

University of California

UCRS Advisory Board

September 7, 2010

TO: MEMBERS OF THE UNIVERSITY OF CALIFORNIA RETIREMENT SYSTEM
ADVISORY BOARD:

My memo of August 31st announcing the scheduling of a special in-person meeting of the UCRS Advisory Board in Oakland on Thursday, September 9th, indicated that you would receive more information about that meeting by September 7th. You should have just received, or will shortly receive, an e-mail containing the agenda for that special meeting.

The meeting will begin at 10:00 a.m. in Room 5320 at the Office of the President, 1111 Franklin Street, and despite a very full agenda I will do my very best to conclude the meeting no later than 2:00 p.m. Lunch will be provided as usual. We expect to have full attendance, with some accommodation of members who are campus and UCOP administrators. Meredith Michaels must leave the meeting from 11 until noon. Dwaine Duckett and Gary Schlimgen will join us in person at 11, as will Nathan Bostrom at noon. I have invited President Yudof, Provost Pitts, Academic Council Chair Simmons, and Academic Council Vice Chair Anderson (a member of this Board from September 1, 2002, through August 31, 2010) to join us for all or part of the meeting, as their schedules permit. I expect Chair Simmons and Vice Chair Anderson to be present for all or most of the meeting. I have also invited to the meeting Professor James Chalfant of the Department of Agricultural and Resource Economics of U.C. Davis. Although Professor Chalfant has just become (as of Sept. 1st) the Chair of the Academic Senate's University Committee on Planning and Budget, he will speak to us in his former capacity as a member of the Work Groups of the Post-Employment Benefits (PEB) Task Force and as a co-author of the Dissenting Statement to the Report of that Task Force filed by faculty and staff Work Group members.

I have decided that all or most of the meeting will be open, i.e., individuals other than the members of the UCRS Advisory Board and related support staff may attend and observe our proceedings. However, since other opportunities have been identified by the Office of the President for members of the University community to express comments or pose questions (such as the Systemwide Town Hall meeting scheduled for Internet broadcast on September 29th), I have also decided that I will not open the floor for questions or comments from such observers as may choose to attend our meeting. There will be no telephonic participation in the meeting by observers.

To the best of my present knowledge and belief, all of the items that we will be discussing are related to documents that have been or shortly will be made available to the general public, with the possible exception of some attorney-client privileged documents relating to the legal role and status of this Board under the California Higher Education Employer-Employee Relations Act of

¹ See: <http://universityofcalifornia.edu/sites/ucrfuture/uncategorized/sept-29-online-town-hall-about-uc-benefits/>

1979 (HEERA). In the event it becomes necessary to review and discuss this or other confidential material, I will proceed in closed or executive session as appropriate.

Since three of the 11 members of the Advisory Board are new members for 2010-2011, I believe it behooves us to begin the substantive part of our meeting on September 9 with a general discussion of the role of the UCRS Advisory Board and the constraints that have been outlined for the Advisory Board by the Office of General Counsel. I realize that this was discussed with the 2009-2010 members of the Advisory Board at the special meeting held in closed or executive session on May 13, 2010, but no minutes were taken of that meeting. I am not satisfied that we yet have established a written record that defines the powers and role of the Board and its members with due attention to the founding documents and charter that have created and empowered the Board, as well as the constraints imposed by the California Higher Education Employer-Employee Relations Act of 1979 (HEERA). I believe that our work during 2010-2011, particularly for our three new members, would benefit from a common understanding of our constituted authority, at inception and as amended, and any statutory constraints the Office of General Counsel may believe impinge upon our authority and function. You may wish to review again the UCRS Advisory Board Handbook previously sent you by Gary Schlimgen, as well as the updated chronology/history of UCRS actions that he prepared for the Advisory Board last spring (Appendix B in the Handbook). For your convenience I will sending your shortly a set of documents pertaining to our special meeting, including a copy of the Advisory Board Handbook, dated August 2007, as well as a copy of an earlier and apparently superseded document posted earlier on the UCOP website, “Overview of the University of California Retirement System (UCRS) Advisory Board,” dated March 2007.

In the meantime, I urge you to review carefully, in advance of our September 9th meeting, four particular documents posted on the UCOP website:

- The Executive Summary of the Task Force Report (43 pages). See: http://universityofcalifornia.edu/sites/ucrfuture/files/2010/08/peb_taskforce_summary_082510.pdf
- Financial Highlights (10 pages). See: http://universityofcalifornia.edu/sites/ucrfuture/files/2010/08/peb_financial_highlights.pdf
- The “Dissenting Statement” signed by seven faculty and staff who participated on the Task Force working groups, and a cover letter from Task Force Steering Committee members Professor Henry Powell and Professor Dan Simmons, the 2009-2010 Chair and Vice Chair, respectively, of the UC Academic Council, requesting the Dissenting Statement’s inclusion with the Executive Summary (12 pages). See: http://universityofcalifornia.edu/sites/ucrfuture/files/2010/08/peb_dissenting_082510.pdf
- The UCOP News Release of August 30, 2010, which summarizes the issues raised by the PEB Task Force Report and provides a helpful outline of the topics for discussion by the Advisory Board. See: <http://www.universityofcalifornia.edu/news/article/23973>

A primary focus of our meeting of September 9th should be our thoughts and perspectives on the President's recommendation for employee-contribution rates to UCRS for July 1, 2011, and July 1, 2012. Since the President has already framed his proposals and included them in the agenda book for the Board of Regents meeting, our own discussions on this particular matter on September 9th will be somewhat after-the-fact as they may bear on the President's recommendations of action by The Regents in September. However, I believe strongly that it is important that the record be clear, before the discussion of the President's recommendations at the September 14-16 meeting of the Board of Regents, that the Advisory Board discussed the package of PEB Task Force proposals so that I may report the views of the members of the Advisory Board. I also believe that the record and administrative protocols need to make clear, for future Advisory Boards and for the President, that any additional proposals specifically about employee-contribution rates should be submitted to the Advisory Board for discussion prior to their submittal by the President to the Board of Regents. (Among the agenda-related documents to be provided to you is a copy of the President's agenda item J5 on this matter for the September 14-16 meeting of the Board of Regents. I expect to receive a copy of this item in the very near future.)

Because our consideration of this particular proposal of employee-contribution rates has to be based on the overall factors being presented in the Task Force Report, we need to begin our discussion on September 9th of contribution rates with due consideration of the entire Report — and the Dissenting Statement. The agenda reflects this. We will also need to discuss the possible scheduling of additional special meetings of the Advisory Board later in September and in October so that the President may benefit from the totality of our perspectives, as I present them to him, prior to his preparation of his specific proposals for the November 16-18 meeting of the Board of Regents. Our regularly-scheduled business meeting on November 19th, then, will allow us to review the discussion and any actions taken the previous day by the Board of Regents with respect to UCRS.

I look forward to a robust discussion on Thursday.

Sincerely,



John B. Oakley
Distinguished Professor of Law Emeritus
UC Davis School of Law
2010-2011 Chair, UCRS Advisory Board

cc: President Mark Yudof
Provost Larry Pitts
Academic Council Chair Dan Simmons
Academic Council Vice Chair Bob Anderson
Director Gary Schlimgen