

Minutes
COMMITTEE ON FACULTY WELFARE
Meeting of January 21, 2016

Present: Shelly Grabe, Melissa Gwyn, Ted Holman, Andrew Mathews, Grant McGuire, Ricardo Sanfelice, Nina Treadwell, James Zachos (Chair), Shelly Errington (*ex officio*), Jaden Silva-Espinoza (ASO)

Chair Announcements and Committee Business

Update from the UCFW meeting of January 8, 2015

Chair Zachos provided members with a report from the University Committee on Faculty Welfare (UCFW) teleconference on January 8, 2015. The committee has not yet received the Retirement Options Task Force Report and is eager to review and discuss the recommendations in detail. Rachel Nova, Chair of the Retirement Options Task Force, participated in the meeting and indicated that the task force is expecting feedback from the President after the Senate review. The Office of the President will hold two webinars in February to discuss the options explored in the report and the possible future of the UC Retirement Plan (UCRP). UCFW discussed potential retirement guiding principles, retirement readiness, fiscal stability, and recruitment and retention impacts. There is a second meeting planned for January 25th during which UCFW plans to fully engage with the report. Academic Senate Chair Dan Hare and Vice Chair Jim Chalfant have created a guide to accompany the report.

UCFW also consulted with Susan Carlson, Vice Provost for Academic Personnel, who provided the committee with an update on the Negotiated Salary Trial Program. The intent of the program was to allow flexibility of salaries for those campuses with access to extramural/external funding in order to compete with the outside market. VP Carlson reported that the program appears to be improving recruitment and retention efforts. UCFW was also informed that there appears to be movement to increase adoptions benefits for employees.

Consideration of the draft minutes from the meetings of January 7, 2016, December 3, 2015, and November 19, 2015

The minutes under consideration were approved.

Update from the Advisory Committee for Campus Transportation & Parking (ACCTP) meeting of January 12, 2016

CFW received a report from a CFW representative on ACCTP. The representative noted that ACCTP members are currently receiving a high level of information on the current status of the Transportation and Parking Services (TAPS) program on campus and members are welcome to share their interests and concerns in meeting. The representative noted that there are 10-12 members on the committee, each representing different constituents on campus. Much of the discussion on January 12th focused on cost.

TAPS is a self-supporting program, and has unfortunately spent down all of its reserves. The ACCTP discussed the cost of different programs under taps ranging from the Bike Shuttle and Vanpool programs, which are comparatively high cost for the number of riders that use the service, to the Zipcar program, which costs the campus nothing. The committee was also informed that

the Environmental Studies Department is planning a pedestrian program to encourage more students and employees to walk across campus instead of driving or taking shuttles or buses.

The CFW representative noted that there is an agreement with the city under the Long Range Development Program to keep the number of car trips per day to campus under 27,800. Currently, there are 20,000 daily car trips to campus. The campus has focused on the use of “multi-vehicles” such as buses, in order to keep this number low.

The CFW representative assumes that providing ACCTP members with all of this information on cost is paving the path for the proposal of fee increases in order to pay for a new parking structure on campus, fix the parking at the marine lab, and repair/improve East Remote parking. CFW members noted that every time a new parking structure is built on campus, there appears to be an increase in fees. CFW further questioned the planned location of the new structure as it is up by the Fire Department where a current lot is underutilized.

The ACCTP has begun to discuss program priorities and concerns and the CFW representative reported that he was struck by the fact that all of the draft guiding principles for the program are focused on cost with no mention of quality of service, or cost to faculty and staff. There is nothing in the draft guiding principles regarding a mission to provide affordable services. The representative fears that faculty concerns, as they only represent those of a few on the committee, may be ignored and/or drowned out.

CFW members reviewed the draft TAPS guidelines and considered devising a list of guidelines from the faculty perspective, which could be shared with the ACCTP and VCBAS Sarah Latham in the form of a correspondence. CFW will consider guidelines during the next CFW meeting. A suggestion was made for CFW to additionally consider alternative solutions that may not have been thought about to save money. Members noted that city buses currently stop at the commuter lot on campus, but this causes a problem as the buses fill with inter campus commuters and those who need to travel off campus are not able to get on the bus. Further, the campus pays for every bus ride taken. CFW may want to suggest that this lot be served only by campus shuttles and offer other suggestions as well.

Course Time Slots Review

Vice Provost and Dean of Undergraduate Education (VPDUE) Richard Hughey has requested Senate input on a proposal to reduce class meeting times, passing time, and final examination blocks.

Members reviewed the proposal, as well as the CFW and Senate responses from a similar review in 2012. The committee noted that overcrowding in classrooms is a serious issue that will only be compounded by the expected increase in students in 2016-17. The committee further noted that the campus has never stopped growing, but there has not been new construction of classrooms for over 8 years.

VPDUE Hughey has proposed two solutions to address this problem: 1) reduce class meeting time to the UC standard, and 2) extend the range of class times to 10:35pm. Further, VPDUE Hughey has proposed that the final examination block be reduced to 2 hours and that the number of exam days be increased.

Of all the options presented, CFW is least supportive of extending instruction late into the evenings. Concerns were raised regarding faculty (& student) welfare, equity and labor issues, safety, and lack of adequate infrastructure for holding late classes. The overall effectiveness of courses so late in the day was also questioned, as many students would be also taking morning classes. The committee noted that this also would represent a change of labor conditions, and to CFW's knowledge, no other UC campus requires faculty to teach after 9:50 pm. CFW is additionally concerned by possible inequity of burden, with junior faculty and lecturers or TA's potentially being slotted to teach in less attractive time slots. This would be particularly stressful for faculty with young children. The committee also discussed whether additional infrastructure would be provided to support late night classes. In particular, additional shuttle and bus services would be needed. Safety at night might be an issue as well. The committee will recommend that the expenses associated with these added services be considered before making a final decision.

The committee was supportive of increasing the number of time slots by decreasing average class meeting times to the UC standard, as well as reducing time allocated between classes, but noted that with reduced passing time, additional infrastructure might be required to help students move between classes more quickly. The committee also recommended consideration of additional options such as the option of once a week 3 unit courses.

With regards to reducing the standard final examination block to 2 hours and increasing exam offering days, several members noted that some departments/courses require longer exam hours due to the content and structure of exams. Also, reductions in exam time might disadvantage students whose performances tend to degrade under tighter time constraints. CFW supports extending number of final exam days to five with appropriate adjustments to faculty grading deadlines, etc.

CFW is cognizant of the fact that current classroom space needs to be more efficiently utilized to accommodate the sudden expansion of students expected in fall 2016, and to alleviate current overcrowding. Members will offer their feedback on the proposed options, but will note that all of the potential options are short term solutions for a growing crisis. As student enrollment continues to rise, CFW expects that the campus and administration will develop a long term plan to expand classroom and student space, without further diminishing effective course scheduling.

Retirement Options Task Force Report

A UC task force has been charged with analyzing options for the new third tier of the UC Retirement Program (UCRP) resulting from agreements made between Governor Brown and

President Napolitano during the May Budget Revise. The task force's report, which includes considerations of a full or partially defined contribution plan, has been sent to the divisional Senates for review. Chair Zachos noted that CFW also has the option of supplying comments to UCFW for inclusion in the systemwide committee response.

The report has a mere one month window for review and feedback. The President will make her final decision on the third tier of retirement in March. Chair Zachos noted that the key priorities of the task force when considering options was to ensure financial stability of the retirement program, help UC maintain competitiveness in terms of total remuneration, and facilitate shared responsibility for individual retirement readiness. The task force was informed that the University's contribution to retirement could not go up in the options considered and the recommendations made.

The report of the Retirement Options Task Force recommended two options: Option A – a hybrid plan with a UCRP Defined Benefit (DB) Plan up to the PEPPRA (Public Employee's Pension Reform Act) cap of \$117k to mirror that of all state employees, and the option of a Defined Contribution (DC) Plan; and Option B – A full DC Plan.

Members considered factors that would impact the plans and retirement readiness for faculty, including the percentage of employee contributions to each plan, the assumed rate of return on investments, and the start date and starting salary of faculty which can affect the overall value of a DC plan. Members noted that the hybrid plan could possibly get close to the rate of return of a full DB plan, which current employees have.

CFW discussed how the options presented would affect the current \$10.5 billion of unfunded liability in UCRP. The DC plan with a proposed 4% surcharge to reduce the unfunded liability raised concerns about whether this could cause the unfunded liability to grow if a large number of new employees opted for this plan. Chair Zachos feels that the plan should have a relatively small effect on the unfunded liability and that there are other factors, such as retirement readiness and the impacts on recruitment and retention that are much more significant.

Chair Zachos reported that the Faculty Association is understandably pushing back on the entire tier 3 retirement plan, and is considering a response calling for a rejection of the deal with the state and maintaining current retirement benefits. CFW, however, agreed to develop recommendations under the assumption that the third tier of retirement is a given due to the May 2015 agreement between President Napolitano and Governor Brown. The committee, will state its opposition in its response to this agreement that will further erode the total remuneration of UC faculty, weaken the University's ability to recruit and retain the top faculty, and likely increase total remuneration inequities between the UC campuses while doing little to address the unfunded liability of UCRP.

Members noted that the campus breakdown of the 2014 Faculty Total Remuneration Study showed that UC systemwide lags comparison universities by 12%, with UCSC near the bottom relative to

our sister campuses. For this reason, CFW supports the report's recommendation that the Tier III reduction in retirement benefits be compensated for with an increase in starting salaries. However, the committee noted that without significant adjustments in the on-scales systemwide, this would require additional increases in off-scales at the time of hiring. Some campuses, UCLA and UCB for example, might have sufficient resources (i.e. large endowments) to offer competitive salaries with larger off scales, whereas UCSC will be more limited. Without a substantial boost in base salaries, members noted that it is likely that UCSC's ability to competitively hire and retain the top faculty will be disproportionately compromised by the reduction in retirement benefits.

The committee response will note that given the options, CFW favors Plan A: UCRP 2016 Tier plus DC supplemental hybrid with a DB PERPA cap, and does not at all support Plan B. The committee will further recommend that UC continue to contribute 14% to employee retirement up to the Internal Revenue Code (IRC) limit and reconsider the projected 7.25% rate of return on investments, which seems unrealistic given the trends in global economic conditions, long term forecasts of growth.

Members noted that when higher salaries are introduced to counter the reduction in benefits for new faculty hires on Tier III, CFW will need consider the total remuneration for the different tier cohorts when performing its annual faculty salary analysis. Chair Zachos added that factoring in benefits with salary calculations will be essential for accurate evaluation of equity issues and salary compression.