

COMMITTEE ON FACULTY WELFARE Annual Report, 2016-17

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), the Senate Executive Committee (SEC), and the University Committee on Faculty Welfare (UCFW).

CFW's work in 2016-17 focused attention on developments both on campus and systemwide with regards to issues affecting faculty welfare and faculty quality of life. This year, CFW decided to conduct a survey of Senate faculty to determine the top faculty welfare priorities for the campus. Determining faculty welfare priority was deemed especially timely in view of the imminent hire of a new Campus Provost/Executive Vice Chancellor. In addition, CFW worked closely with the administration to implement employee childcare, brought 2016-17 increases in out of pocket maximums for UC Care to light systemwide, and urged the administration to consider Santa Cruz cost of living when considering faculty salaries and conducted, for the first time, a system-wide comparative study of salary competitiveness factoring in cost of living following three different metrics.

Faculty Welfare Priorities

One of the primary goals of the Committee on Faculty Welfare (CFW) during the 2016-2017 academic year was to establish a list of *top five faculty welfare priorities* for the campus to submit to the attention of the incoming CP/EVC. In order to accomplish this goal, during fall 2016 CFW conducted a survey of Senate faculty on faculty welfare priorities. The committee shared these results with Interim CP/EVC Lee on March 6, 2017.¹ in order to open up a conversation of shared campus priorities in terms of faculty welfare.

The survey yielded 137 responses, i.e. a response rate of around 25% of all campus faculty. As for demographics, the majority of respondents were Full Professors (27% response rate, 82 respondents), with a significant representation of Associate Professors (22%, 31 respondents) and of Assistant Professors (22%, 20 respondents), and a small representation of Emeriti (3 respondents) and Lecturers w/ SOE (2 respondents). Of the 124 respondents who answered an optional question about gender, 50.4% were male, 46.3% were female, and 3.3% elected "other (not listed)".

The survey indicated that all ranks and genders shared the same top five priorities in terms of faculty welfare concerns. **The top priorities are: faculty salary, a childcare facility, research resources, housing, and healthcare.** However, the committee found that the relative ranking of these five priorities varied according to the respondent cohort. CFW looked at the response averages as well as at the number of times an item was ranked as a top priority, and compared this to a breakdown by:

- (1) Assistant and Associate Professors only;
- (2) Female respondents only; and

¹ Profumo to Lee, 33/6/17, Re; Top 5 Welfare Priorities for Senate Faculty

(3) Female Assistant and Associate Professors respondents only.

CFW found that the responses from group (1) were similar to the overall responses, with the only difference of childcare *financial assistance* being included in the top 5 and not health care; Group (2), female respondents, ranked *by far as the top priority* having a childcare facility on campus, with research resources and salary the top priorities number 2 and 3, respectively, and housing being rated as highly as having financial help for childcare. Finally, group (3) ranked having a childcare facility on campus as by far the top priority, similarly to group (2).

How can and should these results guide campus priorities and the stream of resources, and what do the results mean for the UCSC campus? CFW deemed that the answer to these questions should be an act of shared governance between the administration and the Academic Senate. However, following the results of the survey, it was clear to CFW that in order to recruit and retain high-quality faculty the UCSC campus will need to (1) create and maintain **competitive salaries** and (2) **establish childcare for campus employees** in the very near future while continuing to monitor healthcare and providing housing help and research resources.

Healthcare

During Open Enrollment in fall 2016, CFW noted that there would be significant increases in out of pocket maxima (also known as MOOPs) for those enrolling in UC Care in 2017. The concern was brought by Chair Profumo to the attention of the University Committee on Faculty Welfare and the UC Health Care Task Force (HCTF). Neither parties were aware of the potential significant impact of the planned increase. The conversations resulted in UCFW demanding a consultation with UC Care Executive Director Self-Funded Health Plans Laura Tauber, and at a following meeting with consultants from Alliant, who had determined the nature of the MOOP increases. As a result, it was determined that the process had not been conducted in a clear and fair way, and a joint statement by UCFW and the HCTF demanded that limits be returned to the 2016 levels. The committees were informed that it was too late to change the out of pocket maximums for 2017, but the maximums are expected to return to the 2016 levels in 2018.

Faculty Salaries

The Committee on Faculty Welfare annually reviews faculty salary comparative data and recently finalized its analysis of faculty salaries on the most recent data available, comparing UCSC with the other UC Campuses. The most recent data available to CFW corresponds to the October 2015 payroll extract in the UC Office of the President Corporate Data Warehouse. This dataset does not reflect all 2015-16 personnel actions, nor the July 1, 2016 academic salary plan. The data contained salary information on 7,309 faculty members from all campuses except UC San Francisco, a primarily medical campus. Of these faculty, 1,532 were on the Business, Economics and Engineering (BEE) scale, and 5,777 were on the regular (REG) scale. In this analysis CFW also used most of the available archival data from previous years, namely from 2005 to 2015 for UCSC and for 2011 to 2015 for the other UC Campuses.

This year's CFW salary analysis focused on three aspects:

1. A **comparison of median UCSC salaries** at the Assistant Professor, Associate Professor, and Full Professor steps 1-5, steps 6-9 and Above Scale ranks **with the 9 UC Campuses**

- medians**, including an analysis of the 75th and 90th percentile (corresponding, respectively, to the top 25% and 10% salaries at each rank/step);
2. A systematic study of the effect of the **cost of living** in comparing UCSC salaries with those UC-system-wide;
 3. A study on the **effects and trends of UCSC's "Special Salary Practice"**, also known as "Merit Boost Plan" in comparison with salary growth trends in the UC-system.

The summary of the findings pertaining to the above three aspects are as follows:

- UCSC's salaries on the REG scale continue to lag the system-wide median by up to 5%; the salary gap is much more significant at the 75th percentile (typically around 5% at *all ranks*) and at the 90th percentile (typically around 10% at *all ranks*); the salary gap at the 90th percentile is also very significant for the BEE scale.
- Factoring in cost of living, UCSC's median salaries lag between 5% and 10% the system-wide medians consistently through all ranks on the REG scale; This finding is largely independent of the methodology and sources employed to assess cost of living, and of comparing UCSC's salaries to the 7- or 9-campus medians.²
- UCSC's "Special Salary Practice" (SSP) has *barely allowed UCSC's median salary growth to be on par with system-wide salary growth*, at all ranks. UCSC median salary growth with the SSP was nonetheless *slower than system-wide growth at all ranks/steps*: continuing with the current SSP would not even close current UCSC's salary gaps. Our analysis indicates that eliminating the *current* SSP would widen UCSC's median salary gaps at all ranks anywhere between 7% and 11% over the next 5 years and between 10% and 20% over the next 10 years.

For several reasons reported in CFW's full salary report, CFW's 2017 Faculty Salary Analysis exclusively focuses on comparing UCSC median salaries with the 9-campus median salaries, and not with the 7-campus median. The analysis also additionally focuses on the median 75th and 90th percentile (i.e. the subset of 25% and 10% highest salaries at a given rank/step) salary comparison. It is the Committee's opinion that competitive salaries for high-performing faculty are highly strategic, for reasons that include (i) preventing departures of faculty ("preventive retention") and (ii) enhancing the quality of campus' research and reputation.

Figure 1 shows, for the REG salary scale, the percent difference between UCSC's median salaries at the 5 rank/steps of (1) Assistant Professor (all steps), (2) Associate Professor (all steps), (3) Professor, steps 1-5, (4) Professor, steps 6-9 and (5) Professor, Above Scale, and the 9-campus median salaries at the same 5 ranks/steps. The blue columns indicate the median of all salaries at the given rank/step, while the red columns the 75th percentile (top 25% salaries at that rank/step) and the orange columns the 90th percentile (top 10%).

² The "7-campus" set excludes UCSF, UCB and UCLA; the "9-campus" set excludes UCSF.

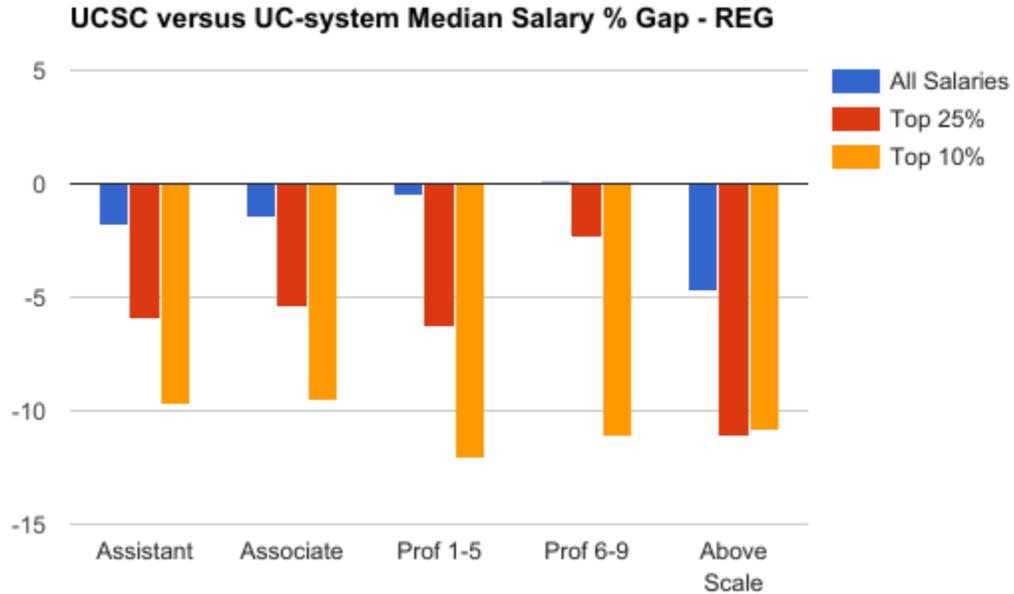


Figure 1: Salary gap between UCSC median salaries at a given rank/step and the University of California 9-campus median salaries, on the REG scale

Including all faculty at a given rank/step, *UCSC median salaries continue to lag behind the 9-campus median* with the one exception of Professor 6-9 (+0.1%). The largest gap is at the Professor Above Scale rank (-4.7%), followed by the Assistant Professor rank (-1.8%). UCSC salaries fare much worse in the top 25%, with gaps ranging from -2.4% at the Professor 6-9 rank to -11.1% at the Professor Above Scale rank, and typical gaps around 5%. The trend is increasingly worse for the top 10% earners, with typical gaps around 10%, with the largest gaps at the Professor 1-5 rank (-12.1%) and the smallest gap at the Associate Professor rank (-9.6%).

Figure 2 shows the same analysis for the BEE scale, where, however, the significance of our results is somewhat impacted by the much smaller statistics. The key trend of UCSC’s median salaries vary significantly, lagging behind 9-campus levels for the top earners (90th percentile) is confirmed, with typical gaps between 10% and 20% across all ranks and steps for the BEE scale.

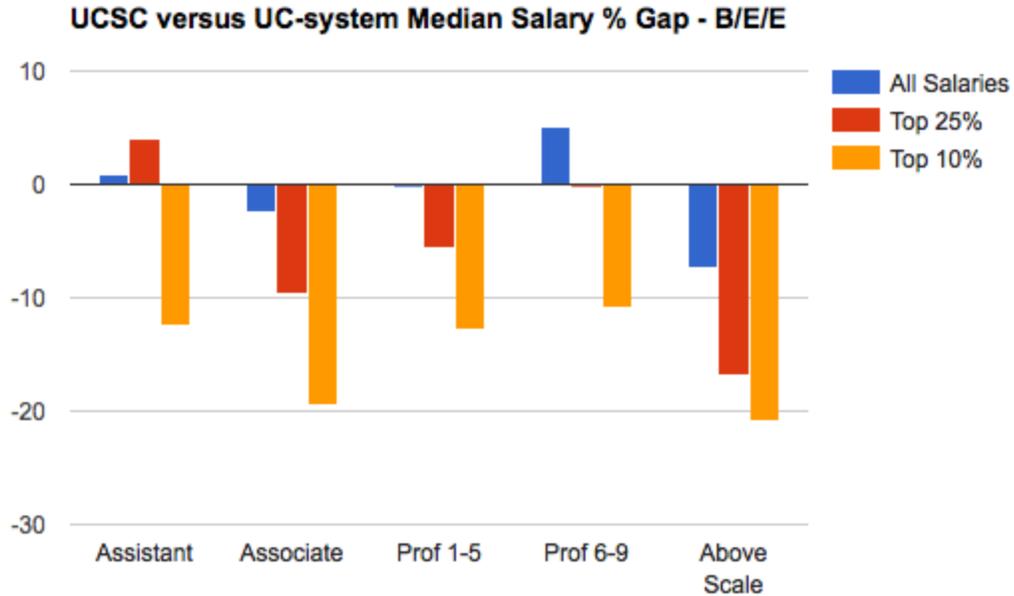


Figure 2: Salary gap between UCSC median salaries at a given rank/step and the University of California 9-campus median salaries, on the B/E/E scale

These results indicate that UCSC’s median salaries, even without considering the significant impact of different cost of living across the 9 campuses, *have not closed the gap to system-wide levels*. Furthermore, CFW’s analysis finds that the largest differences emerge among the top earners/highest performers at all ranks and steps, indicating that *high-performing faculty at UCSC tend to have much less competitive salaries than at other UC campuses*. This fact has important implications for retentions and for the campus reputation and image.

Factoring the cost of living is a key element in gauging the competitiveness of salaries. As indicated in the Senate Executive Committee (SEC) Recommendation on Faculty Salaries dated May 5, 2009 (p. 2): “Our longstanding position at the bottom end of the salary comparisons, in conjunction with the high cost of living in the Santa Cruz area, has intensified the salary disparities between our campus and the rest of the system. Thus the problem of low salaries in the UC system as a whole has particular local intensities.”

CFW decided this year to study the impact of cost of living on salary competitiveness and to carry out a comparative analysis with the 9-campus system. To estimate the potential systematic uncertainty in evaluating cost of living, CFW decided to adopt three different approaches and methods, described in detail in CFW’s full salary report. The overarching finding is clear: adjusting for cost of living, UCSC median salaries lag dramatically behind UC-wide median levels. Specifically, on the REG scale, at the Assistant Professor level while the nominal gap in median salaries is -1.8%, the cost-of-living adjusted gap is estimated to be between -10.6% and -13.5%; similarly, while nominally UCSC’s median salaries at the Assistant Professor level on

the BEE are 0.8% greater than the 9-campus median, the gap is actually between -7.7% and -11.4% factoring in cost of living. Similar conclusions hold for all rank and steps.

Figure 3 shows UCSC median salary gap without (blue) and with (other columns) cost of living adjustment compared to the 9-campus median, REG scale. Figure 4 shows UCSC median salary gap without (blue) and with (other columns) cost of living adjustment compared to the 9-campus median, BEE scale. From these results, CFW concludes that, since for all practical purposes cost of living is a crucial factor in assessing a job offer or for a retention offer, this variable should be carefully accounted for. For the purpose of faculty welfare, the relevant metric is not absolute dollar amount, but dollar amount compared to cost of living. CFW concludes that UCSC's salary gap compared to other UC campuses continues to be at dramatically high levels, making our campus inherently less competitive on the job market, and severely impacting the welfare of UCSC faculty compared to peer campuses in the UC system.

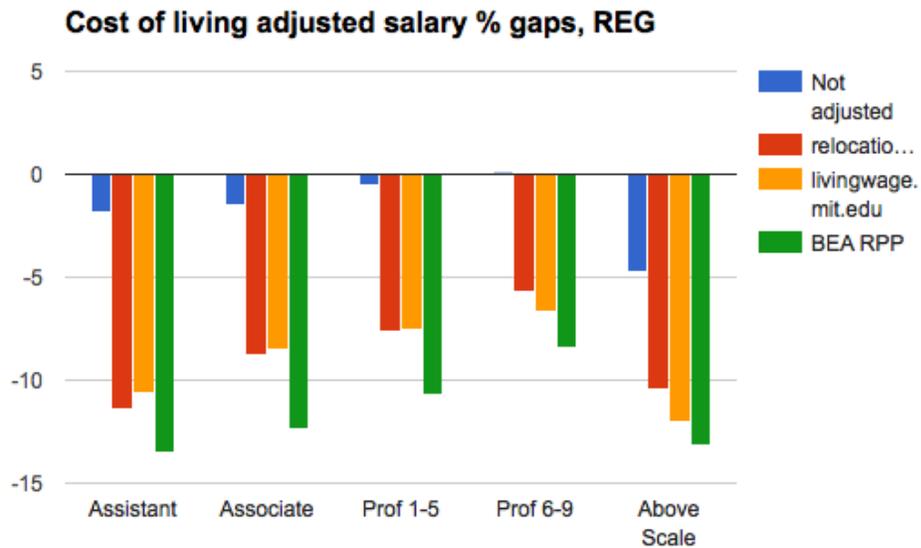


Figure 3: UCSC median salary gap without (blue) and with (other columns) cost of living adjustment compared to the 9-campus median, REG scale

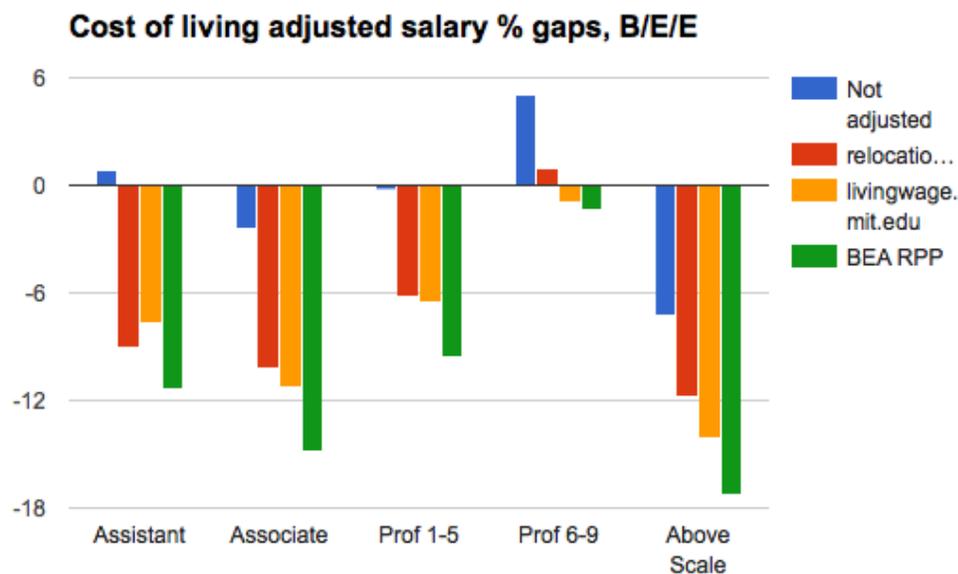


Figure 4: UCSC median salary gap without (blue) and with (other columns) cost of living adjustment compared to the 9-campus median, B/E/E/ scale

During spring quarter, CFW analyzed the impact of the proposed SSP. In particular, CFW compared the trend in median salary growth at a given rank/step at UCSC versus the 9-campus system-wide median, and to extrapolate salary growth trends at UCSC before and after the implementation of the SSP. CFW’s study therefore sought to understand whether, as claimed in the CP/EVC proposals, the SSP would need to be “slowed” so that “our increases are comparable with those of our cohort”³ or whether in fact *the SSP is barely keeping UCSC’s salary growth in line with system-wide salary growth*. Our analysis indicates that in fact the latter is correct. More details can be found in CFW’s full report on the proposed SSP.

Child Care

Child care has been a top priority for CFW ever since the campus lost employee child care on campus in 2010. In the beginning of the year, there was no option of building a childcare facility, so we discussed with the administration using allocated campus childcare funding for a voucher system. This option did not appear viable. CFW then pivoted and worked closely with Vice Chancellor of Business and Administrative Services (VCBAS) Latham to utilize the new UC public-private partnership “P3” building model to develop a plan to build a childcare facility on campus. Thankfully, we succeeded in convincing the campus to make child care a priority. On May 31, 2017, the Chancellor announced that UC Santa Cruz is planning to build a new child care center and expand service to employees. A “Child Care Work-group” consisting of Academic Senate, staff, and graduate student representatives will convene in summer 2017 to finalize the program, cost structure, and facility needs in conjunction with a third party service

³ Galloway to Einarsdóttir et al., December 19, 2016.

provider. The committee is expected to submit a draft proposal and accompanying building specifications by September 1, 2017.

CFW has been informed by the administration that the remainder of the reserved central funds (\$730k), that CFW requested be put aside for childcare in 2012,⁴ will likely be used for infrastructure for the building project.

We applaud the administration for combining the faculty, staff, and student children into one comprehensive program and look forward to a productive collaboration.

Housing

CFW worked extensively with Steve Houser, Director of Capital Planning, and the Employee Housing office to improve on the explanations of how the Re-Pricing index is achieved. The 2017-18 UCSC Employee Housing Re-Pricing Program Recommendation reflected this dialogue and should be helpful to future CFW committees to assess future Re-Pricing Program recommendations. It is critical that CFW understands all that the Re-Pricing program does as they approve this index. Future CFW committees will continue to monitor the reserves that the Re-Pricing program has accumulated and consider how it can be used in developing future housing development.

CFW has been in close contact with VCBAS Latham regarding housing development of Ranch View Terrace 2, using the new P3 model. As has been recently announced, CFW will participate with a Housing Advisory Committee to develop a specific housing plan and work with the administration to find an appropriate way forward. CFW is very appreciative of the progress the administration has made and looks forward to a productive collaboration.

Partner Hire Resources

CFW has identified household income as a critical aspect of both the recruitment and retention of faculty. We have therefore focused on making sure the campus continues the salary merit boost program; however, campus needs to do more. One way campus can effectively increase household income is to help partners of faculty members find the best jobs they can. Currently there is no support on campus for this, except the remodeled Academic Personnel Dual Career Resources website.⁵ Therefore, CFW developed a list of partners of faculty who are willing to volunteer to interact with other faculty partners to help them understand the local job market. Currently, the Physical and Biological Sciences and Social Sciences Divisions have participated and over 80 faculty partners are signed up. Members of CFW are in the process of contacting the Baskin School of Engineering, Humanities and Arts Divisions to increase the participation across the entire campus. This will continue into the fall and hopefully achieve a steady state by the end of fall quarter 2017, at which point maintenance will be minimal. It should be noted that this plan was proposed by CFW to former CP/EVC Galloway in February of 2015⁶ and discussed with Interim CP/EVC Lee during a consultation on April 6, 2017. However, CP/EVC Galloway did

⁴ In 2012 CP/EVC Galloway agreed to allocate \$150,000 per year for up to five years, retroactive to 2010-11, to support the development of childcare services for faculty and staff.

⁵ UCSC Academic Personnel Dual Career Resources Website - <https://apo.ucsc.edu/employment/faculty-relocation/dual-career-resources%20.html>

⁶ Zachos to Galloway, 2/02/15, Re: UCSC Faculty Spousal/Partner Hire Resources

not respond to CFW's proposal, and Interim CP/EVC Lee expressed that he felt the plan was not sustainable and therefore not worth investing campus staff resources. An alternative plan was not suggested by the administration, even though Interim CP/EVC Lee acknowledged that partner jobs were the number one issue affecting the retention of faculty. CFW hopes that the resource will prove its importance for the campus, and that the administration will assume its management in the near future.

Retirement

Following the implementation of new tiers and shifts of retirement contribution to 403(b) funds, CFW's activities in the realm of retirement were limited this year. Concerns were raised during CFW discussions regarding possibly insufficient information and proactive education especially of incoming and junior faculty members on the new pension plans (something exists but was deemed insufficient), as especially noted by Committee on Emeriti Relations (CER) Chair Errington.

Transportation and Parking

The Advisory Committee on Campus Transportation and Parking (ACCTP) is comprised of staff representatives, Academic Senate representatives, faculty at large, and student representatives, and reviews transportation and parking policies, plans and services on campus. A representative from CFW serves on the committee each year. In the past academic year, the ACCTP advised on parking management programs for the Coastal Science Campus, changes in space allocation in Core West to improve availability for permit holders, and revised parking permit eligibility rules for undergraduates. The committee has also considered the campus sustainability plan and pedestrian plan, and the funding model and Metro contract provisions for campus transit service.

Acknowledgments

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