

From: [Renee Wong](#)
To: [Nathan Brostrom](#); [Dwayne Duckett](#); ["UCI Meredith Michaels"](#); ["UCSF Angela M. Hawkins"](#); [Jagdeep Bachher](#); ["CUCEA W. Douglas Morgan"](#); ["CUCRA Lee Duffus"](#); ["UCSD Ross Starr"](#); ["UCLA Shane White"](#); ["UCLA Monica Martinez"](#); ["UCB Paul Brooks"](#)
Cc: [CUCEA Roger Anderson](#); [UCI Deborah H McWilliams](#); [UCD James Chalfant](#); [Jane Schnorrenberg](#); [Melanie McNair](#); ["Lisa Grigaitis"](#); ["Hill, Cathy"](#); [Elizabeth Agbayani](#); [Gary Schlimgen](#); [Robert Semple](#)
Subject: FW: Letter from the UCRS Advisory Board on Resolving the Deficit in UCRP
Date: Monday, July 28, 2014 10:29:44 AM
Attachments: [UCRS Advisory Board - Letter on Resolving the Deficit in UCRP -V4.pdf](#)
[UCRP Funding Projections - UCRSAB mtg 2-28-14.pdf](#)

THIS MESSAGE IS BEING SENT ON BEHALF OF ROBERT SEMPLE

MEMBERS OF THE UCRS ADVISORY BOARD:

At the request of the Chair White, I am distributing UCOP Administration's response to the Board's letter to President Napolitano regarding funding for UCRP.

Thank you.

Robert

Robert Semple | Principal Analyst| University of California Office of the President | Pension & Retirement Programs | ph.510.987.0598 | Robert.Semple@ucop.edu

From: President [<mailto:President@ucop.edu>]
Sent: Friday, July 25, 2014 2:06 PM
To: White, Shane
Cc: President; Dwayne Duckett
Subject: FW: Letter from the UCRS Advisory Board on Resolving the Deficit in UCRP

Dear Professor White:

Thank you for your email of June 26 to President Janet Napolitano regarding employer and employee contributions to the University of California Retirement System (UCRS). The President has asked me to respond on her behalf, and I am pleased to do so. Please know at the outset how highly the President and I value your attention and thoughtfulness in your role as Chair of the UCRS Advisory Board and also how much we appreciate the Board's important work.

I agree that the University has made tremendous progress over the past five years to ensure the long-term viability of UCRP. Contributions have resumed and have incrementally increased to a combined 22 percent (8 percent employee, 14 percent UC) of pay beginning this fiscal year, despite the lack of adequate State support. Clearly, increasing contributions in this manner demonstrates that our pension plan is a top institutional priority. As you note in your message, the increased contributions have placed tremendous pressure on campus and medical center operating budgets at a time of diminished levels of State funding. As you know, there has also been an impact on our employees' take-home pay, but I am happy to say that regular salary increases for faculty and policy-covered staff have now been built into the annual Regents' and local budgets.

Focusing on our retirement system specifically, it has been strengthened in other ways as well. The Regents approved the 2013 tier of pension benefits and authorized two successive years of borrowing from our short-term liquidity pool and external sources to better leverage the retirement system. By borrowing over \$2 billion from internal and external sources at anticipated lower interest and placing the proceeds in UCRP with projected higher earning assets, the University improved our funding status and put the retirement system on a stronger path toward full funding. This strategy has been so successful that an item for additional borrowing was brought to The Regents this week. President Napolitano and I appreciate both the Advisory Board's and the Academic Senate's review of the merits of additional borrowing to help ensure of the fiscal stability of the UCRP, and this was noted at The Regents' meeting this week.

The combination of these efforts has put the University's retirement plan on a path toward solid footing both for current employees and for future generations of UC faculty and staff. With these measures, combined with an investment return that will exceed expectations for FY 2013-14, I am pleased to note that the retirement plan is expected to be fully funded sooner than earlier projections estimated. We believe we have been sound fiscal stewards in developing measures that preserve the strength of the retirement system, while still meeting the teaching and research needs of our campuses.

Again, the President and I deeply appreciate your leadership on the UCRS Advisory Board, and the Board's attention to these important issues. Please be assured that the strength of UCRS will continue to be a high priority for us.

Sincerely,

Nathan Brostrom
Executive Vice President—Business Operations
University of California Office of the President

cc: President Napolitano
Vice President Duckett

From: White, Shane [<mailto:snwhite@dentistry.ucla.edu>]

Sent: Thursday, June 26, 2014 7:05 PM

To: President

Subject: Letter from the UCRS Advisory Board on Resolving the Deficit in UCRP

Dear President Napolitano, I am transmitting a letter to you on behalf of the UCRS Advisory Board. The letter contains several links to related documents. For your convenience, the second one of these linked documents, UCRP Funding Projections, is also attached to this note, because it is buried within a larger pdf of the linked UCRS Advisory Board Agenda (the attachment to agenda item E). Please do not hesitate to contact me if you would like to discuss the contents of the letter,

or if I can provide any clarification or context. Sincerely, Shane N. White Chair UCRS Advisory Board