

Minutes
COMMITTEE ON FACULTY WELFARE
Meeting of November 20, 2014

Present: Noriko Aso, Adrian Brasoveanu, David Cuthbert, Ted Holman, Andrew Matthews, Manfred Warmuth, James Zachos (Chair) Roger Anderson (ex officio), Jaden Silva-Espinoza (ASO)

Absent: Nina Treadwell

Chair Announcements and Committee Business

Report from the 11/0/15 Senate Meeting

Chair Zachos reported that there was a considerable turn out at the November 7th Senate meeting. The meeting appeared to focus on two main issues: graduate growth, and the Center for Teaching. There was discussion regarding the need for guiding principles for graduate growth and a task force will be created to address this need, and come up with a plan for graduate growth with a focus on resources. The Committee on Teaching (COT) presentation pointed out that the campus once had a Center for Teaching, but the funding for the center was pulled back five or six years ago. COT made a case as to why a center for teaching is needed. There appears to be broad Senate support for such a center. Chancellor Blumenthal spoke about the Silicon Valley Initiative, of which CFW spoke about during their last committee meeting. Silicon Valley was also the main focus of the last Senate Executive Committee and Chancellor's Cabinet meeting.

Report from the 11/14/15 University Committee on Faculty Welfare Meeting

Chair Zachos provided CFW members with an update from the University Committee on Faculty Welfare (UCFW) meeting of November 14, 2015. Bob May, Chair of the Health Care Task Force (HCTF) provided UCFW with an update on healthcare and spoke about Open Enrollment. The task force is waiting to see if there will be a shift away from UC Care due to the premium increases. Chair May noted that premiums will need to be raised if more people drop out and the HCTF is worried about the long term health of the UC Care plan. The plan may be revised in the not so distant future, and/or may only have an HMO option or be a very expensive PPO. Problems with UC Care that are unique to specific campuses were discussed. In Santa Barbara there are no tier one physicians or hospitals within 40 miles of the campus.

UCFW consulted with the Office of the President (UCOP) regarding UC Path, the system that will process payroll transactions for all UC campuses. UCOP is attempting to consolidate the process for all campuses. The project is moving forward and UCOP hopes that it will save UC money in the long run. Apparently, the move to UC Path is costing the UCSC campus more as we were already aligned with the process, but are having to pay a share of the overall expenses of the project.

UCFW received a short report on the retirement plan (UCRP) from the Investment and Retirement Task Force. The task force is looking at different scenarios with investments and various return

rates, and is considering worse case scenarios. What will be done with this collected information is not clear.

The committee was informed that the UC Mortgage Origination Program (MOP Loan) is in sound financial shape. UCFW will be giving thought as to how UCOP could do more with the loan program by lowering costs to users, etc., and will be considering insurance issues such as natural disasters and how they could potentially affect the loan.

The committee discussed total remuneration and possible solutions to the declining remuneration of UC faculty. A suggestion was made that a 3% salary increase should be made across the board, but how often such an increase will be needed in order to address the large discrepancies in remuneration in comparison to the “Comparison Eight” campuses is unknown. UCFW assumes that a 3% increase may cost \$50 million but it is not known whether UCOP will pay for it. UCFW noted that further deterioration in benefits will greatly decrease total remuneration and determined that current benefits should stay fixed in terms of employee contribution, etc. CFW members commented that it might not look good if faculty salaries increase just as tuition fees are on the rise.

Senate Executive Committee (SEC) Meeting Report

Chair Zachos reported that November 17, 2015 SEC conversation focused largely on graduate growth. The committee consulted with Dean of Graduate Studies, Tyrus Miller, who discussed his vision for graduate growth, which includes looking at non-resident tuition revenue and fellowships, while maintaining the quality of students. Dean Miller suggested multi-year offers to improve acceptance rates. The Graduate Growth Task Force will consider these suggestions when formulating their recommendations.

CFW members questioned if the 12% graduate population target is appropriate given that the campus has no professional school like UCLA where such an increase might make more sense.

SEC also discussed the campus’s international enrollments and the quality of the application pool by increasing the pipeline between UCSC and international high schools in order to increase the pool, as well as the undergraduate writing requirement and lack of resources available for teaching writing.

Consideration of the draft minutes from the CFW meeting of October 23, 2014
Minutes were approved.

Consideration of the draft minutes from the CFW meeting of November 6, 2014
Minutes were approved.

CFW Committee Workload

A committee member raised the issue of CFW member workload noting that there appears to be a high turnover rate which is problematic for any committee. A suggestion was made that CFW

service should be held in higher regard in terms of service on personnel action reviews as there appears to be more work related to urgent issues regarding healthcare, faculty salaries, etc., and suggested that the Chair of CFW on other campuses receive teaching relief. A comment was also made that roughly half of UCFW consists of Emeriti, including the Chair and Vice Chair, which poses a different demographic. At one point, there were no Emeriti members.

Chair Zachos announced that during the UC Regents meeting on November 19, 2015, the tuition increase proposal was accepted, and not all constituents appear to be happy.

Systemwide Review – APM 080, 330

CFW has been asked to comment on proposed revisions to APM 80 and APM 330. Proposed changes to APM 80 - Medical Separation, are intended to clarify the medical separation review process, bring the policy into conformance with Regents Standing Order, clarify authority to separate faculty, and revise language so that it is congruent with American with Disabilities act requirements. Proposed changes to APM 330 – Specialist Series, are a response to campus requests to update the policy and distinguish the Specialist title from other research titles. Members reviewed the associated enclosures in preparation for discussion and consideration of a committee response.

Chair Zachos noted that the proposed revisions were also reviewed by UCFW and the committee and no major reservations. The only question raised was regarding the definition of the immediate supervisor who approves the request for separation. UCFW determined that it should be the immediate supervisor, and not a dean, chair, etc. Chair Zachos feels that the proposed language makes it clear that it is intended to be the immediate supervisor.

CFW discussed the proposed revisions and approved of the revisions to both APM 080 and 330.

Transportation and Parking Services (TAPS)

During the 2013-14 academic year, the Transportation Advisory Committee (TAC) Senate representatives heard that fees for parking, vanpools, and bus passes will increase by 50%, then 100% in the coming years, presumably to close a \$2 million deficit in the TAPS budget. The Senate is interested in how the deficit accumulated, and what the major expenditures are for TAPS. CFW and Committee on Planning and Budget (CPB) representatives to TAC have been requesting these data since November of 2013 but have not yet been presented with the information.

CFW has been asked to comment on two TAPS proposals to increase monthly fares for the Faculty/Staff SCMTD Bus Pass and Commuter Vanpool programs. In order for CFW to understand the TAPS deficit, the source of the deficit, and whether or not proposed remedies will address the sources of deficit, or cover another unrelated program, the committee needs to see accountability of the full TAPS operational budget. The committee reviewed a TAPS budget report from the campus InfoView financial system pulled by the CPB Committee Analyst, and proposal documents and considered a committee response.

The committee determined that the proposed increases to the bus pass and vanpool programs are reasonable, however, the committee is concerned by the general lack of budgetary information provided. For example, members noted that data on the actual cost of running the van pool program, and the additional revenue that would be generated by the proposed fee hikes would have been useful.

In its response, CFW will recommend that future proposed fee increases from TAPS be accompanied by more complete budget information including the approximate expenses and level of subsidy provided to each service and program so that the committee can provide informed assessments.

Consultation with CP/EVC Galloway

CFW invited Campus Provost and Executive Vice Chancellor Alison Galloway to consult with the committee on the topics of faculty salaries, faculty housing, and childcare.

Faculty Salaries

On the topic of faculty salaries, the current Merit Boost Plan is set to sunset at the end of 2014-15. CFW asked for Galloway's evaluation of the current plan and how she envisions moving forward. One of the original objectives of the Merit Boost Plan was to bring UCSC salaries to the nine campus median. CP/EVC Galloway stated that she believes the campus has made progress towards this goal as we are now in the mix of the lower tier of salaries and are no longer dead last. Further she noted that her intention is to continue the Merit Boost Plan for quite some time as other campuses are also accelerating their salaries, and if we stop, we will be back on the bottom again. Galloway noted that there may be some moves systemwide to make changes to the step salary range, but it is not yet known if this will happen. The Merit Boost Plan has been in effect for six years and Galloway feels that the distribution of files reviewed during that time has been fairly even. She would like the campus to be in the ballpark of the medians of non-Berkeley and UCLA campuses.

Chair Zachos suggested that UCSC's median should be closer to other coastal campuses such as UC Irvine and UCSD, but is currently closer to UC Riverside and Davis. When asked if UCSC could move towards the goal of the coastal campus median, CP/EVC Galloway responded that if the Merit Boost Plan is continued, the campus will make slow progress, but cannot afford fast progress and will have to absorb faculty vacancies as the program costs several hundred thousand dollars per year and UCOP is not supplying funds to increase salaries. The campus will need to figure out how to cover the cost of the additional boosts. Further, Galloway noted that roughly every year, there is an unfunded mandate of a 2-2.5% salary increase for faculty. The campus sets aside \$2.5 million in permanent money each year to cover these increases.

Chair Zachos noted that there is a 3% system wide increase planned and asked CP/EVC Galloway if the increase will affect the Merit Boost Plan. The CP/EVC responded that with the across the board increase, everyone will be bumped up, and this will not boost UCSC with its aim to get up to the median of campuses with a similar cost of living. Galloway further noted that another run

of the Merit Boost Plan would bring the program up to a decade in the works. She noted that she did not think that the campus would ever go back to the “straight” approach for personnel reviews, unless there was a huge systemwide redesign of the salary scale. Chair Zachos questioned whether the Merit Boost is the best way to go to increase the salary medians versus a more uniform off-scale adjustment across all steps. Galloway recalled years ago when there was a systemwide push to do away with off-scale salaries and put everyone back onto the scale, noted that this was a disaster for UCSC, and suggested that short fixes can have unfavorable long term impacts. The 3% increase is another unfunded mandate and Galloway will be looking at international enrollments, tuition dollars, and Rebenching money, among other sources, to cover costs.

Although she doesn’t like to think about raising tuition, with the divestment of the state, and operational costs increasing, Galloway does not see any other option. Galloway noted that other campuses have replaced missed state funding with international student income. UCSC international student enrollments are increasing, however, retaining international students has proven difficult. The administration is currently waiting for data on the retention and statistics of last year’s class. Galloway suggested that many international students end up transferring to other campuses, which affects retention rates and negatively affects statistics, however, Galloway feels it is worth noting that these students are not dropping out and should be counted as a success.

This year, CFW noted that the Merit Boost Plan appears to have improved disparities between campuses at the junior level, but there is concern about the large disparity for senior steps. When asked what could be done to rectify this problem, CP/EVC Galloway suggested enforced mandatory reviews. Galloway stated that there are a number of senior faculty on campus who have deferred past the point of review, and if there is no review, then there is no salary increase. Galloway suggested further that mandatory reviews may also encourage faculty to continue to excel in their teaching, research, and service. The administration is also looking to see if UCSC is systematically disadvantaging its senior faculty as many appear to be stuck at Step 5 (otherwise known as a “barrier step”). On other campuses, senior faculty appear to be making normal progress and advancing over this step.

Chair Zachos questioned whether the Merit Boost Plan could be accelerating faculty too quickly and pushing people up against barrier steps, of which they are not yet ready to pass. Galloway responded that the Committee on Academic Personnel also had this concern, but when Galloway looked at the data, it showed that the same percentage of review files came through with accelerations as did four years ago and suggested that the data does not support that there are now more accelerations.

Housing

On the topic of housing, Chair Zachos noted that during the last academic year, CP/EVC approved the 2.6% increase of the Campus Housing Repricing Program and asked CP/EVC Galloway if she felt the program was fair and meeting the original objectives that were set forth. Galloway replied that she approved the proposed increase for the coming year, but noted that CFW raised some good points in its response to the proposed increase that should be considered before there is another

request. She also suggested that the campus needs to look at the local housing price median, which is now roughly \$715,000, and was \$500,000 not long ago. Market prices are going up quickly, which is changing the Repricing Program's calculations.

One committee member noted that the building of Ranch View Terrace Phase I created over \$9 million in debt that is to be charged to the building of the next phase, but noted that the debt with interest will remain whether the campus builds Phase II or not. The member noted that this year, Steve Houser has stated that Phase II is a "nonstarter" as the debt would be included in the cost of the houses, which would make them unaffordable. The member suggested that if the campus builds Phase II, the campus may be able to pay down some of the debt, and suggested that there are no other options to make up the lost money. Further, there appears to be a need for new inventory. Galloway agreed that the debt with interest is a problem and not going away, and said that she may have to use operational money to pay it down, although she prefers to keep the two pools separate. Galloway suggested that CFW should help to determine if the Repricing Program surplus should be put towards building Phase II and future housing, or to keep the prices of current units low, and noted that advice on the topic would be helpful.

The parties discussed the Low Interest Option Supplemental Home Loan Program (LIO-SHLP). CFW members noted that Steve Houser reported that the use of this loan is declining as they can no longer defer and the percentage is not enticing. CP/EVC Galloway stated that up until now, she has seen a high level of usage of the LIO-SHLP, but does not know about the future of the program.

Childcare

On the topic of childcare, CP/EVC Galloway reported that the administration is currently conducting a feasibility study on using the Granary as a location for employee childcare and it does not look like the Granary will be an option as getting it up to code would be difficult and expensive. Galloway noted that the Granary contains small spaces and a lack of visibility which raises several liability concerns about the facility. Galloway suggested that the Chancellor may have employee childcare as an objective and further offered that there are plans to renovate the current student childcare center located in Family Student Housing and that when the childcare center is relocated during renovations that may be an opportune time to co-locate with employee childcare in a facility that will accommodate more children.

Galloway believes that the \$2 million UCOP matching fund offer for childcare facilities is still available and could likely be used for a new facility, or renovating a leased facility. However, Galloway noted that it is expensive to build on campus and resources could be quadrupled if the facility was located off campus.

When asked if the properties at Delaware might be a viable option for a facility, Galloway noted that there is a large warehouse that is being set aside for laboratories and office space with cubicles for the FAST office and IT. Galloway noted that those offices will be needed for faculty and graduate students in the near future. Further, Long Marine Lab will need to claim some of the

space for marine biology students. When asked if unused parking at Delaware could be used for building a structure, Galloway responded that there is land and the possibility of adding structures but she does not know if it would be viable for childcare, which is a conversation that she noted has been going on for 22 years.

When asked whether there has been any progress on the appointment of an Early Education Services lead, Galloway replied that she is still evaluating options within that unit. Galloway is considering expanding the childcare to faculty and staff in the current structure with the possibility of having an outside agency manage the facilities like some other UC campuses do. A comment was made that several campuses are having problems with their relationship with Bright Horizons, a third party vendor. Galloway noted that it is difficult to find reliable care and wants to offer something where parents feel comfortable leaving their child in a safe place.

Chair Zachos questioned CP/EVC Galloway about the \$730k reserved for childcare, to which Galloway confirmed that the money is earmarked and will sit as one time money. Chair Zachos thanked Galloway for her commitment and noted that employee childcare is a retention and recruitment necessity.

A suggestion was made that with such a large campus, there could be a childcare center that is based largely outside, where the main costs would be salary. Galloway responded that the biggest roadblock to thinking outside the box in this way is liability issues and that new laws have imposed a huge burden on campuses where the cost of a building is only part of a much larger budget with high operational costs.

Post Consultation

CFW debriefed from its consultation with the CP/EVC and members noted the difficulty that faculty and staff have raising children in a town with such a high cost of living. Members referenced a recent magazine article that listed Santa Cruz as one of the five worst places to raise kids in the United States.

Members raised concerns about the \$730K being held for employee childcare and questioned whether the money would be used for a facility, or merely to cover investigations and feasibility studies. However, members agreed that at least there is some money set aside to move forward. Members considered other options like possibly expanding the Life Lab program in the UCSC garden, or leasing another off campus property close to the UCSC property at Delaware.

Members noted that a larger facility housing student and employee children would be optimal, but questioned whether it will happen. CFW determined that tagging onto the student childcare when Family Student Housing and the current childcare center is rebuilt appears to be the path of least resistance, and if the Granary will not move forward, then CFW should advocate for a Family Student Housing facility that will house student and employee children.

Members expressed interest in wanting to understand more about why the deficit was accrued with the building of Ranch View Terrace Phase I and where the numbers are. The committee will consult with Steve Houser and John Thompson during their next meeting and the committee looks forward to a Housing update. Members noted that the CP/EVC opened the door to negotiate the \$9 million debt, and considered coming up with a plan to use the surplus from Repricing to defer the costs to building Ranch View Phase II. A comment was made that the design for Ranch View was created in the 1980's and might not be the ideal layout for the campus, but the plans are ready to go, which makes it an attractive avenue forward.

At the beginning of the year, CFW was charged with evaluating the Repricing program and CFW would like to find out what the original goals of the program were and whether those goals still makes sense and will address the topic with their consultation with Houser and Thompson.

CFW will follow up with a post-consultation memo to the CP/EVC.