCSF at the University Committee on Faculty Welfare meetings, consistent with the practice of other UCSF Academic Senate committees.
2. Delete language referencing non-faculty groups on campus.
3. Delete language referencing the In Memoriam process, which has not been acted upon for a number of years due to no reliable source of information regarding deceased faculty members.
4. Introduce language assigning responsibility for the Faculty Handbook to the committee.

The Committee on Faculty Welfare thanks you for your review of these proposed changes.

Sincerely,

UCSF Academic Senate Faculty Welfare Committee
Paul Green, PhD, Chair
Leah Karliner, MD, Vice Chair
Elissa Epel, PhD
Melvin Grumbach, MD, Emeritus Member
Thomas Lowe, MD
Molly Newton, DDS, MA
Octavia Plesh, DDS, MS
Robert Rehm, RN, PhD, FAAN
Shuvo Roy, PhD
Communication from the Committee on Faculty Welfare
Paul Green, PhD, Chair

March 19, 2014

Farid Chehab, PhD
Chair, UCSF Academic Senate
500 Parnassus Avenue, Box 0764

Re: Faculty Welfare Committee Response to Changes in Gift Tax

Dear Chair Chehab,

The UCSF faculty has recently been notified of a proposed increase in spending fees for gifts and endowments to provide revenue for campus infrastructure and operational costs. The Committee on Faculty Welfare has heard directly from faculty who have been vocal in their strong objection to implementing this new taxation. While we recognize the fiscal constraints facing the campus, this new tax will significantly impact many faculty and further erode morale. Furthermore, such an action would add to the sense of a lack of shared governance as, to date, there has been minimal input from faculty regarding this issue.

There are many faculty whose salary is paid from an endowment, so in order to maintain their salary, this tax increase will result in reduced resources available for educational and research activities; there are also faculty who may not have alternative revenue sources by which to restore the shortfall caused by the increased taxation. Importantly, since the proposal is to apply the taxation retroactively, this is of concern since the original donor would not be notified of this change in distribution of the endowment funds.

UCSF faculty members recognize the need for the University administration to raise funds and are fully committed to working with the administration to find solutions. However, the proposed increase coupled with the abrupt escalation of rates this summer will result in additional burdens to the faculty in contributing to the UCSF mission.

We urge that the university to adopt the following guidelines:

- The proposed increase in spending fees for gifts and endowments should be applied prospectively; existing endowments that support faculty salaries should be ‘grandfathered in’ at the existing rate structure.
- The proposed assessment on new gifts should be increased in a phased manner, no more than 2% annually, with a maximum cap of 6%.
- The size and intent of the new gifts should determine their taxation rate, with smaller and non-endowment contributions being charged lower rates.
- It is worth noting that the projected revenue raised by the proposed fee increase is an extremely small percentage of the total University operating costs, while the impact on individual faculty would be substantial.
Sincerely,

**The Committee on Faculty Welfare**

Paul Green, PhD, Chair  
Leah Karliner, MD, Vice Chair  
Elissa Epel, PhD  
Kirsten Greene, MD  
Melvin Grumbach, MD, Emeritus Professor Series Representative  
Thomas Lowe, MD  
Molly Newton, DDS, MA  
Octavia Plesh, DDS, MS  
Roberta Rehm, RN, PhD, FAAN  
Shuvo Roy, PhD

*Senate Staff:*  
Wilson Hardcastle, Senior Analyst  
wilson.hardcastle@ucsf.edu; 415/476-4245
Communication from the Committee on Faculty Welfare

Paul Green, PhD, Chair

June 24, 2014

Farid Chehab, PhD
Chair, UCSF Academic Senate
500 Parnassus Avenue, Box 0764

Re: Faculty Welfare Committee Response to Changes in Gift Tax

Dear Chair Chehab,

As you know members of the Faculty Welfare Committee (FWC) wrote a letter urging the University Administration adopt the following guidelines:

1. The proposed increase in spending fees for gifts and endowments should be applied proactively; existing endowments that support faculty salaries should be ‘grandfathered in’ at the existing rate structure.
2. The proposed assessment on new gifts should be increased in a phased manner, no more than 2% annually, with a maximum cap of 6%.
3. The size and intent of the new gifts should determine their taxation rate, with smaller and non-endowment contributions being charged lower rates.

At the last meeting of the FWC, all the members felt that we should follow up with this matter as we understand that only guideline #2 was being implemented. As we have previously noted, this new tax will significantly impact many faculty and further erode faculty morale; given that the climate survey has revealed that 43% of faculty have seriously considered leaving UCSF in the previous year, it is imperative that efforts be made to improve rather than worsen faculty morale.

We are attaching the original letter from FWC from March for your reference.
Sincerely,

The Committee on Faculty Welfare

Paul Green, PhD, Chair
Leah Karliner, MD, Vice Chair
Elissa Epel, PhD
Kirsten Greene, MD
Melvin Grumbach, MD, Emeritus Professor Series Representative
Thomas Lowe, MD
Molly Newton, DDS, MA
Octavia Plesh, DDS, MS
Roberta Rehm, RN, PhD, FAAN
Shuvo Roy, PhD

Senate Staff:
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