



January 2011



## Budget gap threatens state's Master Plan for Higher Education

*By Donna Hemmila*

The \$1 billion budget gap the University of California faces could constrain the system's ability to meet the growing demand for a UC education, President Mark Yudof told the Board of Regents today (Jan. 19).

"We can maintain excellence and keep our tuition levels relatively low, but we can't do this and continue to expand access to meet the state's needs," Yudof said.

At a time when demand for UC admission is the highest in the university's history, UC faces a proposed new \$500 million cut in state general fund support in 2011-12. Additional demands on revenue will push UC's budget gap closer to \$1 billion.

"The moment is fast approaching when the university no longer will be able to guarantee admission to a UC campus to all California applicants who meet the eligibility criteria," Yudof said. "This commitment is a fundamental element of the Master Plan for Higher Education."

That commitment is at risk, Yudof emphasized, because the state is not adequately funding the plan.

The university currently enrolls more than 11,000 students that the state does not provide funding for. Since 1990, the state's support for UC students has declined 57 percent.

Regents heard a sobering budget presentation from Patrick Lenz, vice president of budget and capital resources.

For the first time, Lenz said, student tuition will contribute more to UC's core operating budget than the state if the state spending plan Gov. Jerry Brown proposed on Jan. 10 is approved. And state cuts could go even deeper if voters fail to approve a five-year extension of taxes Brown is seeking.

In addition to the \$500 million cut in funding, the proposed state budget included no state contribution to the UC Retirement Plan, although the state contributes to the pension plans of California State University and community college employees. UC had requested the state contribute \$171.8 million to help fund the pension plan.

UC also will have \$300 million in new mandatory operating costs for contract-negotiated salary increases, rising utility costs and other operating expenses.

UC has a systemwide Working Smarter initiative under way to reduce costs through administrative efficiencies with a goal of reaching \$500 million in savings in five years. But, Yudof said, that won't be enough to bridge the budget gap UC faces. Yudof has asked the 10 campuses and the Office of the President to identify specific solutions to address the budget gap. In March, Yudof will present the plans to the Board of Regents.

Those solutions are to be based on the principles of preserving UC's core mission; balancing access, affordability and quality; and maintaining UC's status as a public institution.

"I hope your analysis will include the option of maintaining the enrollment at current levels and no student fee increase for the next several years," said Regent Eddie Island.

Lenz gave examples of several approaches to save money, emphasizing that these approaches were examples, not recommendations: laying off 1,000 employees, deferring 775 faculty hires, reducing enrollment by 10,000 California residents or increasing student fees by 6.5 percent. Each of those actions could save \$100 million.

"I want the campuses to come back (in March) with permanent changes in how they operate and the service level they provide and what the impact will be on affordability, access and quality," said UC Regent Chairman Russell Gould. "We need to lay out the implications of what the cuts mean to California."

***Donna Hemmila is managing editor with the UC Office of the President Integrated Communications.***

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## Systemwide News

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### First accountability report on staff cites contributions, issues

By Anne Wolf

Staff at the University of California are critical to its success, but unless UC proactively addresses issues of an aging work force, compensation and leadership development, the quality and service of employees could suffer in the coming years and UC may find itself unprepared to face the challenges ahead.

Dwaine B. Duckett, vice president of human resources, will deliver that message — and a three-year strategic plan to address the issues — to the UC Board of Regents tomorrow (Jan. 19) when he presents the first-ever staff accountability sub-report.

UC has more than 125,000 staff, performing a variety of important functions at all levels of the university. UC's Human Resources leaders are concerned about maintaining competitive salaries and providing opportunities for advancement for high performing staff. Not doing so will make it difficult for UC to retain its talented staff once the economy improves and as greater numbers of baby boomers retire.

The current economic crisis has reduced staff turnover, but UC risks losing top performers in all age brackets once the employment market improves, according to the report.

"We must have competitive, market-based salary and benefits programs to attract and retain our best staff," Duckett said. "We also have to do an even better job of managing performance."

To ensure that UC continues to have the talent it needs, Duckett is advising UC's leadership to undertake several initiatives, including a long-term salary program tied to performance and

programs that provide staff with comprehensive career and leadership development opportunities.

#### UC staff by the numbers

**126,756** total staff

**117,632 (93%)** – Professional and Support Staff, including 28,400 student employees

**8,833 (7%)** – Management and Senior Professionals

**291 (.25%)** – Senior Management Group

**56,529 (45%)** union-represented staff

#### Age

Under 30 – 15%

30-39 – 24%

40-49 – 26%

50-59 – 27%

60+ – 8%

#### Ethnicity

White — 47.5%

Asian — 22%

Latino — 18%

African American — 8%

American Indian — <1%

In all ethnic categories, females outnumber male staff.

#### Occupation

Health care & allied services — 28%

Fiscal management & staff services — 23%

Clerical & allied services — 15%

Maintenance, fabrication & operations — 8%

Science, lab & allied services — 7%

Management — 7%

Student services — 4%

Food & linen services — 3%

Communications, arts & graphics — 2%

Architecture, engineering & allied services — 1%

Protective services: 1%

*Note: Percentages may not equal 100 due to rounding.*

"Paying for performance will be critical," Duckett said. "Staff will be asked to be more productive and to do more with less, which means people who perform at higher levels will be the focus of these programs."

Performance management - in which employees are evaluated and rewarded for their ability to achieve agreed upon goals — should be used to foster professional development and help employees set career goals in order to maximize each person's ability to contribute to UC's mission.

Adequate state funding will be a key component in UC's ability to implement a staff salary program, according to the sub-report. State funds for salaries decreased by 7 percent between 2000 and 2009, and salaries lag market averages by 19 to 29 percent.

UC must also prepare for a wave of coming retirements, Duckett said. About 11,000 UC employees are currently in or near what HR calls "the red zone" — those with 20 or more years of UC service and near the age at which most people are likely to retire.

That demographic reality underscores the fact that UC needs to plan for knowledge transfer and succession management at every level of the university workforce, Duckett said.

HR leaders have begun working to develop more consistent career and leadership development programs across UC.

All of these programs are necessary to maintain an excellent work force — and, in turn, an excellent UC, Duckett said. "UC's staff are its backbone, its infrastructure. Every time UC embarks on a research project, a faculty member teaches a class or a student needs career counseling, university staff members play a critical role."

The report showcases some of the significant contributions staff make to UC, from counseling students and providing meals to managing labs and medical facilities, to caring for plants and animals, to writing proposals and analyzing data.

Staff also serve as advocates and ambassadors for UC in their communities and throughout the world. They provide medical care, serve on the front lines of disaster recovery, and are instrumental in developing numerous environmental stewardship programs from campus energy efficiency to bike sharing.

Thousands of UC staff have spent millions of hours volunteering in their local communities: providing meals to families of medical center patients, cleaning beaches, serving on boards of local organizations, working in K-12 classrooms and much more.

"Our staff provide the public service aspect of our mission in many, unheralded ways, extending UC even further into the community," Duckett said. "It's who they are."

To read the full report, visit [www.universityofcalifornia.edu/regents/regmeet/jan11/j2.pdf](http://www.universityofcalifornia.edu/regents/regmeet/jan11/j2.pdf).

***Anne Wolf is systemwide coordinator, internal communications at UC Office of the President.***

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## **Report on faculty competitiveness cites high performance, challenges**

***By Carolyn McMillan***

Faculty at the University of California continue to perform at top levels, with significant numbers receiving prestigious awards and honors for their work, according to the biennial accountability sub-report on faculty competitiveness.

At the same time, a range of challenges must be met if UC is going to continue its leadership in the recruitment and retention of high-caliber faculty.

Lagging salaries, a need to increase the number of women and underrepresented minorities, and a demographic shift towards older faculty all present serious issues that the university must address, said Susan Carlson, vice provost for Academic Personnel. She, together with Academic Senate Chairman Daniel Simmons, will present the report's findings to the UC Board of Regents on Jan. 19.

Faculty salaries were a concern two years ago, when the first report on faculty competitiveness was issued. Fiscal pressures at the university have only intensified since then while private institutions have been able to increase faculty salaries. In the aggregate, faculty salaries at UC are now 11.2 percent lower than those of peer institutions, the report found.

Despite media reports to the contrary, cost pressures haven't yet resulted in a big exodus to private universities, but the data, as well as anecdotal reports from campuses, show a persistent and growing retention problem.

The percentage of tenured faculty who remain at UC eight years after being hired, for example, declined from 74 percent to 70 percent between 2005-06 and 2008-09, the last year for which there is data.

"My real fear is that as private institutions and endowments recover from the market collapse, those institutions are going to really gear up their recruiting," Simmons said.

Retention of associate professors — particularly those who have just earned tenure — is of special concern. UC has made a significant investment in the careers of associate professors by the time of tenure, yet their salaries are further behind the market than those of either assistant or full professors, Simmons said.

"They are on the cusp of their research careers — they've published and achieved significant excellence in their work — and they are the folks who are on the cutting edge of their lifetime discoveries," he added. "They are also the group most likely to be recruited away."

In looking ahead, Carlson expressed concern about survey results showing that fewer post-doctoral fellows and graduate students are considering faculty careers. Given that UC recruits its young, rising academic stars from this pool, it is particularly troubling, she said.

In a survey of UC post-docs and Ph.D. students, 45 percent of men in a Ph.D. program began with the goal of seeking a faculty career, but only 34 percent were still considering it. For women, just 25 percent were considering a faculty position, down from an initial 38 percent.

"They didn't find faculty positions particularly desirable," Carlson said. "They wonder whether it's compatible with having children, with having a normal life. There are other ways to use your skills outside the academy."

The study, done by UC researchers, provides the first analysis of the changing views of post-docs and Ph.D students. Now that they've seen the data, departments can use the information to put additional focus on family-friendly policies and do other things to ensure a climate that addresses those concerns, Carlson said.

Other key report findings:

- For the first time in many years, 2010 saw a decrease in UC's hiring of new general campus faculty, a reflection of tight budgets.
- The distribution of faculty by age has shifted, with more faculty members now in older age cohorts.
- Campus efforts to increase the representation of women and underrepresented minorities have resulted in limited progress.

Each of those issues presents specific challenges to the university and deserves focused discussion among members of the Academic Senate and university administrators, Carlson and Simmons said.

Nevertheless, there also are bright spots, most notably in the high achievement levels that UC faculty continue to reach. The report found that UC continues to enjoy an "intangible loyalty" among faculty and offers an academic climate in which the highest level of excellence is expected and achieved.

"The intellectual climate is creative, rigorous and adventurous," the report found.

That culture continues to produce an impressive range of accolades and honors for UC faculty. In 2010, for instance, four of 23 MacArthur Fellow "genius" grants were awarded to UC faculty; 22 UC scientists and engineers were elected to the National Academy of Sciences; and UC San Diego Chancellor Marye Anne Fox and UCSF Nobel laureate Stanley Prusiner were awarded the National Medal of Science.

"The awards and affiliations of UC faculty are unrivaled," Carlson said. "And many of our newest faculty are receiving the kinds of early career awards that show they are on the path to distinction."

Read the full report at [www.universityofcalifornia.edu/regents/regmeet/jan11/j1.pdf](http://www.universityofcalifornia.edu/regents/regmeet/jan11/j1.pdf).

***Carolyn McMillan is managing editor, internal communications, at UC Office of the President.***

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## **Application period opens for Staff Advisor to the Regents**

The University of California Office of the President has announced the opening of the application period for the next staff advisor-designate to the Board of Regents. The position's term runs July 2011 through June 2013.

The staff advisor program, now in its fifth year, allows for two staff and/or non-Senate academic employees to participate in open sessions of designated committees of the board. The staff advisors bring the voice and perspective of staff and non-Senate academic employees to board deliberations.

The current staff advisors to the regents are Juliann Martinez, director of gift management at UC Berkeley, whose two-year term will expire in June; and Penelope "Penny" Herbert, manager in the Department of Clinical Operations, UC Davis Health System, who joined the board in July 2010.

"Given the breadth of challenges facing the university, it's more important than ever to have the perspective of UC staff on the board," Martinez said. "As a staff advisor, you can have a real impact in guiding UC forward during this critical time."

All employees are encouraged to learn more about the program at the staff advisor web site ([www.universityofcalifornia.edu/staffadvisors](http://www.universityofcalifornia.edu/staffadvisors)) and through local human resources offices. Questions about the staff advisor position or the application process should be directed to

Jeannene Whalen, UCOP Employee Relations, at (510) 987-0853 or via e-mail: Jeannene.Whalen@ucop.edu. Application forms will be available beginning Jan. 18, and applications will be accepted from Jan. 18 through March 4, 2011.

### **About the staff advisors to the regents**

A continuing goal of the UC Regents is to foster two-way communication between UC staff and the board. In January 2007, the regents voted unanimously to establish positions for two staff advisors to participate in their deliberative process and to provide a staff perspective on matters coming before the board.

One new staff advisor is selected each year for a two-year term. The staff advisors serve as non-voting advisors to designated regents' committees, and they attend and participate directly in committee and board meetings throughout their term of service.

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### **Calling all Peace Corps volunteers—tell us your story (photo on server)**

The University of California has a long history of Peace Corps service. UC campuses send more alumni to volunteer than any university in the country. Many of our faculty and staff began their public service careers in the Peace Corps. And UCLA was one of the original training locations for the first groups of volunteers.

We are celebrating these connections by sharing the stories of our UC family who were in the Peace Corps on a website launching in March.

If you served in the Peace Corps, we want to share your story.

Please contact Donna Hemmila, managing editor of integrated communications at Donna.Hemmila@ucop.edu.

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### **More systemwide news**

#### **UC undergrad applications set records**

<http://www.universityofcalifornia.edu/news/article/24810>

#### **Regents endorse single-score holistic review**

<http://www.universityofcalifornia.edu/news/article/24832>

#### **UC gets greener in 2010**

<http://www.universityofcalifornia.edu/news/article/24812>

#### **'Dose of Hope' for Parkinson's patients**

<http://universityofcalifornia.edu/sites/uhealth/2011/01/17/dose-of-hope-for-parkinsons-patients/>

#### **Scholarship honors slain Santa Cruz alumnus**

<http://www.universityofcalifornia.edu/news/article/24798>

#### **Scripps to take scientific lead in global network to monitor greenhouse gases**

[http://ucsdnews.ucsd.edu/thisweek/2011/01/18\\_EarthNetworks.asp](http://ucsdnews.ucsd.edu/thisweek/2011/01/18_EarthNetworks.asp)

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## People Who Make a Difference

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Across UC, staff and faculty make a difference on the job and in their free time. Read about a few of their latest contributions.



Two UCLA Medical Center emergency department coordinators kept a suicidal woman on the phone until rescue personnel arrived. [http://townhall.mednet.ucla.edu/hs\\_news/jan2011/1101p8.html](http://townhall.mednet.ucla.edu/hs_news/jan2011/1101p8.html)

Some 250 UC Riverside physical plant staff work overtime during the holiday break to avert catastrophe as torrential rains wreak havoc on the campus. <http://fridayletters.ucr.edu/?p=398>



UCLA staff who created a garden for homeless shelter, work with city kids at a summer camp, volunteer in international medical missions were honored by their peers as “Bruin Angels.” <http://today.ucla.edu/portal/ut/bruin-angels-2010-187156.aspx>

Do you know someone who is making a difference? You can nominate a member of the staff or faculty to be featured here by sending their name and a brief description of how they are contributing to UC or their wider community to [Anne.Wolf@ucop.edu](mailto:Anne.Wolf@ucop.edu).

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## HR Briefs

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### Tip of the Month

#### **Start the New Year right by making sure your benefits are in order**

In just a few minutes, you can make sure your benefits are in order and that you're ready to take advantage of some of the great benefits and tools UC offers. Here's our list of New Year's benefits tasks:

1. **Check your paystub** to make sure your Open Enrollment changes are reflected correctly. If they aren't, contact your local benefits office immediately.
2. **Download your W-2.** If you previously signed up for an electronic W-2 form, you can download it by signing in to your account on At Your Service ([atyourservice.ucop.edu](http://atyourservice.ucop.edu)). If you didn't sign up previously, your electronic W-2 will be available Feb. 15. Otherwise, you'll receive a paper form in the mail by the end of January.
3. **Review Your new medical plan ID Card.** If you are enrolled in Health Net, Health Net Blue & Gold or Anthem Blue Cross Plus, please verify that both the primary care provider and the medical group listed on your card are correct. If there are any errors, call the customer service number on your ID card to make your corrections.
4. **Create a CONEXIS FSA account.** If you enrolled in the DepCare or Health FSA for

the first time, visit the CONEXIS website ([mybenefits.conexis.com/](http://mybenefits.conexis.com/)) and create an account so that you can file claims electronically, review your account, and get messages about your claims.

5. **Review Your 2010 Flexible Spending Accounts.** If you were enrolled in a flexible spending account - DepCare FSA or Health FSA - during 2010, review your account to see whether you have any remaining funds and/or whether you need to submit documentation for any Health FSA spending card transactions. You can check your account by either calling CONEXIS at 1-800-482-4120 or logging into your account online at [mybenefits.conexis.com](http://mybenefits.conexis.com).
6. **Take a health assessment.** Kaiser members age 18 and older can take a free health assessment through Kaiser's HealthWorks website (<http://uclivingwell.ucop.edu/kp/welcome.html>). Most other medical plan enrollees can take a health assessment through the StayWell program and earn an incentive award. Read all the details below.

### **Health FSA reimbursement rules change for over-the-counter drugs**

Over-the-counter (OTC) medicines and drugs eligible for reimbursement under the health flexible spending account – unless a doctor prescribes the medicines.

The Internal Revenue Service made this rules change as part of the recent health care reform legislation.

Beginning January 1, 2011, if you want to be reimbursed for OTC medicines, you'll need to ask your doctor for a prescription. You also must submit a Request for Reimbursement Form to CONEXIS and provide appropriate supporting documents to file a claim.

Prescription medicines, insulin, and other eligible expenses like co-pays and deductibles are not affected by this change. Other over-the-counter health care items – such as bandages, contact lens solution and first aid kits – also continue to be eligible expenses. You can find a complete list of eligible FSA expenses at [www.conexis.com/myfsa](http://www.conexis.com/myfsa).

### **Take a health assessment and reap the rewards**

Employees and their spouses or domestic partners who are enrolled in non-Kaiser medical plans are eligible for free, confidential health assessments and follow-up wellness coaching under UC's StayWell program.

Once again, UC is offering a \$100 gift card incentive to faculty and staff who participate in the program. A spouses or domestic partner receives a \$50 gift card.

This year, participants must complete both a health assessment and a StayWell follow-up program by December 15, 2011 to receive the incentive award. The gift cards may be used at dozens of retailers, restaurants, specialty shops, and online stores.

The health assessment is a tool for learning how your lifestyle habits can affect your health and well being.

After you complete a confidential online questionnaire – a process that takes roughly 10 minutes – the StayWell program creates a personalized online health assessment report and sends you instructions and information on the recommended follow-up activity.

If you don't have access to the online health assessment, you can call the StayWell HelpLine at 1-800-721-2693 and ask for a printed Health Assessment. After you complete and return it to StayWell, your personal results will be mailed to you.

StayWell recommends that you complete the health assessment by May 15, 2011, in order to ensure you have enough time to complete the recommended follow-up program. Some follow-up programs can take several months to complete.

Your personal health information and the StayWell assessment remain private. The University offers the health assessment as part of its commitment to the well being of its retirees. It never receives any health information about individual StayWell participants. You also control whether to share your health assessment with a medical provider.

To qualify for the \$100 gift card, eligible employees must be enrolled in a UC medical plan on January 1, 2011 and complete the health assessment and a follow-up program by December 15, 2011. Even if you or your spouse/partner completed a health assessment and received a gift card in previous years, you may participate again this year.

UC Kaiser Permanente members and their family members aged 18 and older are not eligible to participate in the StayWell health assessment, but they can take a free health assessment through Kaiser's HealthWorks program. To get started, visit the website: (<http://uclivingwell.ucop.edu/kp/welcome.html>).

Some represented employees also may not be eligible for the StayWell health assessment program because participation was not agreed to during the collective bargaining process. Unions that opted out of the StayWell program include: Academic Student Employees (UAW 2863); Patient Care Technical (AFSCME 3299); Residual Patient Care Professionals (UPTE-CWA); Skilled Crafts – UCSC (AFSCME 3299); Registered Nurses (CNA); Research Support Professionals (UPTE-CWA); Service employees (AFSCME 3299); and Systemwide Technical (UCTE-CWA) employees.

For more information on the health assessment programs, please visit the StayWell website at: <https://uclivingwell.online.staywell.com/includes/login/index.aspx>