

COMMITTEE ON FACULTY WELFARE

Annual Report, 2011-12

To the Academic Senate, Santa Cruz Division:

The Committee on Faculty Welfare (CFW) met twice per month throughout the academic year; members also represented CFW on a several other Senate and campus committees—the Transportation Advisory Committee (TAC), Senate Executive Committee (SEC), Child Care Task Force (CCTF), and the University Committee on Faculty Welfare (UCFW).

CFW's work in 2011-12 finalized several long term committee projects including the committee's analysis of the campus Three Year Merit Boost Plan, faculty retention, and child care. The analysis of the Three Year Merit Boost Plan led to an in-depth look at the metrics being used to evaluate the advancement of faculty on campus and compare this progression with faculty at other UC campuses. In order to share the findings of this comprehensive analysis with campus faculty and generate feedback, CFW hosted two forums on faculty salary metrics during the Winter quarter that were attended by faculty and representatives from a wide range of campus Divisions and Departments. In addition to these forums, CFW presented reports at both the Winter and Spring Senate meetings, intended to keep faculty updated on the critical issues of health care, child care, housing, and compensation.

CFW acknowledges the openness and willingness of Campus Provost/Executive Vice Chancellor (CP/EVC) Alison Galloway and Chancellor George Blumenthal to meet and discuss faculty welfare issues throughout the year. During one of these meetings, CFW requested that CP/EVC Galloway set aside funding to support future plans for a childcare facility. As a result, CP/EVC Galloway designated for this purpose \$150,000 a year for up to five years, retroactive to 2010-2011. The committee would also like to acknowledge the efforts of Assistant Vice Chancellor (AVC) Pamela Peterson and the Academic Personnel Office (APO) in providing CFW with requested campus salary data, which enabled the committee to continue and conclude their analysis of the Three Year Merit Boost Plan, faculty advancement, and campus faculty retentions.

Faculty Salary

3-Year Merit Boost Plan

CFW received preliminary Faculty Salary Data from APO during the Spring of 2011 and the 2010-11 academic year end data during Summer 2011. During the 2010-2011 academic year, CFW carried out a preliminary analysis and formulated recommendations that are included in last year's annual report. This year, CFW carried out detailed data analysis, and in early February, CFW was able to finalize its analysis of the campus Three Year Merit Boost Plan. The main conclusions of the report analysis were:

- 1) Changes in merit review practices have had a mostly positive impact on faculty salaries, but there is some evidence that suggests that at least some faculty have received a lower benefit than they might have experienced under previous rules.

- 2) Roughly speaking, about half of the faculty undergoing review each year have benefited from the plan.
- 3) The incremental cost of the merit-boost plan has been relatively modest, having accumulated to about \$250,000/year, which corresponds to the difference in total merit-based salary increases in 2010-2011 relative to those in 2007-2008.

The CFW Merit Boost Report was distributed to CP/EVC Galloway, VPAA Lee, and related Senate Committees, and was included in the February Senate Meeting Call. CFW believes that this report provides important insight into the impact of the merit boost plan on the campus merit review process, and will be valuable in formulating future local campus-based faculty salary policy plans.

Faculty Salary Metrics

In addition to the analysis of the Three Year Merit Boost Plan, this year CFW completed a complex analysis of faculty advancement (promotion and salary) and the metric of off-scale salary being used as a means of evaluating faculty salary in comparison to other UC campuses. The main goal of this analysis was to compare UCSC faculty advancement (promotion and salaries) with other campuses to better understand promotion and salary differences and make informed policy recommendations with measurable objectives. A subsidiary goal of the analysis was to shed light on the possible causes of variability across departments to identify aggregate groups that may have been disadvantaged in advancement and potentially suggest measures including policy recommendations. The findings of the analysis suggest that evaluating faculty advancement based solely on off-scale salary does not provide an adequate picture of the reality of faculty stature on the UCSC campus.

CFW proposed that new metrics based on salary growth and promotion growth provide better insights than off-scale salary alone. As part of the vetting process, these metrics and data results were shared by CFW with the Senate Executive Committee, all standing committees of the Academic Senate, and key UCSC administration officials, including the Chancellor, Executive Vice Chancellor (CPEVC), Vice Provost of Academic Affairs (VPAA), and the Academic Personnel Office, resulting in valuable feedback. Further, the committee shared these findings with campus faculty during two information forums held in March, 2012.

The goal of the forums was to solicit input from faculty with regard to new methods of measuring faculty advancement and remunerations. The first forum provided an overview that focused on the significance of the metrics, preliminary conclusions, and broader implications. The second forum focused on the methodology of the study. Through these forums, CFW engaged with UCSC faculty directly and was able to obtain suggestions and insights assisting the committee in drafting a final report which was presented during the May Academic Senate meeting.

Response to the APO Annual Report of Salary Competitiveness

The UCSC Academic Personnel Office (APO) released its 2011 Report of Faculty Salary Competitiveness in April, 2012. The report implied that UCSC is doing well with regards to salary and that overall, faculty progress normally through the ranks and are not held back in their

advancement when compared to other campuses. The Committee on Faculty Welfare (CFW) values the work that APO has put into these reports and believes that they provide important insights that should help formulate salary policies that directly affect faculty welfare. However, having carefully discussed the content of the 2011 report, the committee had some concerns with some of the data interpretation and presented their concerns to AVC Pamela Peterson in July, 2012.

The committee's main concern refers to the comparison of progression through the ranks across campuses. The APO report states, "The data suggest that overall UCSC faculty progress normally through the ranks and are not held back in their advancement when compared to other campuses." (paragraph 2, pg. 15) CFW's reading of the same data was quite different. In looking at the graphs that were included in the report it is immediately clear that faculty at UCSC take the longest time among all campuses to reach 6 of the 16 rank/step combinations considered in the report (Assistant Professor 2 and Full Professor 2, 5, 6, 7 and 9), and that in no case the mean time to a given rank/step is lower at UCSC than at all other campuses. In addition, it would appear that faculty on our campus take longer than the median campus in at least another 6 rank/step combinations (Assistant 4, Associate 1 and 2, and Full 1, 3 and 8), therefore UCSC performs above the median campus in just three categories. To the committee, this suggests that faculty at UCSC actually progress through the ranks at a slower rate than most other campuses and that, at the very least, further examination of the situation is necessary.

This observation is important for a number of reasons:

- 1) Comparisons across campuses based on salaries/off-scale are meaningful if and only if promotion rates are comparable across campuses. Hence, APO's data likely suggests that our current definition of "progress" is misleading and should be re-evaluated.
- 2) The fact that most of the problems seem to concentrate at the full professor steps suggests a cumulative effect that is perceptible only after a faculty member has spent a long time at our campus. It would also suggest that time spent at barrier steps might be longer at UCSC than at other UC campuses. Further investigation of these issues would be desirable.

It is precisely these considerations that have motivated CFW to introduce the salary metrics discussed in our recent reports.

Additionally, hiring at UCSC has been minimal over the last three years. Although this trend has affected all UC campuses, there are compelling reasons to believe that the effect has been more dramatic on the UCSC campus. In that regard, recent data from UCOP (UCOP Ladder and Equivalent Rank Faculty Step Distribution – Counts, General Campus October 2011 Snapshot) clearly demonstrates that the population of Assistant Professors at UCSC is more skewed toward senior Assistant Professors (steps 4 and 5) than at any other UC campus. Although the effect of the pattern on off-scale salaries is less clear, it is reasonable to assume that, everything else equal, the longer a faculty member has been on campus, the more opportunities he or she would have to accumulate off-scale. Hence, CFW maintains that the current analysis might overestimate both total and off-scale salaries for Assistant Professors.

Therefore, CFW opposed the implied conclusion of the 2011 APO Report of Faculty Salary Competitiveness that faculty salaries at UCSC have caught up with other UC campuses. On the contrary, the committee believes that both APO's analysis and their own work suggest that further salary *and* merit boosts are necessary to remain competitive with other UCs.

Health Care

This year, CFW continued its inquiry into the possibility of having Palo Alto Medical Foundation (PAMF) join the Health Net Blue & Gold program, which currently only includes Physicians Medical Group (PMG). Other UC campuses have access to Kaiser-Permanente facilities, which offers faculty and staff another low-cost option; however, due to Santa Cruz's comparatively small market and already existing facilities, Kaiser-Permanente is not an option in the foreseeable future for UCSC faculty and staff. This means that Blue & Gold is the only low cost health care program, attracting mainly junior faculty. Long time faculty have seen dramatic increases in their health care payments to keep continuity of care with physicians in PAMF. Including PAMF in the Blue & Gold program would allow for continued patronage of established family doctors, and would serve to provide market competition for PMG to ensure high levels of care. Adequate health care is necessary at an affordable level for UCSC to remain competitive in attracting and retaining faculty; expensive benefits are demoralizing and lead to faculty and staff accepting substandard care or seeking employment elsewhere.

There have been persistent rumors that PAMF at the local level has offered to lower its prices to be included in the Blue & Gold plan. However, due to competitive nature of the bidding process, it has been difficult for CFW to obtain accurate information. Informal and off-the-record communication has been occurring between representatives from PAMF, CFW and the UC system-wide senate regarding these matters. Additionally, the Health Care Task Force (HCTF) has attempted to address these concerns of PAMF participation in Blue & Gold, and lack of availability of options in Santa Cruz. Unfortunately, the complexity of these issues and the many participants in these conversations require stronger collaboration between participants within UCSC and a need for the UCSC leadership to take charge of the situation and express its position on healthcare issues directly rather than allowing third parties to infer its position. Therefore, CFW recommended to Chancellor Blumenthal to issue a public statement in consultation with EVC Galloway on the health care issues related to UCSC.

Additionally, CFW recommended to Chancellor Blumenthal that the campus consider conducting a survey of faculty and staff attitudes towards and experiences with healthcare providers in the Santa Cruz area. The objective is to ascertain whether or not the Blue & Gold program as currently formulated is on par with the other Blue and Gold programs available at other campuses and whether this program is adequate for faculty and staff needs at UCSC. It is hoped that the results of this survey can leverage decision making at the system-wide level towards generating more affordable and competitive health care for UCSC faculty and staff.

In view of spiraling increases in health care costs in the last few years and expectations of a continuation of increases in future, a system-wide Health Care Task Force has been formed to evaluate significant financial and structural changes to the health care structure. Potential changes include university reducing its percentage share of financial expenditures and evaluating various options to pass on this additional cost to employees. CFW will play close attention to the

developments and recommendations coming out of these deliberations, particularly those that will disadvantage our campus disproportionately.

In order to establish strong long-term communication between CFW and the HCTF, CFW recommended legislation which stated that any representative to HCTF from UCSC would be considered an ex officio member of CFW. This legislation was adopted by the Senate in its May meeting.

Child Care

EVC Alison Galloway's allocation of central campus funds to support childcare services for faculty and staff was a highly laudable development in 2012. EVC Galloway designated \$150,000 a year to this end, an arrangement that will continue for up to five years, retroactive to 2010-2011.

Most importantly, CFW has requested clear designation of, and close dialog with, someone in administration who would be tasked with responsibility for active pursuit of establishing affordable, quality childcare for faculty and staff within the five year time frame suggested by EVC Galloway's funding allocation.

The groundwork for developments this year was laid by the work of the Child Care Task Force (CCTF) that convened during the academic year 2010-2011. CFW urges UCSC to follow through on various recommendations provided in the CCTF Report dated February 2011 and revised in the Fall of 2012 in accordance with CFW's request for clarification regarding such points as comparative information on childcare throughout the UC system, options for keeping childcare affordable, what resources the campus would commit, information on a voucher system such as that available at UC Berkeley, and the possible use of existing UCSC buildings that might be renovated. CFW generally supports the CCTF recommendation of the purchase of an off-campus facility for faculty/staff childcare, run by a third party vendor, as the most likely option for providing affordable, quality childcare for faculty and staff, such as that already established by our comparison-9 UC campuses. CFW is also interested in more in-depth investigation of the possibilities of a voucher system as utilized on other campuses.

Overall, CFW urges ongoing attention to the issues of affordability, quality, and the possibility of the facility also serving research-related goals (much like the child care facility does at Cabrillo College); the latter should be pursued in close collaboration with the Psychology and Education Departments. CFW also recommends pursuit of interim measures to support the immediate needs of faculty with young children by providing information on local child care resources. In addition, CFW is interested in re-starting conversations regarding the long-standing plans for a renovated and expanded childcare facility on campus slated at some point to replace the older student childcare center, exploring possibilities for including faculty and staff children in a manner that would not tax student funding streams.

Housing

The Committee on Faculty Welfare (CFW) has been working with Employee Housing over the past year to review and comment on the current status of our campus faculty/staff housing. Primarily focused on the implications and impacts of the "re-pricing program", CFW

has tried to identify the most critical goals of the employee housing program, and where possible, rank them so that clear outcomes can be determined, and recommendations formulated. CFW understands that there are three main goals of the program: (i) affordability, (ii) Low Interest Option Supplemental Loan Program (LIO_SHLP) and Housing Allowance, and (iii) act as an intermediary between buyer and seller to provide remodeled housing. CFW is aware that these goals may require tradeoff between the interest of various stakeholders and is attempting to conduct thorough thinking/analysis on how to reach a steady-state that provides a good balance for all stakeholders.

CFW has identified three stakeholder groups: (i) prospective buys/new hires, (ii) the campus/financial solvency, and (iii) current homeowners. CFW's preliminary conclusions are that the program goal of affordability, which is in the best interest of new hires and the recruitment efforts of the university, are being severely undermined with hefty increases in home pricing.

After renovations to purchased homes have been completed, the homes are offered to faculty and staff at a price determined by the "campus affordability value" (updated every year). This number represents the cost per square foot (\$302 in 2011-12, \$260 in 2007-2008) and is determined using several factors including (i) the median salary of incoming assistant professors, (ii) the MOP loan rate, and (iii) the cap of 60% of the cost per square foot of the comparable housing market. CFW's most compelling concerns with the campus affordability value are with the current market-based methodology. The market-based methodology is non-transparent and uses several contentious parameters. The on-scale salary of Assistant Professor, Step 1 should be used rather than the median salary in the calculation.

The Employee Housing office acts as an intermediary between buyer-seller and achieves several laudable goals in the process (ease of transaction for seller, guidance for buyers, avoids buyer/seller conflict) as well as providing the opportunity for standardized remodeling. CFW understands and appreciates the hard work of the Employee Housing office and the value in deliberate remodeling, especially for the older units, but is concerned that far too much is invested in the remodeling process which is ultimately paid for by future home buyers. CFW questions if the intermediary relationship should be a main goal, and would like to further consider what the programmatic downsides would be to discontinuing or cutting-back on this process. One possible option is to discontinue the repurchase and remodeling program for houses that are less than 25 years old or have been renovated in the last 25 years. These questions must be considered in the overall evaluation of the effectiveness of the program.

The Committee on Faculty Welfare (CFW) has reviewed the 2012-13 resale pricing program recommendation for the Employee Housing Program. CFW concurs with the recommendation of not increasing the re-pricing index for the year 2012-2013, as well as the recommendation of not including Ranch View Terrace homes into the program at this time.

For 2013-2014 and beyond, CFW recommends that the advantages outlined in Vice Chancellor Valentino's letter (March 5, 2012) be weighed against the disadvantages of the resale pricing program's inability to (i) maintain affordable pricing (16.1% increase since program inception, with only 9.2% increase in CPI-U), and (ii) continue in a financially feasible manner due to

losses in the Laureate and Hagar Court units and low profit margin (in spite of hefty increases in resale pricing) in the Cardiff Terrace and Hagar Meadow units due to expensive and sometimes unnecessary remodeling, carrying, and administrative costs. In many cases the low profit margin is also eroded because the income to employee housing program has been offset by expenditures associated with providing allowances to newly hired faculty.

Equity and Diversity

This year, the Committee on Faculty Welfare was interested in examining faculty pay and assessing if pay-related interventions are yielding the intended outcomes. As such, the committee has developed new metrics for assessing salary within and across UC campuses. Based on the data the committee was able to access (thanks to the cooperation of the APO), these metrics enabled CFW to examine salary at UCSC across divisions and departments. An equally important charge is to examine salary based on ethnicity and gender. It is important to note that these types of analyses happen regularly on other UC campuses (e.g., UC Irvine). To this end, CFW members met with the Committee on Affirmative Action and Diversity (CAAD) members to discuss possibilities for such an examination. CFW believes that it is more appropriate for CAAD to take the lead on this endeavor because diversity-related issues fall under the purview of CAAD. CFW is waiting to hear back from CAAD regarding if they would like to move forward and if so, how CFW might be of assistance.

Transportation and Parking

With member representation on the Transportation Advisory Committee (TAC), CFW was informed that there are a few increases in transportation costs planned for next year that will affect faculty. An increase of roughly 5 percent for the "A" parking permit is expected after several years of no increase. Additionally, a 10% planned increase for carpool permits will further the long term goal of bringing the cost of these permits up to the cost of a regular A permit. The annual cost of a bus pass will increase from one-hundred and five dollars to one-hundred and twenty dollars. This year, there were also some substantial increases in van pool fees due to the associated increase in costs of running the van pool.

Acknowledgments

We wish to gratefully acknowledge the very hard work of the exceptionally strong and dedicated staff of the Academic Senate. Most importantly, we extend our deepest thanks to the outgoing analyst Matthew Mednick and the incoming analyst Jaden Silva-Espinoza. Matthew, who joined CFW only last year, became extremely adept in a very short period of time, participating highly effectively, which allowed CFW to undertake bold and time-consuming faculty salary projects. So, when he was reassigned to another committee in Spring 2012 to fill out a new vacancy in the Academic Senate Office, CFW suffered a great loss. Jaden, who joined us in Spring, has done a remarkable job, learning quickly and helping the committee to function smoothly. She was able to manage an astounding workload carrying over from the ambitious projects undertaken by CFW.

We have appreciated our positive working relationships with CP/EVC Galloway, Chancellor Blumenthal, AVC Pamela Peterson, and VPAA Herbert Lee.

Finally, we thank all of our colleagues, who have contributed in various ways including participation in faculty salary forums and providing valuable feedback and insights throughout the consultation process.

Respectfully submitted,
COMMITTEE ON FACULTY WELFARE

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