

UNIVERSITY COMMITTEE ON FACULTY WELFARE (UCFW) 2018-19 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 2018-19 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.

FACULTY WELFARE

Following revision of the faculty code of conduct sections involving sexual harassment and sexual violence, UCFW met with the 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.

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.

The necessity of such actions was illustrated by pension payment thefts. In response, the Senate called for not only enhanced cybersecurity and fail-safe protocols for retirees, but also called for creation of a reimbursement fund to make whole those who may be victimized through a failing of institutional protections. Eventually, UC created a self-funded program under its Fiat Lux risk pool for this purpose as no market option exists.

UCFW met with the Chief Financial Officer 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.

UCFW also discussed issues of on-going concern, such as campus climate and faculty morale, faculty and staff diversity, disparate Stop-the-Clock impacts, and hiring procedures and background searches.

CASH COMPENSATION ISSUES

Last year, 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 President Napolitano agreed to its principles. However, after meeting the goals of the first year (last year), this year, the plan was scaled back following underinvestment by the state and other budgetary concerns. It is now expected that the plan to close the salary gap will be extended by at least one more year, if not two.

Further, administration of the salary plan has been hampered by on-going concerns with the UC Path facility. Several campuses reported significant payroll errors, especially for graduate students. Some campuses have even opened back-up facilities to triage complaints. Despite assurances from Office of the President project leads that the error rate and resolution time-frame is with industry norms, UCFW called for more user-friendly responses and even more rapid resolutions. As the rest of the system joins UC Path, UCFW will continue to monitor implementation and advocate for secure, accurate, and rapid pay issuance.

HEALTH AND WELFARE BENEFITS:

UCFW and HCTF continued to monitor the operations of UC Care. Issues surrounding billing transparency and continuity of care following changes in external vendors were the most common concerns.

Last year, 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.

This year, the retiree health work group was morphed into the Health Benefits Advisory Committee and charged to assess the University's entire insurance portfolio and how well it meets employees' needs. Part of their work will include surveying the employee base, and the Senate has scrutinized both the recruitment of external parties as well as the efficacy of the proposed survey. Because HBAC will be supported by external vendors not just for survey administration but also for financial projections and various design modeling exercises, the Senate has called for and been granted participation in the vendor selection process. The Senate also successfully lobbied the administration to allow faculty academic and methodological oversight of internal and external surveys targeting

the entire UC population. HCTF will closely monitor HBAC's work and findings in the coming year.

HCTF empaneled a task force to investigate 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, were among the issues assessed, as were impacts to medical education since students could be placed in hospitals that do not perform certain services. The rights of students to refuse some education was also impacted. Expectations regarding affiliate compliance with UC's commitment to diversity and Principles of Community, among other UC values, should be clarified publicly. The final task force report was received by the Academic Council and shared with the University community.

This work coincided with an effort from the San Francisco campus to affiliate itself on a co-ownership basis with a group of Catholic hospitals. Critics cited issues regarding Shared Governance, as well as the justifications being offered by proponents. Public outcry and the need for a more deliberate process caused the effort to be tabled.

HCTF for the first time this year started scrutinizing the Student Health Insurance Plan (SHIP) and its efficacy, focusing on student access to mental health services and access to abortion services. Preliminary meetings with SHIP representatives showed an expectation gap regarding oversight and reporting. Changes in SHIP administration within the Office of the President complicate fostering a good working relationship.

INVESTMENT

TFIR continued its close work with the administration to make more user-friendly the Fidelity brokerage window investment options, an effort led by the Office of the Chief Investment Officer, in conjunction with Human Resources. TFIR also supported an OCIO initiative to investigate adding Roth 403(b)s, which carry certain tax advantages for those with projected income growth, and Qualified Longevity Annuity Contracts (QLACs) to the investment window.

TFIR 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, especially as the Senate considered and advanced a Memorial to the Regents calling for divestment of the endowment from leading carbon-extraction corporations.

TFIR continued discussions with OCIO and others regarding the UCRP discount rate, and how and when it might need to be changed, especially in light of the experience study conducted this year. The experience study, a periodic actuarial review of inflation, rate of return, purchasing power, and longevity assumptions, indeed did call for changes. The largest change reflects a change to generational longevity cohorts, which gives more accurate predictions. Combined with slowing markets and uncertainty in the federal inflation rate, a reduction to the assumed rate of return was also recommended. To off-set the resulting growth the actuarial determined contributions, it was proposed that the employer increase its contributions to the pension plan. Several Regents, however, balked at the notion of placing the entire increase on the employer, and asked for models of greater employee contributions, too. The Senate will argue from the perspectives of Total

Remuneration and macro-economics that increasing employer contributions is a more sound strategy.

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:

- 011, Academic Freedom, Protection of Professional Standards, and Responsibilities of Non-Faculty Academic Employees
- 285, Teaching Professors/LSOEs

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
- Canary Mission and the blackballing of liberal faculty
- Medicare Plan Changes
- Senate Bylaw 336
- Revised Sexual Violence and Sexual Harassment Policies

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; Executive Director of UC Self-Funded Health Plans Laura Tauber;

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, and Director of Benefits Programs Susan Pon-Gee;

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 Robert May and Vice Chair Kum-Kum Bhavnani, 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 2018-19

Sean Malloy, Chair

Jean-Daniel Saphores, Vice Chair

David Hollinger and David Steigmann, UCB
Greg Downs, UCD
Stephen Tucker, UCI
Julie Bower, UCLA
Dan Jeske, UCR
Shelley Halpain, UCSD
Jill Hollenbach, UCSF
Ahmad Atif Ahmad, UCSB
Grant McGuire and Su-Hua Wang, UCSC
David Brownstone, TFIR Chair
Lori Lubin, HCTF Chair
Caroline Kane, CUCEA Chair (ex officio)
Henning Bohn, UCRS Advisory Board Faculty Representative (ex officio)