

**UNIVERSITY COMMITTEE ON FACULTY WELFARE (UCFW)
2017-18 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 videoconferences during the 2017-18 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, David Brownstone (TFIR) and Lori Lubin (HCTF). These two task forces spend a great deal of time in consultation with systemwide Human Resources (HR). Many of these consultants, along with Academic Personnel and Programs and others from the Office of the President, 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

UCFW spent significant time and effort this year devising and proposing a salary plan for Senate faculty that would raise the salary scales back to a competitive level with the Comparison 8. UCFW met frequently with Vice Provost Carlson from Academic Personnel and Programs to discuss options and data projections. UCFW met with Provost Brown and President Napolitano to hold dedicated discussions on raising the faculty salary scales. In the end, the UCFW proposal was accepted by the Academic Council, and we are hopeful that it will be funded fully over the next two years.

SHARED GOVERNANCE

In response to concerns that the retiree health obligation would become too expensive for the University to maintain in the long run, a working group was formed to make recommendations on the future sustainability of the benefit. The Senate was afforded several participants who provided considerable subject-matter expertise and helped to keep the focus of the working group on immediate expenses. Because medical inflation was lower than expected, though, the group recommended no changes for 2019. The group will continue its work next year to assess long-term considerations.

Several presidential task forces have been formed to assess various options for restructuring different areas of the Office of the President, including UC Press, the division of Agriculture and Natural Resources, the UC Education Abroad Program, and others. Of particular note to UCFW is the group discussing possible changes to the reporting lines of

UC Health. Long-standing conflict of interest concerns about UC Health administering UC Care and the UC medical centers simultaneously could be exacerbated by limiting UCOP oversight of UC Health. The Senate participants on the working groups are stressing that academic benefits must be shown to justify any governance changes.

HEALTH AND WELFARE BENEFITS:

UCFW and HCTF continued to monitor the operations of UC Care. Issues surrounding billing transparency were the most common concerns.

HCTF members participated in the RFP process for a new third-party administrator for the University's Blue and Gold HMO insurance product. The process was protracted this time, and an external mediator was eventually brought in to bring the parties together. Another RFP for pharmacy was deferred until next year.

UCFW continued its efforts to equalize benefits for opposite-sex domestic partners. Previously, a HCTF-drafted a white paper requesting redress of the issue was endorsed and forwarded by the Academic Council to the administration. This year, President Napolitano directed Human Resources to adopt the Senate's proposal and equalize the benefits. HCTF continues to lobby for a streamlined enrollment process.

HCTF began an investigation into religious/conscience objections to the provision of health care, whether by systems, institutions, or individuals. The method and timing of registering such objections, and their communication to health care consumers, are issues to be assessed. Impacts to medical education are another area of concern since students could be placed in hospitals that do not perform certain services. The rights of students to refuse some education is also impacted. Expectations regarding affiliate compliance with UC's commitment to diversity and Principles of Community should be clarified publicly.

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 brokerage window investment options, which was led by the Office of the Chief Investment Officer, in conjunction with Human Resources. The continuing 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 supported an OCIO initiative to add exchange-traded funds to the brokerage window.

TFIR also engaged with OCIO to better understand the vetting their office conducts prior to investing in new stocks. OCIO regularly eschews investing in, for example, gun manufacturers and corporate prisons, in addition to Regentally mandated exclusions of companies that conduct business with Sudan and tobacco companies. TFIR encouraged OCIO to make these processes more apparent.

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

FACULTY WELFARE

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.

Last year, 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. A UCFW-led task force evaluated the systemwide police policy manual, commonly referred to as “The Gold Book”, and issued their report this spring. The Academic Council has endorsed the findings and recommendations of the report, which has been made available to a presidential task force investigating limited portions of The Gold Book.

UCFW has raised concerns about cybersecurity and identity theft through university mechanisms, such as payroll or pension systems. Inconsistent campus practices reveal a need for systemwide minimum standards. The staggered launch of campuses in UC Path leaves some employees vulnerable to legacy system weaknesses. The rapid pace of change in the cybersecurity arena leaves many employees especially vulnerable to technological victimization, and UCFW urges the University to adopt industry standard security practices, if not a higher bar.

UCFW met with the Chief Financial Office and the Office of Loan Programs to discuss housing issues at many campuses. A lack of affordable housing proximate to UC campuses is pricing many employees out of working for the university. Planned projects at some campuses will open slowly and not fully address the needs. Affordable student housing is a similar issue. Affordable child care continues to be a concern systemwide.

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:

- 128, Conflict of Interest
- 675, Proposed New Section for Salary Administration in Schools of Veterinary Medicine

CORRESPONDENCE:

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

- Proposed Open Access Principles proposed by the University Committee on Library and Scholarly Communications

ACKNOWLEDGEMENTS:

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

Academic Affairs: Provost Michael Brown;
Academic Personnel and Programs: Vice Provost Susan Carlson, Executive Director Pamela Peterson, and Academic Policy and Compensation Data Analyst Gregory Sykes;

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 Schlingen, Executive Director of Benefits Programs and Strategy Michael Baptista, Director of Benefits Programs Susan Pon-Gee, and Executive Director for Compensation Programs and Strategy Dennis Larsen;

Office of the Chief Investment Officer: CIO Jagdeep Bachher, Associate CIO Arthur Guimaraes, and Director of Defined Contributions Products Marco Merz;

External consultants from Mercer, Deloitte, and Segal.

We are particularly grateful for the involvement, support and guidance from the Senate leadership, Chair Shane White and Vice Chair Robert May, 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 able staff support.

Respectfully yours, UCFW 2017-18

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