

Coordinating Committee Report

January, 2016



We expect to receive the UC Retirement Plan Task Force Report with President Napolitano's comments mid month. Our senate division will then submit our comments back in January.

- The Task Force Report examines options for a new UCRP Tier (for employees hired after June 30, 2016). The compact between UC and California govt. calls for the UCRP to fit with the PEPRA cap, which defined changes to the California Public Employees' Pension system in 2013.
- The task force consisted of UCOP, campus administration and senate reps, and involved use of an external consultant. In the Task Force Report, some items have a single recommendation, and for a few there is a majority and minorities reports.
- I think we can expect a large change relative to the 2013 tier. Implementation of the PEPRA cap had a large impact. Apparently choices were also limited due to a variety of regulations such as the tax code and IRS rules.
- PEPRA is the California Public Employees' Pension Reform Act which was enacted in 2012 (application 2013) "to create a more sustainable pension system by reducing employer pension liability and increasing employee contributions". It created a new tier for the California Public Employees' Pension, which mandated that new members would pay at least 50% of pension costs, none of which can be paid by the employer (may be modified by union contract agreements). PEPRA also "capped" the amount of salary or pay that can be pensioned at \$113,700 (for those not in Social Security the cap is \$136,440). However, PEPRA opened the door to many potential exemptions or special cases by which the plan could be adjusted or modified. At the time of enactment, the UCRP and specific charter systems of several cities were the only State Government retirement programs not affected by PEPRA.
- Some in the UC community are critical of the inclusion of PEPRA restrictions and other concessions in the UC-State of California deal. The California Public Employees Pension system has had a long history of funding problems. However, the deficit in the UCRP is attributable to the contribution holiday established by the Regents when the fund was thought to be "over funded"; the UCRP, if it had been left to function as originally planned, would not have a deficit today. Without further modification, and with the increased contributions of recent years, the UCRP will be fully funded (no deficit, no debt)

in 2040. So problems with funding of the UCRP were not inherent in its design, but rather due to modifications made when it appeared that the fund was fat.

- With regards to the UCRP, note that many faculty are confused by the proposed new tier, incorrectly thinking it applies to existing faculty. These changes are all prospective, being applied to people hired July 1, 2016 forward.



We will be hearing from IT in the next month or so. IT will be the focus of the February Coordinating Meeting. There are various factors that contribute to complexities in planning IT services at UCSF, and these should be kept in mind when committees consider IT resource issues:

- UCSF does not have a fully integrated and centrally operated network. Departments and groups can create their own websites, host them in various ways, and these may not be indexed with IT and/or kept up-to-date. While groups may like the independence of creating their own webpages, unless these independent pages are indexed with IT, and updated, campus users may have trouble finding sites and be frustrated by old content. This silo-ed approach has been the norm at UCSF, and caution probably is merited in trying to resolve problems with web access via creation of new independent web pages.
- Many UCSF departments and units lack resources to update web content. The ability to maintain and update web page information should be considered in any independent web project. Additionally, web designers should understand how to interface with central UC IT, and follow guidance for materials that can be linked to the main UCSF web pages.
- The entire IT enterprise is expensive with ever increasing cost related to high energy charges, security efforts, updating, etc. UCSF must provide optimal security for intellectual property and personal health data, which is a challenging task.