

**COMMITTEE ON FACULTY WELFARE**  
**Annual Report, 2001-02**

To the Academic Senate, Santa Cruz Division:

The Committee on Faculty Welfare (CFW) held two regular meetings each quarter over the past year. In addition, members participated in special meetings called to address specific topics, particularly housing and child care.

Members of the Committee on Faculty Welfare sat, *ex officio* or by appointment, on the following campus bodies: Senate Emeriti Relations Committee, the Campus Welfare Committee, the Transportation Advisory Committee, the Senate Advisory Committee, the Child Care Facility Planning Committee, and the Child Care Services Director Recruitment Committee.

During 2001-02, CFW remained actively engaged in a wide variety of issues. The highlights of the Committee's activities at the local level are summarized below.

Because so many of the issues that vitally affect the welfare of faculty are played out at the systemwide level, this report will also review some of the issues about which the CFW has been consulted during 2001-02 by the University Committee on Faculty Welfare (UCFW).

### **I. Local Issues addressed by the UCSC Committee on Faculty Welfare**

#### **Calendar**

CFW wrote to the campus Administration requesting that it re-open the question of the academic calendar. The existing versions present a number of difficulties, most notably the very brief lapse between the end of winter quarter exams and the start of spring quarter classes. Although this problem was particularly severe this past year, it appears that a number of structural factors --- the move to a system that increasingly requires a grade and an evaluation for every student, the prospect of new holidays being added, etc. --- have stretched the existing calendar system to the breaking point. Though CFW received no direct response to its communication, it is our understanding that the Committee on Educational Policy is directly involved in a re-examination of the entire issue. Though it is too late to make any changes for 2002-03, we are hopeful that an improved academic schedule will be implemented for subsequent years.

#### **Child Care**

The past year has been a period of significant progress but also some frustration in the area of child care. CFW was very pleased that the campus Administration seized the opportunity presented by the Office of the President's commitment of \$20 million in matching funds for capital improvements in the area of child care. This included the commitment of \$500,000 in new funds from EVC/Provost Simpson and Chancellor Greenwood. When added to the approximately \$750,000 child care reserve that the campus has held in reserve for some time, this allowed UCSC to lay claim to a \$1 million match from UCOP. In addition, the Development Office, working with CFW and key faculty members, succeeded in securing \$250,000 from the

Packard Foundation, bringing the total funds now available to roughly \$2.5 million, a very notable step forward.

Still, the cost of the child care facility that the campus wishes to build is expected to be closer to \$6 million in current dollars. CFW has experienced some anxiety over the past year at the lack of a concrete plan to close the gap. It is encouraged, however, at the willingness of the Development Office to engage in recent discussions aimed at outlining a strategy for raising the remaining funds and bringing this process to closure.

The new child care center is of particular importance to faculty. Because of the mechanisms used to finance existing facilities, faculty members are allocated only a limited number of child-care slots. Since the new center will have been funded with monies provided by the academic administration and by the UCOP for the purpose of recruitment and retention, it is hoped that a much more substantial share of this new capacity will be allocated to faculty.

A Child-Care Advisory Board has been formed under the jurisdiction of the Campus Welfare Committee (CWC), on which the CFW will be represented.

The announcement that Director of Child Care Services Lise Bixler would be retiring in spring 2002 was hardly welcome news to CFW, as she has been the mainstay of our campus's efforts in this important area. We were heartened, however, by the decision to recruit her replacement without delay and extremely pleased that the campus succeeded in hiring Wilma Gold into that position. CFW would like to express its deep gratitude to Director Bixler for the remarkable contribution she has made to UCSC over the years, and its commitment to continue building on the cooperative and fruitful relationship it has already begun with Director Gold. CFW would also like to acknowledge the extraordinary efforts that Professor Catherine Cooper has made to the advancement of this campus's plans for an expanded child care program.

### **Survey of Faculty Separations**

CFW undertook on a trial basis to conduct "exit interviews" (actually a written survey) with faculty members who had voluntarily separated from UCSC over the past two years. This practice had been initiated by the Committee on Affirmative Action, but was passed to CFW when it was determined that, in view of the relatively small number of cases, the information obtained was more likely to be relevant to faculty welfare concerns.

Even aggregating the separations that had occurred over a nearly two-year period, the total number of cases was small. This is obviously good for the campus, but unfortunate from the point of view of data analysis. Our response rate was very good --- six of nine voluntary separations returned our questionnaire --- but the size of the sample and the pattern of respondents' answers produced a data set that is difficult to interpret. Perhaps the most revealing finding had to do with the rank-ordering of the reasons for respondents' departures, even though no individual response was ranked by more than two of the six individuals who completed the questionnaire. Taking into account the priority they assigned, the top considerations were "housing" and "community culture and amenities" (each mentioned by two individuals as the

primary or secondary reason why they left.) Only slightly less prominent were considerations of "spousal employment," "campus culture," and "campus intellectual vision."

Although it may make sense to continue to collect such information, it seems unlikely that the small "N" will make it possible to draw meaningful conclusions either about the situation that exists at a given moment in time or about emerging trends (given that the housing market, faculty salaries, the campus's programmatic prospects, and other factors that might motivate a faculty member to leave are themselves subject to significant variations over time.)

## **Housing**

Housing continued to be a major concern of CFW because of its implications for faculty recruitment and retention. CFW remained active on several fronts.

Our committee, responding to the EVC/Provost's request, vetted the waiting lists that have assigned priority for the purchase of on-campus housing among eligible faculty. Our examination of the documents provided by the Campus Housing Office indicated that the priority system (complicated though it may be) has been fairly and consistently applied over the period reviewed.

CFW was kept informed of the campus's initiative to acquire off-campus housing, and it has also followed with interest the plan to take advantage of the prospective availability of the Laureate Court Apartments to renovate and sell the existing Hagar Court Apartments over a two-year period. Although this will address only one segment of the faculty's need --- the units are quite small --- it will help solve the housing dilemma for a sub-set of those on the current waiting lists and go some ways toward meeting the demand for low-cost units. CFW applauds the Administration's willingness to make the most of this opportunity by developing this bold plan.

The planned development of Inclusion Area D has undergone some slippage in its delivery date due to the need for expanded environmental review. At present, the anticipated date of first occupancy, assuming no further reverses, would be mid-2004. This project is presently expected to add approximately thirty rental and sixty-five for-sale units to the campus housing stock, including some larger three-bedroom units.

Responsibility for making recommendations concerning the priorities used to allocate for-sale on-campus housing passed from CFW to the Campus Welfare Committee (CWC) this past year. This reflected the Administration's decision to incorporate constituencies other than Academic Senate members into the priority system. The primary objective of CFW, which is represented on the CWC, has been to ensure that the priority of those whose names appear on the existing waiting lists be grandfathered under any new system. Though this issue has not been finally resolved at the time of this writing, it appears that CWC will make such a recommendation in its eventual report to EVC/Provost Simpson. However, that report, which will presumably propose a system for allocating available housing among various groups and for prioritizing the claims of specific individuals, will not be ready before next fall quarter. It is not clear at this time what precise form the new allocation system will take.

CFW has consulted periodically with members of the Senate's Special Advisory Committee (SACAH) on Housing, particularly during the summer of 2001 to discuss SACAH's prospective agenda. It also met with SACAH delegates during the spring of 2002 to convey the charge, timetable, and objectives of the CWC's deliberations regarding housing priorities and to solicit SACAH's views.

### **Spousal Employment Issues**

The campus's Office of Dual-Career Services continues to be well received. The percentage time and list of responsibilities of its Coordinator have been expanded. CFW is pleased to note the success achieved, particularly in the placement of spouses and partners in non-academic positions; and it is happy to see the support the campus Administration has given to this promising program.

### **Miscellaneous Issues**

The Committee on Faculty Welfare provided feedback on the draft version of the campus's ten-year plan. It noted that welfare issues were largely absent from this document. While such omissions were no doubt understandable, given the way that such plans are drawn up, it recommended that such issues as child care, housing, health care, parking and transportation, and academic support be explicitly addressed in the final document.

CFW also commented on proposed changes in procedures for the assignment of Research Professor status on our campus. Although it preferred some elements of the proposal originally put forward by the Senate's Committee on Emeriti Relations, it was prepared to see how the Administration's plan would work over a two- or three-year trial period.

## **II. Systemwide Issues Addressed by UCFW**

In addition to the previously mentioned items, there were a number of issues on which the advice of the local CFW was solicited but that, by their nature, fell more readily within the purview of our committee's systemwide equivalent, UCFW. The following seem particularly worth calling to senators' attention, as they affect the welfare of UCSC faculty in an obvious way.

### **Health Care**

Health care matters are likely to be a major welfare consideration for several years to come. UC had already found it necessary to increase the cost of health coverage to employees through a combination of higher co-pays and, in the case of some plans, increased premiums for the calendar year 2002.

There is every likelihood that this unfavorable trend will continue --- and even accelerate --- in the year to come. The UC budget allows for a 6.7% increase in benefits costs for the coming year, but preliminary indications are that the overall cost of health plans will actually go up by 20% or more. If, as is expected, employees are asked to shoulder the difference, the proportional increase in out-of-pocket cost will be much larger.

It is worth noting that this problem is by no means specific to UC, as recent articles on the health-care crisis in the CalPERS system have indicated. It is also the case that UC employees have long benefited by a level of health-care coverage that clearly exceeds what is available in our comparison institutions and, to an even greater degree, in the private sector. However, this will be small comfort when, with the start of the new calendar year, we face the prospect of higher premiums, the potential disappearance of the so-called "zero option" HMO, and the possibility that some coverages deemed less essential may be curtailed.

UCFW continues to advise UCOP on how to approach this daunting situation, in which the best that can be hoped for are moderate reductions in services and manageable increases in costs. As of this writing, the bid process for the renewal of all health plans is still underway, and further details will not be available until fall.

Note that UC will be instituting Medical Savings Accounts for 2003. These accounts permit employees to set aside pre-tax dollars to be used in payment for services (co-payments but not premiums, in connection with medical, dental, and vision expenses.) They require some careful management, since under existing IRS regulations the amount deposited may not be rolled over from one year to the next, but they have the potential to reduce health-related expenditures.

### **Domestic Partner Benefits**

UCFW took the lead, working with the systemwide Administration, to develop a proposal to extend certain retirement benefits to domestic partners. Approved by the Regents at their May meeting, these provisions will make it possible for employees to designate an eligible same-sex or opposite-sex domestic partner as a beneficiary who would be entitled to receive an actuarially adjusted survivor's benefit at the time of the employee's death. The adoption of these new policies has brought UC's handling of domestic partner issue regarding retirement into line with its treatment of other benefits and places the University at the forefront in terms of employment equity issues.

### **Ed Fee Waiver**

UCFW has been frustrated by the fact that the planned remission of the UC education fee for dependents of University employees, which seemed so near implementation a year ago, has not just stalled but now seems unlikely to be realized any time soon. Problems encountered at the level of individual campuses resulted in just enough of a delay for the deterioration in the state's fiscal condition and the University's budget to intervene, causing the program to be postponed. UCFW continues to explore alternative sources for funding the roughly \$5 to \$6 million annual cost of the program, but so far without success. It appears that this program may have to await happier budgetary circumstances.

### **Housing**

Changes were made in the Mortgage Origination Program (MOP) this past year that have liberalized the terms of such loans by allowing lower down-payments (5% of the purchase price), longer terms (up to 40 years), and the use of graduated payment schedules where campus

budgets allow (as a way of shifting debt burden toward later years of higher income.) Although the advisability of these new provisions will depend on an individual's circumstances, they do provide an added degree of flexibility that can be extremely useful.

In addition, the pool of funds for distribution was increased by raising the proportion of the pool of STIP funds allocated to the MOP from 25 to 30%. With UCFW's encouragement, UCOP is also looking into the possibility of selling existing MOP instruments on the after-market as a way of replenishing the available supply of funds.

UCFW succeeded in getting the systemwide Administration to add to its Task Force on Housing a sub-committee that would look into the possibility of using a limited portion of UC Retirement System funds in a shared appreciation/shared equity program that would assist faculty and staff in the purchase of homes. It is important to acknowledge that UCFW has encountered some resistance to such arrangements (based on the mixed results of both UC's and other institutions'

experiments with such programs in the past), but the systemwide committee continues to work on overcoming the obstacles that stand in the way of the development of such a plan. In reality, however, even if UCOP ends up deciding to pursue such a possibility, the fact that a time-consuming IRS review would be required means that the implementation of such a program is at least two years away.

## **Parking**

Over the past two years, UCFW has been at work on a major revision of its previous "Parking Policy Principles." Among the major provisions of this document are: 1) capping the diversion of parking fees to fund other programs; 2) the requirement that state-funded as well as non-state-funded projects replace any parking spaces destroyed by construction; and 3) a provision that the cost of a given category of permit (for example, "A" stickers) should be the same across all categories of eligible permit purchasers. These principles were unanimously approved by UCFW on June 12 and unanimously endorsed by the Academic Council on June 19 of 2002.

## **Phased Employment**

UCFW has spent two years working with UCOP developing a plan for what in effect is phased retirement. Though a number of important questions have yet to be answered, the committee believes that this program has the potential to be highly beneficial both to individual employees and to the institution.

As presently envisioned, the program would involve the creation of a mutually acceptable agreement between an employee (whether faculty or staff), covering a period of three to five years. The employee, who would have to be at least 60 years old, would retire and immediately begin drawing full retirement pay. The employee would continue to work at anywhere up to 50% of normal time (the amount having been specified in the previously mentioned agreement) and would be paid a pro-rata share of normal salary.

Thus, an employee who entered into such an arrangement at age 60 with 30 years of service would draw 75% of normal salary from the retirement system and might earn 50% of normal salary for an additional three years or more (for a total of 125% of salary for 50%-time work.)

At the conclusion of the agreement, retirement benefits would be recalculated. Additional (pro-rata) service would be added in, and the employee would receive the benefit of any merits or range adjustments received in the interim.

The potential advantage to faculty who would prefer to make the transition to retirement in this gradual way are obvious. But the University also stands to gain. At a time when UC needs to expand its resources --- particularly teaching resources --- in the face of an influx of new students, such a program could be a real boon. In theory, it would be possible to pay half of a full professor's \$100,000 salary to the newly retired incumbent and to use the other half to hire a new assistant professor, resulting in renewal of the faculty and a net increase in teaching simultaneously.

The full implications of such a program for long-term benefits are still being explored, but already a number of potential problems have been identified. Among the questions that will need to be answered before any implementation could be contemplated are the following: how much difficulty would UC encounter in filling a substantial number of 50% time staff positions? In the

case of faculty, how will it be possible to provide the startup funds that would be required to hire a large number of new faculty on an accelerated schedule? Would existing faculty be prepared to opt for phased employment without some assurance that laboratory and office space would continue to be available to them? Would departments wish to enter into such an arrangement if the lab and office space needed for new hires had to be shared with faculty opting for phased employment? Is the University capable of making a sufficient number of quality hires to make the program worthwhile if it proves to be popular?

UCOP continues to gather detailed information on the strengths and weaknesses of existing programs of this general type at such institutions as the North Carolina and California State University systems. If it is possible to resolve the outstanding issues, it is conceivable that UCFW would recommend that the Regents consider instituting a pilot program along these general lines.

Respectfully submitted,

COMMITTEE ON FACULTY WELFARE

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