Call to Order and Campus Welcome

The meeting was called to order at 12:30 p.m. by co-chair Caroline Kane, who thanked our UCD hosts.
Approval of Minutes

Caroline Kane called on Gail Harden, who presented the minutes of the April 25, 2019 Joint Meeting. The minutes were unanimously approved.

Health Benefits Advisory Committee Update

Caroline Kane called on John Meyer, chair of the Health Benefits Advisory Committee. John began by reviewing the history of the committee. The HBAC has replaced the earlier Retiree Health Insurance Design Working Group, although some of the members of the earlier group (including John) are continuing to serve on the new HBAC. The HBAC has a broader mandate, that is to evaluate health benefits for active employees as well as for retirees.

The HBAC was involved in initiating the Request for Proposal (RFP) for Medicare Advantage plans. The HBAC recommended that only one existing health plan option be replaced by a Medicare Advantage plan, at least initially. That recommendation was accepted by UCOP, with the result that a new Medicare Advantage Plan (UC Medicare Choice) will replace the Health Net plan. John anticipates that there will be no further changes in retiree medical plan offerings for at least a couple of years, as UCOP will need to study both the effectiveness of the new plan as well as its impact on the other plans.

Going forward, the HBAC will be addressing other issues that affect active employees as well as retirees. One of these is the issue of “underserved campuses,” such as UCSB and UCSC, where there is a limited number of medical providers.

John referenced the JBC Report, which offers additional details on the workings of the prior and current advisory committees. An important contribution of the JBC has been to articulate the design principles that should determine the selection and administration of health care plans.

John complimented the OP on the excellent staff members it has provided to the HBAC. The HBAC will be changing its consulting firm.

John then invited questions. Richard Weiss noted that the cost of the new Medicare Advantage plan is much lower than the cost of the other plans. He wondered whether costs were set this way in an attempt to encourage members to migrate to the new plan. John replied that the HBAC is not involved in the administration of contracts to medical care providers. He did agree that there were some major cost changes in some of the health care plans this year and encouraged members to follow advice given in the Open Enrollment booklet: not simply to default, but to carefully study the costs and benefits of each plan.
does not believe that the UCOP has deliberately manipulated costs so as to drive members to elect the new plan.

Louise Taylor expressed our collective appreciation for John’s service on the HBAC.

Caroline Kane asked how we should contact the HBAC. John noted that both groups have representatives on the HBAC (Frank Treuba for CUCRA and Roger Anderson for CUCEA). There is also an e-mail address for HBAC: hbac@ucop.edu.

Spring Meeting at UCSB

W. Douglas Morgan and Robert Mann distributed a flyer announcing the Spring 2020 meetings at UCSB. Concurrent meetings of CUCRA and CUCEA will take place on the afternoon of Wednesday, April 29. The Joint Meeting will take place on the morning of Thursday, April 30. The meetings will be held at the Mosher Alumni House on the UCSB campus.

Welcome and Remarks

Caroline Kane introduced Kyle Urban, the Director of the UCD Retirement Center, who then introduced Chancellor Gary S. May.

Chancellor May began by recognizing and thanking our associations for their ongoing contributions to UC. He also thanked UCD Emeriti Association President Barry Klein and UCD Retiree Association President Mike Chandler for their contributions, as well as Kyle Urban and the staff of the UCD Retirement Center. UCD is a campus “on the rise,” as reflected in recent ratings. Davis was opened in 1908 as the University Farm, a research-based extension of Berkeley. Agriculture retains its prominence on the Davis campus. The Robert Mondavi Food and Wine Institute is a prominent asset of UCD, and its programs in viticulture and oenology are world renowned. UCD has recently launched a Podcast called “Unfold,” which concerns the challenge of feeding a growing world population in an era of rapid climate change. UCD is home to almost 40,000 students and is more diverse than ever. Aggie Square is an innovation hub in Sacramento designed to “encourage cross-disciplinary collaborations in the life sciences, food systems, mobility, government, civic technology, arts and communications.” Aggie Square was launched on August 30. It will become an incubator for startups. Its first industry partner is IBM. It will also include housing and retail. Proposals have been invited for building the first phase of Aggie Square, which is expected to break ground in 2020-21. Chancellor May described Aggie Square as one of UC Davis’s Big Ideas,
which are “forward thinking, interdisciplinary and transformative.” The Big Ideas will be the focus of the next fund-raising campaign at UC Davis, which will be launched in October 2020.

Discussion with Office of the President

Caroline Kane introduced Rachel Nava, UC Executive Vice President and Chief Operating Officer and the Chief of Staff to President Janet Napolitano. (Provost Michael Brown, who was also scheduled to attend, will instead attend either the Spring or Fall 2020 meeting.)

Vice President Nava began by noting the disruptions to the operations of several campuses and laboratories caused by the recent wildfires. This experience will help inform disaster preparedness.

Vice President Nava then addressed the following topics that were suggested by CUCEA and CUCRA leadership:

- The new pension administrative system. The Redwood software system was launched in March 2019. On behalf of UC, Vice President Nava apologized for the problems in implementing the new system. An external peer review is studying the software problems. In the meantime, RASC has a customer service challenge. RASC has increased its staffing by 40%, but the system problems persist. UC is committed to fixing the problems.

- Presidential transition. President Napolitano will leave office on August 1, 2020, but will join the faculty at the UC Berkeley Goldman School of Public Policy to teach and write in fall 2021 after a yearlong sabbatical. The Regents are charged with selecting her successor. A search committee comprised of Regents has been appointed, with the goal of proposing a candidate to the full Board in March or June of 2020. Vice President Nava and her team will “make sure” that emeriti and retirees will have “lots of opportunities to interface with the new leadership.”

- Retiree health care. Vice President Nava thanked and praised John Meyer for his service as chair of the HBAC. She was concerned that members have expressed a lack of trust in the process of adding a Medicare Advantage plan to the portfolio of choices. Stakeholder input and feedback are important and welcomed; UC will continue to work with the HBAC and other advisory groups. Advice from CUCEA and CUCRA is always welcome. Cheryl Lloyd, newly appointed Acting Vice President of Human Resources, has met with CUCRA and CUCEA leadership and has committed to meeting on a more frequent basis. Vice President Nava then turned to the process for monitoring and reviewing the new Medicare Advantage PPO. As with all plans, performance of the new plan will be
carefully monitored by the Vendor Management group at UCOP. Member feedback is important to this process.

- Emeriti and retiree support for UC. Vice President Nava encouraged us to become advocates for the University and drew our attention to the University of California Advocacy Network (UCAN): https://www.universityofcalifornia.edu/support-uc/ucan. Governor Newsom, who served on the Board of Regents, has been supportive of UC; but there remain challenges. The State is not favorable to a tuition hike. Growth is at its highest rate since World War II, but funding has not allowed for commensurate growth in faculty and staff. Some in the Legislature continue to question UC’s efficiency, asking why UC needs to compete with top-tier research universities. Vice President Nava argued that UC is efficient, in that it is operating with the same core funding it had twenty years ago, despite serving 90,000 more students. Some in the Legislature are even questioning UC’s constitutional autonomy. UC needs to fight to preserve its research mission. Emeriti and retiree advocacy can help UC address these threats.

Vice President Nava then invited questions. John Greenspan asked about Senate involvement in the Presidential search. Vice President Nava responded that there is a Regents policy that outlines the search procedures. The longstanding policy specifies that Regents constitute the search committee. However, the Regents are activating advisory groups, one of which will be the Academic Senate. The Senate Chair (currently Kum-Kum Bhavnani) will be setting up a Senate advisory committee. Similar advisory committees for staff and for alumni will be assembled.

Marian Gade reinforced the idea that emeriti and retirees could help the effort to spread UC’s message. She expressed frustration that, somehow, the University has not been able to get media attention to its successful story. Vice President Nava agreed that this is a challenge. Many Californians have affinity for particular campuses, but don’t relate to the UC as a system. Some 50 to 70 news stories about UC are sent out each day, but this is definitely an area where retirees and emeriti can help. Any input is welcome.

Marianne Schnaubelt noted that UCRAYS will have a provision for emeriti and retirees to enter their email addresses, which will make it easier to contact those who may be interested in advocating for UC. Marianne also wondered why the good UC stories don’t have more public impact. Vice President Nava added that one problem in public perception is that UC campuses are obliged to turn down many applicants, which may lead to some resentment.

Lee Duffus asked how many emeriti and retirees are currently members of UCAN. The answer is that there are few.
In response to the question, “Is UC still honoring the Master Plan?”, Vice President Nava answered in the affirmative. The State has imposed a cap on the number of non-resident students, and California residents are still favored.

Barry Klein noted the success of the National Labs and wondered whether UC should be developing more. Vice President Nava replied that there was no plan, but that this is under consideration.

Roger Anderson asked about the recent policy change pertaining to the professor emeritus title. Vice President Nava will refer the issue to Provost Michael Brown.

Ernest Newbrun asked about the increasing number of transfer students (currently 28% of enrolled students). Vice President Nava spoke of the 21 “transfer pathways” to UC that have been negotiated between UC and community colleges. UC admission as a transfer student is slightly easier than as a freshman.

Joint Benefits Committee Report

Roger Anderson, JBC chair, briefly reviewed the five points of concern expressed in the Joint Benefits Committee Report, which had been distributed and was posted on the CUCEA and CUCRA websites.

His oral presentation focused on the recent problems pertaining to RASC and on the RFP process.

Roger referenced the many problems involving RASC, summarized in Appendix 1 of the Report. Louise Taylor noted the involvement of the Center Directors in compiling information for the JBC Report, and thanked them for their help. Roger also acknowledge the help of the Center Directors, but noted that data for the Report also came from other sources.

Roger then offered some brief comments about the RFP process. He referenced Appendix 2 of the Report, which was written by the CUCEA and CUCRA representatives to the RFP review committee. The criteria for evaluating plans submitted via the RFP were not discussed with emeriti and retirees, nor did the evaluation of the RFP involve emeriti/retirees. Roger expressed hope that in the future there will be a more open and transparent process.

Retirement Programs & Services, UCRAWS

Marianne Schnaubelt introduced Gary Schlimgen, Executive Director of Retirement Programs and Services. Gary began by introducing members of his staff who were present: Ellen Lorenz, Director of RASC; Michael Waldman, Member Services Director; Kendra Eaglin and Anne St. George, Acting Operations Managers; Stephanie Rosh, Manager of Retiree Insurance Program; Damian Plebuc, Survivor unit supervisor; Scott Sylva, manager of Retirement Policy Unit.
Gary then gave an update on the pension plan. The Regents have recently approved some changes in actuarial assumptions underlying the plan. An outside consultant recommended that the assumed earnings rate be lowered from 7.25% to 7.0%. The Regents requested alternatives including an even lower assumed earnings rate and an increase in member contribution. In September, the Regents approved an assumed earnings rate of 6.75% and an increase of 3% in the employer contribution. The impact of the approved 6.75% assumed earnings rate, together with an improvement in mortality, is substantial: an increase in plan cost of 3% per year and an increase in plan liability ($7.2 billion). At the November Regents meeting, OP will present a plan for an increase in member contributions. Several alternatives will be presented.

Gary then addressed a list of questions and concerns submitted by Caroline Kane and Marianne Schnaubelt. The first of these pertained to problems resulting from the transition to the new software system implemented by RASC. While transitioning to a new system always presents challenges, Gary acknowledged that RASC did not expect the magnitude of the problems that have ensued. The biggest problem for RASC has been that the correspondence module had to be shut down, requiring staff to enter retirement data manually. Nonetheless, 95% of retirements have been processed on time. Of more direct concern to current retirees, the self-service function of UCRAYS has not been fully functional. This has led to increased call volume, long call waiting times and longer processing times. Gary agreed that this was “unacceptable” and offered his apologies. RASC is committed to fixing the problems as quickly as possible and welcomes our continuing input.

Scott Sylva discussed the development of and challenges in implementing the Redwood system. It was a major challenge to reformat data from a 35-year old system. On a positive note, monthly payments have been made on time via the new system. The new system has allowed for actions that were not possible before, e.g., issuing retroactive benefits on a weekly cycle; and efficiency has improved. Challenges remain and are being addressed. Feedback is appreciated.

Ellen Lorenz reported that RASC has added twenty-five temporary staff, and that additional temporary and permanent staff will be added. Wait times and processing times are improving, but are still not good enough. A call-back feature will eventually be added. A recent re-organization has resulted in appointing Anne St. George and Kendra Eaglin as Operations Managers, with the goal of improving staff training. Monthly calls with Emeriti and Retiree Center directors have been implemented. Stephanie Rosh has taken on the role of liaison to the Retirement Center directors, as well as liaison to the Health Care Facilitators. RASC will endeavor to communicate more regularly with CUCEA and CUCRA. Feedback on operations is welcome.

Kendra Eaglin gave an overview of UCRAYS, which was launched on September 27. Despite the problems, 25,000 registrations were successfully completed via
UCRAYS without any assistance (95% of registrations). UCRAYS has self-service options that were previously not available, most notably the possibility to opt-in to sharing one’s email address with the campus retiree/emeriti centers. There is also a secure message feature, which allows the retiree to communicate with RASC. UCRAYS will in the future provide individuals a timeline of their personal retirement process. Unfortunately, there was a delay in implementing the retirement estimator feature, which resulted in an increased number of phone calls. There have also been some data conversion problems. Future enhancements will include more efficient uploading of documents.

Michael Waldman then invited questions and discussion. In the process, we learned that:

- There is currently no “prompt” inviting retirees to share their email; the email opt-in is available as an option in the personal profile settings. Until now, retirees were not offered the opportunity to share their email addresses. Michael suggested that New Directions might be a vehicle for encouraging not only new, but longstanding retirees to opt-in via UCRAYS. A prompt may be added in the future when the retirement feature of UCRAYS is fully implemented.
- The associations will not directly receive the emails. The reports that go out three times per year will continue to go to the campus retiree/emeriti centers. These reports will now include the email addresses of those who have opted in to sharing this information. The retirement centers can then decide whether to share this information with the associations.
- A review of the implementation of the Redwood system, involving an outside consultant, is in process.
- If a retiree has been given misinformation informing his/her retirement decision, resolution is handled by RASC on a case-by-case basis.
- Identity verification procedures in UCRAYS meet widely recognized standards. The outside service provider meets or exceeds UC cyber security standards. The service provider needs to know member Social Security numbers and date of birth in order to generate security questions from their data bases. It would be prohibitively expensive for UC to develop its own security standards without going to an outside vendor.
- RASC is improving staff training, so that more consistent and complete answers can be provided.
- Once fully implemented, the new system will be much more efficient than the old system. It will be some time before this efficiency becomes fully evident.
- RASC has developed a business continuity and disaster recovery plan, coordinated with the OP plan, to improve communication with campus groups.
- A new website, myucretirement.com, aims to make comprehensive information widely available.
William Parker noted that four campuses currently have Faculty Retirement Liaisons. He holds this position at UC Irvine. He spoke to the need to provide expert counselors at the campus level. He urged the OP to recognize this as an essential local service that is complementary to RASC.

Louise Taylor spoke to the importance of campus associations and centers again receiving death reports.

Adjournment

The meeting was adjourned at 4:10 p.m.

Respectfully submitted,

William J. Ashby
CUCEA Secretary

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