

**MINUTES**  
**COMMITTEE ON FACULTY WELFARE**  
**Meeting of December 1, 2016**

**Present:** Ted Holman (Chair *pro tem*), Grant McGuire, Melissa Gwyn, Ricardo Sanfelice, Jaden Silva-Espinoza (ASO)

**Absent with Notice:** Vilashini Cooppan, Stefano Profumo (Chair), Shelly Errington (*ex officio*)

**Chair Pro Tem Announcements**

*Update from the Senate Meeting of November 18, 2016*

Chair *pro tem* Holman reported from the Academic Senate meeting of November 18, 2016. Senators discussed the recent removal of books from the Science Library. An email was sent to faculty to alert them of the proposed plan and ask for feedback. The Librarian reported that there was little to no response. The Librarian interpreted the lack of response to mean that faculty did not have any concerns about the proposed plan. The books were removed, and many faculty have since expressed that they were upset with the removal of the books. Apparently consultation with the Senate was not done according to the appropriate procedures. Many faculty who were upset about the issue spoke up at the meeting. A CFW member questioned whether there was a protocol for attempting to donate the books before they were destroyed. Chair *pro tem* Holman replied this was not discussed at the meeting.

Another topic of discussion was the effect of increased enrollments on divisions and departments. According to faculty who spoke up at the meeting, the Baskin School of Engineering (BSOE) is highly impacted and the number of Computer Science (CS) undergraduates is spiking. One faculty member at the meeting shared that the campus is admitting new enrollments who say they want to be CS majors, but there is no more room for them in the department. A request was made to hire more CS assistance, or put a cap on new CS majors. Chair *pro tem* Holman noted that some faculty are pro enrollment major gating, and some are against it. The faculty member claimed that the majority of students who want to take CS classes are not CS majors but from other majors looking for job skills (Humanities, etc.). Additionally, an Economics Department faculty member shared that the Economics Department has been impacted for a long time and never received additional help.

Campus Provost and Executive Vice Chancellor (CP/EVC) Alison Galloway reported that the Merit Boost Program has accomplished its goal of bringing UCSC salaries up to the UCSC campus median and suggested that the campus needs to re-evaluate the program. CFW members recalled that Chair Profumo had suggested that the latest Academic Personnel Office (APO) Annual Report of Faculty Salary Competitiveness may lead the administration to believe that the program is no longer needed. Chair *pro tem* Holman commented that cost of living in the Santa Cruz area is not on the administration's radar and suggested that CFW will need to push to have this variable considered when doing campus faculty salary comparisons.

During his remarks, Chancellor George Blumenthal briefly mentioned the new P3 building funding model, and noted that the model will be different from how the campus currently builds.

Chair *pro tem* Holman added that additional details about the plan will need to be shared soon in order to get faculty on board, particularly amidst the current political climate.

*Brief Update from the UCFW Meeting of November 18, 2016*

As reported in a previous CFW meeting, Chair Profumo brought the increased new out of pocket maximums for the 2017 UC Care health plan to the attention of the University Committee on Faculty Welfare (UCFW). The Health Care Task Force (HCTF) was not aware of the increases. Before this CFW meeting, Chair Profumo reported to the Chair *pro tem* that UCFW took a close look the increases during its meeting of November 18<sup>th</sup>. Apparently the new out of pocket maximum combines the medical, prescription, and mental health maximums, however, there is apparently no data to support the drastic increases, which places the burden on 5% of enrollees who are the most ill. As a result of this analysis, the HCTF and UCFW have demanded that the out of pocket maximums for this plan be rolled back to 2016 rates. CFW members noted that if the rates are changed, enrollment will need to be reopened as some employees may have made decisions based on these maximums.

*APO Report and First Data Set*

CFW members shared their initial responses to the recent Academic Personnel Office (APO) Annual Report on Faculty Salary Competitiveness based on data from 2015. The report claims that UCSC's faculty salaries are now in the middle of all UC campuses, whereas 10 years ago, UCSC salaries were on the bottom. The Merit Boost Plan or "Special Salary Practice" was put in place in 2008 to bring the campus median up in comparison to sister campuses. The program appears to have worked. Looking to the future, CFW members agreed that UCSC will want to stay ahead in order to be competitive and recruit quality faculty with the cost of living continuing to increase in the Santa Cruz area. An anecdotal story was shared about recently hired faculty living in very low quality housing as there is very little rental inventory, and they cannot afford to purchase a home in the area. Members note that data on cost of living along with projections will need to be considered if and when changes are made to the Merit Boost plan.

The CFW Faculty Salary Subcommittee plans to do its own analysis of the same data. One member noted that the numbers in the report look similar to CFW's analysis last year, but the committee will want to conduct its own analysis. The committee discussed the possibility of targeting younger faculty to ensure that new hires can afford housing, as many full Professors already have secured housing.

In terms of assisting those in need, the committee recalled that Chair Profumo is extremely interested in researching the possibility of tuition remission for faculty dependents. The committee recalled that UCFW considered this option a few years ago and that the topic has been brought up several times. Apparently the estimated cost was in the millions and a decision was made that it

did not have a good cost benefit analysis. CFW would like to know why the campus is losing faculty. Members noted that associated data may be used as leverage with the Office of the President to increase faculty benefits or salaries. Tuition remission could be an added benefit to maintain top quality faculty.

### **ACCTP Update**

Members received an update from the Advisory Committee for Campus Transportation and Parking (ACCTP) meeting of November 30, 2016 from the CFW representative. The representative who also served on the ACCTP on behalf of CFW during the 2015-16 academic year, noted that last year was an active year for the ACCTP as there was a 10% across the board increase on parking. The representative's understanding is that this increase has had a positive effect on revenue and that the Transportation and Parking Services (TAPS) budget is stabilizing. A and B permit parking sales are up 30% from last year. CFW members found this surprising and questioned the cause for the increase. A suggestion was made that the new Metro bus schedule is not entirely in sync with the class schedule and this could be encouraging more students to purchase passes.

The capital improvements to the Marine Sciences parking lot are moving forward and will provide 100 more parking spaces. Phase II of the project will provide 80 additional spaces and will be finalized in 2019. East Remote parking renovations are under design with an estimated cost of \$2 million. The project is slated for 2020-21.

The representative noted that a "Slug Route" app, which tracks UCSC shuttles has proved helpful, and the vanpool program is apparently losing money and participation. CFW members questioned whether the decline was due to the lack of flexibility for riders, or the rising cost to participate in the program. The representative noted that the Watsonville vanpool program is highly utilized and working well. The ACCTP looked at diagrams which showed the impact of parking on campus and illustrated that the greatest need for parking is on science hill and at Stevenson College. The Crown College pit is currently under construction and is highly impacted. The greatest demand for parking is at midday.

The cashless parking meters are working well as are the electric charging stations. The Zip Car program is making roughly \$225/year. The cost of Metro bus passes will increase on June 16<sup>th</sup> from \$10/month to \$16/month by 2018, with incremental increases of \$2/month/year. (In July 2017, the cost will be \$12). There is also a bike share program proposed by the Student Union that is being considered.

### **Consultation – VCBAS Latham**

CFW consulted with Vice Chancellor of Business and Administrative Services (VCBAS) Sarah Latham on the topic of the new UCOP “P3” Building Funding Model. VCBAS Latham reported that the model consists of two phases. The first phase includes the request for information and targeting developers to pre-qualify. VCBAS Latham noted that the focus of the last few months was to get the Request for Information or “RFI” out the door. Latham reported that the RFI went out a week and a half ago to a large number of developers, particularly those with experience building student housing. A Regent request went out to other developers as well as many developers near campuses that are already serving students. The RFI response deadline is December 21, 2016. Latham noted that although P3 is a systemwide initiative, because UC Santa Cruz and UC Riverside will be the first to participate in the program, specific language can be added to the RFI including employee housing and childcare, both of which are of great interest to UCSC.

The Office of the President will select 8-10 developers to partner with. Any of these chosen companies can bid for campus projects. The original goal was 3-4 developers, but this has been expanded to assure the inclusion of regional developers. Latham emphasized that the chosen developers will not be chosen on just one factor. Developers will be chosen with the appropriate experience and capacity to make the project(s) successful. Latham added that the University needs to partner with companies that have experience and financial strength and who are qualified to take on any project for any UC campus under the initiative. VCBAS Latham reported that there has been a large amount of interest and response. Applicants will be narrowed down in January 2017.

The second phase of the project will be the Request for Proposals or “RFP” phase. UCSC projects will go out to the chosen developers to bid. Latham suggested that because UCSC is one of the first to go to bid, developers will want to prove that they are successful so that they will get larger projects on other campuses. This will work to UCSC’s advantage.

VCBAS Latham noted that a consultant company, Jones, Lange, & Lassel or “JLL” will provide the initial analysis to determine what projects are feasible on each campus. Campus finances and the affordability of student housing and beds will be considered. The company will determine if additional building projects such as childcare and employee housing make the overall project more attractive, or if they bring down the feasibility of increasing student beds, which is the primary goal of the program.

VCBAS Latham noted that the campus will be working on developing a campus specific RFP with a general outline of what the campus is looking for that the company will analyze to determine its feasibility. Latham noted that the campus is looking at different models for graduate student

housing, as feedback has shown that current graduate student housing is not conducive to graduate student needs.

When asked how CFW could assist the campus in outlining desired projects in a way that will be determined viable to JLL, Latham noted that the campus is starting with the data and plans that they already have, including the childcare models that were reviewed by the “Faculty and Staff Childcare Analysis Team” report of September 23, 2015, and the current plans for Ranch View Terrace Phase II (RVT2), although Latham added that RVT2 plans may not be determined viable as they housing is not dense enough. Latham suggested that looking at what we currently have and then considering further options may provide several options to make the inclusion of childcare and employee housing more viable, however these two additional projects may bring down the whole project.

VCBAS Latham noted that the campus will need to come up with types of scenarios that will encourage real proposals from developers, and suggested that UCSC can take advantage of the creativity of developers without over-prescribing the details of the project. Latham emphasized that the campus will need to focus on the outcomes rather than the project details.

When asked if VCBAS Latham would share the issues that were considered with CFW and if options will be presented to the Senate for feedback, Latham replied that they would, adding that she would not want to put an idea in the RFP that the Senate was not behind. The goal is to have the RFP’s completed around March 2017, and Latham noted that when the information (which is expected to be quite vague) is shared with CFW, she will need to receive feedback quicker than ever before, which may need to be done outside of the normal CFW meeting schedule. Latham insisted that her responsibility is to be pro-active in reaching out to the CFW Chair for feedback.

When asked if there were other options to make a childcare facility and employee housing a reality even if it could not be included under the P3 initiative, VCBAS Latham noted that there needs to be capital and debt capacity to make the projects feasible. Chair *pro tem* Holman questioned whether childcare and employee housing would end up back at the end of the building priority list line if they cannot be incorporated under P3, as this has been the case for over 10 years with no progress. VCBAS Latham suggested that flexibility (also in terms of timing) and several options to consider will be needed in order to make childcare and employee housing more feasible. Latham noted that in terms of RVT2 which requires an outside developer, she is optimistic, adding that if the biggest and most experienced developers under P3 couldn’t figure out how to build it, no one could.

Latham noted that another key variable regarding student housing and the campus’s debt capacity is Kresge College, which needs to be remodeled, but is unlike any other college due to the physical

integration of shared housing and educational space with several different pots of funding money. There are also political issues, and it is not yet known whether Kresge will be included under P3. VCBAS Latham stated that JLL currently has several different models for Kresge to analyze and is currently running different models. The main objective and goal will be how to maximize the \$50 million debt capacity. Latham reported that there a planning session will be held with a subgroup of Committee on Planning and Budget (CPB) representatives to consider how to maximize the debt capacity, which hinges on the rebuilding of Kresge.

Chair *pro tem* Holman expressed that he hopes that there will be two or three viable plans to look at that will include childcare and employee housing, of which at least one CFW and the campus could support. Holman suggested that if there is only one plan that is determined viable and it does not include childcare and employee housing, the campus and CFW will be at a loss. VCBAS Latham suggested that because UCSC is one of the first campuses out of the gate, there will be pressure on the developers to be successful and the campus should be able to draw more proposals. Latham added that many firms will need to partner with other developers to create a team that can handle projects other than student beds.

Chair *pro tem* Holman recommended that when the consultant company is looking at the financial viability of the projects, the campus money set aside for childcare should be included. When looking at the feasibility of RVT2, Holman questioned what number the company would be looking at in terms of debt from the building of RVT1, as half of the debt was incurred by lawsuits and should not be included in the analysis. Holman added that there is also \$1million in Repricing reserves. Latham replied that all factors have different levers and suggested that when the campus sees the initial analysis, student housing should increase the equity and the campus could say “maybe the campus could pay for part of the debt.” Latham suggested that the campus will look at different levers, and different things that will contribute more equity. Latham added that it is easier to come up with one time dollars versus continuing operational dollars.

Chair *pro tem* Holman asked VCBAS Latham about the possibility of childcare vouchers as an immediate solution to the campus’s lack of employee childcare. Chair Profumo was under the impression that VCBAS Latham and her team would be researching the possibility and feasibility of using vouchers for this purpose. VCBAS clarified that she had stated that she would look back at the analysis that was done in summer 2015, when the Faculty and Staff Childcare Model Analysis Team looked at vouchers as a possibility and find out why the team determined that the option was not feasible. VCBAS noted that the option was looked at by Human Resources (both on campus and systemwide) as well as General Council and Office Council. All units determined that there were tax liability issues as vouchers are considered to be compensation, and equity issues that may not pass IRS discrimination testing, and could further cause compression issues as it would affect compensation for employees in the same job classification. There were also issues

regarding eligibility and issues regarding represented employees. There were also issues expected for employees that have need base benefits, where voucher compensation may put them over income maximums. VCBAS Latham offered that there is currently a dependent care flexibility spending account that employees may opt to participate in.

Chair pro tem Holman noted that there are no continuing funds for a voucher program, and that the current funds set aside are limited and would benefit a small number of faculty, and likened the situation to the limited number of campus housing units, noting that what was initially intended to be temporary housing is becoming a retirement community. Holman suggested that the only way to address this problem is to build more units and serve more faculty. Latham added that the goal would be to build when there is still some amount of unmet demand, but not too much. Holman noted that RVT1 was built at the wrong time, at the highest cost, with no demand, but suggested that the units, which were then expensive, are now a deal, and that the campus has control over the inflation of campus units, so they become cheaper in comparison to the outside market over time. Holman suggested that this be taken into consideration when the feasibility of RVT2 is evaluated.

VCBAS Latham added that depending on what a P3 model for employee housing would look like, the level of control that the campus will want to maintain will also feed into the feasibility. Factors such as whether the developer stays involved if all the units are not sold, and whether the units are for sale or for lease may be determined by the developer and not the campus. Latham further suggested that the campus cannot be looking to build RVT2 as it did RVT1, and that there could be a mix of different housing, and different ways to make it attractive and feasible. Chair *pro tem* Holman noted that CFW expects there will be pushback from campus cohorts with a redesign of RVT2, but indicated that CFW is interested in working with the administration in moving forward. Holman further suggested that the campus needs to work together to prioritize concerns, and not have a situation where many different cohorts are raising trivial concerns that could delay or prevent building.

VCBAS Latham noted that Sue Matthews has a team that is working on analyzing a new contract for services model, and with a new Campus Provost and Executive Vice Chancellor (CP/EVC) coming in, Latham would like to keep things transparent with CFW. Latham emphasized that the campus focus is first and foremost on student housing. The first batch of new beds must be online by 2020. The campus is also trying to fast track the California Environmental Quality Act (CEQA) and will be staging construction appropriately as beds cannot be taken offline until new beds are online. Latham also suggested that the campus will need to relieve lounge space as there are only 17 lounges left on campus, as former meeting spaces were turned into triple dorm rooms. The campus will also be redeveloping family student housing, and the VCBAS promised to keep CFW updated in terms of childcare and employee housing.

Chair *pro tem* Holman noted that CFW appreciates Latham's transparency and communication with CFW and recommended that Latham share updates on P3 at the Academic Senate meetings in order to make her face and the project known and gain support from Senate faculty. Holman further suggested that CFW representatives could be available to help assuage any concerns raised from the floor and encourage the faculty and administration to work together for common goals.

**Consultation Debrief**

CFW briefly discussed the consultation. Members agreed that the conversation was positive, but recognized that there are several opportunities for the inclusion of childcare and employee housing under P3 to fail. The committee will continue their consultation debrief during the first meeting of winter quarter, 2017.