

MINUTES
COMMITTEE ON FACULTY WELFARE
October 9, 2014

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

Absent: none

Welcome & Introductions

Members introduced themselves and expressed areas of interest including housing, the health of the UC Retirement Program (UCRP), healthcare, faculty/staff childcare, faculty salaries and total remuneration with decreased benefits, spousal employment opportunities, and campus water usage.

Chair's Orientation to Committee Business

Chair Zachos provided members with a brief overview of member responsibilities and procedures for conducting CFW business. The committee reviewed "CFW Member Guidelines, 2014-15" and discussed committee confidentiality. Chair Zachos noted that not all information that is discussed in meetings is public knowledge and members should use discretion when speaking about their committee service. If members have any questions regarding confidentiality, they should speak with the Chair or the committee analyst.

Issues and Goals for CFW in 2014-15

Members reviewed the CFW 2013-14 annual report draft and discussed issues that they would like CFW to address in 2014-15. Chair Zachos noted that it will likely be a busy year and the committee should be proactive by establishing priorities sooner rather than later. Chair Zachos provided a brief orientation on the major topics from last year and the progress to date on those issues.

Childcare

UCSC is the only UC campus without campus sponsored childcare for faculty and staff. The campus has had childcare for employees in the past, which was incorporated into student childcare services and was managed by Student Affairs, but the program for faculty and staff closed a few years back due to budget questions and different revenue streams, posing a problem for many faculty and staff. In 2011, CFW requested that the CP/EVC put aside \$150k per year for childcare in order to stimulate a solution. The CP/EVC agreed to do so for five years. The agreement sunsets at the end of the current 2014-15 academic year.

Last year, CFW was informed that roughly \$20k of the reserved funds has already been used to explore childcare options. The campus looked into a third party vendor to manage an off campus location, but the plan was later determined not feasible. Licensing, risk, and liability continue to be big factors. In 2013-14, a committee of faculty and staff came together and produced an

extensive detailed report, which included the proposal for a Pre-K in the Granary building located at the base of campus (UCSC Project Report: Planning Faculty-Staff Child Care at the Granary and Family Resource Centers at UCSC, January 23, 2014.)

The Granary was originally a third party childcare facility and then used as a Pre-K for students, faculty, and staff. The location was closed when the faculty/staff program was ended. The building is currently being evaluated to assess what kind of renovations would be needed if a Pre-k was to be housed there.

The Project Report contains a number of different budget possibilities for a Pre-K, and suggested that with a \$150k/year subsidy from the campus, a childcare center serving roughly 36 children could be self-supporting. The more the campus subsidizes, the lower the tuition would be for faculty/staff.

Childcare has moved from under the umbrella of Student Affairs to Business Affairs, which may bode well for faculty/staff childcare. This summer, CP/EVC Galloway informed CFW that the money set aside is being held but must be periodically evaluated to determine whether the funds can continue to be set aside or should be made available for other campus priorities. Last year's committee wanted assurance that the money would be used for faculty/staff childcare as intended and not vanish.

Faculty Salaries

In 2008, following analysis by CFW which showed that UCSC faculty salaries were at the bottom of the UC campuses, CP/EVC David Kliger initiated the "Merit Boost Program" to correct discrepancies between average salaries across campuses. The plan allows personnel review advancement to be coupled with a greater range of possible salary increases than in the past. The differences among campuses were largely in off-scale salary. The Merit Boost plan is a coordinated effort to boost UCSC faculty off-scale increments.

CFW analysis from 2011-2012 suggested that the plan is having a positive impact. This analysis was sent to all Senate faculty at the beginning of the fall quarter, 2013 as departments were preparing their merit and promotion personnel action review files. The analysis summary determined that average UCSC salaries are no longer at the very bottom of all campuses, and now exceed those at UC Davis and UC Riverside. However, the committee noted that since UCSC is a coastal campus, the cost of living is more comparable to other coastal campuses like UC San Diego or UC Irvine. Last year's committee suggested that UCSC should be included in the same tier of salary averages as the other two coastal campuses.

Last year, CFW recommended that the Merit Boost Program be continued. CP/EVC Galloway committed to continuing the program through 2014-15. Members questioned whether one more year of the program would be sufficient and noted that it may take several years to stabilize salaries on campus.

Members questioned how UCSC compares with the "Comparison Eight" campuses and agreed to include a discussion of remuneration and the latest Remuneration Report on the next agenda. The report suggests that UC has lost ground as roughly 8% of salaries now go towards retirement. The

Senate Executive Committee (SEC) would like CFW's comments on the Merit Boost Program and the latest Remuneration Report.

In 2011-12, CFW also did an analysis of rate of advancement as well as a detailed analysis salaries by division at UCSC. This information was included in the email that went out to Senate faculty and created more transparency between divisions. At that time CFW suggested that similar analysis should go out to faculty each fall. In 2013-14, CFW updated their analysis with more recent data. Members considered the possibility of sharing this new information with Senate faculty this fall and will revisit the option at the next committee meeting.

Retirement

The UC Retirement Fund (UCRP) is running a deficit and the sum of both the current employee and UC contribution are not enough to fill the hole and fully fund the retirement program. The program is 80% funded right now, which is an improvement from 2008, when it was only 60% funded. If the program were fully funded, total contributions would not need to exceed 17%. The total contribution is currently 22%, with employees paying 8% of their salaries, and UC paying 14%.

Last year, there was a push to get UC to increase their contribution to help close the gap on the deficit. The University Committee on Faculty Welfare recommended that the University borrow \$1.9 billion in short term investment funds (STIP Funds) to close the gap on unfunded liability. There may be some movement on the proposal. Chair Zachos will provide the committee with updates from the next UCFW meeting.

Healthcare

The 2014 UC Open Enrollment materials contained some incomplete information about plan details, out of pocket expenses, etc. In response to this, CFW initiated a Senate resolution, that was adopted, which recommended that the open enrollment period be extended after complete plan details were made available. A new self-insurance plan called UC Care was offered. The program is a PPO program and includes many of the same Palo Alto Medical Foundation (PAMF) practitioners that the previous HealthNet HMO program which was ended, included. Chair Zachos reported that more employees at UCSC (roughly 60%) opted for UC Care than at any other campus. Members questioned whether participants in the new plans are paying more out of pocket than with similar plans and are concerned about the availability of and access to "Tier One" practitioners, particularly over the hill. Members considered doing a preliminary evaluation of campus employee experiences in terms of access and out of pocket expenses. Chair Zachos notes that a UC systemwide survey on UC Care was recently conducted. The committee is interested in seeing the resulting data and analysis and would like to know if there the data may be separated by campus.

The new rates will be shared at the UCFW meeting on October 10th, 2014. Chair Zachos will report back to the committee.

Housing

Last year, CFW met with John Thompson, Manager of Faculty and Staff Housing, and Steve Houser, Director of Colleges, Housing & Educational Services (CHES), for an update on faculty/staff campus housing. The committee was informed that wait lists for campus housing are

currently short with roughly 8 or 9 units in inventory that are available for purchase. The most recent housing report on the Re-Pricing Program stated that campus housing is at 60-70% of Santa Cruz market housing costs. Due to Fanny Mae loan regulations, purchasers of for-sale units in Laureate Court have experienced trouble getting loans other than Mortgage Origination Program (MOP) loans, which are only available to faculty. CFW agreed it will take a look at the housing inventory on campus and gauge whether it appears sufficient given the plans for campus growth and new hires along with the rise of cost in the local housing market.

The campus housing Repricing Program was originally created to level for-sale price discrepancies of campus houses and help fund the Low Interest Option Supplemental Home Loan Program (LIO-SHLP). Through the Repricing Program, the campus buys campus homes from sellers, and sells them to new buyers at a slighter higher price than the purchase in order to cover administrative, carrying, and remodeling costs. The for-sale price formula also includes 60-70% of the market value.

The program budget is evaluated quarterly, by both the CP/EVC and CFW, and for several years, Housing has proposed that the sale cost should go up by a small percentage in order to cover increasing costs. Members noted that the program in its original intention appears to be a good thing, but questioned whether the increases should be leveled off and how the increases affect inventory and affordability. The Repricing Program formula used to price homes includes 60-70% of the market rate per square foot of a unit. With the market continuing to increase each year, members considered the formula and questioned whether the for-sale cost could be negotiated instead of being so driven by the market. Further, the committee would like to know what the incentive is (if any) for current faculty housed on campus to move off campus in order to make more homes available to new hires and junior faculty.

With regards to inventory, Chair Zachos reported that the second phase of Ranch View Terrace building appears to be off the table. The first phase resulted in a large amount of debt that cannot realistically be recouped by the sale of a second phase of units. Members agreed that the building of the second phase should not be off the table as there is a significant need for more employee housing on campus with the planned increase in faculty hires.

Transportation and Parking

The campus will be raising parking fees in the near future. The Transportation Advisory Committee (TAC) has three Senate faculty representatives (one from CFW, one from the Committee on Planning and Budget, and one “at large” representative). This year, TAC will look at parking fees, visitor and conference parking, and several other transportation issues that affect faculty. For this reason Senate faculty representation on the committee is essential.

Spousal/Domestic Partner Employment

The committee raised the issue of spousal/domestic partner employment and discussed the lack of prospects for faculty spouses and partners in the local area. Members noted the importance of partner employment in campus faculty recruitment and retention, especially given the high cost of living in Santa Cruz County. This year, CFW would like to look into the current programs that UCSC offers to assist spouses in finding employment (if any). Members would also like to know if the existing programs are successful, and if there have been any surveys done on faculty

spouse/domestic partner employment. CFW will begin their research with an assessment of existing programs.

Committee Issue Assignments

All CFW members are expected to monitor or work on a specific issue(s), about which they will report back to the full committee throughout the year. In some cases, this will require additional attendance of a campus committee, and for others, the analytical review of reports or data which are provided to CFW on a regular basis. Members discussed the responsibilities of these assignments and volunteered for topical assignments.