

UNIVERSITY COMMITTEE ON FACULTY WELFARE ANNUAL REPORT, 2000-2001

TO THE ASSEMBLY OF THE ACADEMIC SENATE: During the 2000-2001 academic year, the University Committee on Faculty Welfare (UCFW) met eight times and the UCFW Task Force on the Future of UC Health Plans met five times. All meetings of the UCFW and its Task Force were held at the Office of the President, 1111 Franklin Street, Oakland. The UCFW Retirement/Investment Subcommittee met three times at UCLA and conducted the rest of its business by e-mail and/or conference calls.

Under Senate Bylaw 175 the UCFW is charged with conferring with and advising the President and University Administration on matters concerning the economic welfare of the faculty—such as salaries, benefits, insurance, retirement, housing, and conditions of employment. The UCFW continues to enjoy a dynamic and productive relationship with Universitywide Administration, an indication of a healthy system of shared governance. Though UCFW's mission is to protect and augment faculty interests, the benefits derived from its work frequently extend to and are enjoyed by all constituencies within the University of California.

During the 2000-2001 academic year the UCFW considered and acted upon the following major issues:

UCFW INITIATIVES: BENEFITS

Faculty Housing Programs. The UCFW Retirement/Investment Subcommittee proposed that a portion of the UCRS investment portfolio be allocated to mortgage loans. The R/I Subcommittee believes that the new mortgage plan should be predominantly shared appreciation and graduated payment mortgages. UCFW strongly supported the concept of offering such mortgages for UC faculty and senior staff, and encourages the Systemwide Housing Task Force (co-chaired by Senior Vice President Mullinix and Regent Hopkinson) to find ways to fund them. Professor Bruce Lehmann represents UCFW on the Task Force.

Domestic Partner Benefits. UCFW continued to press for the extension of benefits to all domestic partners of UC employees. Since 1993 the UCFW and the Academic Council have recommended that health and pension benefits be provided to same- and opposite-sex domestic partners. In November 1997 the Board of Regents approved the extension of University health benefits to same-sex domestic partners. In January 2000 the Academic Council unanimously endorsed UCFW's proposal *Ensuring Full Equality in Benefits for UC Employees with Domestic Partners*, which recommends extending retirement benefits to all domestic partners and health benefits to opposite-sex domestic partners. Administration continues to assure UCFW that it is committed to the concept of equality in benefits for UC domestic partners and that it will continue to move the proposal forward for presentation to The Board of Regents.

Child Care Policy and Programs. The UCFW began work on this issue in 1997, spearheaded by the efforts of Professor Judy Gruber, and by late 1999 the Academic Council had approved UCFW's proposed child care policy. In November 2000 the Board of Regents approved a proposed 2001-02 budget for UC that included an expansion of UC's child care services as a crucial component of the University's recruitment and retention strategy. The Regents identified child care as a high-priority area and, in order to expand construction of new child care facilities, approved the budget with a

one-time \$20M infusion into general funds. Although this item was not funded in the Governor's January budget, President Atkinson created a program of matching funds from UCOP for construction of new child care facilities.

Waiver of UC Educational Fee for Dependents of UC Employees. UCFW continued to work on the proposal for a full waiver of UC's educational fee for UC spouses, domestic partners, or eligible children. The fee waiver, the product of a working group chaired by Professor Renee Binder, would be available for a maximum of 12 person years per eligible employee. The Academic Council unanimously adopted UCFW's fee waiver proposal in December 1999.

Before the proposal can go forward to the Regents, the Chancellors need to agree on a funding mechanism. In May 2001 the Academic Council unanimously approved UCFW's recommendation that the funding of the fee waiver be taken "off the top" of the University's budget before OP allocates budget dollars to each campus. Given the State's budgetary uncertainties, the Chancellors deferred implementation of the program. President Atkinson assured the UCFW, however, that the proposed fee waiver program remains a high priority and that he expected it to be revisited in 2001-02.

Faculty Salary Continuance and Disability Insurance. UCFW remains concerned about UC's disability program. In June 2000 UCFW supported Professor Robert Anderson's proposal to expand the UCRP disability program by expanding UCRP coverage to include short-term as well as long-term disabilities. UCOP Administration currently is working with an outside consultant to review Professor Anderson's proposal, UC's disability programs, and how UC compares with other organizations. A detailed cost analysis then will be conducted on one or two alternatives. As a third step, an analysis will be prepared of possible options and how those options might impact the university. The 2001-02 UCFW will receive a progress report from Administration in the late fall, 2001.

Sabbatical Leaves. UCFW worked on three major revisions to UC sabbatical leave policy; all UCFW recommendations have since been adopted and now are in place.

- To allow the substitution of significant administrative services for teaching for those wishing to take sabbatical in residence (APM 740-8);
- To allow faculty on sabbatical to earn outside income on the same terms as those on active service (APM 740-19); and
- To allow faculty on sabbatical at less than full salary to "top up" their salaries to 100 percent with outside research income (APM 740-18).

Faculty Parking Issues. For the past several years UCFW has been considering the severe parking difficulties and expenses encountered by faculty on most UC campuses. The 2000-01 UCFW unanimously endorsed the *Parking Policy Principles: The Academic Senate Position*, a reorganization and reformulation of principles approved in 1991 by the Academic Council. Designed to address acute parking problems occurring on most UC campuses, these principles state that: 1) Faculty and staff should not subsidize parking for other campus operations without their consent; 2) when parking is destroyed to accommodate campus development, the cost of replacing the parking should be charged to the new development; and 3) the Academic Senate should be consulted concerning charges in parking policies and rates.

UCFW brought these reworked principles to the Academic Council for approval in June 2001, but the Council declined to approve them on the grounds that they were solely focused on the issue of parking. The Council requested that UCFW reconsider the parking issue within the broader context of faculty access to campus.

Legal Liability Insurance. UCFW began consideration of whether current policies are adequate for covering faculty who might be sued for actions taken while performing UC duties. In 2001-02 UCFW will continue the discussion about the adequacy of existing coverage and the desirability of offering additional employee-paid coverage.

Legal Care Plan. After carefully considering UC's Legal Care Plan, UCFW recommended that communications concerning the plan be improved. Information about how best to utilize the plan, which is designed to provide only basic services, as well as information about resources for finding an attorney outside of the plan needs to be clearly communicated to UC employees.

HEALTH CARE ISSUES

UCFW Task Force on the Future of UC Health Plans. The Task Force spent much of its time reviewing new models of insurance that are being developed by health insurance vendors. It also discussed how to respond to the expected shortfall between premium increases for 2002 and the budget available for them. During 2001-02 the Task Force will continue to work closely with Administration in an in-depth consideration of possible redesign of UC Care and/or the development of other non-HMO options.

Comparison Health Care Benefits. At UCFW's request, Administration developed a *Medical Benefits Survey* to ascertain key health benefits at institutions with which UC competes for faculty. In May 2001 members of UCFW and its Task Force were consulted about the form of the questionnaire. The results of the survey will be shared with the 2001-02 UCFW.

Health Care Facilitator Program. In response to recommendations from the UCFW, UC Emeriti Associations, and UC Retiree Associations, a Health Care Facilitator pilot program was developed in 1999-00 by UCOP at Berkeley and Irvine using HR&B staff development internship funds. Health Care Facilitators were hired in 2000-01 at UCSB and UCSC. During 2001-02 the program should be extended to all UC locations based on expected approval of \$1.5M permanent systemwide funding.

Medical Savings Account. UCFW continued to push for the reinstatement of medical savings accounts by UC. A medical savings account allows employees to use pre-tax dollars to pay for specified health care expenses that are not covered by the health insurance programs, e.g. co-pays, orthodontics or laser eye surgery. Administration will provide a detailed report about possible implementation to the 2001-02 UCFW.

2001-02 UC Health Care Plans. Along with the UCFW Task Force, UCFW reviewed possible options for meeting the expected shortfall in the money available for health care premiums.

RETIREMENT ISSUES

Improvements to the UC Retirement Plan. Several improvements to the UCRP were reviewed carefully by UCFW and ultimately approved by the Board of Regents in January 2001:

- **Retirement Age Factors.** The Regents approved a change in UCRS age factors endorsed by UCFW. The change increases the maximum age factor to 2.5% at age 60.
- **Ad Hoc COLA.** The Regents also approved a one-time, ad hoc cost-of-living adjustment. The action restored purchasing power to the 85% level, effective 1/1/01, for UC retirees and survivors with retirement dates of 7/1/85 or earlier.

Asset Liability Study. One of the outcomes of the work of the *UCFW Retirement/Investment Subcommittee* was HR&B's agreement to fund an asset liability study by the Regents' actuary, Towers Perrin. The asset liability study will allow The Board of Regents to evaluate the financial implications of possible changes to the retirement plan, including age factors, equalization of benefits to domestic partners, and the possibility of a 100 percent ad hoc COLA for retirees.

Health Sciences Faculty Retirement Benefit Enhancement. In July 2000 a group of health science faculty and staff, as well as representatives from HR/Benefits and Academic Advancement, met to define the issues and factors that have to be considered in evaluating proposals for improvements to retirement benefits for health science faculty. An independent consultant was retained to conduct a survey of 19 medical schools and four private institutions throughout the United States concerning their retirement benefits. A report to UCFW is anticipated in the fall of 2001.

Partial Retirement and Retirement/Recall Plans. A UCFW workgroup chaired by Professor Susan French developed a proposal for partial retirement and retirement/recall plans. The proposal, which sets forth a basic rationale for such plans, was adopted in concept by the Academic Council in July 2001. The 2001-02 UCFW will work with Administration to develop a more detailed proposal.

SALARY AND WAGE ISSUES

Faculty Salaries – UC/State Budget. Vice President of Budget, Larry Hershman, kept UCFW closely informed of UC/State budget negotiations. The energy crisis and decreased state revenue combined to create a grim situation in which the Higher Education Partnership Agreement was slashed by \$90M, adversely affecting UC's ability to provide faculty and staff salary increases at the levels initially planned.

Faculty Salary Scale Committee. At the request of the 1999-00 UCFW, the Academic Council established this committee. The Faculty Salary Scale Committee is focusing on two primary issues: (1) the timing and number of steps in the full professor series, and (2) the placement and definition of the so-called barrier step, currently at Professor VI. Professor Robert May, 1999-00 UCFW Chair, attends the Faculty Salary Scale Committee meetings, along with representatives from UCAP, UCPB, the Academic Council, senior administrators from several UC campuses, and Assistant Vice President Ellen Switkes. Early in 2001-02 a final recommendation should go forward for systemwide review by all appropriate bodies, including UCFW.

COLAs: Three-Month Delay from Start of Fiscal Year. UCFW expressed interest in the Faculty Association's proposal to return the start date of COLA increases to July 1. The effective date for COLAs had been shifted from July 1 to October 1 in 1994-95 when the University, using some of the funds from COLA appropriations, repaid faculty merits that were approved but not funded in 1991-92. The Faculty Association requested UCFW to take a leadership role in abolishing the

COLA delay, an outcome that would immediately benefit every UC employee. The 2001-02 UCFW will continue to discuss this proposal.

REVIEW OF OTHER UNIVERSITYWIDE POLICIES AND ISSUES

Proposed Revised APM-025 – Conflict of Commitment and Outside Activities of Faculty Members. In the fall of 2000, UCFW engaged in considerable deliberations regarding proposed changes to APM-025. UCFW worked closely with Administration in order to revise the proposed language. Although UCFW members continued to have some reservations concerning the proposal, the committee concluded that if the proposed amended language was adopted, the new policy was on balance an improvement over current policy. The changes were adopted and are now in effect.

Proposal to Revise APM-015 -- the Faculty Code of Conduct; Proposed New APM-016, University Policy on Faculty Conduct and the Administration of Discipline. UCFW was concerned that the proposed revisions would provide insufficient protection for faculty against arbitrary and subjective definitions of conduct warranting severe sanction and recommended several changes to the proposed language. UCFW worked with Administration on changes in language that would address those concerns.

Two Proposed Draft Policies regarding University Policy Implementing The Amended California Whistleblower Protection Act In its consideration of the proposed changes, UCFW was concerned that changes not be overly broad and not take into account the rights of the accused. UCFW expects to review a new draft of the proposal in 2001-02.

Proposed Business School Salary Scales. UCFW considered the proposed Business School Salary Scales and concluded that the current proposal ought to be reworked in order to address issues of funding and of preferential treatment.

Revised Academic Personnel Policy 283, Lecturer with Security of Employment Series. UCFW was concerned that the proposed revisions might be a way to begin increasing the number of lecturers, relative to the number of ladder-rank faculty, as an inexpensive means of coping with the enrollment increases UC is expecting in coming years. UCFW recommended against approval of the proposed revisions.

UCFW Bylaw revision. UCFW examined its establishing bylaw and proposed that the chair of UCAP be removed as a member of the committee.

Respectfully submitted:

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Renee Binder, Vice Chair (SF)
Katharine Hammond (B)
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