December 4, 2006

ROBERT C. DYNES
PRESIDENT

RE: Howard Hughes Medical Institute / Ludwig Institute for Cancer Research - Draft Proposal Retroactively to Increase Investigators’ Retirement Benefits

Dear Bob,

At the Academic Council’s November 29, 2006 meeting, the University Committee on Faculty Welfare (UCFW) brought to our attention a draft proposal, developed by UC Human Resources and Benefits, that would alter the standard calculation of retirement benefits under UCRP so as substantially to increase annuities paid to a small but distinguished group of UC ladder rank faculty working under affiliate agreements with two private agencies, the Howard Hughes Medical Institute (HHMI) and the Ludwig Institute for Cancer Research (Ludwig). By a vote of 14 in favor, 3 opposed, with 1 abstention, the Academic Council voted to express its firm opposition to the proposal on the grounds that it is unpersuasive, provides inadequate data, and presents a substantial threat to the sound fiduciary administration of UCRP.

The Council is strongly opposed to the proposal being presented to The Regents in its present form. If the proposal is revised, the Council believes that it should be accompanied (1) by detailed and complete information about the financial consequences to faculty members of becoming HHMI/Ludwig Investigators; and (2) by specific, concrete, and binding mechanisms for reimbursing UCRP immediately, in full, and in cash for the additional liability that would be imposed on UCRP by the proposal. Any such revised proposal should be developed in consultation with the Academic Senate, including full de novo Senate review of the revised proposal once it is in final form.

Sincerely,

John B. Oakley, Chair
Academic Council

CC: Rory Hume, Provost and Executive Vice President – Academic and Health Affairs
Bruce Darling, Executive Vice President – University Affairs
Judith Boyette, Associate Vice President – Human Resources and Benefits
Academic Council
UCFW
Maria Bertero-Barceló, Senate Executive Director