

COMMITTEE ON FACULTY WELFARE Annual Report 2013-2014

To: Academic Senate, Santa Cruz Division

The Committee on Faculty Welfare (CFW) met bi-weekly throughout the academic year; members also represented CFW on several other Senate and campus committees—the Transportation Advisory Committee (TAC), the Committee on Emeriti Relations (CER), Senate Executive Committee (SEC), and the University Committee on Faculty Welfare (UCFW).

CFW's work in 2013-14 provided an updated analysis of UCSC faculty salaries and focused attention on new developments both on campus and system-wide with regards to health care, retirement benefits, and online education. CFW presented reports at both the winter and spring Senate meetings, intended to keep faculty updated on the issues of childcare, retirement, faculty salaries, and online education.

Health Care

CFW's activities concerning health benefits were focused on the implementation of UC Care, the university's venture into self-insurance. The UC Care plan was offered as the primary alternative to the Health Net HMO plan, which was discontinued as of January 1, 2014. In the fall quarter, CFW sponsored a resolution that voiced our concerns that UC employees were being given inaccurate and incomplete information about the UC Care plan and other new plan options. The resolution requested an extension of the open enrollment period. The resolution passed and the extension was granted.

Like the Health Net HMO plan, UC Care offers access to the medical providers in the Palo Alto Medical Foundation (PAMF), but with a significant reduction in insurance premium rates. After enrollments were complete we found that a larger proportion of UCSC employees had enrolled in UC Care than on any other UC campus. The big difference from the previous Health Net HMO plan is that UC Care is a PPO plan, not an HMO. The key distinction is that the PPO plan allows access to a larger group of doctors, but at extra cost for those not in the "tier one" designation or for emergency room and ambulance services. Next year, it will be important for the campus to determine how many employees incur significant out-of-pocket expenses under the new UC Care plan.

Faculty Salary

In February 2014, CFW presented an updated analysis of faculty salaries (http://senate.ucsc.edu/senate-meetings/agendas-minutes/2014_february_19_senate_meeting/cfw2.pdf) comparing UCSC with other UC campuses. Two major factors affect salaries: the rate at which individuals advance in rank and step, and the effective salary scale for each rank and step. We did not have the data to update our analysis of the rate of advancement, and encourage next year's CFW to conduct this analysis.

Historically, the major difference in salaries at different UC campuses arises from the size of the average “off-scale” increment. In 2012, 85% of all faculty, including UCSC faculty, were either “off-scale” or Above Scale (*i.e.* above Professor, Step IX). For many years, UCSC had the lowest salaries among UC campuses. In response to a joint Administration/Senate Task Force on Salaries, in 2008-2009 the administration, in cooperation with the Committee on Academic Personnel (CAP), initiated a “Merit Boost Plan”. Our data show that this action has had a significant positive effect.

The average UCSC professor on the regular salary scale was \$4,150 off-scale in 2009 and \$9,200 off-scale in 2012. UCSC had the lowest salaries in 2009. In 2012 UCSC salaries were slightly higher than those at UC Davis and UC Riverside. A cluster of UC Santa Barbara, UC San Diego, and UC Irvine had average salaries approximately \$3,000 higher. UC Berkeley and UC Los Angeles were clearly outliers, with average salaries \$15,000 and \$22,000 higher than at UCSC. For faculty on the Business, Economics, and Engineering scale (BEE), the relative position of UCSC compared to other campuses was similar to that seen for “regular scale” faculty.

One surprise in the data was the growing inequity of salaries for faculty at the same rank and step. For example, the top 1% of faculty (Steps 1-9, not counting Above Scale) had an average off-scale increment of \$128,000. Most were in Business, Economics, and Engineering departments and almost all were at UCLA or Berkeley.

UCSC differs from other campuses by having lower off-scale increments at the higher ranks. In other words, Assistant Professors at UCSC (regular scale) have salaries approximately \$2,500 below the UC average, while the difference at Professor 8 or 9 is approximately \$6,500.

Overall, our salaries, relative to other UC campuses, have improved over the last few years and UCSC faculty are no longer the most poorly compensated faculty. However, the cost of living in the Santa Cruz area is very high, even compared to other regions in California. To retain and attract faculty we need to have an effective salary scale at least equivalent to that at UC Santa Barbara, UC Irvine, and UC San Diego, all coastal communities like Santa Cruz.

Our major recommendation is to continue with the Merit Boost Plan. We may have to do so just to maintain our current position. The campus should also address the problem that our senior faculty are still receiving salaries lower than those on all other UC campuses.

Child Care

In 2012, as a significant indication of support, CP/EVC Alison Galloway allocated \$150,000 a year for up to five years, retroactive to 2010-11, from central campus funds to develop childcare services for faculty and staff. In the event these funds have not yet been spent for this purpose by 2015-16, CFW hopes that the existing pool of funds remains intact or is employed for the purpose of developing faculty and staff childcare.

Various campus constituents have been active during this time period to make faculty and staff childcare a concrete reality. For example, in 2011-2012, a campus group investigated the option

recommended by the 2011 Childcare Task Force Report¹ of an arrangement with a third party vendor at an off-site facility. The particular off-campus facility under review was deemed unsuitable for a number of reasons. Although the third-party option has continued to be investigated, the results from a recent survey of other UC childcare facilities² indicated that such arrangements can have drawbacks, particularly in terms of affordability for faculty and staff. Most significantly, in 2013-14, a committee operating under a charge from Business and Administration Services, developed a feasibility study and sustainable business model for faculty and staff childcare on campus. This committee worked through the summer and fall quarter in 2013 to develop a fiscally responsible, academically sound, and closely vetted proposal for a pre-K program for faculty and staff children. Committee members included UCSC staff and faculty and members of the Santa Cruz community, who contributed their expertise on early education, facility renovation, licensing, budgeting, and other key issues. Their collaboration produced a detailed proposal that CFW urges be given serious consideration.

Childcare for faculty and staff has long been acknowledged to be a pressing need at UCSC. At present, UCSC is the only campus with no employee childcare option. Campus childcare is all the more critical at present with the increase in faculty hires, given the important role it could play in the recruitment and retention of both faculty and staff.

Housing

As in previous years, CFW monitored the campus's faculty/staff housing programs with an eye toward affordability. The committee is also concerned about whether an adequate supply of housing will be available for faculty in the future. With UCSC resuming a steady pace of hiring, and with prices rising again in the local real estate market, both affordability and supply are essential if we are to remain competitive in attracting and retaining the most talented faculty possible.

CFW reviewed several documents and quarterly reports concerning Employee Housing. On March 6, 2014, the committee met with Steve Houser, Director of Capital Planning and Employee Housing at Colleges, Housing & Educational Services (CHES), and John Thompson, Manager of Faculty and Staff Housing. The committee's April 17, 2014 meeting with CP/EVC Alison Galloway also included housing issues.

As of January 31, the on-campus neighborhoods of Hagar Court, Cardiff Terrace/Hagar Meadow, and Ranch View Terrace each had no more than one unit owned by the campus awaiting resale to an employee. (Laureate Court had seven campus-owned units, but these can only be purchased with MOP loans, not via Fannie Mae mortgages.) Thus, the stock of housing available for purchase is limited. Still, according to Houser, waiting lists are also short; very short compared to the situation ten years ago. There is no serious shortage of on-campus housing at present. But the question remains how the housing program will expand to meet anticipated future needs. Both Houser and Galloway indicated that the campus could not build Phase II of Ranch View Terrace (which would include 39 new units adjacent to the 45 existing homes there) at an affordable price. Galloway spoke in general terms about three possibilities: incentive programs (buyouts) to encourage long-term owners of campus housing to move elsewhere when they retire; partnering

¹ University of California, Santa Cruz Child Care Task Force Report, February 28, 2011

² Project Report: Planning Faculty-Staff Child Care at the Granary and Family Resource Centers at UCSC (January 23, 2014), page 7.

with a builder to create new off-campus housing on the city's West Side; and including some faculty units in the renovation of family student housing.

In the 2014-2015 CHES UCSC Re-Pricing Program Recommendation³, CHES recommended a 2.6% price hike on for-sale housing units in the employee housing program in all campus neighborhoods except Ranch View Terrace. This would continue a series of annual increases under the Resale Pricing Program, begun in 2008, which sells homes to new buyers at a price higher than the previous owner's resale price and uses the difference to fund transaction, remodeling, and carrying costs. In its response to this proposal⁴, CFW noted that prices have already risen substantially in the course of this program. The committee recommended that instead of the proposed hike, prices be frozen or increased by a smaller amount, and that in the longer term, the campus reevaluate the Resale Pricing Program. Price increases threaten to undermine the affordability and attractiveness of campus housing for current and prospective faculty members.

Senate Summit on Pedagogy and Inline Education

This year, CFW was charged by Senate Chair Joe Konopelski to hold a Senate Summit on Pedagogy and In-line⁵ Education to discuss how teaching is likely to change in the next few years and to anticipate changes in pedagogy that may change the nature of the work of faculty as professors. The summit was held on January 31st, 2014, and representatives from the committees on Faculty Welfare (CFW), Educational Policy (CEP), Graduate Council (GC), Teaching (COT), and Computing and Telecommunications (CCT) attended. CFW suggested that new methods of teaching (such as online texts and hybrid courses) may require that issues of intellectual property, workload, compensation for additional teaching, resources, and privacy issues for students, be addressed. The summit allowed for an in-depth conversation on the topic, which spans the purview of several Senate committees.

Online Education

During the last two years, CFW has expressed concerns that our campus appears to be making a substantial commitment to online education without due consideration of the resources required and without a sufficient understanding of the effectiveness of this approach to teaching. This year the discussion of online education has elicited comments from President Napolitano and from administrators on our campus that express the same concerns. In June 2014, the Academic Senate was asked to comment on draft campus requests for online course proposals for cross-campus enrollments and Coursera. As 2013-14 draws to a close, there are a number of outstanding questions about the requests for proposals and the campus's online education initiatives that require clear answers.

1. Are the online courses resulting from the requests for proposals to be part of a larger plan, or are they isolated pilot projects that can be used to judge faculty interest and teaching

³ UCSC Re-Pricing Program Recommendation (2014-2015), February 13, 2014

⁴ Bowman to Galloway, 4/22/2013, Re: UCSC Employee Housing Re-Pricing Program Recommendation (2014-2015)

⁵ "In-line" meaning all tools and technology available for use in the classroom, ranging from overhead projectors to online versions of textbooks.

effectiveness? To what extent are these courses part of a longer term commitment to online education?

2. To what extent will the Academic Senate be involved in the selection and approval of these courses? The guidelines for the Coursera courses, for example, describe a major change in pedagogy that must be reviewed by the Senate.
3. What level of resources, in terms of money, primary instructors, and teaching assistants, is the campus committing to online courses? CFW is concerned that development of online courses may further erode the support provided to current teaching in the classroom.
4. Will the proposals for online courses provide an accurate estimate of the amount of time needed for face-to-face and email contact with students? One of the major reasons for pushing forward with online courses is the claim that UC can teach more students with fewer instructors. We need a rigorous evaluation of that claim.
5. The precise relationship between the Innovative Learning Technology Initiative (ILTI) and the UCSC Cross-Campus Enrollment Online Courses remains opaque.
6. By what standards will we evaluate the effectiveness of an online course? CFW is concerned about a commitment to offer a course multiple times when there is no information or data regarding the overall success of the course.

Retirement

The status of our retirement funds is perhaps best described as no longer in crisis, but very vulnerable to future political and economic shocks. The faculty group that closely monitors these funds is the University Committee on Faculty Welfare (UCFW) Task Force on Investment and Retirement (TFIR). The University of California Retirement Plan (UCRP) fund has approximately 80% of the money needed to pay current and future retirees.

The deficit is currently twelve billion dollars. On July 1, 2014, the employee contribution to UCRP rose to 8% of salary, and the UC contribution as employer rose to 14%. Both contributions together equal 22%. If UCRP were fully funded, the total contribution needed (employee + employer) would only be 17%. The difference between 22% and 17% constitutes “extra” money that is being put into UCRP to help pay down the deficit. Unfortunately, the current 8% + 14% is not sufficient to shrink the twelve billion dollar deficit, and it will continue to grow. TFIR has two major concerns about the status of UCRP. First, a future decline in the economy could cause another significant drop in UCRP funds and this in turn could lead to a significant reduction in retirement benefits. Second, the fact that the deficit continues to grow means that the university and employees will continue to pay extra dollars for decades into the future. TFIR proposed to partially shrink the UCRP deficit by borrowing money from the UC’s own short-term investment funds. This proposal was endorsed by the UC Academic Council. One scenario was to borrow \$1.9 billion over two years, and then pay back the university, with interest, over the next 10 years. Fortunately, UCFW and the UC financial officers appear to be in agreement that such a borrowing plan could significantly help UCRP without endangering the financial health of the university. At

their July 16-17, 2014 meeting, the UC Board of Regents endorsed a version of the borrowing plan.

Transportation and Parking

Parking fees have remained flat at UC Santa Cruz for the past 8 years. During that time, parking revenues have declined by over 1% a year, resulting in a cumulative loss of nearly \$1 million. Meanwhile, Transportation and Parking Services (TAPS) has subsidized various forms of alternative transportation (for example, the vanpool and bike shuttle). There has been an increase in program costs across the board, including fuel, maintenance, insurance, and employee benefits. As a result, the \$1.5 million TAPS reserve has now essentially been depleted; going forward, TAPS will be operating in the red.

In view of these financial considerations, the need for TAPS to increase various fees is clear. The CFW representative reported that the Transportation Advisory Committee (TAC) voted to significantly increase the cost of the vanpool, and also to increase the monthly cost of Faculty/Staff SCMTD bus passes from \$8.75/month to \$12/month over a four year period. It should be noted that TAPS worked hard to both educate vanpool users about the financial realities of the vanpool program (including the large subsidy by TAPS) and also to solicit feedback through surveys of vanpool riders on the potential effect of fare increases on ridership. TAPS will be creating a proposal for the vanpool and bus pass fee increases with the hope of implementation before fall 2014.

During the next academic year, TAPS is also planning to put forth a proposal to increase parking permit fees across campus. The proposed increases could be significant, equaling about 50% over a 4 year period. While CFW understands the need to increase fees given the current economic climate and the near decade-long hiatus in fee increases, it is vital for TAPS to recognize that significant fee increases will likely face strong opposition throughout the campus, including from faculty. We therefore urge TAPS to engage in a thorough, transparent, and detailed process of educating the campus community on the financial realities facing TAPS, with comparisons of parking fees at UC Santa Cruz to other UCs and other local universities. The campus should be provided with a detailed accounting of how the parking increases will stabilize the TAPS budget, and how parking fees are utilized by TAPS. Furthermore, surveys should be given to learn the effect that fee increases will have on behavior, and to gauge financial hardships that could arise as a result of fee increases. Only after such a thorough process could CFW support increases in parking fees.

Finally, we note that TAPS has proposed that the university create an events group that coordinates events on campus, which includes a representative from TAPS, to ensure the availability of parking. CFW supports this proposal; it would allow TAPS to coordinate parking on days when multiple events are taking place on campus, and would tie in well with the new University Events Calendar. This seems like an important proposal with the many events scheduled to take place to celebrate our 50th anniversary this coming year.

Acknowledgments

The committee analyst, Jaden Silva-Espinoza, has provided outstanding support for CFW. She played a major role in preparing agendas and reports, in organizing voluminous documents for the committee, and in maintaining an accurate and complete record of the committee's discussions. Additionally, we wish to thank those who consulted with and/or provided information to the committee this year - Steve Houser and John Thompson (Faculty Housing), VPAA Herbie Lee, Michael Tassio, Frank Bäuerle and Tony Tromba (Online Education), Frank Trueba (Health Care), the Academic Personnel Office (Salary Data), Chancellor Blumenthal, and CP/EVC Galloway.

Respectfully submitted;

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August 6, 2014