

## COMMITTEE ON FACULTY WELFARE Annual Report 2020-21

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 Advisory Committee on Transportation and Parking (ACTP), Employee Housing Workgroup, the Committee on Emeriti Relations (CER), the Senate Executive Committee (SEC), a joint Senate-administrative working group for personnel review for Senate faculty whose work has been impacted by the pandemic, and the systemwide University Committee on Faculty Welfare (UCFW).

CFW's work in 2020-21 focused attention on developments both on campus and systemwide with regards to issues affecting faculty welfare and faculty quality of life detailed below, particularly with respect to remote instruction and the effects of the pandemic.

### **Salary Analysis**

The following is a brief summary of the committee's findings. For a more detailed discussion of this year's salary analysis and cost of living, please see the 2020-21 Faculty Salary Analysis Report<sup>1</sup>, which may be found on the CFW Senate webpage.<sup>2</sup>

**Background:** For over a decade, CFW has monitored UCSC faculty salaries with particular attention to the effects on salaries of both the 2008-09 implementation and the 2017 modification of the Special Salary Practice (SSP). CFW has also repeatedly argued that, in order to properly evaluate salary *competitiveness*, an analysis of cost of living, driven by housing costs, should be included. In 2019-20 the Academic Senate agreed with this opinion, and produced a resolution stating that future campus analyses of salaries, and annual Faculty Salary Competitiveness Reports created by the Academic Personnel (APO), must include a cost of living component.<sup>3</sup> Unfortunately, the 2020-21 report from APO<sup>4</sup> did not include a cost of living analysis as requested. CFW Chair Orlandi and Senate leadership met with CP/EVC Kletzer during the summer to begin to discuss the issue. CFW will continue to monitor the situation in 2021-22 and awaits developments on this front.

This year's analysis revealed two main findings: 1) The original Special Salary Practice (SSP) implemented in 2008 was modified/reduced too soon. 2) Once cost of living is included as a variable, UCSC's salaries lag significantly behind salaries at the other UC campuses.

The SSP, which enabled our campus to make significant progress in terms of equity with other UC campuses, was reduced in 2017 before UCSC could catch up with the 9-campus median.<sup>5</sup> Median

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<sup>1</sup> Committee on Faculty Welfare, Faculty Salary Analysis 2020-21

<sup>2</sup> CFW Webpage: <https://senate.ucsc.edu/committees/cfw-committee-on-faculty-welfare/index.html>

<sup>3</sup> Resolution on the Commitment to Ensure Salary Equity and Competitiveness within the UC System.

<sup>4</sup> 2021 Report of UCSC Faculty Salary Competitiveness within UC, May 2021

<sup>5</sup> The 9 campuses include all UC campuses except UC San Francisco (UCSF) because UCSF is a medical campus.

salaries of UCSC faculty on the regular and BEE scale continue to lag behind other UC campuses at the junior, and the full professor levels. This is true independently of whether we add considerations of cost of living. Once we add cost of living, UCSC's salaries lag significantly behind salaries at the other UC campuses, as noted in CFW's cost of living analysis from 2017-18.<sup>6</sup>

### ***Salary Transparency***

As requested by the Academic Senate, APO provides an annual report of Senate appointment starting salaries and Faculty Recruitment Allowances to CFW, the Committee on Academic Personnel (CAP) and divisional deans. CFW appreciates the administration's commitment to increasing overall salary transparency. However, because anecdotally CFW had reason to believe that this information was not trickling down to department chairs, and the report transmittals to deans did not suggest or request that the information be shared with department chairs, CFW sent a request in 2017 to then Interim CP/EVC Herbie Lee<sup>7</sup> to share this information directly with department chairs as well as divisional deans. Members at the time asserted that the data must be shared directly with those making the offers and not be dependent upon deans sharing the information with chairs. The committee was later informed that deans would be asked to share the information with their department chairs and as such, sharing the reports directly with department chairs was not necessary.

With the goal of increasing transparency and addressing salary inequities on our campus, in December 2020, CFW joined forces with CAP and the Committee on Affirmative Action and Diversity (CAAD) to once again request that these informative reports be shared directly with department chairs as well as divisional deans and the Academic Senate.<sup>8</sup> CP/EVC Kletzer denied the request, finding it inappropriate to share this information with chairs without the necessary context to interpret the data, and suggested that chairs "who feel they are not getting enough information to be able to negotiate with a candidate should share these concerns with their dean."<sup>9</sup>

CFW would like department chairs to know that annual reports on all UCSC Senate appointment starting salaries and Faculty Recruitment Allowances are being shared with divisional deans, and encourages chairs to request this information from their deans if it would prove useful in their negotiations with new candidates.

### **Housing**

The Employee Housing Advisory Workgroup (EHWG), on which CFW had a representative, devoted much of this year to discussing different aspects of planning and goal identification associated with the proposed second phase of the Ranch View Terrace employee housing project: Ranch View Terrace 2 (RVT2). According to Vice Chancellor for Business and Administrative Services (VCBAS) Sarah Latham, the top goal of the EHWG for the 2020-21 fiscal year (FY) was to select three scenarios for consideration for the new housing program at RVT2, along with financial considerations and analysis on how each of the scenarios matches with the data collected

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<sup>6</sup> Committee on Faculty Welfare, Faculty Salary Analysis, April 2018

<sup>7</sup> Profumo to Lee, 1/13/17, Re: CP/EVC Memo of 11/08/16 on Transparency of Faculty Starting Salaries

<sup>8</sup> Orlandi, Ito, and Falcón to Kletzer, 1/15/21, Re: Faculty Starting Salary Recruitment Allowance Reports,

<sup>9</sup> Kletzer to Orlandi, Ito, and Falcón, 1/15/21, Re: Faculty Starting Salary and Recruitment Allowance Reports

through the 2019-20 Faculty and Staff Housing Market Analysis, and Employee Housing Goal Sessions that were held in spring 2021 and included representatives from the Staff Advisory Board (SAB), CFW, and the Committee on Planning and Budget (CPB). As the scenario planning for RVT2 will continue to evolve over the summer and into the next academic year, CFW will want to continue to review and comment on plans and decisions in 2021-22.

### ***Employee Housing Repricing Program***

Each year, Housing, and Educational Services (CHES) staff submits an Employee Housing resale pricing recommendation for the next academic year to the CP/EVC, who requests Senate feedback on the proposal. The UCSC Employee Housing Re-Pricing Program Recommendation for 2021-22 proposed an increase in price of housing units included in the program by 2.77% for the 2021-22 academic year. CFW members were split in its response to the proposal and continued to express concern about the affordability of the overall program for junior faculty and staff.<sup>10</sup> Some members saw the proposed increase as reasonable given an increase in maintenance and program costs and to ensure continued equity in home value. Other members considered it not an appropriate time to increase housing costs due to economic effects of the pandemic, the 2020-21 systemwide freeze on salary scales for policy covered academic employees, the freeze on staff pay for performance merit increases, and the effects of the CZU Lightning Complex Fires on our community.

In terms of affordability, which is a main driver of the Re-Pricing Program, CFW has repeatedly noted that UCSC employee housing prices are still out of reach for the majority of junior faculty in a single income household, and even more so for staff. The 2021-22 recommendation noted that the proposed increase would price units at approximately 56.6% of 2020 actual market sales. CFW noted that this is an excellent cost savings for UCSC employees, but with the Santa Cruz real estate market being one of the most expensive in the country, it is still not “affordable” for many UCSC employees.

In a letter to CP/EVC Marlene Tromp in 2019-20, CFW registered several key concerns that this year’s CFW contends should be considered in future Re-Pricing recommendations:

- **Cumulative Effects:** Even seemingly small percentage increases may have a profound cumulative impact on affordability over a longer period of time.
- **Ideal Pricing Range:** The Ideal Pricing Range still appears to assume that when unit pricing dips below 60% of the local (Westside Santa Cruz) market, UCSC housing waitlists grow because off-campus homeowners want to purchase campus units (a logic that seems particularly specious with record high home prices and appreciation rates in Santa Cruz County in 2021.)
- **Affordability:** Given the cost of living and current housing market (w/ median home prices well above \$1 million), houses that are rated 60-75% of the local market will not be affordable to the majority of junior faculty in a single income household and doubly so for UCSC staff. Accordingly, CFW recommends rethinking the methodology for on-campus housing prices.

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<sup>10</sup> Orlandi to Kletzer, 6/14/21, Re: UCSC Employee Housing Re-Pricing Program Recommendation (2021-22)

- **Build More Houses on Campus:** CFW strongly supports the construction of more housing for faculty and staff. The committee contends that long wait lists are more likely the result of a near-absence of affordable housing options off campus and not a signal to recalculate the cost per square feet of campus units. Additionally, committee members applaud efforts to continue with the RVT2 project and suggest looking to other areas (e.g., Westside Research Park) to meet our urgent housing needs, especially in light of the following discussion.

Amid efforts to plan for and introduce new campus housing options for employees, the more urgent threats of the COVID-19 pandemic, the CZU Lightning Complex wildfire (August 2020), and a skyrocketing housing market in Santa Cruz (city and county) have exposed some very worrisome gaps in UCSC's employee housing program. Equitable access to affordable housing in Santa Cruz County is increasingly out of reach for many UCSC faculty and staff, and this year's committee discussed several manifestations of this unfortunate reality, which raised questions about the lack of emergency housing and funding support for those in need, and highlighted the need for our campus to explore options for housing assistance that do not require construction (e.g., a loan option that is more attractive than the current Mortgage Origination Program, an across the board housing allowance for new faculty that is centrally funded, etc.), and more transparency regarding the employee housing waitlist policy and possible exceptions to the policy.

In spring 2021, CFW wrote to Steve Houser, Director of Employee Housing and Capital Planning to inquire as to whether exceptions to employee housing policies were granted in the last year (due to the pandemic, fires, etc.), and to request the current waitlist numbers for both purchase and rental units on campus.<sup>11</sup> The committee has received a response, but the response date June 10, 2021 came after the last CFW meeting. CFW will want to discuss the response and follow up with Director Houser in 2021-22.

### Healthcare

CFW has continued to monitor healthcare at UCSC. There are three serious issues of concern, 1) access, 2) affordability, and 3) inclusiveness of care. There are three primary healthcare options for UCSC employees: UC Blue and Gold HealthNet HMO accessed through Physicians Medical Group (PMG); Kaiser Permanente HMO, accessed through Kaiser doctors; and the UC Care PPO through the Palo Alto Medical Foundation (PAMF). Kaiser Permanente has been increasing its footprint in Santa Cruz County since 2017, primarily taking patients away from HealthNet. However, the Kaiser facilities remain somewhat limited in Santa Cruz, as one must go to the Kaiser Hospital in Watsonville to access the full range of services.

While PAMF has served the campus community well, there has been a consistent threat of losing our relationship with them, with two protracted negotiations in the last four years. The loss of PAMF access would be catastrophic as PMG and Kaiser could not possibly absorb the number of UCSC enrollees and the campus would lose its only PPO option, a healthcare model that is preferred by faculty and staff who need access to specialists. Many enrollees additionally choose PAMF for extended urgent care and weekend appointment options.

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<sup>11</sup> Orlandi to Houser, 5/17/21, Re: Employee Housing Questions

The access issue is complicated by the affordability issue. Although UC Care was designed to be one of the more affordable UC health plan options, the PPO has become more expensive than the HealthNet and Kaiser HMOs, and has seen major rate increases since its inception. This forces many faculty who desire a PPO (or who simply desire to keep their current doctors) to pay extremely high premiums, and those who shift to HealthNet and Kaiser have difficulty finding doctors due to oversaturation. Living in Santa Cruz is already an expensive proposition and higher premiums compound that problem.

CFW continues to hold that an affordable relationship with PAMF is necessary. In a consultation with VCBAS Sarah Latham in March of 2021, CFW raised the possibility of dissociating PAMF from UC care and either creating an independent plan that includes PAMF (as was done in the past), or integrating PAMF in an alternative plan. As UC Care increasingly seems unable to provide low costs, we ask that UCSC independently consider other healthcare plan options to maintain access to PAMF and an affordable PPO.

A final concern is the University-wide issue of associating with religious institutions of care such as Dignity Health. While such an affiliation may appear desirable by bringing UC Health Center style care to Santa Cruz, the affiliation is problematic as Dignity is a religious hospital and does not guarantee full access and healthcare to all individuals for religious reasons. In August of 2019, a task force was convened by President Napolitano to study this issue and give policy recommendations, the Working Group on Comprehensive Access (WGCA). As of this report, the WGCA has been unable to come to an agreement on the issue. In 2018-19, CFW discussed the proposed affiliation and endorsed the UCFW position on this matter that “no unit of the UC should affiliate with a healthcare system that prohibits care for anyone.” Additionally, CFW also agreed with the interim report of the UC Non-Discrimination in Healthcare Task Force which makes clear that those who would preclude the provision of care for non-scientific reasons do not reflect or embody UC’s mission or values.

### ***Anthem-Dignity Contract Termination and UC PPO Plans***

In summer 2021, the campus was informed that Anthem Blue Cross, the insurance carrier of UC’s PPO plans (non-Medicare), and Dignity Health, which includes Dominican Hospital in Santa Cruz, were not able to reach a contract agreement.<sup>12</sup> As such, the contract ended effective July 15, 2021, and affected enrollees in the UC PPO plans: UC Care, Health Savings Plan, and CORE. All services for members of these plans received from Dignity Health and Dominican Hospital after July 15 were to be considered out-of-network and out-of-network deductibles and coinsurance rates would apply. However, on August 2, 2021, UC announced that a temporary solution would be provided as negotiations continued and regardless of whether an agreement was reached, claims retroactive to July 15 would be processed after September 1, and members would be responsible for in-network cost-sharing.<sup>13</sup> On August 14, 2021, Anthem Blue Cross and Dignity Health announced that they had reached an agreement on a continuing contract, and the terms of the

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<sup>12</sup> Kletzer and Latham to UC Santa Cruz Community, 7/20/21, UC PPO plans impacted by Anthem Blue Cross-Dignity Health Contract Termination

<sup>13</sup> UCSC Staff Human Resources Benefits Office to Members Who Opted in to Continue Anthem-Dignity Communications, 8/05/21, Re: UC Provides Temporary Solution to Anthem-Dignity Contract Termination as Negotiations Continue

agreement are retroactive to July 15, 2021, returning Dignity Health facilities to Anthem health plans.<sup>14</sup>

### **Child Care**

Progress towards building a new on-campus Childcare Center has been on hold due to legal issues around the Student Housing West project. These issues were resolved and the UC Board of Regents was required to reapprove the project. In March 2021, Chancellor Larive announced that the Regents approved the Student Housing West project.<sup>15</sup> CFW has not been made aware of the revised timeline for the building and completion of the UCSC Childcare Center.

In regards to UCSC Childcare Center fees, this year CFW noted that the current plan that includes providing childcare services to faculty at the local market rate fails to address a pressing concern for faculty: high cost of the local childcare. Subsidizing the campus childcare for faculty could be a useful tool in attraction, recruitment, and retention of the best faculty at UCSC, and may help to remediate the impacts of the high cost of living in Santa Cruz.

### **Back-up Care**

A proposal for Backup Care provided by Bright Horizon was discussed in a series of meetings with VCBAS Latham, Housing Services, Planning and Budget, and Bright Horizons in the Spring of 2021. CFW representatives participated in the meetings. The proposed Backup Care covers both child and adult dependents of an employee. Different eligibility scenarios were discussed and priced. An option with faculty, staff, graduate students, and undergraduate students with children being eligible was deemed the most equitable.

It was noted that Bright Horizon does not have child-care centers in Santa Cruz, but has them in San Jose and San Francisco areas. As a result, it is expected that initially the care in Santa Cruz and nearby areas would be provided through in-home services. After the new UCSC on-campus childcare facility is operational, it may serve as the Backup care center for Santa Cruz.

The proposal was shared with the CP/EVC and the Chancellor and was well received. Bright Horizon advised that signing the contract by the middle of July would allow them to start the program on September 1, 2021.

CFW looks forward to an update on whether the campus will be moving forward with this critical service.

### **Transportation and Parking**

A representative from CFW serves on the Advisory Committee on Campus Transportation and Parking (ACCTP). The ACCTP spent much of this year discussing the financial sustainability of Transportation and Parking Services (TAPS). Through careful planning, monitoring, and measuring user patterns, the committee made recommendations which resulted in TAPS making

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<sup>14</sup> Staff Human Resources, Anthem Blue Cross & Dignity Health Reach Agreement on Continuing Contract: <https://shr.ucsc.edu/resources-forms/anthem-dignity-faqs.html>

<sup>15</sup> Larive to Campus Community, 3/18/21, Re: Regents Approve More Housing for Our Students, Child Care for Employees.

effective changes in transportation usage during pandemic/remote learning. In addition, there are no parking fee increases planned in the 2021-22 academic year.

In November 2020, the full CFW committee consulted with TAPS Director Dan Henderson. CFW was happy to hear that there are plans being considered for a comprehensive long-term vision for TAPS. Short-term solutions and projected models for the long term will prioritize sustainable and efficient transit access and routes.

## **Retirement**

### ***UC Retirement Administration Service Center (RAS)***

Following up on complaints received from two retiring UCSC faculty in July 2020 regarding UC's Retirement Administration Service Center (RASC), the Committee on Emeriti Relations (CER) interviewed 22 of the 24 UCSC faculty who retired between November 2019 and July 2020 and issued a *Report on UCSC Faculty Retiree Experience with RASC, 2019-2020*. Both CFW and the Senate Executive Committee endorsed the report, which was forwarded to Academic Council and shared with UCSC administrators. It was also forwarded to CUCEA (Council of UC Emeriti Associations).

The report documented almost universal frustration with RASC's handling of the retirement process. These problems were exacerbated by the COVID-19 shut-down, but were not caused by it, for emeriti who retired in November 2019, before the pandemic, experienced the same problems, possibly even more acutely.

Major problems cited by multiple faculty included:

- A culture of unaccountability at RASC;
- Difficulty reaching RASC personnel to answer questions leading to great frustration and, in some cases, to delays in retirement process;
- Once reached, difficulty obtaining reliable information;
- Delays in completion of the retirement process, resulting in delays in receiving pension checks and interruption in healthcare coverage;
- Errors in personalized documents transmitted by RASC to retiring faculty;
- Difficulty in transmitting documents to RASC and in receiving confirmation of transmittal.

These problems are not limited to UCSC or to emeriti, but are widely shared throughout the UC system and experienced by all retirees, both faculty and staff. Widespread awareness of these problems led to some changes at RASC this year, including oversight by Cheryl Lloyd, Interim Vice President, Systemwide Human Resources at UCOP, a new Interim Director, a reorganization of functions, and the addition of new positions. One of the report's central recommendations--that faculty entering the retirement process be assigned a specific staff member that can work with the retiree throughout the process--has not yet been implemented. The CFW recommends that the UC CFW receive regular (minimum twice yearly) updates from RASC regarding measures taken for problems identified in the report, including technical matters such as software, until such time as the service is functioning optimally.

### ***UC Employees hired on or after July 1, 2016***

Faculty hired on or after July 1, 2016 choose between two retirement benefit options: *Pension Choice* or *Savings Choice*. Employees have the option of switching from *Savings Choice* to *Pension Choice* (and thereby becoming members of the UC Retirement Plan) during a 5-10 year window after the initial hire. Both the initial choice and the decision whether to switch plans involve complex issues that new hires should be aware of, including how long they expect to remain at UC, estimated rate of inflation, and estimated retirement date.

Under some conditions it makes sense to begin with the *Savings Choice* and switch to *Pension Choice* after five years; under others, it may not. The factors involved and how to weigh them should be widely available to new hires in a clear and comprehensible format.

UCFW is concerned that new hires do not have the information they need to make an informed decision and has proposed working with UCOP and Fidelity to improve the tools available to new hires to assist them.

### **COVID-19 Impacts**

The COVID pandemic and remote instruction raised many faculty welfare concerns for our campus. This year, CFW and the Senate collaborated with the administration to proactively address many of these issues. CFW provided feedback on the CP/EVC and Chancellor's proposed plan to address the expected FY21 \$20M permanent reduction in state funding,<sup>16</sup> raised the need to notify UCSC employees of existing childcare and eldercare resources, provided feedback on the proposed interim COVID-Related Caregiver Modified Duties Program<sup>17</sup> and the VPAA's proposed Remote Work Policy for Senate Faculty,<sup>18</sup> discussed current and long term Transportation and Parking needs with TAPS Director Henderson,<sup>19</sup> petitioned for the need to increase employee housing, and sent a request for information on exceptions that may have been made to employee housing policies during the pandemic.<sup>20</sup> Guidance was provided by the CP/EVC and the Committee on Academic Personnel (CAP) for personnel review in 2020-21,<sup>21</sup> and CFW was pleased to see that guidance has already been provided for the consideration of continued COVID impacts on teaching, research, and service in 2021-22 onward.<sup>22</sup>

Many campus policies and procedures to address COVID-19 impacts were formed in the midst of continually vacillating circumstances, and once formed, were commonly subject to more frequent revision than usual. Next year's CFW will want to follow up on 2020-21 requests, and assess how interim policies have and are addressing COVID/remote instruction impacts on faculty welfare.

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<sup>16</sup> Orlandi to Brundage, 11/19/20, Re: Budget Cut Targets

<sup>17</sup> Orlandi to Brundage, 11/19/20, Re: Proposed Interim COVID-Related Caregiver Modified Duties (CCMD) Program

<sup>18</sup> Orlandi to Brundage, 4/12/21, Re: Proposed Remote Work Policy for Senate Faculty

<sup>19</sup> See Transportation and Parking section of this report.

<sup>20</sup> See Housing section of this report.

<sup>21</sup> Kletzer and Ito to Senate Faculty, 10/08/20, Re: Guidance for Senate Faculty Personnel Reviews in 2020-21: [https://apo.ucsc.edu/news-events/campus\\_memos/10-08-20-evc-cap-2020-guidance.html](https://apo.ucsc.edu/news-events/campus_memos/10-08-20-evc-cap-2020-guidance.html)

<sup>22</sup> Kletzer and Ito to Senate Faculty 5/11/21, Re: Addressing Impacts of COVID-19 in the Faculty Personnel Review Process: <https://apo.ucsc.edu/policy/communications/docs/covid-impacted-personnel-reviews-may-2021%20Guidance.pdf>



**Acknowledgments**

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Respectfully submitted;

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