

Minutes
COMMITTEE ON FACULTY WELFARE
Meeting of May 26, 2016

Present: Shelly Grabe, Ted Holman, Andrew Mathews, Grant McGuire, Ricardo Sanfelice, James Zachos (Chair), Shelly Errington (*ex officio*)

Absent with Notice: Karen Bassi, Nina Treadwell

Chair Announcements and Committee Business

Update from the Academic Senate Meeting of May 18, 2016

Chair Zachos reported that attendance was above average at the Academic Senate meeting on May 18th. The top items for discussion were a report from the Special Committee on Athletics and the consideration of a memorial for the individual campus Senates to discuss the possibility of divestment in fossil fuels. The Committee on Faculty Welfare (CFW) provided a report on child care, housing, healthcare, and transportation and parking. There were no questions from Senate faculty following the oral presentation, however Chair Zachos noted that a graduate student rep spoke up about graduate student concerns regarding the impending increase in parking fees, and raised concerns about the student childcare center going on break for a few weeks during the summer.

Chair Zachos during his report stated at the meeting that if it were up to him, parking fees would be scaled to salary. CFW members noted that the Committee on Planning and Budget (CPB) also made a recommendation for “banding” or tiered parking fees in its response to the TAPS proposal for fee increases. A CFW Representative on the Advisory Committee for Campus Transportation & Parking (ACCTP) noted that tiered fees were discussed during a recent ACCTP meeting, but TAPS claimed that such a fee structure would be too complicated to implement. CFW members noted that tiered fees are already in place for healthcare and questioned whether the same structure and tiers could be applied to parking. CFW members further considered whether students should be included in a tiered fee system, or if the system should be reserved only for employees.

Update from the Senate Executive Meeting of May 24, 2016

This discussion was tabled for a future CFW meeting.

COC Social – June 1, 2016 at 4pm, Center for Adaptive Optics

Chair Zachos encouraged all members to attend the Committee on Committees Social on June 1, 2016.

UCSC Faculty Salaries

With new information made available to the committee, Chair Zachos deviated from the agenda and opened up a discussion about the UCSC faculty salaries. Chair Zachos reported that the initial salary analysis has been completed by the CFW Faculty Salary Subcommittee. Also, the committee has just received a correspondence from CP/EVC Galloway requesting the committee’s

feedback on a proposal of how to allocate the 1.5% discretionary faculty salary increase at UCSC, which is part of the overall 3% systemwide increase. The CP/EVC has proposed to follow the method of allocating funds as was implemented for the 2015 salary increases. This decision was based on the need to address overall inequity of Senate faculty salaries at UCSC when compared with other campuses in the UC system.

Members examined the new data and graphs on off-scales over ranks and time and noted that there was an off-scale salary spike between 2011-2015. The subcommittee suggested that this spike indicates how inadequate the current UC salary scales are when compared to the outside market. As the off-scale salaries were higher in 2015 than in previous years, the subcommittee also questioned whether this may indicate a trend of compression, where the salaries of those who have been here for years may be equal to more junior faculty hired at market rates. When looking at promotion growth by years of service, members noted that there appears to be a natural trend of faculty slowing down as they get older, vs. junior faculty being more active, which is to be expected. Chair Zachos noted that there is no evidence of over acceleration on campus based on previous comparisons with other campuses.

Members reviewed the CP/EVC's proposal and questioned whether it would be adequate enough to fully address issues of salary compression and inversion on the UCSC campus. Members recalled that with the last faculty salary increase, some campuses distributed the discretionary funds to the divisional deans to address issues of compression. A suggestion was made that the increase could be used to address the high cost of living and equity for junior faculty as more senior faculty have a superior retirement benefit and lower mortgages than more junior faculty. However, Chair Zachos emphasized that it is clear that the discretionary funds may not be used to address cost of living issues.

Members agreed that the committee's response to the CP/EVC will state that the committee generally supports her proposal, but will note that the proposed plan may not adequately address the issues of salary compression and inversion on the UCSC campus, which appears to be worsening. The response will also state that CFW salary analysis is currently underway and should provide more detailed information regarding the degree of compression and inversion that could allow the campus to deal with these issues in a more targeted fashion. The committee expects to have further recommendations in 2016-17.

Tuition Remission Benefit

Due to time constraints, this discussion was tabled for a future CFW meeting.

Pre-Consultation

The Committee on Faculty Welfare (CFW) prepared for its consultation with Vice Chancellor of Business and Administrative Services (VCBAS) Sarah Latham. Members considered possible questions and determined overall desired goals/takeaways for the discussion.

Consultation – VCBAS Sarah Latham

During its consultation with CP/EVC Alison Galloway on April 14, 2016, CFW was informed that a new funding building model has been proposed by President Napolitano, which would allow the campus to break ground on several projects at a time and re-envision the current plans to remodel the student child care center to include employee child care. CFW consulted with VCBAS Sarah Latham on the topic.

VCBAS Latham clarified for the committee that the President's new building model initiative is aimed at increasing beds for the rising influx of students into the UC system and looks at streamlining approval processes at UCOP. VCBAS added that the new initiative includes financing of public/private partnerships (PP3), which allows less debt to be on the campus's books. A contractor or builder would build a building, operate it, and years later, the campus could buy it back. This will allow the campus to build more beds within its current debt capacity. VCBAS reported that she is currently working on a committee along with the President, to enlist a real estate advisor to create a request for proposals for developers so that UC may select a group of developers to take on all UC projects.

VCBAS reported that the UCSC campus is moving forward with 500-600 new beds on the west side of campus (including Kresge College), and major maintenance issues. The VCBAS emphasized that there are no current plans to redesign or expand the current student childcare center. However, she noted that she suggested to President Napolitano that if it were attractive to developers, it would be great if other projects such as the second phase of Ranch View Terrace (RVT2) employee homes or a potential childcare center could be folded into projects that increase student beds.

The parties considered what this might mean for the building of a potential childcare center. VCBAS noted that an outside agency would want to ensure demand for their product, and therefore may need to open enrollment to non-UC affiliates as well. CFW members cited concerns from sister campuses about the third party vendor Bright Horizons driving the cost of childcare up to unaffordable levels for many campus employees. However, members noted that if a third party built on campus and leased the land, it would be cheaper for the campus than building a center off campus. When VCBAS Latham noted that the campus would be capping what developers could generate in terms of income for student beds, CFW members questioned whether the same could be done for childcare in order to ensure affordable prices. Latham replied that the campus could try to package a capping mechanism in, but emphasized that there are multiple needs on campus with regards to building and by incorporating one or more extra projects, the campus needs to make sure that it doesn't compromise the top priority of increasing student beds.

When asked who sets the priority for building on campus, VCBAS Latham informed the committee that the list is determined by the CP/EVC and committees put together by the CP/EVC. VCBAS further noted that Planning and Budget is working with the Committee on Planning and Budget (CPB) and the Committee on Planning and Stewardship regarding the prioritization

process. VCBAS recommended that CFW consult with Vice Chancellor Planning and Budget Peggy Delaney regarding the campus financial plan. Apparently there are projects on the building list like Ranch View Terrace II that have no identified funding sources, and so can't move forward. When asked if childcare was on the list, Latham stated that childcare was on the list, but was recently removed. She added that it could potentially be listed again in order to ensure that it is represented, so if funding is made available it will be on the building list.

Chair Zachos asked VCBAS what she would recommend to push the building of a childcare facility. Latham replied that the campus has told UCOP that it would like to include such projects as the campus is increasing student beds. Latham suggested that the soon to be designated UCOP real estate consultant would be able to tell UCSC how to market a package that includes other projects, or inform the campus if adding such additional projects will hinder the initial goal of increasing student beds. The VCBAS shared that UC Irvine has already used the PP3 structure and UC learned two major lessons: 1) when using PP3 for student housing, there have to be enough beds to make it attractive to a developer, and 2) the campus has to give up control as more requirements will add to the total cost. VCBAS Latham commented that this will require a culture adjustment for UCSC, and suggested that the campus needs to become more outcome focused instead of getting wrapped up in details in order for the projects to be built.

Latham added that the current housing situation where lounges have been taken away to increase bed space must be remedied. The campus is planning on using its \$150 million debt capacity (which is for housing only) towards housing with the bulk of that (\$130 million) going towards new beds space on the west side of campus. VCBAS Latham added that \$20 million will be set aside for basic refurbishments of family student housing, but there is no money and there are no plans for remodeling or for renovating the current student childcare center. When asked how the new building model would assist with this project, Latham noted that in the old model, the campus was limited by \$150 million in debt and the total cost of construction was on UCSC's books. With the new model, roughly 30% of total cost of construction will be on UCSC's books, which would allow the campus to build two to three thousand bed spaces instead of 500 beds. Latham noted that the campus is responsible for bringing new beds online by 2020. When asked what would happen if UCSC did not accomplish this goal, the VCBAS stated that the President's success depends on campus success to get the new beds online. This is why UCOP is willing to partner with campuses through this new building model.

When asked how CFW could remain part of the building conversation, VCBAS Latham mentioned that she would be happy to include the committee in any way. She also suggested that if the CP/EVC comes to consult with CFW, that she should be included in the consult as well, which CFW members agreed would be helpful. The VCBAS noted that the next step forward is helping UCOP to identify a real estate advisor to put together a systemwide request for proposals (RFP) and identify big scale developers who will be required to take on small scale projects at UCSC as well as large scale projects at other campuses such as UC Los Angeles. Latham noted that proposals for consultants are due next week and will be vetted by a selection committee. The goal

is to have the advisor in place by June and go to market to identify developers in fall 2016. It is unknown when the specific details for UCSC will be determined, but VCBAS noted that UCSC will be the first campus “out of the gate”. The VCBAS stated that she is happy to provide bi-weekly or monthly updates to CFW to ensure that the committee is updated. Chair Zachos accepted the offer and further requested that VCBAS Latham provide updates at Academic Senate meetings as well. CFW members emphasized that communication between faculty and the administration is critical and made it clear that the committee wants to play a part in the process of determining what the plan will ultimately look like. VCBAS Latham replied that she will reach out to the committee as she learns more.

CFW members shared that in consultation, the CP/EVC informed the committee that under the new funding model, Ranch View Terrace II could be redesigned. The VCBAS suggested that a new environmental impact report would have to be done and that the density of the units may need to be re-examined or the current layout (with few units) may not be attractive to developers. Members noted that CFW has considered the possible need to increase density at RVTII earlier this year. When asked how litigations would be handled, if any, VCBAS suggested that any potential lawsuits would be different than those that were associated with RVTI, as campus lawyers would be involved with less with long range development details and legal costs would be built in. With regards to finding a site on campus to build, VCBAS suggested that it may be best for the campus to provide a large boundary for building and let the developer decide the exact location of where to build based on their expertise of the market. VCBAS Latham once again suggested that campus constituents need to be focused on the final goal instead of every detail, or the cost to build will be too excessive. Chair Zachos agreed that the Senate will have to be encouraged to get onboard with this and recognize early on that moving forward with the building is in the campus’s best interest.

Chair Zachos closed the consultation by thanking VCBAS Latham for consulting and requested that the administration provide a report to the Senate at the next Academic Senate meeting to explain what is happening with building on campus and why moving forward would be a benefit to the Senate and the campus as a whole.