

**UNIVERSITY COMMITTEE ON FACULTY WELFARE (UCFW)  
2016-17 ANNUAL REPORT**

**TO THE ASSEMBLY OF THE ACADEMIC SENATE:**

Under [Senate Bylaw 175](#), the University Committee on Faculty Welfare (UCFW) considers and reports on matters concerning the economic welfare of the faculty, including salaries, benefits, insurance, retirement, housing, and conditions of employment. UCFW held eight in-person meetings and two teleconferences during the 2016-17 academic year, and the major actions and discussions of ongoing issues are highlighted in this report.

UCFW has two key task forces with memberships independent of UCFW and with particular expertise in: (1) the University of California Retirement System (UCRS) including its policies and its investments (the Task Force on Investment and Retirement, TFIR); and (2) the University's health plans for employees and retirees (the Health Care Task Force, HCTF). These task forces monitor developments and carry out detailed analyses of questions and issues in their respective areas and report back to UCFW for further action. UCFW is indebted to the extraordinary commitment and skills of our task force leadership, Robert Anderson (Fall) and David Brownstone (Winter and Spring) (TFIR) and Robert May (HCTF). These two task forces spend a great deal of time in consultation with systemwide Human Resources (HR). Many of these consultants, along with others from Academic Personnel and the Office of the Budget also regularly attend UCFW meetings and lend their expertise to our discussions. We are indebted to these consultants, and they are individually acknowledged at the end of this Report.

**CASH COMPENSATION ISSUES:**

The ladder-rank faculty again received a 3% increase in cash compensation, and President Napolitano again decreed that it would not be administered across-the-board. Rather, she directed that 1.5% could be allocated equally to all, but that the second 1.5% was to be targeted to addressing one of four areas: equity, inversion, compression, and exceptional merit. The campuses were given discretion on determining the needs in the second group. UCFW echoed previous committees in nothing that even if the full 3% had been made available to all ladder-rank faculty, the compensation gap would still continue to grow. The success of the targeted redress efforts in reducing identified shortfalls is unclear, especially as this year, outcome reporting was not required. Next year's UCFW will meet with President Napolitano to discuss strategies for addressing the cash compensation gap.

The Negotiated Salary Trial Program (NSTP), in which some general campus faculty are eligible to solicit external salary support similar to that in the Health Sciences Compensation Plan (HSCP), has been renewed for four more years and additional campuses may enroll in the continuing pilot. Data show that no differences in teaching load have resulted from the pilot. Some on UCFW are concerned that this program will exacerbate inequalities in the salary scales and differential compensation by discipline.

UCFW began investigating the use of tenure-track positions in the Health Sciences Compensation Plan after learning that some locations may be unnecessarily

assigning some employees into part-time positions. The operationalization of requirements for full-time commitment to the University vis-à-vis 95% time with a full research load need clarified, and legacy practices may need revisited. UCFW is working with Academic Personnel and Programs to collect and analyze data.

#### **POST-EMPLOYMENT BENEFITS:**

As part of the budget negotiations conducted in 2015, President Napolitano and the Regents agreed to launch a new pension “option” by July 1, 2016. The new option limited benefits to the PEPRA cap, and some employee groups may also have access to a supplemental defined contribution (DC) plan. The new pension tier offers to qualifying employees the option to supplement the defined benefit (DB) plan with a DC plan, and faculty can begin deposits to the supplemental plan starting with the “first day and first dollar”, where other employees can only begin deposits once their compensation level passes the PEPRA threshold. Employees can also change their election at the 5-year (or tenure review) mark, should they choose to do so. UCFW worked closely with Human Resources and External Relations/Communications to revise educational materials regarding the new tier and its impacts – specifically the importance of quick decision-making upon hire. New hires who do not make an affirmative election, but wait to be defaulted into a plan, lose up to three months of (employer) contributions, and the associated compounded interest over a thirty-year career.

#### **HEALTH AND WELFARE BENEFITS:**

UCFW continued to monitor the operations of UC Care. UC decided to change the UC Care TPA for 2017, and expectations of improved service and billing were unmet. In particular, migration of incumbent prescriptions to the new vendor was chaotic, and many enrollees complained. As a result, a new prescription vendor has been selected for 2018, and HCTF will again monitor performance.

UC Care also changed its calculation of out-of-pocket maximums, from two separate \$1500 totals (medical and Rx) to a combined \$3000 total. HCTF feared this will negatively impact those with high Rx expenses, and worked with UC Care to analyze the data upon which the consolidation decision was made and to better predict care impacts in the future. Enhanced communications will also be sought.

Last year, HCTF successfully lobbied UC Care Executive Vice President Stobo to investigate more options for improving mental and behavioral health delivery and outcomes. A work group with stakeholders from industry and providers, including HCTF representation, was convened, but has made slow progress.

UCFW learned last year that the benefit afforded to unmarried domestic partners, especially in instances of survivorship, were unclear and subject to abuse. HCTF worked closely with HR to identify the problems and the number of individuals impacted; how to fix the problem remains under discussion. HCTF drafted a white paper outlining its position and requesting redress of the issue. UCFW and the Academic Council endorsed the petition and forwarded it to the administration. The administration, however, has declined to act, citing concerns about extending benefits during a time of budgetary contraction. HCTF will continue to lobby for equal benefits.

Last year, the Senate gratefully accepted an advisory seat on the newly restructured Regent's Committee on Health. This year, UCOP created a new structure for health care administration decision-making: The Executive Steering Committee will make strategic decisions, and the Joint Operating Committee will handle day-to-day operations. The ESC is comprised of CFO Brostrom, COO Nava, EVP Stobo, the President's designee, and a Senate representative. The JOC is co-chaired by VP Duckett and UC Care Executive Director Tauber. Ensuring timely consultation for the fulfillment of shared government duties remains challenging in all groups.

Finally, UCFW continued to lobby HR and others to increase support for the Health Care Facilitator program. Facilitators report being overworked, understaffed, and given non-facilitator duties; despite these obstacles, the facilitators continue to receive excellent reviews.

### **INVESTMENT**

TFIR was in close contact with the administration during an effort to streamline and make more user-friendly the Fidelity investment options, which was led by the Office of the Chief Investment Officer, in conjunction with Human Resources. The project sought 1) to "white label" funds and 2) to revise their content to match their names. Thus, the "global equity fund" will now consist entirely of global equities, etc. The move to white labels reflects a belief that removing corporate labels will allow investors to decide which type of funds they like, rather than acting on name recognition or other factors.

TFIR also advised on how to restructure fees associated with the DC plan, and how to communicate the change. TFIR recommended, and the administration agreed, that a flat fee per user is the easiest to administer and to explain, even though it slightly advantages high-volume and active self-investors.

TFIR began discussions with OCIO and others regarding the UCRP discount rate, and how and when it might need to be changed.

### **FACULTY WELFARE**

UCFW continues to monitor the results of a pilot faculty exit survey program led by the Vice Provost for Academic Personnel with the Collaborative on Academic Careers in Higher Education (COACHE), a Harvard think tank. Although the data are still relatively slim, indications are that faculty who leave do not do so for large cash compensation increases. Securing funding for continued administration of the survey could prove problematic, though.

Following revision of the faculty code of conduct sections involving sexual harassment and sexual violence, UCFW met with the new systemwide Title IX officer to discuss investigation protocols, differences in standards between Title IX investigations and faculty Privilege and Tenure investigations, privacy expectations of complainants and respondents at all phases of the process, and standardizing disciplinary actions.

In response to recent high-profile security and police involved incidents at several campuses, UCFW began an investigation into campus police protocols, standards, and policies. UCFW learned that not all campuses have functioning public safety advisory boards, that no such body exists at the systemwide level, and that the process for revising police policies has room for shared governance. UCFW proposed, and the Academic

Council endorsed, forming a systemwide task force of subject-matter experts and stakeholder group representatives to edit the Gold Book, aka, the UCPD Policy Manual. UCFW will monitor the launch and operations of local public safety advisory boards.

**OTHER POLICY ISSUES AND SYSTEMWIDE REVIEWS:**

**Academic Personnel Manual Revisions:** Several sections of the APM were up for review, and some new sections were proposed. UCFW opined on or discussed each of the following:

- 015, 016 and SR 336 (Sexual Harassment and Sexual Violence)
- 015 and Proposed Presidential Policy on Non-Discrimination

**Additional Items:**

UCFW was pleased to receive updates on the following items, and will continue to monitor developments in these areas:

- Changes to Mortgage Origination Program
- UCPath Center and Operations
- Impacts of changes to Federal regulations regarding travel, deportation, and reporting activities of foreign nationals

**CORRESPONDENCE:**

Beyond submitting opinions and recommendations on the topics above, UCFW opined on the following matters of systemwide import:

- Proposed Electronic Information Security Policy
- Proposed Presidential Policy on Export Controls
- Proposed Policy on International Activities
- Proposed Changes to the Lecturer with Security of Employment Policies
- Proposed Amendments to SBL 182 (International Education)

**ACKNOWLEDGEMENTS:**

UCFW is indebted to its consultants and guests, without whom the committee's work could not be done:

Academic Affairs: Provost Aimée Dorr;

Academic Personnel and Programs: Vice Provost Susan Carlson and Director Janet Lockwood;

Finance: Executive Vice President Nathan Brostrom;

UC Health: Executive Vice President Jack Stobo;

Human Resources: COO Rachael Nava, Vice President Dwaine Duckett, Executive Director of Retirement Programs and Services Gary Schlimgen, Executive Director of Benefits Programs and Strategy Michael Baptista, Director of Benefits Programs Mark Esteban, and Executive Director for Compensation Programs and Strategy Dennis Larsen;

Office of the Chief Investment Officer: CIO Jagdeep Bachher, Associate CIO Arthur Guimaraes;

External consultants from Mercer, Deloitte, and Segal.

We are particularly grateful for the involvement, support and guidance from the Senate leadership, Chair Jim Chalfant and Vice Chair Shane White, as well as the advice and

perspective provided by Senate Executive Director Hilary Baxter. Finally, the committee is indebted to Kenneth Feer who has provided superb staff support.

Respectfully yours, UCFW 2016-17

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