

UNIVERSITY COMMITTEE ON FACULTY WELFARE (UCFW) 2019-20 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 met ten times during the 2019-20 academic year, and the major actions and discussions of ongoing issues are highlighted in this report.

UCFW has two semi-permanent task forces with separate memberships 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 Mark Peterson (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.

COVID-19 AND STRAINS ON UC FINANCES

In order to help UC navigate the financial crisis created by the Covid-19 pandemic, UCFW leveraged the extensive expertise and institutional knowledge of its past members and Chairs, a number of whom also went on to serve as Academic Council Chairs, to create working groups on how to engage the administration to preserve the welfare of faculty and staff and allow UC to emerge stronger from the current crisis. Past UCFW and Council Chairs Jim Chalfant and Dan Hare, and the 2020-21 Council Chair, Mary Gauvain, took a leading role in this work, with assistance from former UCFW and Council Chairs Robert May and Shane White. These working groups reflected on lessons learned from past crises, proposed principles on how to engage the administration, and created a glossary of terms (e.g., furlough) to clarify potential discussions with divisional administrators. One of the working groups also proposed principles on how to deal fairly with the financial crisis affecting UC faculty employed in UC medical centers. It is hoped that all this work will be helpful to the incoming Senate leadership.

FACULTY WELFARE

Housing: 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, and it is straining the finances of many faculty, especially in expensive housing markets. Planned projects at some campuses will open slowly and not fully address the needs.

Affordable student housing is a similar issue. UCFW proposed offering lower income faculty a housing allowance when they are recruited that would cover the down payment for a financially sustainable loan that would allow them to buy a house. Although open to all, UCFW members felt that such a measure would be especially supportive of Black and Latinx faculty, who have historically suffered from discrimination in the housing market.

Climate Change: UCFW made a concerted effort to frame discussions and responses through the lens of global climate change. Student mental health is being negatively impacted by existential dread. Faculty and staff increasingly recognize that incremental steps are inadequate. Travel and investment policies that continue “business as usual” were met with increasing skepticism. Several changes to investment and banking practices were approved and advanced to the Academic Council. In particular, UCFW urged Senate members to replace in-person with Zoom meetings whenever possible in order to reduce our emissions of greenhouse gases.

Policing: UCFW met twice with the co-chairs of the President’s Task Force on University Policing, as well as with faculty experts. The well-publicized murders by the police of Black unarmed civilians in the spring and summer of 2020 led to in-depth evaluation of UC policies and practices. The impacts of recent policy changes is unknown, and assessing their efficacy will be more difficult due to COVID impacts. How far and how fast reform should progress are still the subjects of much discussion. UCFW unsuccessfully urged the Council to open an extensive dialog to bring to light systemic discrimination in the UC system and discuss ways to overcome it. UCFW also urged the Academic Council to engage the administration during the negotiation of the police contracts, highlighted the role of police unions in the state as an impediment to change, and advocated for a re-thinking of policing on UC campuses.

Diversity and Equity: A task force reporting to the Academic Council focused on retention, and UCFW focused on the use of diversity, equity, and inclusion (DEI) statements during recruitment and selection. Inconsistent inter- and intra-campus practices, including pilot programs and differential use by department, have led to confusion on many fronts. Some divisions have reported smooth implementation and positive outcomes, while others have reported frustration and questioned outcomes. UCFW highlighted that some of the recommendations previously adopted by the Academic Council had not been appropriately conveyed to the administration. UCFW urged the Academic Council to start a more comprehensive dialog about the use of DEI statements. UCFW will continue to review guidance in this area and encourage consistent practices.

Retirement Transition: Software changes and staffing shortages have led to chronic unresolved concerns with the Retirement Administration Service Center (RASC), and the COVID crisis has only exacerbated these concerns since it highlighted RASC limitations. Redress of these concerns has been hampered by personnel issues in the Office of the President. Additionally, although some campuses have created retirement transition advisor positions, others rely upon UCOP counselors. Some have called for UC to open retirement processes a month earlier in hopes of smoothing the workload. UCFW has repeatedly highlighted these issues to the administration and is hoping for an improvement.

Child Care: UCFW has collected information about the hardships to faculty, staff, and students with families resulting from the high cost and the lack of child care options. UCFW members collected information about child care costs and waiting times on UC campuses, looked at available alternatives at CSU and other California Universities, to

come up with practical solutions. UCFW wrote a letter to the Academic Council with suggestions to consider public-private partnerships and to mobilize donors to address the chronically unfilled child care needs on UC campuses.

Administrative Burden: UCFW met with representatives from the Office of Ethics, Compliance, and Audit Services to highlight the importance of implementing best practices for reducing unnecessary administrative procedures on campuses. UCFW also started working with UCORP on this issue, but this effort was cut short by the Covid-19 pandemic. It is hoped that this effort will be picked up by future UCFW members.

CASH COMPENSATION

The current multi-year salary plan designed to close the gap with the Comparison 8, met the goals of the first year (2018), but in 2019, the plan was scaled back following underinvestment by the state and other budgetary concerns. In light of COVID impacts, it is now expected that the plan to close the salary gap will be extended by several years. UCFW worked with Academic Personnel and Programs to develop a model for a market-based salary schema.

Members of the Health Sciences Compensation Plan (HSCP), especially those in “soft money” positions, continue to be under additional stress to secure external funding for both salary and research. A planned task force to assess HSCP did not launch due to COVID, but UCFW will continue to press for reevaluation of the policy and its impacts.

UCFW engaged with Vice Provost Susan Carlson’s group, who at UCFW’s request, created a multi-year plan to bring UC faculty salaries to market levels. Although the specifics of this plan will need to be revisited once UC’s financial situation allows salary adjustments, UCFW believes that the principles used to craft this plan have lasting value. In addition, UCFW discussions highlighted the value to UC’s excellence of transparent and equitable salary scales.

HEALTH AND WELFARE BENEFITS

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

The Health Benefits Advisory Committee is 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. The Senate 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.

A Working Group on Comprehensive Access was formed following public consternation regarding proposed partnerships between UC medical centers and religiously-affiliated hospitals and provider groups. The Academic Senate opposed such partnerships. The Working Group was unable to reach consensus, and no official report was issued. The Senate will continue to monitor actions in this area.

RETIREMENT ISSUES

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. UCFW encouraged OCIO to make these processes more apparent and to go still further in its “de-risking” divestment of University holdings from leading carbon-extraction corporations. UCFW and TFIR also sent a request to the Academic Council, urging UC to conduct banking only with environmentally responsible banks.

To offset the actuarial growth in the unfunded liability following changes to the plan assumptions adopted by the Regents, it was proposed that both the employer and the employees increase contributions to the pension plan. While a gradual increase in employer contributions was adopted, changes to the employee contribution rate were tabled pending further investigation. The COVID crisis prevented reconsideration of the matter.

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:

- 120 (Emeritus/Emerita Status)
- 240 (Deans) and 246 (Faculty Administrators)

CORRESPONDENCE:

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

- Gender Recognition and Lived Name
- Seismic Safety. UCFW urged the Council to ask the administration to organize regular earthquake drills to prepare students, staff and faculty to safely deal with earthquake emergencies on campuses.

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;

UC Health: Executive Vice President Carrie Byington; Executive Director of UC Self-Funded Health Plans Laura Tauber;

Human Resources: COO Rachael Nava, Executive Director of Retirement Programs and Services Gary Schlinggen, Executive Director of Benefits Programs and Strategy Michael Baptista, and Senior Director of Health and Welfare Benefits 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 Kum-Kum Bhavnani and Vice Chair Mary Gauvain, 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 2019-20

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